Borough Council of
King's Lynn &
West Norfolk

STATEMENT OF ACCOUNTS

2023-2024

Contents

Statement of Responsibilities

The Borough Council's Responsibilities

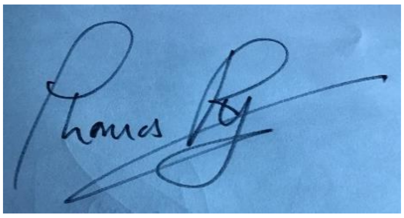
The Council is required to: -

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Assistant Director of Financial Services (S151 Officer), Michelle Drewery.
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.
- Approve the Statement of Accounts.

Certification

I confirm that this Statement of Accounts was approved by Audit Committee at the meeting held on 20 January 2025.

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

20 January 2025.

Michelle Drewery
Assistant Director – Resources (S151 Officer)
20 January 2025

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 2024.

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 2024, and its income and expenditure for the year then ended.

Michelle Drewery
Assistant Director - Resources (S151 Officer)
20 January 2025

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 2023/2024.

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 2024. Of the summaries some are recognised as Core Financial Statements, detailed below:

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

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

2 Introduction to West Norfolk

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

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

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

Narrative Statement

2023/2024

West Norfolk has a population of
154,300*

Last year we approved
1,299
planning applications

92%
of people surveyed by the council said that they received a good or excellent service from us

21%
of contacts with Council CIC are made using online services

4.6 million
bins are emptied every year

66 New homes built for sale by the council in west Norfolk

24 Housing completions within the Borough for 2023/2024

Approximately
10.1 million
visitors come to west Norfolk each year

£45.7 million
Business rates income due for 2023/24

6,682
Total business rates properties at 31/3/2024

99.1%
Collection rate

9.64 million
People make leisure day-trips to west Norfolk

£113.2 million
Total Council Tax income collectable (NCC, Police, BCKLWN and Parishes) for 2023/24

£7.6m approx
BCKLWN council tax collectable

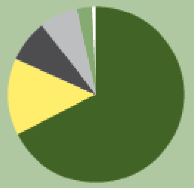
75,620
Total domestic properties at 31/3/2024

97.2%
Collection rate

These visitors are estimated to spend
£560.56 million
per annum within the local economy.

Breakdown of an average Band D Council bill of £2,215.68 for 2023/24

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



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

£25.5 million
Amount paid out in Housing Benefits

Housing Benefit Caseload
4,445

1,663
Number of people presenting for housing advice

£10.2 million
Amount paid out in Council Tax Support

Council Tax Support Caseload
9,149

of which **899** were homelessness applications

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

Borough Council of King's Lynn & West Norfolk

Local Economy

As at 31 March 2024 the borough is home to 6,682 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).

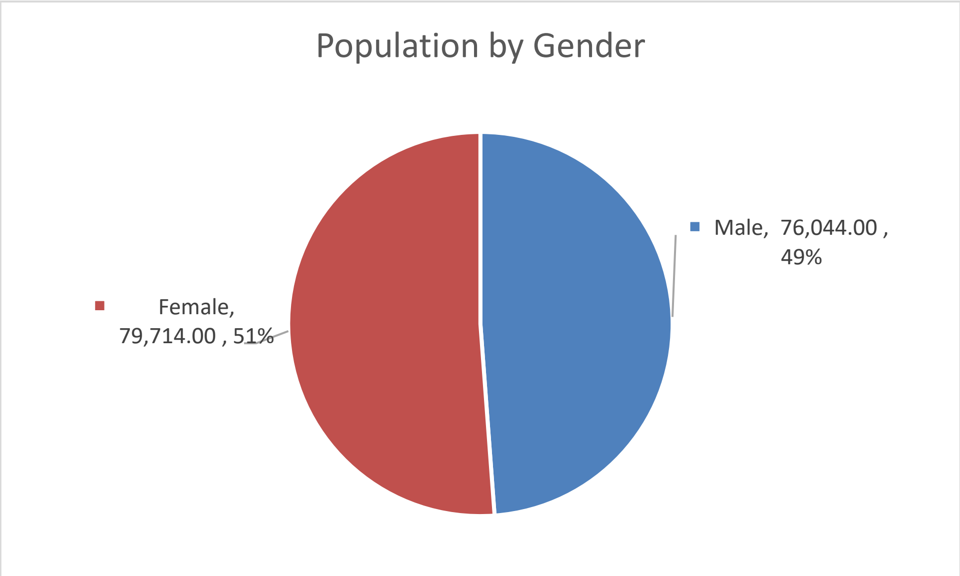
King's Lynn is home to a significant cluster of world-leading manufacturing businesses. They include a number with their global headquarters, research and development and manufacturing facilities based here. Many are exporters. These businesses include manufacturers of medical devices and drug delivery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

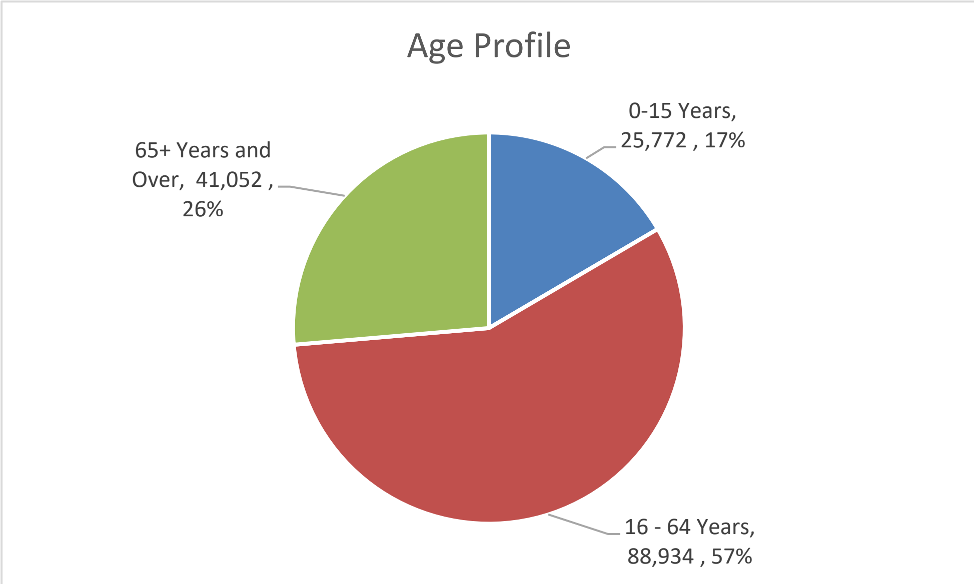
It is estimated that the total number of visitors to west Norfolk comprises approximately 9.64 Million people making leisure day trips and 10.1 million visitors come to west Norfolk each year. These visitors are estimated to spend nearly £561 million per annum within the local economy. (figures taken from The Economic Impact of Tourism – 2022 results, produced by Destination Research).

The impact of high inflation during 2023/2024 means that picture is likely to be 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 during the emergence of the cost of living pressures and the affordability for this work to continue will be kept under review during the period of high inflation.

Population

The population of West Norfolk was estimated at 155,758 (Office of National Statistics (ONS) mid year 2023 estimates). With a median age of 48.2 and a population density of 108 people per square kilometre.





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

The Borough Council elections were held on 4 May 2023 and 55 councillors were elected to represent the people of West Norfolk.

As of 31 March 2024, the political make-up of the Council was as follows:

- Conservative Group – 21 Councillors
- Independent Partnership Group – 21 Councillors
- Labour – 9 Councillors
- Independent – 2 Councillors
- Progressive Group – 2 Councillors

Councillor Terry Parish was elected as Leader of the Council on 18th May 2023

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

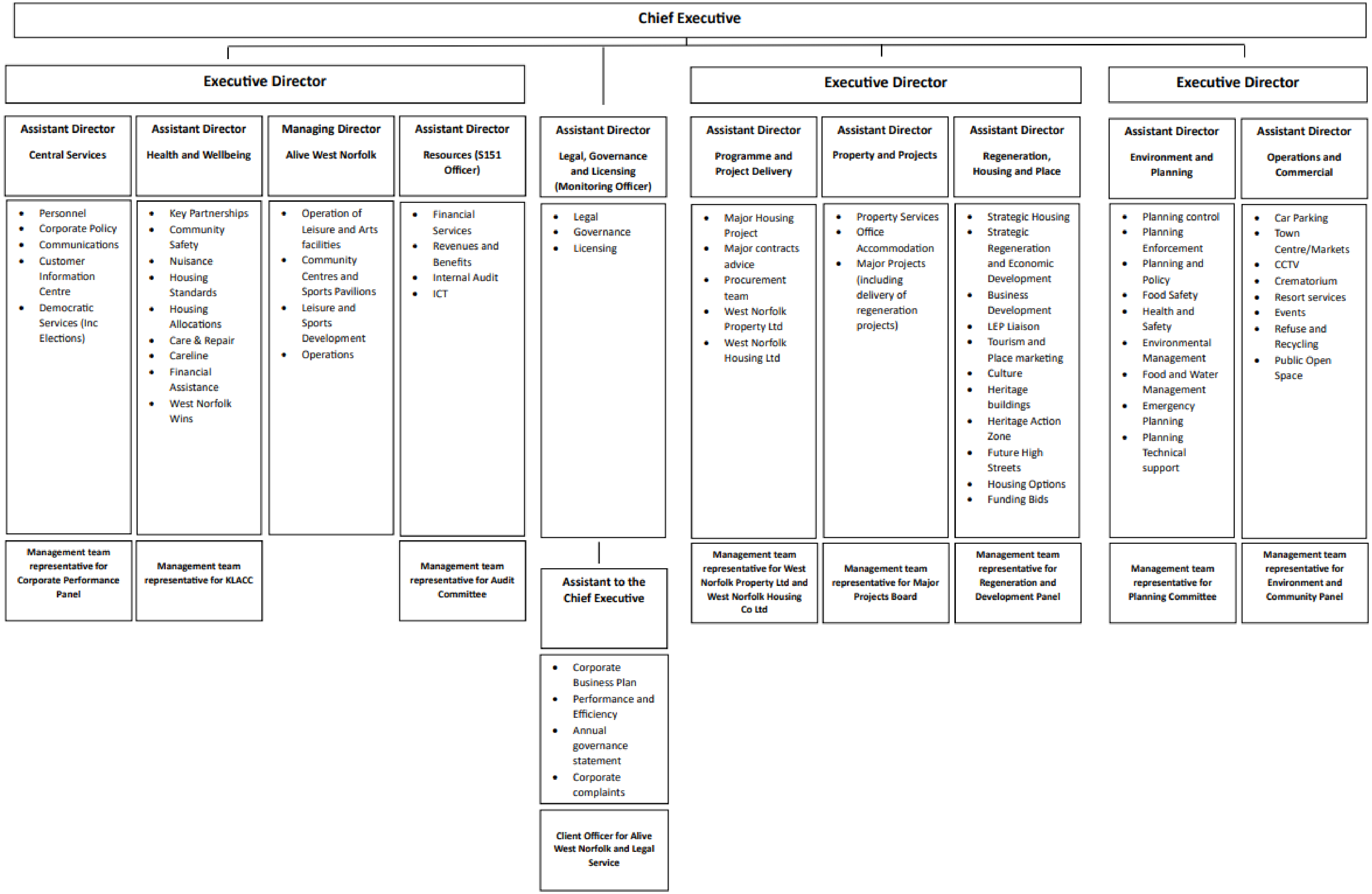
The Cabinet makes recommendations to the Council on the policy and budget framework. It also carries out all the executive functions of the Council which are not reserved to the full Council, exercised by another committee or delegated to an officer.

Further details on how the Council is run and how decisions are taken can be found on the Council's website on the home page under the heading "Council and Democracy."

Our People

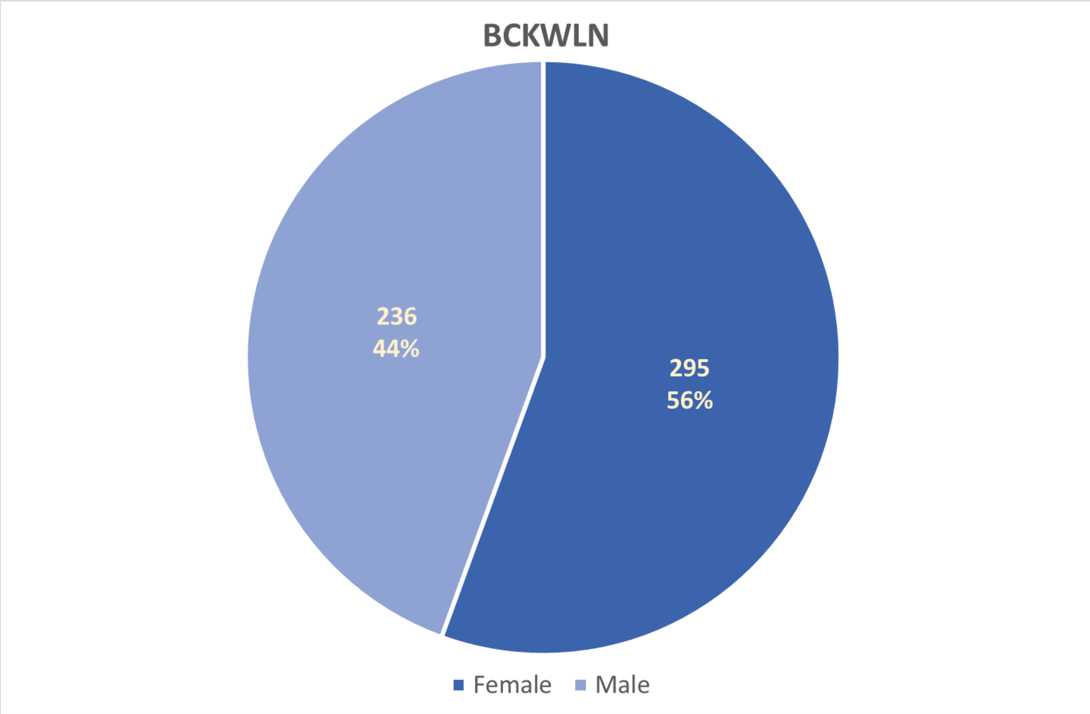
The organisational structure of the Council is headed by the Corporate Management Team which consists of the Chief Executive and three Executive Directors. There is a total of ten Assistant Directors reporting into the Corporate Management Team.

Narrative Statement



Narrative Statement

The Council's permanent establishment is currently 569 posts of which 444 are full time and 125 are part time, giving an establishment FTE of 532.83. As at 31st March 2024 the headcount (i.e. number of people in post) is 531.



In addition, the Council's wholly owned leisure company, Alive West Norfolk, had a permanent establishment of 146 posts of which 81 are full time and 65 are part time, giving an establishment FTE of 117.5. As at 31st March 2024 the headcount (i.e. number of people in post) is 125

4 The Council's Performance

The council reviews its 4 year corporate strategy on an annual basis. The current strategy was created following the May 2023 elections, approved by the council on 23/11/2023 and runs until 2027. It has 4 main themes encompassing a total of 37 priorities.

Progress towards achieving the priorities outlined in the former plan was monitored through a Corporate Business Plan Monitoring report and considered by the Cabinet. The full year performance update on the corporate business plan for 2023/24 was provided to the Cabinet on 30th July 2024.

The priorities are expressed as:

Promote growth & prosperity to benefit West Norfolk	Protect our environment	Efficient and effective delivery of our services	Support Our Communities
Work with partners to develop a shared vision for a vibrant borough.	Lead by example by reducing our own carbon emissions and considering our impact on the climate with all our projects and initiatives.	Provide value for money through efficient and effective service delivery.	Work with partners, and provide access to leisure, cultural and outreach experiences, to reduce isolation, improve health and wellbeing, and support people to live independently at home for longer.
Attract new businesses to the borough to expand the local economy.	Work with partners, locally and across Norfolk, to minimise carbon emissions from new and existing properties, housing and other developments.	Focus our capital expenditure on priority areas.	Tackle social and health inequalities, encourage healthy, active lifestyles and help prevent avoidable hospital admissions by working with the NHS and other partners.
Support new and existing businesses to grow and thrive.	Support others to minimise carbon emissions by promoting good practice, providing information and highlighting available grants from Government.	Manage our finances to remove any projected budget deficit over the 4-year financial plan.	Seek improvements to the provision of NHS dentistry in West Norfolk, working with the NHS and partners.
Work with partners and local employers to equip our local workforce with the necessary skills and knowledge to meet current and future needs.	Encourage active travel by reducing barriers to walking and cycling. In addition, improve EV (electric vehicle) infrastructure when appropriate grants permit.	Provide information to local people, businesses and visitors in a timely and accessible manner.	Work with schools and colleges to improve educational opportunities, inclusion, attainment and ambition.
Maximise opportunities to transform and regenerate our high streets and heritage assets.	Minimise domestic and corporate waste by encouraging reuse, recycling and responsible disposal.	Consult and engage with our communities, staff, parish councils and members to include measurement of how satisfied they are.	Support the local voluntary sector as a vital element of the local community.
Increase the number of good quality new homes and associated infrastructure built through direct provision by working with registered social landlords and private sector developers.	Take timely and proportionate planning and environmental enforcement action to protect West Norfolk.	Retain a highly-skilled and motivated workforce, with appropriate training and development available to support current and future corporate priorities and statutory services.	Improve access to affordable homes and work to improve the quality of rented accommodation.
Encourage private sector housing development that supports local need, delivers on local infrastructure and meets environmental and biodiversity requirements.	Increase biodiversity where we can and create wildflower and pollinator opportunities.	Actively and continually examine and review the way we deliver our services in-house, through our companies, through procurement and other channels, to ensure they offer value for money and meet the needs of our communities.	Actively monitor food safety, housing standards, air quality and other statutory issues to minimise environmental health risks.

Promote West Norfolk as a desirable leisure, cultural and tourism destination.	Work with other agencies to manage and protect our coastline, rivers and streams & to improve sea water quality.	Expand our support to help parish councils with governance and to attract new members.	Address all types of anti-social behaviour and encourage respect for each other.
Support a year-round programme of events, festivals and activities for residents and visitors.		Undertake a review of the Cabinet governance structure of the council. Consider appropriate resources to investigate a town council for the unparished area of King's Lynn and the adoption of West Norfolk as the name of the borough.	Promote and maintain attractive public open spaces across the borough for all to enjoy.
		Bring forward proposals to enable the King's Lynn Advisory and Consultative Committee (KLACC) to become a decision-making body.	

5 Annual Governance Statement

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

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

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

6 Financial Performance – Revenue

The Council set a revised budget in its March 2024 meeting of £24,934k and intended to transfer £2,441k from its General Fund balance to give a budget requirement of £22,493k.

The outturn position for the year shows a lower draw down of £1,065k resulting in a general fund balance of £8,598k.

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

The movement of the General Fund balance is detailed below:

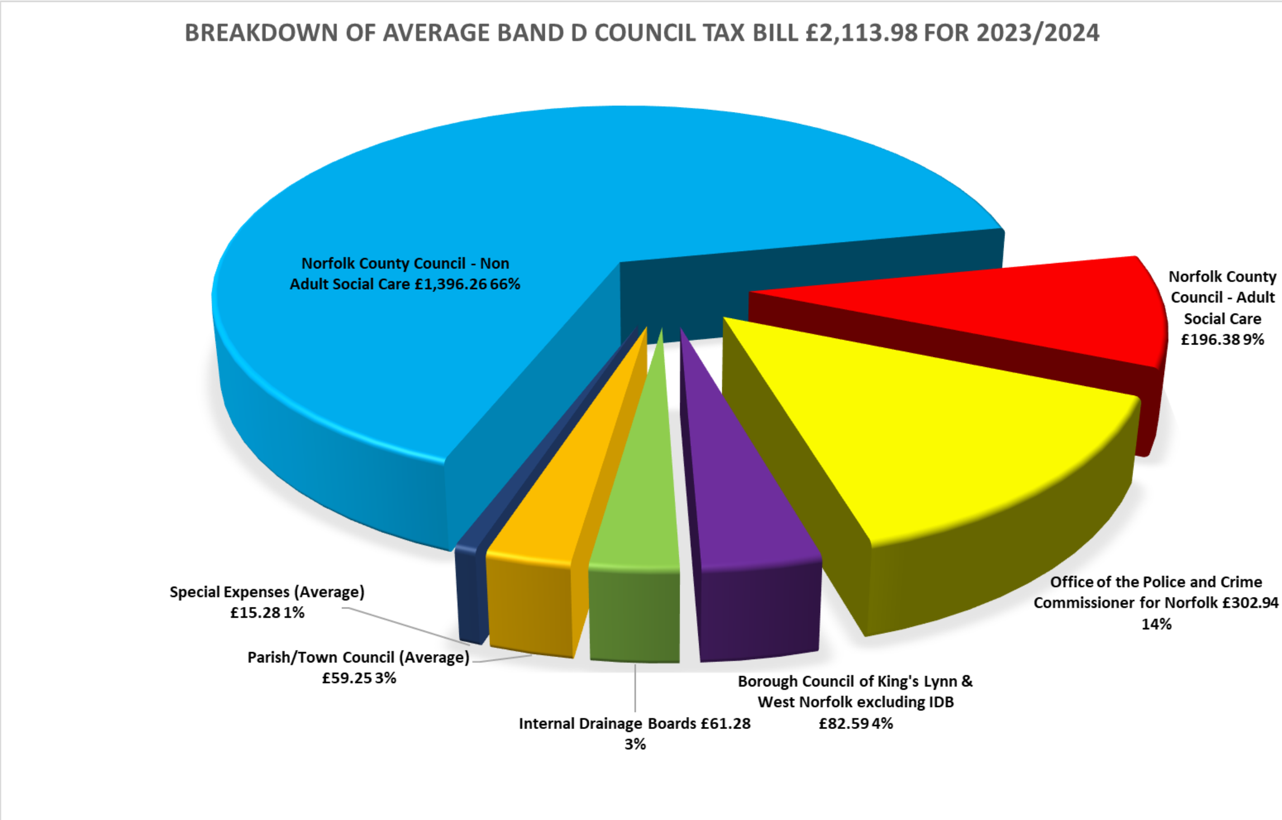
		Original Budget 2023/24	Revised Budget December 2023/24	Actual Outturn 2023/24
		£'000	£'000	£'000
Balance brought forward		**(9,663)**	**(9,663)**	**(9,663)**
Expenditure in the year		24,929	24,934	23,558
Budget Requirement		22,288	22,493	22,493
(Surplus)/ deficit for year		2,641	2,441	1,065
Balance carried forward		**(7,022)**	**(8,825)**	**(8,598)**

The revenue outturn for 2023/24 is detailed below. The Revenue Outturn was reported to Cabinet on 30 July 2024.

The outturn position for the year shows expenditure of £28,006,479, a pension lump sum payment of £3,620,000 and a transfer of £1,893,328 from the General Fund balance, thereby meeting the budget requirement of £22,493,151.

Revenue Outturn	Original Estimate 2023/23	Revised Estimate 2023/24	Actual Outturn 2023/24	Variance from Original Budget 2023/24
	£	£	£	£
Service Areas				
Central Services	3,439,690	3,487,000	3,367,346	(72,344)
Corporate	241,580	294,730	209,026	(32,554)
Environment and Planning	1,777,910	1,899,470	2,021,792	243,882
Health Wellbeing and Public Protection	2,592,700	2,452,490	2,313,708	(278,992)
Legal Services	668,300	585,920	621,305	(46,995)
Leisure and Community Facilities	2,235,540	2,776,020	2,573,699	338,159
Operations and Commercial	2,933,510	2,485,160	1,903,681	(1,029,829)
Programme & Project Deliveryg Delivery	(448,360)	(332,880)	(312,775)	135,585
Property and Projects	(1,069,950)	(1,237,870)	(1,278,242)	(208,292)
Regeneration Housing & Place	1,423,560	1,521,500	1,326,020	(97,540)
Resources	8,318,780	7,718,360	12,515,743	4,196,963
Service Area Totals	**22,113,260**	**21,649,900**	**25,261,303**	**3,148,043**
Financing Adjustment	(431,170)	37,350	(498,848)	(67,678)
Internal Drainage Boards	3,247,130	3,247,130	3,244,023	(3,107)
Subtotal	**24,929,220**	**24,934,380**	**28,006,478**	**3,077,258**
Contribution to / (from) Balances	(2,641,520)	(2,441,230)	(1,893,328)	748,192
Contribution to / (from) Balances (Pension)			(3,620,000)	(3,620,000)
Borough spend for 2022/2023	**22,287,700**	**22,493,150**	**22,493,150**	**205,450**

The Borough Council element of the full council tax bill in 2023/2024 for a Band D property is £143.87 (£61.28 of which is paid over to IDB's) out of a total of £2,113.98 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 2023/2024 the Borough Council's charge forms a very small part of the bill (6.81%) collected from every council taxpayer.


BREAKDOWN OF AVERAGE BAND D COUNCIL TAX BILL £2,113.98 FOR 2023/2024
Norfolk County Council - Non Adult Social Care £1,396.26 66%
Norfolk County Council - Adult Social Care £196.38 9%
Office of the Police and Crime Commissioner for Norfolk £302.94 14%
Borough Council of King's Lynn & West Norfolk excluding IDB £82.59 4%
Internal Drainage Boards £61.28 3%
Parish/Town Council (Average) £59.25 3%
Special Expenses (Average) £15.28 1%

Narrative Statement

Our Key achievements during 2023/2024 include:

Working age and pension age households receiving Council Tax Support during the 2023/2024 council tax year are set to automatically receive a reduction on their council tax bill of up to £50.

The address management team won a Gold Award for excellence in management of its address information. (Platinum in 2024)

Mintlyn Crematorium, which is owned and managed by the council, has raised £12,000 to donate to bereavement charity Widowed and Young (WAY).

Five west Norfolk parks awarded the coveted Green Flag Award- officially recognising them as some of the country's best parks.

Locations across west Norfolk have benefitted from 12 new defibriliators launched by the council in February.

Love Your Town fund is offering grants of up to £1,000 to organisations and groups who implement new initiatives to generate footfall and increase activity in west Norfolk towns

Successful delivery of the 2023 Borough and Parish elections, including effective implementation of new requirements in relation to Voter ID.

Demonstration of our commitment to Care Leavers with support to sign the Care Leavers covenant.

On behalf of Norfolk County Council we secured £18.39 million of recoverable grant funding from Homes England towards the West Winch Housing Access Road.

820 young people aged under eighteen engaged with St. George's Guildhall through our schools programme between September 2023 and February 2024.

We awarded 28 community grants totalling £142,372 and 6 Business grants totalling £187,869.

Local Authority Housing Fund – secured £3.3m of capital funding to deliver 29 new affordable homes

1.5 million attendances across Leisure, community and Arts.

38k children attending holiday activities, with 7k free meals provided to families in need.

300+ people referred through 40 health partners to improve their health and wellbeing

20k+ attendances to annual Christmas pantomime, including 6,000 school children.

Food for Thought run 7 sessions across the borough aiming to change peoples perception and understanding of healthy eating and nutrition, particularly in areas of high deprivation

Completion of NORA 4 development, with final properties occupied this period and project closed with Lovell

Highly Commended in MJ Awards for our partnership work with The Purfleet Trust & Nourishing Norfolk to deliver a social supermarket 'The Purfleet Pantry' which is supporting the community in South Lynn

The borough council supported Food Waste Action Week by distributing free food caddies and bags at Docking Market and a couple of local schools

Narrative Statement

Promote Growth & prosperity to benefit West Norfolk	Target	Performance
% of non major planning applications determined within 8 weeks or within agreed timescale	70%	89%
% of major planning applications determined within 13 weeks or within agreed timescale	60%	90%
Number of new houses delivered in the borough to meet the housing need target	27	92
Number of planning applications approved in 2023/24	-	1,294
In 2023/24 we achieved a 90.46 % rent on industrial & 7.52% (down from 12%) had rent arrears	-	-
Protect our environment	**Target**	**Performance**
% of street lighting within the borough converted to LED (in year)	-	15.69%
Solar Power (kWh) generated across council sites	-	544,163
Number of brown bins in use for composting per quarter	28,500	29,993
Total tonnage of commercial waste collected	1,700	2,497
Total tonnage of garden waste collected and treated	11,000	11,664
% of fly tipping cases initially assessed within a day of being recorded	95%	100%
% of waste enforcement cases referred to CSBB resulting an intervention (investigation / Prosecution)	90%	99.7%
Efficient and effective delivery of our services	**Target**	**Performance**
% of calls reduced by web chat	75%	90%
% of calls answered within 90 seconds	75%	84%
% of Supplier invoices paid within 30 days	99%	99%
% of Council Tax collected against outstanding balance	97.50%	97.16%
% of Business Rates collected against outstanding basis	98%	99.10%
% of Bid Levy collected	97.50%	98.30%
No of completed fraud/corruption investigations (including data matching exercises)	5,000	7,312
Number of unique website viewers	-	-
Support our communities	**Target**	**Performance**
Number of days to process new housing benefit and council tax support claims	22	12
Number of days to process housing benefit and council tax change in circumstances	18	13
% of food premises achieving a rating of 3 or above	90%	94%
% of ASB incidents, nuisance and environment crime incidents reported that have been resolved within 120 days of receipt	80%	85%

Financial Performance – Capital

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

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

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

Capital Programme	Budget 2023/24	Outturn 2023/24	Variance (Under) /Over
	£	£	£
Major Projects	**51,129,190**	**32,253,722**	**(18,875,468)**
Operational Projects:			
Community and Partnerships	2,324,130	2,613,448	**289,318**
Resources (S151 Officer)	396,710	121,757	**(274,953)**
Programme & Projects	200,000	36,928	**(163,072)**
Property and Projects	308,500	37,827	**(270,673)**
Operational and Commercial Services	2,835,080	694,896	**(2,140,184)**
Leisure and Community Facilities	1,176,180	688,023	**(488,157)**
Total Excluding Exempt	**58,369,790**	**36,446,601**	**(21,923,189)**
Exempt Schemes	**8,301,520**	**0**	**(8,301,520)**
Capital Programme Outturn	**66,671,310**	**36,446,601**	**(30,224,709)**

7 Current Economic Climate, Outlook and Risk

In a statement made on 12 December 2022 by the Secretary of State for Leveling-up, Housing and Communities (DLUHC) the intention to publish a two-year settlement was made. However, this came with the confirmation that the Review of Relative Needs and Resources and a reset to Business Rates growth will not be implemented in the next two years. The Spending Review 2022 sees a two-year settlement for 2023/2024, allowing the Department for Levelling-Up, Housing and Communities to program its review of funding reforms. The aim of these reforms is to move councils to be more self-financing and reduce reliance on central government grants and also to ensure that funding allocations are based on an up-to-date assessment of needs and resources. Along with the phasing out of Revenue Support Grant (RSG), Rural Services Delivery Grant (RSDG) and changes to the distribution of New Homes Bonus, there were also plans for a full reset of the business rates system and an announcement on the outcome of the review into relative needs and resources.

The Financial Plan for 2023/2028 was approved by Council on 22 February 2024.

The Financial Plan 2023/2028 showed that the Council could present a funded budget for three years through the use of General Fund and Earmarked Reserves, but there is a budget gap in 2026/2027. The current general fund balances would be required to support the budget in the event of income levels are not achieved and/or delayed, whilst further costs reduction are made.

Whilst the impact of the pandemic has less of an impact on the 2023-2028 MTFP, budgets do reflect changes in access to services and running costs that may link to new practices and behaviors that arose from that event. Inflation and continued short-term funding settlements significantly impact on this Financial Plan. Inflation is impacting on the forecast cost of utilities, vehicle running costs and other supplies and services that the Council accesses to provide its services, meaning that any savings or income generating options are quickly outweighed by increased costs or require difficult decisions that could add to the impact from cost-of-living increases to the Councils services users.

There remains significant uncertainty and risk from 2025/2026. As well as the impact from the inflation on the council's finances, the council still awaits confirmation of the outcome of the Funding and Business Rates reforms proposed by Government. There is concern that the re-set of the Business Rates baseline may mean that the Council does not retain all the growth currently included in the Financial Plan. The Funding Review will determine the starting point for resource allocations under any new Business Rates Retention scheme. This Council will continue to make strong representations for fair and transparent funding arrangements for local government, which take account of the particular pressures of rural authorities, and in the case of West Norfolk, the funding arrangements to address the flood and drainage responsibilities met through the internal drainage boards. The impact of these could mean the general fund depletes earlier than 2026/2027.

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. If 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 2023/2024 and the estimated assets and liabilities of the scheme as at 31 March 2024.

The pension fund surplus shown in the balance sheet as at 31 March 2024 stands at £28.231 million. This is the surplus at the date of the balance sheet and is subject to future changes in asset valuations and contributions. The scheme may be funded over the longer term with increased contributions being made if required over the remaining working life of employees, before payments fall due, as assessed by the scheme actuary.

CORE FINANCIAL STATEMENTS

BOROUGH COUNCIL KING’S LYNN AND WEST NORFOLK

2023/2024

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.

2023/24	Note	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2023		**(9,663)**	**(34,456)**	**(4,870)**	**(1,761)**	**(50,750)**	**(210,259)**	**(261,009)**
(Surplus) on Provision of Services	CIES	(13,794)	0	0	0	(13,794)	0	(13,794)
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	(29,382)	(29,382)
Total Comprehensive income and expenditure	CIES	**(13,794)**	**0**	**0**	**0**	**(13,794)**	**(29,382)**	**(43,176)**
Adjustments between accounting basis, and funding basis under regulations	7	19,101	0	(2,172)	206	17,135	(17,135)	**0**
Transfer to\from Earmarked Reserves		(4,242)	4,242	0	0	0	0	**0**
Total Increase\(decrease) during the year		**1,065**	**4,242**	**(2,172)**	**206**	**3,341**	**(46,517)**	**(43,176)**
Balance as at 31 March 2024		**(8,598)**	**(30,214)**	**(7,042)**	**(1,555)**	**(47,409)**	**(256,776)**	**(304,185)**

The purposes of these reserves are:

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

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

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

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

Movement In Reserves Statement – Prior year 2022/23

2022/23	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 2022		**(8,593)**	**(36,894)**	**(4,947)**	**(1,227)**	**(51,661)**	**(122,075)**	**(173,736)**
(Surplus) on Provision of Services	CIES	(11,944)	0	0	0	(11,944)	0	(11,944)
Other Comprehensive (Income)/(Expenditure)	CIES	0	0	0	0	0	(75,329)	(75,329)
Total Comprehensive income and expenditure	CIES	**(11,944)**	**0**	**0**	**0**	**(11,944)**	**(75,329)**	**(87,273)**
Adjustments between accounting basis, and funding basis under regulations	7	13,312	0	77	(534)	12,855	(12,855)	0
Transfer to/from Earmarked Reserves		(2,438)	2,438	0	0	0	0	0
Total Increase/(decrease) during the year		**(1,070)**	**2,438**	**77**	**(534)**	**911**	**(88,184)**	**(87,273)**
Balance as at 31 March 2023		**(9,663)**	**(34,456)**	**(4,870)**	**(1,761)**	**(50,750)**	**(210,259)**	**(261,009)**

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.

2022/23					2023/24		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		Note	£'000	£'000	£'000
			Services				
3,593	(104)	3,489	Central Services		3,292	(168)	3,124
7,240	(2,045)	5,195	Health Wellbeing and Public Protection		5,976	(1,915)	4,061
402	(303)	99	Companies and Housing Delivery		213	(528)	(315)
5,529	(4,102)	1,427	Environment and Planning		5,284	(5,157)	127
19,519	(17,556)	1,963	Operations and Commercial		22,018	(20,374)	1,644
1,816	(2,958)	(1,142)	Property and Projects		1,981	(884)	1,097
1,385	(1,735)	(350)	Regeneration Housing & Place		4,347	(1,052)	3,295
38,843	(28,910)	9,933	Resources		39,910	(27,726)	12,184
336	0	336	Chief Executive		305	0	305
1,270	(433)	837	Legal Services		1,268	(263)	1,005
3,838	(591)	3,247	Leisure and Community Facilities		4,988	(209)	4,779
83,771	**(58,737)**	**25,034**	**Cost of Services**		**89,582**	**(58,276)**	**31,306**
		(850)	Other Operating (Income)	9			1,648
		(10,249)	Financing and Investment (Income)	10			(14,759)
		(25,879)	Taxation and Non-Specific Grant Income	11			(31,989)
		(11,944)	**(Surplus)\Deficit on Provision of Services**				**(13,794)**
		(1,866)	(Surplus)/Deficit on Revalution Non Current Assets				(18,887)
		(73,463)	Re-measurement of the net defined benefit liability	20			(10,495)
		(75,329)	Other Comprehensive (Income)				**(29,382)**
		(87,273)	**Total Comprehensive (Income)/Expenditure**				**(43,176)**

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'.

2022/23			2023/24
£'000			£'000
176,373	Property, Plant and Equipment	27	205,161
15,264	Heritage Assets	26	15,264
49,916	Investment Property	24	69,105
366	Intangible Assets	25	314
4,903	Long Term Receivables	31	5,406
13,120	Pension Assets		28,231
259,942	**Total Long term Assets**		**323,481**
12,000	Short Term Investments	36	6,000
132	Inventories		106
12,220	Short Term Receivables	36	15,712
15,638	Cash and Cash Equivalents	14	2,276
500	Assets held for sale	29	500
40,490	**Total Current Assets**		**24,594**
(811)	Provisions	34	(740)
(10,000)	Short Term Borrowing	36	(10,000)
(26,822)	Short Term Payables	32	(32,940)
(37,633)	**Total Current Liabilities**		**(43,680)**
(1,588)	Grants Receipts in Advance	35	(10)
0	Long Term Borrowing	36	0
(202)	Other Long Term Liabilities		(200)
0	Pension Liabilities	20	0
(1,790)	**Total Long Term Liabilities**		**(210)**
261,009	**Net Assets**		**304,185**
	Reserves		
(50,750)	Usable Reserves	MIRS	(47,409)
(210,259)	Unusable Reserves	13	(256,776)
(261,009)	**Total Reserves**		**(304,185)**

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 2024 and its income and expenditure for the year ended 31 March 2024.

Michelle Drewery

Assistant Director - Resources (S151 Officer)

20 January 2025

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.

2022/23		Note	2023/24
£'000			£'000
11,944	Net Surplus or (Deficit) on the Provision of Services	CIES	13,794
(18,780)	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements	39	(21,422)
(16,123)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	39	(13,821)
(22,959)	**Net Cash flows from Operating Activities**		**(21,449)**
4,596	Investing Activities	40	1,419
10,813	Financing Activities	41	6,668
(7,550)	**Net Increase or Decrease in Cash and Cash Equivalents**		**(13,362)**
23,188	Cash and Cash Equivalents at the beginning of the Reporting Period		15,638
15,638	**Cash and Cash Equivalents at the End of the Reporting Period**	**14**	**2,276**

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.

2022/23				2023/24		
Net Expenditure Charged to General Fund	Adjustment between Funding and Accounting Basis	Net Expenditure in the CIES		Net Expenditure Charged to General Fund	Adjustment between Funding and Accounting Basis	Net Expenditure in the CIES
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,002	487	3,489	Central Services	3,367	(243)	3,124
2,077	3,118	5,195	Health Wellbeing and Public Protection	2,283	1,778	4,061
25	74	99	Companies and Housing Delivery	(312)	(3)	(315)
1,250	177	1,427	Environment and Planning	2,033	(1,906)	127
1,655	308	1,963	Operations and Commercial	854	790	1,644
(1,541)	399	(1,142)	Property and Projects	(1,164)	2,261	1,097
205	(555)	(350)	Regeneration Housing & Place	1,096	2,199	3,295
7,461	2,472	9,933	Resources	9,468	2,716	12,184
5	331	336	Chief Executive	-	305	305
624	213	837	Legal Services	829	176	1,005
1,894	1,353	3,247	Leisure and Community Facilities	2,502	2,277	4,779
16,657	**8,377**	**25,034**	**Cost of Services**	**20,956**	**10,350**	**31,306**
(15,289)	(21,689)	(36,978)	Other Income and Expenditure	(15,649)	(29,451)	(45,100)
1,368	**(13,312)**	**(11,944)**	**(Surplus)/Deficit on Provision of Services**	**5,307**	**(19,101)**	**(13,794)**
(8,593)			**Opening General Fund Balance as at 1 April 2023**	**(9,663)**		
1,368			(Surplus)/Deficit on General Fund in year	5,307		
(2,438)			Transfer to Earmarked Reserves	(4,242)		
(9,663)			**Closing General Fund Balance as at 31 March 2024**	**(8,598)**		

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).

2023/24	Adjustment for capital purposes	Net Change for the pension adjustment	Adjustment for Investment Properties	Transfer to/(from) Earmarked Reserves	Other Difference	Total Adjustments
	£'000	£'000	£'000	£'000	£'000	£'000
2023/24 Services						
Central Services	0	(412)	0	168	1	(243)
Health Wellbeing and Public Protection	2,417	(493)	0	(141)	(5)	1,778
Companies and Housing Delivery	0	(75)	0	70	2	(3)
Environment and Planning	4	(475)	0	(1,451)	16	(1,906)
Operations and Commercial	1,915	(1,025)	0	(103)	3	790
Property and Projects	2,511	(156)	249	(348)	5	2,261
Regeneration Housing & Place	2,562	(218)	0	(154)	9	2,199
Resources	254	(1,161)	0	3,608	15	2,716
Chief Executive	0	(50)	0	354	1	305
Legal Services	0	(100)	0	272	4	176
Leisure and Community Facilities	2,263	0		14		2,277
Net Cost of Services	**11,926**	**(4,165)**	**249**	**2,289**	**51**	**10,350**
Other Income and Expenditure	(27,939)	(451)	(249)	(2,289)	1,477	(29,451)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**(16,013)**	**(4,616)**	**0**	**0**	**1,528**	**(19,101)**

2022/23	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
2022/23 Services						
Central Services	8	426	0	56	(3)	487
Health Wellbeing and Public Protection	2,414	530	0	181	(7)	3,118
Companies and Housing Delivery	0	78	0	(4)	0	74
Environment and Planning	7	496	0	(324)	(2)	177
Operations and Commercial	413	1,040	0	(1,144)	(1)	308
Property and Projects	193	176	249	(215)	(4)	399
Regeneration Housing & Place	(662)	112	0	(5)	0	(555)
Resources	1,896	921	0	(334)	(11)	2,472
Chief Executive	0	40	0	295	(4)	331
Legal Services	0	69	0	140	4	213
Leisure and Community Facilities	1,404	0		(51)		1,353
Net Cost of Services	**5,673**	**3,888**	**249**	**(1,405)**	**(28)**	**8,377**
Other Income and Expenditure	(20,710)	1,539	(249)	1,405	(3,674)	(21,689)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**(15,037)**	**5,427**	**0**	**0**	**(3,702)**	**(13,312)**

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:

2022/23 £'000	Nature of Income or Expenditure	2023/24 £'000
(27,135)	Fees, Charges & Other Service Income	(30,560)
(761)	Interest and Investment Income	(1,015)
(7,332)	Income from Council Tax	(7,623)
(24,432)	Income from Retained Business Rates	(25,880)
(59,838)	Government Grants and Contributions	(56,885)
(119,498)	**Total Income**	**(121,963)**
24,910	Employee Expenses	23,012
67,619	Other Service Expenses	69,175
13,057	Business Rates Tariff and Levy	15,515
(1,150)	Support Service Recharges	(1,128)
7,286	Depreciation, Amortisation and Impairment	9,082
2,695	Interest Payments	939
(2,936)	Precepts & Levies	(3,949)
(11,238)	Net (Gains) and Losses on Fair Value Adjustments on Investment Property	(13,570)
7,311	(Gains) / Losses on Disposal of Non-Current Assets	9,093
107,554	**Total Expenditure**	**108,169**
(11,944)	**(Surplus) / Deficit on the Provision of Services**	**(13,794)**

2 Restatements – Prior Period Adjustments

There are no prior period adjustments within the Statement of Accounts for 2023/24.

3 Accounting Standards Issued, Not Adopted

The following standards have been introduced into the 2024/25 Code of Practice, but not yet adopted by the authority in the financial year ended 31 March 2024:

- **IFRS 16 Leases**

  The authority will adopt this standard from 01 April 2024.
  This standard requires a lessee to recognise a Right of Use asset and corresponding lease liability for leases with a term of more than 12 months unless the underlying asset is of low value. This standard replaces IAS 17.

The impact of this standard is not known at present. A review of existing lease arrangements is being undertaken and will be accounted for in line with IFRS 16 if required. All new lease arrangements entered into after 01 April 2024 will be accounted for in line with IFRS 16

- **Lease liability in a sale and leaseback (Amendment to IFRS16)**

  The authority will adopt this standard from 01 April 2024.
  These amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

  The impact of this amendment is unknown at present. A review of the authority will be undertaken to identify whether there are any arrangements which will be affected by the amendment to this standard. If any are identified, these will be accounted for in line with IFRS 16.

4 Events after the Reporting Period

The Statement of Accounts was authorised for issue by the Assistant Director - Resources (S151 Officer) on 1 August 2023. 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 2024, 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 2024.

5 Critical Judgements in Applying Accounting Policies

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

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

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

The statement of accounts contains estimated figures that are based on assumptions made by the authority about the future or that are otherwise uncertain. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the authority's most difficult, subjective or complex judgements. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

Notes to Core Financial Statements

The items in the authority's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repair and maintenance that will be incurred in relation to individual assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset decreases.
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied.	The effects on the net pension's liability of changes in individual assumptions can be measured. For instance: 0.1% decrease in the real discount rate would increase employer liability by 2% and cost £3,209,000 0.1% increase in the salary increase rate would lead to an increase of 0% in employer liability and cost £165,000 0.1% increase in the Pension Increase Rate would increase employer liability by 2% and cost £3,102,000
Arrears	At 31 March 2024, the Council had a balance of sundry receivables of £3.7m. A review of significant balances suggested that an allowance for doubtful debts of in accordance with the data declared in accounting principles within this document continues to be appropriate.	The actual level of provision is below the calculated requirement. If the collection rates were to deteriorate the percentages included in calculating the bad debt allowance would need to be reviewed.
Provisions	Since the introduction of Business Rates Retention Scheme, effective from 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31 March 2023. The estimate has been calculated using the Valuation Office (VAO) ratings list of appeals and the analysis of successful appeals to date when providing the estimate of total provision up to and including 31 March 2023.	If the average success rate of NNDR appeals was to increase by 1% the Council would have to increase its NNDR appeals provision.

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

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

2022/23 General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000		Note	2023/24 General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000
				Adjustments primarily involving the Capital Adjustment Account:					
				Reversal of items debited or credited to the CIES:					
(3,849)			3,849	Charges for Depreciation and Impairment of Non-Current Assets	**13b**	(7,047)			7,047
			0	Revaluation Losses on Property, Plant and Equipment					0
11,238			(11,238)	Movements in the Market Value of Investment Properties		13,570			(13,570)
			0	Reverse Impairments in the year from Revaluation Increase	**13b**				0
334			(334)	Amortisation of Intangible Assets	**13b**	0			0
(3,556)			3,556	Revenue Expenditure Funded from Capital under Statute	**13b**	(4,879)			4,879
(7,311)			7,311	Amounts of Non-current Assets written off on disposal or sale		(9,093)			9,093
			0	Soft Loans – Adjustments					0
			0	Capital Grants and Contributions Applied					0
				Insertion of items not Debited/(Credited) to the CIES					
807			(807)	Statutory Provision for the Financing of Capital Investment	**13b**	941			(941)
			0	Additional Provision for the Financing of Capital Investment relating to Internal Repayment of Prudential Borrowing	**13b**				0
1,251			(1,251)	Capital Expenditure charged against the General Fund		1,241			(1,241)
11			(11)	Principal repayment of finance Leases where the Council is the lessee	**13b**	2			(2)

Notes to Core Financial Statements

General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000		Note	General Fund £'000	Capital Receipts £'000	Capital Grants £'000	Unusable Reserves £'000
				Adjustments primarily involving the Capital Grants Unapplied Account:					
4,933		(4,933)		Capital grants and contributions unapplied credited to the CIES	**13b**	7,459		(7,459)	
		4,399	(4,399)	Application of grants to capital financing transferred to the CAA				7,665	(7,665)
				Adjustments primarily involving the Capital Receipts Reserve:					
11,190	(11,190)			Transfer of cash sale proceeds credited as part of gain/loss on disposal to the CIES		13,821	(13,821)		
	11,267		(11,267)	Capital Receipts applied	**13b**		11,649		(11,649)
				Transfer (from)/to the Deferred Capital Receipts upon receipt of cash					
				Adjustments primarily involving the Pensions Reserve:					
(10,136)			10,136	Reversal of items relating to retirement benefits debited or credited to the CIES	**13d**	(3,961)			3,961
4,698			(4,698)	Employer's pensions contributions and direct payments to pensioners payable in the year	**13d**	8,577			(8,577)
				Adjustments primarily involving the Collection Fund Adjustments Accounts:					
3,674			(3,674)	Amount by which council tax & business rates income credited to the CIES is different from statutory requirements	**13e**	(1,479)			1,479
				Adjustments primarily involving the Accumulated Absences Accounts:					
28			(28)	Amount by which officer remuneration charged to the CIES on an accruals basis is different from statutory requirements.	**13f**	(51)			51
13,312	**77**	**(534)**	**(12,855)**			**19,101**	**(2,172)**	**206**	**(17,135)**

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 2023/2024.

	Balance as at 31 March 2022	Transfer Out 2022/23	Transfer In 2022/23	Balance as at 31 March 2023	Transfer Out 2023/24	Transfer In 2023/24	Balance as at 31 March 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund:							
Amenity Areas Reserve	(2)	0	(34)	(36)	0	(14)	(50)
Capital Programme Resources Reserve	(5,573)	731	(1,032)	(5,874)	1,207	(647)	(5,314)
Insurance Reserve	(226)	34	(20)	(212)	127	(72)	(157)
Restructuring Reserve	(484)	184	0	(300)	29	0	(271)
Repairs and Renewals Reserve	(1,912)	245	(388)	(2,055)	221	(189)	(2,023)
Holding Accounts	(2,104)	95	(1,563)	(3,572)	814	(79)	(2,837)
Ring Fenced Reserve	(4,862)	1,453	(1,504)	(4,913)	2,429	(3,628)	(6,112)
Planning Reserve	(548)	109	(4)	(443)	47	(4)	(400)
Grants Reserves	(4,532)	489	(630)	(4,673)	1,249	(215)	(3,639)
Collection Fund Adjustments	(10,693)	4,140	(272)	(6,825)	2,736	(34)	(4,123)
Climate Change Strategy	(1,246)	152	0	(1,094)	377	0	(717)
Project / Other Reserves	(4,713)	272	(18)	(4,459)	643	(755)	(4,571)
Total	**(36,895)**	**7,904**	**(5,465)**	**(34,456)**	**9,879**	**(5,637)**	**(30,214)**

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.

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

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

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

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

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

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

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

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

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

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

9 CIES – Other Operating Expenditure

2022/23 £'000		2023/24 £'000
0	Parish Council Precepts	6,383
3,016	Levies	0
0	Payments to the Government Housing Capital Receipts Pool	0
(3,866)	Net (Gains) on the Disposal of Non-current Assets	(4,735)
(850)		**1,648**

10 CIES – Financing and Investment Income and Expenditure

2022/23 £'000		2023/24 £'000
413	Interest Payable and similar charges	166
1,539	Net Interest on the net defined Benefit Liability (Asset)	(451)
(782)	Interest (Receivable) and similar income	(782)
(11,238)	Net (Gains) and Losses on Fair Value Adjustments on Investment Properties	(13,570)
(181)	Net (Income) from Investment Properties)	(122)
(10,249)		**(14,759)**

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

2022/23 £'000		2023/24 £'000
(7,332)	Council Tax (Income)	(11,572)
(6,718)	Non-domestic Rates (Income and Expenditure)	(5,867)
(486)	Non-ringfenced Government Grants (Income)	(543)
(11,343)	Government Grants and Contributions	(14,007)
(25,879)		**(31,989)**

12 CIES – Material Item of Income and Expenditure 2023/24

In 2023/2024 a decrease in the defined benefits Pension obligation of £65m independently provided to the Council, by an actuary appointed by the County Council, has resulted in the net pension liability at 31 March 2024 is £166m (£236m 2022/23)

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

2022/23 £'000		2023/24 £'000
(82,330)	Revaluation Reserve	(99,824)
(113,872)	Capital Adjustment Account	(129,314)
164	Financial Instruments Adjustment Account	164
(13,120)	Pensions Reserve	(28,231)
(1,263)	Collection Fund Adjustment Account	216
162	Accumulating Compensated Absences Adjustment Account	213
(210,259)		**(256,776)**

13a Revaluation Reserve

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

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

2022/23		2023/24
£'000		£'000
(74,309)	Balance at 1 April	**(82,330)**
(1,866)	In Year surplus on revaluation of non-current assets	(18,887)
(870)	Difference between Fair Value Depreciation and Historical Cost Depreciation	1,393
(5,285)	Accumulated Gains on non-current assets disposed	0
(82,330)		**(99,824)**

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.

2022/23 £'000		2023/24 £'000
(105,437)	**Balance at 1 April**	**(113,872)**
	Reversal of items debited or credited to CIES	
3,454	Depreciation, impairment and amortisation	0
(120)	Impairment/Revaluation charged to CIES	2,871
181	Amortisation of intangible assets	4,175
(11,238)	Movement in market value of Investment Properties	(13,570)
3,556	Revenue expenditure funded from capital under statute	4,879
0	Non-current assets written out on disposal - Assets held for Sale	0
7,311	Non-current assets written out on disposal - PPE	9,094
0	Soft Loans - Principal repaid	0
	Transfers between revenue and capital resources	
(398)	Minimum Revenue Provision	(388)
(11)	Principal repayment of Finance Leases where the Council is the Lessee	(2)
(1,251)	Additional provision relating to internal repayment of prudential borrowing	(1,241)
	Capital Financing applied in year	
(11,266)	Use of Capital Receipts Reserve to finance new capital expenditure	(11,648)
0	Capital grants and contributions credited to the CIES that have been applied to Capital Financing	0
(4,399)	Application of grants to capital financing from Capital Grants Unapplied Account	(7,665)
(409)	Capital expenditure charged against Earmarked Reserves	(554)
	Other adjustments	
0	Reverse impairments in year from Revaluation Reserve	0
6,155	Adjusting amounts written off from the Revaluation Reserve	(1,393)
(113,872)		**(129,314)**

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.

2022/23 £'000		2023/24 £'000
164	Balance at 1 April	164
0	In year fair value adjustment of private sector housing loans	0
164		164

13d Pensions Reserve

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

2022/23 £'000		2023/24 £'000
54,905	Balance at 1 April	(13,120)
(73,463)	Actuarial (Gains)/Losses on Pensions Assets and Liabilities	(10,495)
10,136	Reversal of items relating to Retirement Benefits on the Provision of Services in the CIES	3,961
(4,698)	Employer's Pensions Contributions and Direct Payments to Pensioners Payable in the Year	(8,577)
(13,120)		(28,231)

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.

2022/23 £'000		2023/24 £'000
	Council Tax	
23	Balance at 1 April	**23**
0	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	(44)
23	**Balance at 31 March**	**(21)**
	Non-Domestic Rates	
2,389	Balance at 1 April	**(1,286)**
(3,675)	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	1,523
(1,286)		**237**
(1,263)	**Total**	**216**

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.

2022/23 £'000		2023/24 £'000
190	Balance at 1 April	**162**
(190)	Settlement or cancellation of accrual made at the end of the preceding year	(162)
162	Amounts accrued at the end of the current year	213
162		**213**

14 Cash and Cash Equivalents

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

2022/23		2023/24
£'000		£'000
8	Cash held by Officers	9
622	Bank Current Accounts	767
15,008	Short Term Deposits	1,500
15,638	Cash and Cash equivalents at the end of the reporting period	**2,276**

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.

2022/23		2023/24
£'000	**Charge for Services**	£'000
48	Grass Cutting Service	49
157	Care and Repair Service	176
848	Car Park Management Services	929
100	CCTV Services	109
1,153		**1,263**

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 2023/2024.

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

The King's Lynn Development Partnership

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

The Borough Council of King's Lynn and West Norfolk have contributed land valued at £1 million and Norfolk County Council paid £1 million to satisfy the initial cash flow requirements. Phases 1, 2 and 3 are now all complete. This Council is the Accountable body. The income and expenditure for these works is detailed below:

2022/23		2023/24
£'000		£'000
7,049	Expenditure	1,189
(8,289)	Receipts	(888)
(1,240)		**301**

Freebridge Community Housing Limited

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

Norfolk Museums and Archaeology Service (NMAS) Joint Committee

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

Norfolk County Council provides a secretary and treasurer to the Joint Committee, employs its staff, and owns a number of properties used by NMAS. They are the lead Council and are responsible for producing the annual accounts. However, the majority of collections and related buildings in West Norfolk are owned by the Council. The museum collections are reported in the Balance Sheet at a value of £6,292,000 as at the 31 March 2024.

17 Members' Allowances

The Council paid £507,000 in 2023/24 (£460,000 in 2022/23) in members' allowances to members of the Council during the year.

18 Officers' Remuneration

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

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

There were no bonus payments to report.

The Council's legal monitoring officer requirements were fulfilled by East Law (part of North Norfolk District Council) as part of a service level agreement. The Council paid East Law £14,567 in 2023/24 (£265,582 in 2022/23.) From 2 May 2022 the monitoring officer was employed directly by the Council.

2022/23	Salary, Fees and Allowance	Taxable Expenses	Pension Contributions	Total
	£	£	£	£
Chief Executive	119,718	3,486	16,719	139,923
Executive Director	100,431	-	14,390	114,821
Executive Director	97,350	3,614	8,678	109,642
Executive Director - Partial Year from 27/2/2023	9,682	-	1,356	11,038
Assistant Director Finance Services (Section 151 Officer)	82,630	1,239	11,568	95,437
Monitoring Officer - Partial Year from 02/05/2022	66,539	-	9,315	75,854

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:

2022/23 Number of Employees	Remuneration band	2023/24 Number of Employees
11	£50,000-£54,999	26
6	£55,000-£59,999	5
3	£60,000-£64,999	5
4	£65,000-£69,999	2
1	£70,000-£74,999	5
3	£75,000-£79,999	1
2	£80,000-£84,999	3
1	£85,000-£89,999	1
0	£90,000-£94,999	2
31	**Total of Employees**	**50**

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	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
							£000s	£000s
Up to £20,000	0	0	0	0	0	0	0	0
£20,001-£40,000	0	0	0	0	0	0	0	0
£40,001-£60,000	0	0	0	0	0	0	0	0
£60,001-£80,000	0	0	0	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**	**0**	**0**	**0**	**0**	**0**	**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

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 2022/23 and 2023/24.

2022/23		2023/24
£'000		£'000
	Gross Liabilities	
(235,909)	**Opening balance as at 1 April**	**(166,574)**
(6,442)	[I] Interest Cost	(8,140)
79,704	[II] Actuarial losses / (gains) from changes in financial assumptions	1,004
(8,597)	[III] Current Service Cost	(4,412)
(1,181)	[IV] Contributions by scheme participants	(1,349)
5,646	[IV] Benefits paid	7,334
205	[IV] Estimated unfunded benefits paid	219
(166,574)	**Closing balance at 31 March**	**(171,918)**

2022/23		2023/24
£'000		£'000
181,004	**Opening fair value of scheme assets balance as at 1 April**	**179,694**
4,903	[I] The return on plan assets (Excluding amount included in net interest expense)	8,591
(6,241)	[II] Actuarial losses / (gains) from changes in financial assumptions	9,491
4,493	[III] Contributions by the employer	8,358
205	[III] Contributions for unfunded (Discretionary benefits)	219
1,181	[IV] Contributions by employees into the scheme	1,349
(5,646)	[IV] Benefits paid	(7,334)
(205)	[IV] Unfunded (Discretionary benefits)	(219)
179,694	**Closing Balance at 31 March**	**200,149**
13,120	**TOTAL NET (LIABILITIES) / ASSETS**	**28,231**

Net Movement 2022/23		Net Movement 2023/24
4,698	**General Fund Charge - Employer Contributions**	**8,577**
(3,954)	[III] Other items to net cost of services	4,165
(1,499)	[I} Interest cost minus return on plan assets to financing income & expenditure	451
(755)	Charge to Surplus/(Deficit) upon Provision of Services	**13,193**
70,124	[II] Actuarial Gains/(Losses) to other income & expenditure	10,495
69,369	(Charge)/Surplus to Comprehensive Income &Expenditure Account for the Year	**23,688**
(4,698)	Less General Fund Charge - Employer Contributions	(8,577)
64,671	**TOTAL MOVEMENT IN PENSION RESERVE FAVOURABLE/ (UNFAVOURABLE)**	**15,111**

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

Local Government Pension Scheme Assets Comprised:

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

Asset Category	Period Ended 31 March 2024			
	Quoted Prices in active markets	Quoted prices not in active markets	Total	Percentage of Total Assets
	£'000	£'000	£'000	%
Equity Securities:				
Consumer	0	0	0	0.0%
Manufacturing	0	0	0	0.0%
Energy and Utilities	0	0	0	0.0%
Financial Institutions	0	0	0	0.0%
Health and Care	0	0	0	0.0%
Information Technology	0	0	0	0.0%
Other	0	0	0	0.0%
Debt Securities:				
Corporate Bonds (investment grade)	0	0	0	0.0%
Corporate Bonds (Non-investment grade)	0	0	0	0.0%
UK Government	5,001	0	5,001	2.5%
Other	0	0	0	0.0%
Private Equity:				
All	0	25,201	25,201	12.6%
Real Estate:				
UK Property	0	14,975	14,975	7.5%
Overseas Property	0	2,260	2,260	1.1%
Investment Funds and Unit Trusts:				
Equities	85,126	0	85,126	42.5%
Bonds	38,155	0	38,155	19.1%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	22,823	22,823	11.4%
Other	0	0	0	0.0%
			0	0.0%
Derivatives:			0	0.0%
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	3,563	0	3,563	1.8%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	3,044	0	3,044	1.5%
Totals	**134,890**	**65,259**	**200,149**	**100.0%**

Asset Category	Period Ended 31 March 2023 Quoted Prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Percentage of Total Assets %
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	1,565	0	1,565	0.9%
Other	0	0	0	0.0%
Private Equity:				
All	0	17,398	17,398	9.6%
Real Estate:				
UK Property	0	15,759	15,759	8.7%
Overseas Property	0	2,707	2,707	1.5%
Investment Funds and Unit Trusts:				
Equities	86,599	0	86,599	47.6%
Bonds	35,125	0	35,125	19.3%
Hedge Funds	0	0	0	0.0%
Commodities	0	0	0	0.0%
Infrastructure	0	20,456	20,456	11.2%
Other	0	0	0	0.0%
			0	0.0%
Derivatives:			0	0.0%
Inflation	0	0	0	0.0%
Interest Rate	0	0	0	0.0%
Foreign Exchange	-552	0	-552	-0.3%
Other	0	0	0	0.0%
				0.0%
Cash and Cash Equivalents:				0.0%
All	3040	0	3,040	1.7%
Totals	**125,777**	**56,320**	**182,097**	**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 2024.

The principal assumptions used by the actuary have been:

2022/23	Local Government Pension Scheme	2023/24
	Mortality Assumptions:	
	Longevity at 65 for Current Pensioners:	
21.9yrs	Men	21.7yrs
24.1yrs	Women	23.9yrs
	Longevity at 65 for Future Pensioners:	
22.2yrs	Men	22.1yrs
26.0yrs	Women	25.8yrs
2.95%	Rate of increase in Salaries	2.75%
3.65%	Rate of increase in Pensions	3.45%
4.65%	Rate for discounting Scheme liabilities	4.85%

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%	3,209
1 year increase in member life expectancy	4.0%	6,877
0.1% increase in the salary increase rate	0.0%	165
0.1% increase in the Pension increase rate(CPI)	2.0%	3,102

Scheme History

	2018/2019	2019/2020	2020/21	2021/22	2022/23	2023/24
Obligations:	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Present Value of Defined Benefit	(213,843)	(189,459)	(244,852)	(235,909)	(166,574)	(171,918)
Fair Value of Assets in the Local Government Pensions Scheme	146,445	135,645	168,105	181,004	179,694	200,149
Deficit in the Scheme	**(67,398)**	**(53,814)**	**(76,747)**	**(54,905)**	**13,120**	**28,231**

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £171,918 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 £200,149, resulting in a positive overall balance of £28,231. The statutory arrangements for funding the any potential mean that the financial position of the Council remains healthy. A deficit on the local government scheme would be made good by the Council paying increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

21 External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and to non-audit services provided by the Council's external auditors.

2022/23		2023/24
£'000		**£'000**
39	Fees payable with regard to External Audit Services carried out by the appointed auditor for the year.	150
50	Additional and other Audit fees charged during the year.	7
33	Fees payable to the appointed auditor for the certification of grant claims and returns for the year	40
122	**Total**	**197**

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 2023/2024 is shown in note 17. During 2023/2024, works and services to the value of £1,644,927 were commissioned from companies in which 15 Members and 3 officers had an interest. Contracts were entered into in full compliance with the Council's standing orders. In addition, grants totalling £901,468 were made to organisations in which 12 Members and 4 officers had an interest. In all instances, the grants were made with proper consideration of declarations of interest. The relevant Members did not take part in any discussion or decision relating to the grants. Details of all these transactions are recorded in the Register of Members interests, which are published on the Council's website.

Central Government

Central Government has effective control over the general operations of the Council. It is responsible for providing the statutory framework, within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Capital and Revenue Grants received from government departments are set out in the subjective analysis in note 35, on amounts reported to decision makers. Receivables and Payables in respect of Government departments are shown in note 30 and note 32. Any transactions between the Council and Norfolk Pensions are detailed in note 16.

Freebridge Community Housing Limited

In 2006 the Council transferred its housing stock to Freebridge Community Housing. As part of the agreement the Council has 3 Members on the board of Freebridge Community Housing and owns 33% of the share in the organisation, value £1. During 2023/2024 the transactions between the Council and Freebridge Community Housing was expenditure of £21,296 and income of £882,164.

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

West Norfolk Housing Company Ltd
West Norfolk Housing Company Ltd (WNHC) was set up by the Council and incorporated on 12th September 2016. During 2023/24 WNHC received grant income of £258k from the Council and incurred expenditure of £53k. At the year end WNHC owed the Council £4m and the Council owed WNHC £271k.

West Norfolk Property Ltd
West Norfolk Property Ltd (WNP) was set up by the Council and incorporated on 12th April 2018. During 2023/24 WNP incurred expenditure with the council of £59k. At the year end WNP owed the Council £59k and the Council owed WNP £45k.

Alive West Norfolk
Alive West Norfolk (AWN) was set up by the Council and incorporated on 1st February 2019. During 2023/24 AWN received income from the council of £138k, recharged services totalling £970k and incurred expenditure of £561k. At the year end AWN owed the Council £567k and the Council owed AWN £488k.

The current year's transactions are detailed in the Group Accounts pages 107 to 116.

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:

2022/23 £'000	Finance Lease - Council as a Lessee	2023/24 £'000
4,784	Other Land and Buildings	5,812
4,784	**Total**	**5,812**

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:

2022/23 £'000	Finance Lease (NPV)	2023/24 £'000
	Finance Lease Liabilities (Net present value of minimum lease payments):	
2	Current	2
146	Non- Current	145
207	Finance Costs payable in future years	200
355		**347**

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

Minimum Lease Payments 2022/23 £'000	Finance Lease Liabilities 2022/23 £'000	Financial Costs 2022/23 £'000		Minimum Lease Payments 2023/24 £'000	Finance Lease Liabilities 2023/24 £'000	Financial Costs 2023/24 £'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	32	7	25
310	136	174	Later than five years	304	136	168
353	**146**	**207**	**Total**	**345**	**145**	**200**

The Council has sub-let some of the accommodation held under these finance leases. At 31 March 2024 the minimum payments expected to be received under non-cancellable sub-leases was £1,436.

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.

2022/23 £'000	Operating Lease Payments	2023/24 £'000
95	Not later than one year	110
367	Later than one year and not later than five years	434
4,048	Later than five years	4,033
4,510	**Total**	**4,577**

The expenditure charged to the Operations and Commercial in the Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

2022/23 £'000	Minimum Lease Payments	2023/24 £'000
0	Corporate and Democratic Services	0
18	Cultural and Related Services	5
136	Highways and Transport Services	117
154	**Total**	**122**

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.

2022/23 £'000	Future minimum lease payments	2023/24 £'000
2,333	Not later than one year	2,648
6,508	Later than one year and not later than five years	7,118
48,432	Later than five years	50,086
57,273	**Total**	**59,852**

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 2023/2024 £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:

2022/23 £'000		2023/24 £'000
(2,813)	Rental Income from Investment Property	(2,698)
699	Direct Operating Expenses/(Income) Arising from Investment Property	661
(2,114)	Direct cost of Investment Properties	**(2,037)**
(4)	Other Net Operating Costs	2
(2,118)	**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.

2022/23 £'000		2023/24 £'000
35,597	**Balance at Start of the Year**	**49,916**
7,652	Net Gains / (Losses) on Revaluation	13,571
-	Write Out of Impairments on Revaluations	-
43,249	**Net Gains / (Losses) from Movements in the Market Value of Investment Properties**	**63,487**
-	Additions	1,352
-	Impairment /(Valuation)	-
-	Disposals	(391)
-	Derecognition	-
6,667	Reclassifications	4,657
49,916	**Balance at Year End**	**69,105**

Valuation Techniques Used to Determine Fair Values for Investment Property

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

Significant Observable Inputs – Level 2

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

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

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

2023/24	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 31/03/2023
	£'000	£'000	£'000	£'000
Recurring Fair Value Measurements Industrial Units	0	0	0	0
Commercial Units	0	0	0	0
Land	0	0	0	0
Other	0	0	0	0
Total	**0**	**0**	**0**	**0**

2022/23	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 31/03/2022
	£'000	£'000	£'000	£'000
Recurring Fair Value Measurements Industrial Units	0	28,611	0	28,611
Commercial Units	0	11,012	0	11,012
Land	0	1,288	0	1,288
Other	0	9,005	0	9,005
Total	**0**	**49,916**	**0**	49,916

25 Intangible Assets

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

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

The carrying amount of intangible assets is amortised on a straight-line basis. The amortisation of £377k charged to revenue in 2023/24 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 2023/24 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:

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

	2022/23		
	Software Licenses	Housing Nomination Rights	Total
	£'000	£'000	£'000
Balances at start of the year			
Gross Carrying Amount	2,252	303	2,555
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,836)	(219)	(2,054)
Net Carrying Amount at Start of Year	**365**	**84**	**449**
Additions:			
Purchases	38	0	38
Amortisation for the Period	(115)	(6)	(121)
Net Carrying Amount at End of Year	**326**	**78**	**366**
Comprising:			
Gross Carrying Amounts	2,290	303	2,593
Accumulated Impairment	(51)	0	(51)
Accumulated Amortisation	(1,951)	(225)	(2,175)
	288	**78**	**366**

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 2024	170	4,403	6,292	0	4,399	15,264
At 31 March 2023	170	4,403	6,292	0	4,399	15,264
At 31 March 2022	170	4,403	6,292	0	4,399	15,264
At 31 March 2021	237	6,580	6,292	21	4,845	17,975
At 31 March 2020	237	6,580	6,292	0	4,845	17,954
At 31 March 2019	237	6,580	6,292	0	4,845	17,954

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

2023/24	Public Art Collections £'000	Civic Regalia £'000	Museum Collections £'000	Historic Buildings £'000	Archives £'000	Total £'000
Cost or Valuation						
Balance at start of year	**170**	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decrea	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	170	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Accumulated Depreciation and Impairment						
Balance at start of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
Impairments recognised to CIE	0	0	0	0	0	0
Balance at end of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
NBV AS AT 31 MARCH 2024	**170**	**4,403**	**6,292**	**0**	**4,399**	**15,264**

2022/23	Public Art Collections £'000	Civic Regalia £'000	Museum Collections £'000	Historic Buildings £'000	Archives £'000	Total £'000
Cost or Valuation						
Balance at start of year	**170**	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Additions	0	0	0	0	0	0
Revaluation Increase/ (Decrea	0	0	0	0	0	0
Recognised in the CIES	0	0	0	0	0	0
	170	**4,403**	**6,292**	**79**	**4,399**	**15,343**
Accumulated Depreciation and Impairment						
Balance at start of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
Impairments recognised to CIE	0	0	0	0	0	0
Balance at end of year	**0**	**0**	**0**	**(79)**	**0**	**(79)**
NBV AS AT 31 MARCH 2023	**170**	**4,403**	**6,292**	**0**	**4,399**	**15,264**

27 Property, Plant and Equipment

Movements on Balance

Movements in 2023/24	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 2023	**137,840**	**28,164**	**1,360**	**169**	**46,756**	**214,290**
Adjustments to opening balance	490	1,563	0	233	27,901	30,187
Additions	14,899	0	0	0	0	14,899
Revaluation Increases/Decreases to Revaluation Reserve	(3,766)	0	0	(20)	0	(3,786)
Revaluation Decreases to Surplus/Deficit	914	0	0	0	0	914
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	(2,781)	0	0	0	(5,921)	(8,702)
Derecognition - Other	0	0	0	0	0	0
Derecognition - Other-Revaluation Reserve	0	0	0	0	0	0
Reclassification and Transfers	0	0	0	0	(4,657)	(4,657)
Balance as at 31 March 2024	**147,596**	**29,727**	**1,360**	**382**	**64,079**	**243,145**
Accumulated Depreciation and Impairment:						
At 1 April 2023	**(12,989)**	**(20,835)**	**(317)**	**(93)**	**(3,683)**	**(37,917)**
Adjustment to opening balance						0
Depreciation Charge	(2,582)	(1,402)	(45)	(26)	0	(4,055)
Depreciation written out to the Revaluation Reserve	3,988	0	0	0	0	3,988
At 31 March 2024	**(11,583)**	**(22,237)**	**(362)**	**(119)**	**(3,683)**	**(37,984)**
Net Book Value at 31 March 2024	**136,014**	**7,490**	**998**	**263**	**60,396**	**205,161**
Net Book Value at 31 March 2023	124,852	7,329	1,043	76	43,073	176,373

Movements in 2022/23	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 2022	**139,856**	**27,078**	**1,360**	**169**	**42,834**	**211,298**
Adjustments to opening balance	308	0	0	0	507	815
Additions	1,992	1,086	0	0	18,118	21,196
Revaluation Increases/Decreases to Revaluation Reserve	182	0	0	0	0	182
Revaluation Decreases to Surplus/Deficit	(33)	0	0	0	0	(33)
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	(12,501)	(12,501)
Derecognition - Other	0	0	0	0	0	0
Derecognition - Other-Revaluation Reserve	0	0	0	0	0	0
Reclassification and Transfers	(4,464)	0	0	0	(2,203)	(6,667)
Balance as at 31 March 2023	**137,840**	**28,164**	**1,360**	**169**	**46,756**	**214,290**
Accumulated Depreciation and Impairment:						
At 1 April 2022	**(10,825)**	**(19,430)**	**(272)**	**(93)**	**(3,683)**	**(34,303)**
Adjustment to opening balance						**0**
Depreciation Charge	(2,164)	(1,405)	(45)	(0)	0	(3,614)
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	0
Depreciation written out to the Surplus/Deficit on the CIES	0	0	0	0	0	0
Derecognition - disposals	0	0	0	0	0	0
Derecognition - Other	0	0	0	0	0	0
Reclassification and Transfers	0	0	0	0	0	0
At 31 March 2023	**(12,989)**	**(20,835)**	**(317)**	**(93)**	**(3,683)**	**(37,917)**
Net Book Value at 31 March 2023	**124,852**	**7,329**	**1,043**	**76**	**43,073**	**176,373**
Net Book Value at 31 March 2022	129,031	7,648	1,088	76	39,151	176,994

Revaluations

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

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

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

	Other land and buildings £'000	Vehicle, plant & equipment £'000	Infrastructure assets £'000	Community assets £'000	Assets Under Construction £'000	Total £'000
Carried at historical cost	0	7,490	998	263	60,396	69,147
Valued at fair value as at:						
31-Mar-24	49,732	0	0	0	0	49,732
31-Mar-23	8,247	0	0	0	0	8,247
31-Mar-22	8,611	0	0	0	0	8,611
31-Mar-21	2,680	0	0	0	0	2,680
31-Mar-20	59,925	0	0	0	0	59,925
Prior to 2016	6,819	0	0	0	0	6,819
Gross Book Value	**136,014**	**7,490**	**998**	**263**	**60,396**	**205,161**

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.

2022/23 £'000		2023/24 £'000
43,864	**Opening Capital Financing Requirement**	51,477
	Capital Investment:	
21,196	Property, plant and equipment	14,899
0	Assets held for sale	0
0	Investment Properties	1,352
38	Intangible assets	68
0	Heritage Assets	0
3,464	Revenue expenditure funded from Capital under Statute	3,464
649	Capital Loan	649
	Sources of Finance:	
(11,266)	Capital Receipts	(11,648)
(4,399)	Government grants and other contributions	(4,399)
	Sums set aside from revenue:	
(409)	Direct revenue contributions	(554)
(1,251)	Revenue contributions for prudential borrowing schemes	(1,241)
(398)	MRP	(388)
(11)	Principal repayment of Finance Leases where the Council is the Lessee	(2)
51,477	***Closing Capital Financing Requirement***	**53,677**
	Explanation of movements in year:	
7,613	Increase in underlying need to borrowing (unsupported by Government Financial A	2,200
7,613	**Increase/(Decrease) in Capital Financing Requirement**	**2,200**

Capital Commitments

On 31 March 2024 the Council has entered into a number of contracts and the major commitments are:

	Contractual Commitment 31-Mar-24 £'000
Community and Partnerships	16
Major Housing Development	38,664
Sports Facilities	0
Vehicles	175
Other	1,089
Total	**39,944**

29 Assets Held for Sale

2022/23 £'000		2023/24 £'000
575	**Balance Outstanding at Start of the Year**	**500**
0	Additions	-
0	Other movements	-
0	Assets newly classified as Held for Sale	0
(75)	Assets sold	-
500	**Balance at End of Year**	**500**

30 Short Term Receivables

31-Mar-23 £'000		31-Mar-24 £'000
541	Central Government bodies	1,471
1,672	Local Authorities	6,424
0	NHS Bodies	0
12,422	Other entities and individuals	10,500
14,635	**Sub Total**	**18,395**
(2,415)	Allowance for doubtful debt (other entities and individuals)	(2,683)
12,220	**Total**	**15,712**

31 Long Term Receivables

31-Mar-23 £'000		31-Mar-24 £'000
4,792	Other entities and individuals	5,294
137	Finance Lease	138
4,929	**Sub Total**	**5,432**
(26)	Allowance for doubtful debt (other entities and individuals)	(26)
4,903	**Total**	**5,406**

32 Short Term Payables

31-Mar-23		31-Mar-24
£'000		£'000
(16,318)	Central Government bodies	(8,868)
(2,001)	Local Authorities	(4,616)
0	NHS Bodies	(196)
(8,503)	Other entities and individuals	(19,260)
(26,822)	**Total**	**(32,940)**

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 2024, the Council had no material contingent liabilities.

34 Provisions

31-Mar-23	Business Rates Appeals Provision	31-Mar-24
£'000		£'000
(829)	Balance at the 1 April	(811)
635	Additional provisions made in year	518
(617)	Provision unwound in year	(447)
(811)	**Balance at the 31 March**	**(740)**

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:

2022/23		2023/24
£'000	**Taxation and Specific Government Grant Income:**	**£'000**
(648)	Revenue support grant	(788)
(590)	New Homes Bonus	(15)
(486)	Rural Services Delivery Grant	(543)
(676)	Lower Tier Grant/Service Grant	(1,042)
(2,400)	**Sub-Total**	**(2,388)**
(5,031)	Section 31 Small Business Relief Grant Credited to NNDR Income	(4,497)
(4,398)	Capital Grants and Contributions	(7,665)
(11,829)	**Total Taxation and Specific Non-Service Government Grant Income**	**(14,550)**
	Other Revenue Grant Income:	
0	Business Rates cost of collection - MHCLG	3,630
(24,895)	Department for Works and Pensions - Housing Benefit Unit	(25,162)
(183)	Discretionary Housing Payments - DWP	0
(1,783)	Disabled Facilities - Better Care Fund	0
(555)	Homelessness Prevention MHCLG/NCC	(686)
(164)	Local Council Tax Support Administration - MHCLG	0
0	Policy and Partnerships - NCC	0
(225)	Rough Sleeping Grant - NCC	(283)
(388)	Lily Phase 4 - NCC	(424)
(52)	Welfare Reform Funding - DWP	(94)
0	Heritage Lottery Fund	0
0	Covid 19 Grants	0
0	Covid 19 Sales, Fees and Charges Grant	0
(2,132)	Other	(2,860)
(30,377)	**Total Grant Income to Services**	**(25,879)**
(42,206)	**Total Grant Income to General Fund**	**(40,429)**
	Contributions	
(1,733)	Waste Collection Credits – NCC	(1,888)
(672)	Other	(780)
(2,405)	**Total Contributions**	**(2,668)**
(44,611)	**TOTAL GRANTS AND CONTRIBUTIONS TO GENERAL FUND**	**(43,097)**

36 Financial Instruments

31-Mar-23		31-Mar-24
£'000		£'000
	Financial Assets	
	Non-Current	
4,903	Debtors	5,406
	Current	
12,000	Investments	6,000
12,220	Debtors	15,712
29,123		**27,118**
	Financial Liabilities	
	Non-Current	
0	Borrowings	0
(202)	Creditors	(200)
	Current	
(10,000)	Borrowings	(10,000)
(26,822)	Creditors	(6,187)
(37,024)		**(16,387)**

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, 2020/22, 2022/23 and 2023/24.

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

31-Mar-23	Title of Soft Loan	31-Mar-24
£'000		£'000
1,060	Opening Balance	1,129
(22)	- Loans repaid	(46)
91	Impairment losses	65
1,129	**Balance carried forward**	**1,148**
1,111	Nominal Value Carried Forward	1,083

Valuation Assumptions

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

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

Financial Assets

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

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

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

Financial Assets Measured at Amortised Cost

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

Expected Credit Loss Model

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

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

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

Comprehensive Income and Expenditure Statement disclosures

Items of income, expense, gains or losses

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

2022/23		2023/24
£'000		£'000
	Surplus or Deficit on the Provision of Services	
	Interest revenue:	
(782)	Financial assets measured at amortised cost	(782)
(782)	**Total Interest Revenue**	**(782)**
413	Interest payable	166
413	**Total Interest Payable**	**166**
	Other Comprehensive Income and Expenditure	
	Interest revenue:	
0	Financial assets measured at amortised cost	0
0	**Total Interest Revenue**	**0**
0	Interest payable	0
0	**Total Interest Payable**	**0**

Fair Value

The Fair Values of Financial Assets and Financial Liabilities

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

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

The fair values calculated are as follows:

Financial Instruments measured at Amortised Cost

31-Mar-23			31-Mar-24	
Carrying Amount	Fair Value	Financial Liabilities	Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
0	0	PWLB debt	0	0
0	0	Non-PWLB debt	0	0
(10,000)	(8,986)	Short term borrowing	(10,000)	(9,873)
(26,822)	(26,822)	Short term creditors	(6,187)	(6,187)
(1,588)	(1,588)	Long term creditors	(10)	(10)
(202)	(202)	Long term finance lease liability	(200)	(200)
(38,612)	**(37,598)**	**Total Liabilities**	**(16,397)**	**(16,270)**

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-23			31-Mar-24	
Carrying Amount	Fair Value	Financial Assets	Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
15,008	15,008	Money market funds < 1 year	1,500	1,500
630	630	Cash	776	776
12,000	12,000	Short term investments	6,000	6,000
12,220	12,220	Short term debtors	2,354	2,354
4,903	4,903	Long term debtors	5,406	5,406
44,761	**44,761**	**Total Assets**	**16,036**	**16,036**

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

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

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

37 Nature and Extent of Risks Arising from Financial Statements

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

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

Overall procedures for managing risk

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

The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. Overall, these procedures require the Council to manage risk in the following ways:

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

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

Credit Risk

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

This risk is minimised through the Annual Investment Strategy, contained within the Council's Treasury Management Strategy approved at Council ahead of each Financial Year.

Credit Risk Management Practices

The authority's credit risk management practices are set out in the Annual Investment Strategy. With particular regard to determining whether the credit risk of financial instruments has increased significantly since initial recognition.

The Annual Investment Strategy requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

Income Recovery

To reduce credit risk, there is a policy in place to ensure timely collection of outstanding amounts.

Payment terms are set up on accounts when they are opened. Computer generated reminders are issued a week promptly and reflect the value and type of debt. Following on from this if the debt remains unpaid it may be passed for escalated recovery action.

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

2022/23 Debt Outstanding £'000		2023/24 Debt Outstanding £'000
1,663	0 to 3 months	1,031
234	4 to 6 months	956
264	7 to 12 months	235
534	Over one year	752
2,695	**Total**	**2,974**

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

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 2023	0	0	0
b/fwd rounding difference	0	0	0
New financial assets originated	0	0	0
Repayments in year	0	0	0
Accrued Interest	0	0	0
Other changes: Impairment	0	0	0
As at 31 March 2024	**0**	**0**	**0**

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-23		31-Mar-24
£'000		£'000
10,000	Less than 1 year	10,000
0	Between 1 and 2 years	0
0	Between 2 and 5 years	0
0	More than 5 years	0
10,000	**Total**	**10,000**

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

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.

- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances).
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

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

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

According to this assessment strategy, at 31 March 2024, if all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

31-Mar-23		31-Mar-24
£'000		£'000
0	Increase in interest payable on variable rate borrowings	0
0	Increase in interest receivable on variable rate investments	0
1,596	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	1,596
0	Impact on Surplus or Deficit on the Provision of Services	0
1,596		**1,596**

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
		£m	£m
31-Mar-23	Balances	9.7	34.5
31-Mar-24	Balances	8.6	30.2
31-Mar-25	Balances	6	30.6

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 2023/2024; £0.979m 2024/2025).

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 2023/2024 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 cash flow modelling through to March 2025 which demonstrates the Council's ability to work within its Capital Financing Requirement and Cash management framework. 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. 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 the Accounts were signed 22 January 2024, based on its cash flow forecasting and the resultant liquidity position of the Council. This demonstrates that the Council has sufficient liquidity over the same period.

Following assessment of the 2023/2024 outturn, the General Fund will have a predicted balance of £6.36m at 31 March 2024

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.

39 Cash Flow from Operating Activities

The cash flows for operating activities include the following items:

31-Mar-23		31-Mar-24
£000		£000
782	Interest received	782
(413)	Interest paid	(166)
0	Dividends received	0
369	**Total**	**616**

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

31-Mar-23		31-Mar-24
£000		£000
3,454	Depreciation	4,055
(8,962)	Impairment and downward valuations	(12,416)
181	Amortisation	120
	Increase/(decrease) in impairment for bad debts	
(22,291)	Increase/(decrease) in creditors	(1,377)
(1,652)	(Increase)/decrease in debtors	(2,933)
24	(Increase)/decrease in inventories	26
5,438	Movement in pension liability	(4,616)
12,826	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	9,093
(7,798)	Other non-cash items charged to the net surplus or deficit on the provision of services	(13,374)
(18,780)	**Total**	**(21,422)**

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

31-Mar-23		31-Mar-24
£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
(11,190)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(13,821)
(4,933)	Any other items for which the cash effects are investing or financing cash flows	0
(16,123)		**(13,821)**

40 Cash Flow from Investing Activities

31-Mar-23		31-Mar-24
£000		£000
(19,256)	Purchase of property, plant and equipment, investment property and intangible assets	(18,402)
8,000	Purchase of short-term and long-term investments	6,000
(557)	Other payments for investing activities	0
11,190	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	13,821
0	Proceeds from short-term and long-term investments	0
5,219	Other receipts from investing activities	0
4,596	**Net cash flows from investing activities**	**1,419**

41 Cash Flow from Financing Activities

31-Mar-23		31-Mar-24
£000		£000
0	Cash receipts of short- and long-term borrowing	0
686	Other receipts from financing activities	0
0	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	0
0	Repayments of short- and long-term borrowing	0
10,127	Other payments for financing activities	6,668
10,813	**Net cash flows from financing activities**	**6,668**

Collection Fund Notes

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

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

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

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

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

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

Collection Fund Notes

General

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

2022/23				2023/24		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
			Income			
(44,197)	0	(44,197)	Non-domestic ratepayers	(43,290)	0	(43,290)
0	(106,307)	(106,307)	Council Tax	0	(113,280)	(113,280)
(44,197)	**(106,307)**	**(150,504)**	**Total Income**	**(43,290)**	**(113,280)**	**(156,570)**
			Expenditure			
			Apportionment of Previous Year Surplus (Deficit)			
(3,546)	0	(3,546)	Central Government	1,620	0	1,620
(2,837)	54	(2,783)	Borough Council of King's Lynn & West Norfolk	1,296	(32)	1,264
(709)	395	(314)	Norfolk County Council	324	(267)	57
0	75	75	OPCCN	0	299	299
			Precepts, Demands and Shares			
19,178	0	19,178	Central Government	21,821	0	21,821
18,278	7,332	25,610	Borough Council King's Lynn & West Norfolk	17,457	11,572	29,029
3,836	79,808	83,644	Norfolk County Council	4,364	84,385	88,749
0	15,152	15,152	OPCCN	0	16,051	16,051
0	3,715	3,715	Parish/Special Expenses	0	0	0
			Charges to Collection Fund			
239	0	239	Cost of Collection Allowance	242	0	242
(44)	0	(44)	Non-Domestic Rates Provision for Appeals	125	0	125
166	71	237	Bad Debt Provisions	(91)	849	758
0	0	0	Write-offs of uncollectable amounts	0	31	31
0	0	0	Disregarded Amounts	3,074	0	3,074
6	0	6	Transitional Protection Payments	(3,582)	0	(3,582)
34,567	**106,602**	**141,169**	**Total Expenditure**	**46,650**	**112,888**	**159,538**
(9,630)	**295**	**(9,335)**	**(Deficit)/Surplus arising during the year**	**3,360**	**(392)**	**2,968**
6,490	**(209)**	**6,281**	**(Deficit)/Surplus brought forward 1st April 2023**	**(3,140)**	**86**	**(3,054)**
(3,140)	**86**	**(3,054)**	**(Deficit)/Surplus carried forward 31 March 2024**	**220**	**(306)**	**(86)**

Collection Fund Notes

C1 Income from Business Ratepayers

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

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

Central government set a baseline level for each council identifying the expected level of retained business rates, and a system of top ups or tariffs to ensure that all authorities receive their baseline funding amount. Tariffs due from authorities who are not in a Pool are payable to central government and used to finance the top ups to those authorities who do not achieve their targeted baseline funding. Tariffs for those in a Pool are payable to the Pool lead. As we were part of the Norfolk Business Rates Pool in 2023/2024, we paid a tariff to Norfolk County Council as the lead authority.

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

2022/23	Contribution to the NNDR Pool	2023/24
£'000		£'000
61,682	Gross non-domestic rates payable	61,682
(17,485)	Less Allowances and other adjustments	(18,163)
44,197	**Net Contribution to NNDR pool**	**43,290**

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 2023/2024 has been calculated as £1.72m.

2022/23	Non-Domestic Rates Appeals Provision	2023/24
£'000		£'000
	In Year Appeals	
27	Balance at 1 April	25
(2)	Adjustment in Year inc Settled Appeals	(25)
0	Adjustment in year	0
25	**Balance at 31 March**	**0**
	Back Dated Appeals	
2,044	Balance at 1 April	1,698
(1,586)	Adjustment in Year inc Settled Appeals	(964)
1,240	Adjustment in year	1,116
1,698	**Balance at 31 March**	**1,850**
1,723	**NNDR Appeals Provision**	**1,850**

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 2023/2024 and this growth offset any losses in collection.

Valuation Band	Range of values at 1 April 1991	Total Dwellings	Number of Chargeable Dwellings	Dwellings after Discounts & Exemp -tions	Ratio to Band D	Band D Equivalent
A*	*	0	75	69	5/9	39
A	Up to £40,000	24,466	23,278	20,849	6/9	13,900
B	£40,001-£52,000	17,683	17,216	15,829	7/9	12,311
C	£52,001-£68,000	13,710	13,332	12,459	8/9	11,074
D	£68,001-£88,000	9,827	9,536	9,019	9/9	9,019
E	£88,001-£120,000	5,217	5,050	4,828	11/9	5,901
F	£120,001-£160,000	2,650	2,579	2,469	13/9	3,566
G	£160,001-£320,000	1,146	1,103	1,061	15/9	1,768
H	More than £320,000	111	102	99	18/9	199
Total		**74,810**	**72,271**	**66,682**		**57,777**
Less Reduction for Council Tax Support						(5,173)
MOD Dwellings						381
Total Taxbase						**52,984**

*Entitled to a disabled relief reduction

For 2023/2024 we set a precept of £7,332,395 representing a Band D Council Tax charge of £139.37 for our services. In addition, Special Expenses under section 34(1) of the Local Government Finance Act 1992, totalling £778,270 and Parish Precepts totalling £2,936,470 were levied, averaging £70.61 for a Band D property. The total precept for 2023/2024 was £11,047,135.

Norfolk County Council set a precept of £79,807,498 representing a Band D charge of £1,516.95 and the Norfolk Police and Crime Commissioner set a precept of £15,151,824 representing a Band D charge of £288.00. The total average Band D Council Tax charge for 2023/2024 is £2,014,93. 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 2024 stands at £3.1m surplus (2022/23 £6.3m deficit). This amount is shared as follows:

Collection Fund Balance Sheet						
31-Mar-23				31-Mar-24		
Non Domestic Rates	Council Tax	TOTAL		Non Domestic Rates	Council Tax	TOTAL
£'000	£'000	£'000		£'000	£'000	£'000
4,837	10,969	**15,806**	Cash held by KLWNBC	4,837	10,969	**15,806**
1,445	(6,795)	**(5,350)**	Debtors	1,445	(6,795)	**(5,350)**
(503)	(2,140)	**(2,643)**	Receipts in Advance	(503)	(2,140)	**(2,643)**
(863)	(2,121)	**(2,984)**	Impairment Provision	(863)	(2,121)	**(2,984)**
(1,723)	0	**(1,723)**	Appeals Provision	(1,723)	0	**(1,723)**
(3,140)	87	**(3,053)**	Fund (Surplus)/Deficit	(3,140)	87	**(3,053)**
(47)	0	**(47)**	EZ & Renewable Energy	(47)	0	**(47)**
(6)	0	**(6)**	Transitional Protection Payment	(6)	0	**(6)**
0	**0**	**0**	**Total**	**0**	**0**	**0**

Collection Fund Notes

C4 The Collection Fund balance as of 31 March 2024 is a deficit of (£3.1m) (2022/23 £6.3m surplus). This amount is shared as follows:

31-Mar-23				31-Mar-24		
NNDR	Council Tax	Total		NNDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
(1,256)	9	**(1,247)**	Borough Council	0	9	**9**
(313)	66	**(247)**	Norfolk County Council	(313)	66	**(247)**
0	12	**12**	OPCCN	0	12	**12**
(1,571)	0	**(1,571)**	Central Government	(1,571)	0	**(1,571)**
(3,140)	**87**	**(3,053)**		**(1,884)**	**87**	**(1,797)**

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

The NDR Collection Fund is showing a surplus due to the release of appeals provision at the end of the 2017 Rating List. The actual number of checks, challenges and appeals was much lower than anticipated, and the successful appeals requiring repayment are less than the amount provided for. As no further appeals can be made after March 2024 a substantial amount of provision can be released, leaving a balance to cover any residual outstanding appeals.

Collection Fund Notes

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

Collection Fund Representation of Debtor, Creditor & Appeals balances in BCKLWN Accounts						
31-Mar-23				31-Mar-24		
NNDR	Council Tax	Total		NNDR	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
578	702	**1,280**	Debtors	0	702	**702**
(201)	(221)	**(422)**	Receipts in Advance	0	(221)	**(221)**
(345)	(219)	**(564)**	Impairment Provision	0	(219)	**(219)**
(689)	0	**(689)**	Appeals Provision	0	0	**0**
(478)	1,973	**1,495**	Creditors - Local Government	(478)	1,973	**1,495**
(2,395)	375	**(2,020)**	Creditors - Central Government	(2,395)	375	**(2,020)**
(1,287)	9	**(1,278)**	Fund Surplus to Collection Fund Adj A/c	(1,287)	9	**(1,278)**
(4,818)	**2,619**	**(2,199)**	**TOTAL**	**(4,160)**	**2,619**	**(1,541)**

General principles

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

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

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

Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

Cash and Cash equivalents

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

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

Charges to revenue for non-current assets

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

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

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

The authority's method of calculating Minimum Revenue Provision is included within the Treasury Management Strategy Statement 2023/24

Council tax and non-domestic rates

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

Accounting for council tax and NDR

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

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

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

Employee benefits

Benefits payable during employment

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

Termination benefits

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

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

Post-employment benefits

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

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

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

- **Service cost comprising:**
    - current service cost: the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked

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

- **Remeasurements comprising:**
    - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
    - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
    - contributions paid to the Norfolk pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Events after the reporting period

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

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

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

Financial instruments

Financial liabilities

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

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

Financial assets

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

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

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

Financial assets measured at amortised cost

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

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

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

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

Expected credit loss model

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

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

The authority has grouped the loans into three groups for assessing loss allowances:

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

Financial assets measured at fair value through other comprehensive income

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

Financial assets measured at fair value through profit of loss

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

Fair value measurements of financial assets

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

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

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

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

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

Foreign currency translation

Where the authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March.

Government grants and contributions

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

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

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

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

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

Business improvement districts

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

Community infrastructure levy

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

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

Heritage assets

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

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

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

Civic Regalia and Art Collection

The authority's Regalia and Art Collection is reported on the Balance Sheet at market value. The revaluation of these assets is undertaken every 10 years and the latest detailed valuation was carried out during 2020/21. The valuation is undertaken by an external valuer. The valuer's opinion is sought on an annual basis, as to whether it is considered that there has been any material change in the value of these assets.

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

Historical Buildings

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

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

Museum Collections

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

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

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

Borough Archive

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

Heritage assets - general

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

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

Intangible assets

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

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

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

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

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

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

Interests in companies and other entities

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

Inventories

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

Long-term contracts

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

Investment property

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

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

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

Joint operations

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

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

Leases

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 authority 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 authority 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 is 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 authority at the end of the lease period).

The authority 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 to the services benefitting from use of the leased 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 (eg there is a rent-free period at the commencement of the lease).

The authority as lessor

Finance leases

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

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (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 is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement.

When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, even if this does not match the pattern of payments (eg 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.

Overheads and support services

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

Property, plant and equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

- infrastructure, community assets and assets under construction – in this and predecessor Codes these assets have been consistently required to be measured at depreciated historical cost, but this practice has been subject to modification. The annex to Chapter 4 of the Code provides a historical summary of the modifications to historical costs and sets out how the depreciated historical cost basis of measurement has been established.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

Revaluation

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

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

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

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. [Exceptionally, gains might be credited to the surplus or deficit on the provision of services where they arise from the reversal of a loss previously charged to a service.]

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

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

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

Componentisation

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

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

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

Impairment

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

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

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

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

Depreciation

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

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

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

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

Disposals and non-current assets held for sale

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

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

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

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

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

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

Provisions, contingent liabilities and contingent assets

Provisions

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

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

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

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

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service. Where some or all of the payment required to settle a provision is expected to be recovered from another party (eg from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent liabilities

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

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

Contingent assets

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

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

Reserves

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

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

Revenue expenditure funded from capital under statute

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

VAT

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

Group Accounts

1 **Introduction**

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

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

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

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

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 its subsidiaries.

The following pages include:

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

Basis of Identification of the Group Boundary

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

- Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group
- Associates – where the Council exercises a significant influence and has a participating interest. No material entities meet these criteria to be included in the group
- Jointly Controlled Entities - where the Council exercises joint control with one or more organisations. No entities identified to be included in the group
- No Group Relationship – where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

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

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

2 Subsidiaries

Alive Management Ltd

The company was formed on 9 October 2013 and has been registered as a dormant company since financial year ended 31 March 2022. The Borough Council of King's Lynn and West Norfolk holds 100% of the allotted ordinary shares in Alive Management Ltd.

Alive West Norfolk

The company was incorporated on 1 February 2019, its principal activity is to provide the operational day to day services for four sports facilities and a theatre including all the catering functions at the facilities.

Sports facilities:

- Alive Downham Leisure
- Alive Lynnsport
- Alive Oasis
- Alive St James Pool

Theatre:

- Alive Corn Exchange

The company also manages a number of council facilities on its behalf, including:

- Town Hall
- Stories of Lynn
- Community Centres
- Sports Pavilions

West Norfolk Housing Company Ltd

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

West Norfolk Property Ltd

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

Group Movement in Reserves Statement

Movements in Reserves during 2023/24	Council's Usable Reserves	Subsidiary Usable Reserves	Total Group Usable Reserves	Council's Unusable Reserves	Subsidiary Unusable Reserves	Total Group Unusable Reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	**(50,750)**	**(731)**	**(51,481)**	**(210,259)**	**0**	**(210,259)**	**(261,740)**
Group (Surplus)/Deficit	(13,794)	(257)	(14,051)	0	0	0	(14,051)
Prior Year Adjustment (Surplus)/Deficit	0	0	0	0	(621)	(621)	(621)
Other Comprehensive Expenditure and Income		184	184	(29,382)		(29,382)	(29,198)
Total Comprehensive Expenditure and Income	**(13,794)**	**(73)**	**(13,867)**	**(29,382)**	**(621)**	**(30,003)**	**(43,870)**
Adjustments between Accounting Basis and Funding Basis under Regulations	17,135	0	17,135	(17,135)	0	(17,135)	0
Transfer to\from Earmarked Reserves	0	0	0	0		0	0
Increase / Decrease in Year 2023/24	**3,341**	**(73)**	**3,268**	**(46,517)**	**(621)**	**(47,138)**	**(43,870)**
Balance at 31 March 2024 carried forward	**(47,409)**	**(804)**	**(48,213)**	**(256,776)**	**(621)**	**(257,397)**	**(305,610)**

Movements in Reserves during 2022/23	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 2022	**(51,661)**	**(369)**	**(52,030)**	**(122,075)**	**0**	**(122,075)**	**(174,105)**
Group (Surplus)/Deficit	(11,944)	(362)	(12,306)	0	0	0	(12,306)
Prior Year Adjustment (Surplus)/Deficit	0	0	0	0	0	0	0
Other Comprehensive Expenditure and Income			0	(75,329)		(75,329)	(75,329)
Total Comprehensive Expenditure and Income	**(11,944)**	**(362)**	**(12,306)**	**(75,329)**	**0**	**(75,329)**	**(87,635)**
Adjustments between Accounting Basis and Funding Basis under Regulations	12,855	0	12,855	(12,855)	0	(12,855)	0
Transfer to\from Earmarked Reserves	0	0	0	0		0	0
Increase / Decrease in Year 2022/23	**911**	**(362)**	**549**	**(88,184)**	**0**	**(88,184)**	**(87,635)**
Balance at 31 March 2023 carried forward	**(50,750)**	**(731)**	**(51,481)**	**(210,259)**	**0**	**(210,259)**	**(261,740)**

Group Accounts

Group Comprehensive Income and Expenditure Statement

2022/23				2023/24		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£'000	£'000	£'000		£'000	£'000	£'000
			Services			
3,593	27	3,620	Central Services	3,292	(37)	3,255
7,181	(2,042)	5,139	Health Wellbeing and Public Protection	5,976	(1,912)	4,064
402	24	426	Companies and Housing Delivery	213	(439)	(226)
5,529	(4,085)	1,444	Environment and Planning	5,284	(5,140)	144
19,519	(17,525)	1,994	Operations and Commercial	22,018	(20,345)	1,673
1,816	(2,930)	(1,114)	Property and Projects	1,981	(876)	1,105
1,354	(1,735)	(381)	Regeneration Housing & Place	4,089	(1,037)	3,052
38,843	(28,358)	10,485	Resources	39,910	(27,476)	12,434
336	0	336	Chief Executive	305	0	305
1,270	(433)	837	Legal Services	1,268	(263)	1,005
2,962	(456)	2,506	Leisure and Community Facilities	3,880	(78)	3,802
			Group			
221	(671)	(450)	West Norfolk Property	379	(758)	(379)
805	(1,467)	(662)	West Norfolk Housing Company Ltd	501	(975)	(474)
7,508	(7,196)	312	Alive West Norfolk Ltd	9,013	(8,466)	547
91,339	**(66,847)**	**24,492**	**Cost of Services**	**98,109**	**(67,802)**	**30,307**
		(850)	Other Operating (Income)			1,648
		(10,069)	Financing and Investment (Income)			(14,454)
		(25,879)	Taxation and Non-Specific Grant Income			(31,989)
		(12,306)	**(Surplus)\Deficit on Provision of Services**			**(14,488)**
		(1,866)	(Surplus) on Revalution of PPE			(18,887)
		(73,463)	Re-measurement of the net defined benefit liability			(10,495)
		(75,329)	Other Comprehensive (Income)			**(29,382)**
		(87,635)	**Total Comprehensive (Income)/Expenditure**			**(43,870)**

Group Accounts

Group Balance Sheet

31-Mar-23			31-Mar-24
£'000		Note	£'000
180,444	Property, Plant and Equipment	27	210,295
15,264	Heritage Assets	26	15,264
49,916	Investment Property	24	69,105
366	Intangible Assets	25	314
0	Long Term Investments	36	0
4,903	Long Term Receivables	31	1,829
13,120	Pension Assets		28,231
264,013	**Long Term Assets**		**325,038**
12,000	Short Term Investments	36	6,000
187	Inventories		161
8,871	Short Term Receivables	30	14,970
17,593	Cash and Cash Equivalents	14	4,080
500	Assets Held for Sale	29	500
39,151	**Current Assets**		**25,711**
(811)	Provisions	34	(745)
(10,000)	Short Term Borrowing	36	(10,000)
(28,522)	Short Term Payables	32	(34,372)
(76)	Current Tax Liability		0
(39,409)	**Current Liabilities**		**(45,117)**
(1,588)	Grants Receipts in Advance	35	(10)
0	Long Term Borrowing	36	0
(427)	Other Long Term Liabilities		(12)
0	Pension Liabilities	20	0
(2,015)	**Long Term Liabilities**		**(22)**
261,740	**Net Assets**		**305,610**
(51,481)	Usable Reserves	MIR	(48,213)
(210,259)	Unusable Reserves	13	(257,397)
(261,740)	**Total Reserves**		**(305,610)**

Group Cash Flow Statement

2022/23 £'000		Note	2023/24 £'000
12,306	Net Surplus or (Deficit) on the Provision of Services	CIES	14,488
(19,668)	Adjust to Surplus or Deficit on the Provision of Services for Non Cash Movements		(22,267)
(16,123)	Adjust for Items included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities		(13,821)
(23,485)	**Net Cash flows from Operating Activities**		**(21,600)**
4,596	Investing Activities		1,419
10,813	Financing Activities		6,668
(8,076)	**Net Increase or Decrease in Cash and Cash Equivalents**		**(13,513)**
25,669	Cash and Cash Equivalents at the beginning of the Reporting Period		17,593
17,593	**Cash and Cash Equivalents at the End of the Reporting Period**		**4,080**

Notes to the Group Accounts

Accounting policies

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

Tax Expense

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

The tax payable in respect of the year is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantially enacted by the reporting date.

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

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

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

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

Tax Expenses of Group Entities

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

Defined Contribution Pension Schemes

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

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

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

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

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

G3 Defined Contribution Pension Schemes

Alive 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.

2022/23	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
2022/23 Services						
Central Services	8	426	0	56	(3)	487
Health Wellbeing and Public Protection	2,414	530	0	181	(7)	3,118
Companies and Housing Delivery	0	78	0	(4)	0	74
Environment and Planning	7	496	0	(324)	(2)	177
Operations and Commercial	413	1,040	0	(1,144)	(1)	308
Property and Projects	193	176	249	(215)	(4)	399
Regeneration Housing & Place	(662)	112	0	(5)	0	(555)
Resources	1,896	921	0	(334)	(11)	2,472
Chief Executive	0	40	0	295	(4)	331
Legal Services	0	69	0	140	4	213
Leisure and Community Facilities	1,404	0		(51)		1,353
Net Cost of Services	**5,673**	**3,888**	**249**	**(1,405)**	**(28)**	**8,377**
Other Income and Expenditure	(20,710)	1,539	(249)	1,405	(3,674)	(21,689)
Differences between the Statutory Charge and the (Surplus)/Deficit in the CIES	**(15,037)**	**5,427**	**0**	**0**	**(3,702)**	**(13,312)**

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 Borough Council of King's Lynn and West Norfolk ('the Council') and its subsidiaries (the 'Group') for the year ended 31 March 2024. 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 to the Council's financial statements and G1 to G3 to the Group's financial statements, including material accounting policy information,
- 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 2023/24.

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 required any outstanding accountability statements for years ended 31 March 2015 to 31 March 2023 to be approved not later than 13 December 2024 and the accountability statements for the year ended 31 March 2024 to be approved not later than 28 February 2025 ('the backstop date').

The audits of the financial statements for the years ended 31 March 2021, 31 March 2022 and 31 March 2023 for Borough Council of King's Lynn and West Norfolk were not completed for the reasons set out in the disclaimers of opinion on those financial statements dated 4 December 2024.

Due to the disclaimers of opinion on the prior years, delays in receiving draft financial statements and associated audit evidence and the limited time between the backstop dates 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 Council's financial statements for the year ended 31 March 2024.

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

Matters on which we report by exception

Notwithstanding our disclaimer of opinion on the financial statements we have nothing to report in respect of whether the annual governance statement is misleading or inconsistent with other information forthcoming from the audit, performed subject to the pervasive limitation described above, 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 2024.

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 2024.

Significant weaknesses in arrangements

Governance

Our judgement on the nature of the weakness identified:

The Council did not publish its statement of accounts by 31 May 2024 as required by the Accounts and Audit Regulations 2015. The unaudited statements were published on 31 October 2024. 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 delays in preparation of the 2020/21, 2021/22, and 2022/23 financial statements which has impacted the timeliness of its statement of accounts preparation.

The evidence on which our view is based is:

- Publication date of the 2023/24 draft financial statements.
- 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's 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, 2023/24, 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 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 2024.

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 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 cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of Borough Council of King's Lynn and West Norfolk.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts 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 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 85 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP

.... Date: 14 February 2025

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

Borough Council of King's Lynn & West Norfolk

ANNUAL GOVERNANCE STATEMENT 2023/24

Approval of the Annual Governance Statement

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

The underlying financial environment continues to pose significant challenges for the Council. Within this overall context, the role of good governance remains critical to public trust and confidence in decision making and the use of public funds.

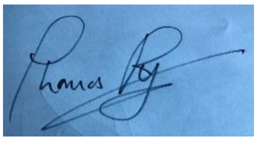
This Annual Governance Statement provides the opportunity for an honest reflection on whether our Governance Framework is fit for purpose and provides the platform on which the Council will hold itself accountable for continuous improvement.

The Review of Effectiveness confirms that during 2023/24 there was overall assurance against the Council's Governance Framework however there are specific areas of weakness identified for prioritised and targeted improvement alongside an Action Plan for wider improvements.

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

We approve this Annual Governance Statement.

Signed:



Cllr Tom Ryves	Michelle Drewery
Chair Leader of the Council	S151 Officer
Date: 20.01.25	Date: 20.01.25

1. Introduction

Annual Governance Statement

Good governance is integral for ensuring focussed, lawful, and transparent decision making and leadership in local authorities. It is important that actions and decisions are undertaken in the correct way, for the right people in a timely, inclusive, open, honest, and accountable manner. Having a framework of well understood rules, systems and appropriate access to information is crucial to supporting good governance. Weakness in governance can have far reaching implications and it is important that these are identified and minimised to support good governance.

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

2. Scope of Responsibility

The Council's responsibilities are to:

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

The Council has a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*. The Code was reviewed by Audit Committee during 2018/19 and shall be reviewed and refreshed in 2024/25.

The Annual Governance Statement ("AGS") reports publicly on the extent to which the Council has complied with its governance duties and how the Council has deployed effective governance during the 2023/24 financial year against the Code. It includes a review of effectiveness of its governance arrangements, including systems of internal controls, and sets out proposed changes going forwards to secure continuous improvement.

The Council recognises its responsibility for ensuring a sound system of governance is in place to support the delivery of the Council's Corporate Strategy and ensure good governance within the Council.

3. The Governance Framework

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

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

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

The Council's Governance Framework is made up of the many systems, policies, procedures, and operations we have in place, including the Code of Corporate Governance, to help realise the principles within the CIPFA/SOLACE: Delivering Good Governance in Local Government Framework 2016:

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

4. How the Council Works

For a summary of how the Council works and details of some of the key areas of the Governance Framework, please refer to Schedule 2.

5. Review of Effectiveness

The Council has responsibility for conducting a review of the effectiveness of its Governance Framework including the system of internal control. This review is conducted with reference to the Council's Code of Corporate Governance and aligned with the CIPFA/SOLACE *Delivering Good Governance in Local Government Framework 2016*.

The Review of Effectiveness is carried by firstly undertaking an 'at a glance' summary throughout the 2023/24 period, and then secondly undertaking a deeper dive into specific areas of the Governance Framework.

5.1 Summary Against the Principles

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

What Went Well:

- ✓ Creation of a Constitution Informal Working Group by the Corporate Performance Panel with cross political group representation, with a work programme to review and update the Constitution with the Monitoring Officer and Democratic Services

- ✓ Standards Committee received a report which set out data, categories and themes taken from the Code of Conduct complaints received during 2022/23
- ✓ set of recommendations A review was undertaken of all Equality, Diversity and Inclusion policies and practices which has led to a which will start to be implemented during 2024/25

Areas for Improvement:

- ✓ Developing 'Values of the Organisation'
- ✓ Introducing a Behaviours Framework
- ✓ Review and refresh Officer Code of Conduct
- ✓ Review and refresh the Member/Officer Protocol
- ✓ Introduction of new Contract Standing Orders
- ✓ Work with Parishes on Standards needs to be implemented following Parish Council Code of Conduct complaints doubling compared to 2022/23

Principle B: Ensuring Openness and Comprehensive Stakeholder Engagement

What Went Well:

- ✓ Regular meetings between Councillors and the local hospital management team Regular communications with the local MPs
- ✓ Business and voluntary sector engagement undertaken on the Budget proposals
- ✓ Representation and participation on the Special Interest Group for the financing of the levies for the Internal Drainage Boards
- ✓ Stakeholder events and engagement with residents of West Winch in respect of the West Winch Growth Area strategic plans.

Areas for Improvement:

- ✓ Develop a Partnership Governance Framework and consider entering Partnership Agreements with significant partners, which includes an assurance process for monitoring risks
- ✓ Undertake public engagement on the Budget and the Corporate Strategy (building on the business and voluntary sector engagement already undertaken)

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

What Went Well:

- ✓ A new Corporate Strategy developed by the new Administration along with the introduction of an 'Annual Plan' which sets out what will be delivered during 2023/24 and each following year
- ✓ The new Local Plan is currently under inspection
    - o The work undertaken between the Council and Alive West Norfolk (AWN) to appraise the options relating to the future model of governance of the leisure and cultural functions

- ✓ Set up a member Biodiversity Task Group to respond to the requirements of the Environmental Act to publish a biodiversity report by no later than 1 January 2026.
- ✓ Continued stakeholder engagement with statutory bodies to inform the development of the Southgates Masterplan Scheme.

Areas for Improvement:

- ✓ Consulting on future iterations of the Corporate Strategy and the budget
- ✓ Strategies for data collection and analysis to inform the defining of outcomes and decision making

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

What Went Well:

- ✓ A loan facility of up to £50m for West Norfolk Property Ltd (WNPL) and West Norfolk Housing Company (WNHC) to acquire an asset portfolio from the Council was approved
- ✓ Creating resource within the Corporate Governance team to undertake the Company Secretary function for WNPL Limited and WNHC
- ✓ Commencement of a Procurement and Contract Management health-check and diagnostic programme through the East of England Local Government Association to address the findings of the limited assurance audit returned in 2022/23
- ✓ The Costs Management Income Generation (CMIG) Plan was reintroduced as part of the Medium-Term Financial Plan
- ✓ The King's Lynn Advisory and Consultative Committee (KLACC) became a decision-making body, King's Lynn Area Committee (KLAC), to make decisions within its remit relating to funding and projects within the unparished areas of King's Lynn

Areas for Improvement:

- ✓ Finalise the Governance Action Plan for the Council wholly owned Companies
- ✓ Establish an officer working group to monitor the implementation of the CMIG Plan
- ✓ Develop a Social Value policy
- ✓ Develop a Fees and Charges Policy
- ✓ Determine how the Invest to Save fund will operate
- ✓ Aligning the Council's wholly owned companies' Business Plans with the Medium-Term Financial Strategy
- ✓ Develop Key Performance Indicators (KPI's) on the Companies' performance including financial performance, for the Shareholder to hold the companies to account
- ✓ Facilitating the future governance and financial arrangements for King's Lynn Advisory Committee (KLAC)
- ✓ Review how Community Infrastructure Levies are utilised in terms of the strategic benefit that can be maximised against the Corporate Strategy and Local Plan
  - ✓ Requiring medium and long-term financial planning for the Council's wholly owned companies
- ✓ Earlier engagement on the Memorandum of Understanding for the Norfolk Business Rates Pooling Arrangements

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

What Went Well:

- ✓ Undertaking a Council wide collation and review of all statutory and discretionary services to provide a corporate view of the allocation of resource and functions across the organisation
- ✓ Establishment of a Corporate Governance team to promote good governance across the Council
- ✓ Recommencement of the Level 7 Diploma in Leadership and Management for selected officers, as well as apprenticeship schemes to develop staff capabilities
- ✓ Commencement of 'Good Governance Sessions' by the Monitoring Officer with each Assistant Director and their Service Managers to refresh understanding on matters such as decision making, recording decisions, team schemes of delegation, lessons learnt, etc
- ✓ Implementation of the induction and training programme for Councillors after the elections, in particular for the 18 new Councillors

Areas for Improvement:

- ✓ Develop and adopt a Workforce Plan and Training and Development Strategy
- ✓ Commence a feedback exercise with new Councillors following May 2023 elections on the Member Induction Pack, the training programme and overall induction programme to ensure that the lessons learned are incorporated in the 2027 Member induction programme
- ✓ Create a Member Director induction pack for Councillors who become company directors of the Council's wholly owned companies
- ✓ Review the Centre for Governance and Scrutiny's Governance Framework and consider how this can be incorporated into future Annual Governance Statements
- ✓ Introduce an annual Project Maturity assessment following the assessment undertaken this year
- ✓ Mandatory training required for all officers on Procurement and Contract Management

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

What Went Well:

- ✓
- ✓ A deep dive review of the capital programme was undertaken
- ✓ Updated and streamlined the risk management framework
- ✓ Achieved 2.15% savings against a target of 2%
- ✓ Updated and streamlined the KPIs set for corporate performance
- ✓ The Costs Management Income Generation (CMIG) Plan was reintroduced as part of the Medium-Term Financial Plan
- ✓ Reallocation of £3m of earmarked reserves to the General Fund to support delivery of the Medium-Term Financial Plan
    - o Creation of a Procurement and Contract Management Transformation Officer Working Group to steer the transformation project underway

Areas for Improvement:

- ✓ Review and categorise the Council's Policy Framework to streamline the adoption and update of policies, to ensure all policies are up to date, linked where relevant and there is understanding and compliance across the organisation of the Policy Framework
- ✓ Reviewing and updating the Asset Management Plan and using this to feed the Capital Programme (a 'Limited Assurance' Audit recommendation)
- ✓ Spend that is non-complaint with Contract Standing Orders must be addressed and reduced
- ✓ Develop further modelling on capital financing and prudential indicators
- ✓ Expand the Cost Management and Income Generation Plan
- ✓ Review special expense costs and recharges
- ✓ External Audits of Local Government accounts have been delayed across England. Future plans for the Council's financial management will need to incorporate a strategy on meeting the demands necessitated by this external backlog
- ✓ Implement Performance Management and Risk Management Software
- ✓ Develop a strategy for better integrating risk management into service area decision making

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

What Went Well:

- ✓ A Local Government Association Peer Review was undertaken, with the Peers' full report published in December 2023
- ✓ Introduction of an Annual Plan to set out what will be achieved against the Corporate Strategy each year, to increase accountability for delivering results.
- ✓ Guidance was introduced for officers on decision-making including when operational decisions, executive delegated decisions and when a Cabinet decision is required
- ✓ 4 audits were returned with 'substantial assurance' (Counter Fraud and Corruption, Payroll, Council Tax and Non-Domestic Rates and Council Tax Support and Benefits) and 9 with 'reasonable assurance'

Areas for Improvement:

- ✓ Demonstrating how the Council gains assurance on risks associated with delivering services through third parties
- ✓ Publishing Freedom of Information requests online as part of the Transparency Code
- ✓ Track implementation of recommendations from Corporate Complaints and Data Breach assessments
- ✓ Bringing compliance with all audit recommendations up to date
- ✓ Progress the recommendations within the three 'Limited Assurance' audits returned during 23/24 (further details below)
- ✓ Deliver on the Procurement and Contract Management limited assurance audit recommendations from 22/23

5.2 Review Against the areas of the Governance Framework

5.2.1 Performance Monitoring

Corporate monitoring is in place which flows from the Corporate Strategy down through to each service area and there are a series of corporate monitoring requirements which are regularly reported on to the Corporate Performance Panel. Overall, many services across the Council perform well and this is reflected in the Performance Monitoring Report for 2023/2024 which demonstrates the Council's effective delivery of services and support for the community.

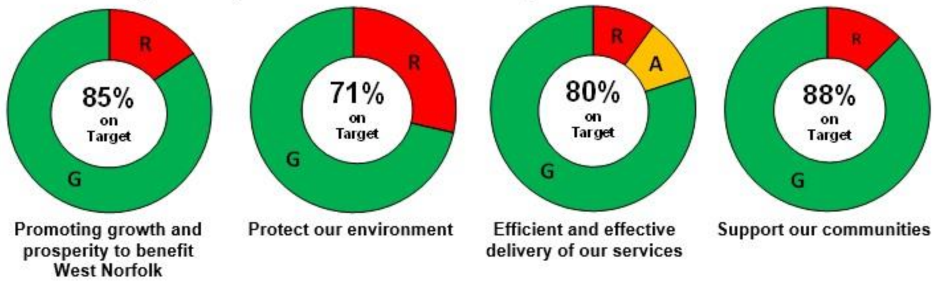
Performance monitoring is carried out firstly against the Corporate Strategy and secondly against a set of KPIs adopted to monitor the Council's Day to day activities.

Executive summary of the Corporate Strategy - current position for 2023-2024

Corporate Priorities	Status of projects and actions				
	R	A	G	B	P
Promoting growth and prosperity to benefit West Norfolk	0 (0%)	4 (67%)	2 (33%)	0 (0%)	0
Protect our environment	0 (0%)	2 (20%)	8 (80%)	0 (0%)	2
Efficient and effective delivery of our services	0 (0%)	0 (0%)	5 (100%)	0 (0%)	8
Support our communities	0 (0%)	2 (34%)	4 (66%)	0 (0%)	1
Overall position	0 (0%)	8 (30%)	19 (70%)	0 (0%)	11

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

Executive summary of the Key Performance Indicators - current position for 2023-2024



Corporate Priorities	Status of performance indicators				
	R	A	G	Monitor only	In progress
Promoting growth and prosperity to benefit West Norfolk	2 (15%)	0 (0%)	11 (85%)	4	2
Protect our environment	2 (29%)	0 (0%)	5 (71%)	6	0
Efficient and effective delivery of our services	1 (10%)	1 (10%)	8 (80%)	4	2
Support our communities	1 (12%)	0 (0%)	7 (88%)	7	1
Overall position	6 (16%)	1 (3%)	31 (81%)	21	5

KEY:

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

5.2.2 The Corporate Performance Panel

Number of call-in's of executive decisions

There were two call-ins during 2023/24 of the following decisions:

1. Officer Delegated Decision – Shared Prosperity Funding for King's Lynn Bid Ltd "The Place Project"
2. Cabinet Decision: Making West Norfolk a Marmot Place

5.2.3 Monitoring Officer

Introduction

This section provides a summary of the key areas of work and focus of the Monitoring Officer during 23/24.

An in-house legal team commenced the full provision of the legal function from April 2023 following the ending of the external provision arrangement with North Norfolk District Council. Alongside this, a Corporate Governance Team was established from April 2023.

On 4 May 2023 elections took place across all 35 of the Council's Wards which resulted in the Independent Partnership Group forming a minority Administration. This was the first change in

Administration for 20 years. A significant proportion of the Monitoring Officer's time during 23/24 was drawn into supporting

this transition and managing the changing roles of Councillors. The newly formed Corporate Governance team was equally drawn into supporting the new Administration, particularly around the creation of their Corporate Strategy and the Annual Plan.

Looking forwards to 2027, the potential for an Administration change will need to be planned for in terms of additional short-term resource, to learn the lessons from 2023 and ensuring that the support required where there is an Administration change does not disproportionately interfere with the dayto-day work of the Monitoring Officer and the Corporate Governance team.

Member Induction

A comprehensive induction programme was prepared for all Councillors, whether new or returning, which included an opportunity to meet the Senior Leadership Team and videos prepared to introduce Councillors to the work of the Council.

A feedback plan is to be devised to capture lessons learned to use towards development of the 2027 Member induction pack.

An area which will also now be developed is the creation of a Member Director Induction pack, for those Councillors appointed as Directors to the Council's companies.

Constitution

A Constitution Informal Working Group was formed during 2023/24 which will now be the mechanism through which the Constitution will be reviewed and updated.

Standards and Code of Conduct Complaints

a) Code of Conduct

No changes were made to the Member Code of Conduct instructed in 22/23.

b) Complaints

There were 50 Code of Conduct complaints within 23/24:

Borough Councillor complaints	**16** (compared to 13 in 22/23)
Parish complaints	**34** (compared to 17 in 22/23)

In relation to the Borough Councillor complaints:

Councillor on Councillor complaints	**5** (3 withdrawn) (Compared to 3 in 22/23)
Officer on Councillor complaints	**0** (Compared to 1 in 22/23)

A Standards Committee hearing was held during 23/24 to determine two complaints in relation to the same matter.

c) Declarations of Interest

Informal complaints have continued to be raised with regards to whether Councillors' Register of Interest forms have been completed fully. This was also a recurring theme in 22/23. Additional materials should be compiled during 24/25 setting out FAQ's for Councillors and Parish Councillors with regards to their declarations of interests.

Corporate Complaints

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

58 Corporate Complaints were received during 2023/24.

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

23/24 Datasheet - Complaints Decided by the Local Government and Social Care Ombudsman

Invalid / Incomplete	**0**
Advice given	0
Referred	3
Closed after initial enquiries	8
Not Upheld	1
Upheld	0
Total	12
Uphold rate %	**0**
Average LGSCO Uphold rate %	63

Wholly Owned Companies

The work on delivery of the Governance Action Plan approved in November 2022 was delayed by the consequential impact of the Administration change during 23/24. The work of the Shareholder Committee has, however, continued to be developed. The Shareholder Committee considered and approved draft governance documents and draft Business Plans for the companies, amongst other matters. Additionally, the Corporate Governance team commenced provision of the Company Secretary function to the Council's companies, which has added additional governance resource and value to the Companies. Further details are provided in the Wholly Owned Companies section below.

Work and resource to complete the Governance Action Plan, as further elaborated on by the Internal Audit Position Statement, will be treated as a Directorate priority during 24/25.

The completion of the outstanding 31 leases in relation to the 74 properties leased to WNPL Ltd (WNPL), which was included as a Significant Governance Issue in the Annual Governance Statement for 22/23, was carried out in February 2024. Work has commenced on the new leases, in furtherance of the financial advice received as part of the decision to approve the loan facility to the Companies, that purchases should wait until interest rates have reduced to the optimum level.

Whistleblowing

There was **1** whistleblowing complaint received in 23/24, which was found to be not substantiated.

The Whistleblowing Policy was reviewed and adopted by Full Council on 31 January 2024.

Annual Governance Statement

The Annual Governance Statement (AGS) has been refreshed to include more detail of our Governance arrangements together with deep dives into more specific areas. It is intended to use the AGS as a 'working' document, updated throughout the year to accurately reflect where the application of governance arrangements have been strengthened and areas where improvement have been identified.

Good Governance Sessions

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

Overall Assurance

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

23/24 was the first year the Council has operated the Corporate Governance function through a dedicated Corporate Governance team. This has strengthened the profile of the Governance Framework throughout the authority. The key to improvement will be to ensure the Governance Framework is seen as part of the day job, and not an additional burden for officers. The Statutory

Officers and Corporate Governance team are now in a position to promote and drive the awareness of the Governance Framework and secure the identified actions to achieve continuous improvement.

5.2.4 Chief Finance Officer

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

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

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

During 2023/24, the Council continued to be impacted by rising costs due to inflation and pay pressures. The impact of inflation is most evident in the Capital Programme, utilities, insurance premiums, and Operation services. Monthly budget monitoring and quarterly reporting enabled Cabinet and Council to remain informed of budget pressures and favourable movements.

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

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

Whilst the Council faces significant cost pressures, rapidly rising interest rates have provided the Council with additional income from its treasury management activities. Existing loans are all at fixed rates and therefore not susceptible to market increases. During the year, the Council constantly receives advice from its Treasury Advisors regarding the creditworthiness of financial institutions and lending on the local authority market. Security of the Council's cash is the over-riding consideration in setting its Treasury Management Policy Statement.

The report to Council in February 2024 indicates that future years beyond 2024/25 continue to show budget shortfalls of core funding compared with budgeted expenditure. The primary concerns regarding the Council's Budget and continue to be uncertainty in the local government finance system, and the range and scale of expenditure and income pressures. A strategy for a combination of actions will be needed in the next budget round to ensure a longer-term sustainable position, including a phased use of reserves, maximisation of income, and the achievement of savings. The Council's overall balance on reserves is currently healthy, which will provide the time for actions to embed and outcomes to be realised.

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

5.2.5 Corporate Governance

Corporate Strategy and Annual Plan

Following the May 2023 elections, the council's Administration changed from Conservative led to 'no overall control'. The new administration was formed from an alliance between the Independent Group, the Green Party and the Liberal Democrats, supported by Labour.

A new Corporate Strategy was published in December 2023, supported by an Annual Plan 2023/24, based on priorities to be delivered within the year. The Annual Plan is a new addition to the council's

Performance Management Framework and is based on priorities and outcomes defined in Directorate Plans, published annually. This allows for more focused monitoring of projects and milestones planned to meet the outcomes specified in the Corporate Strategy.

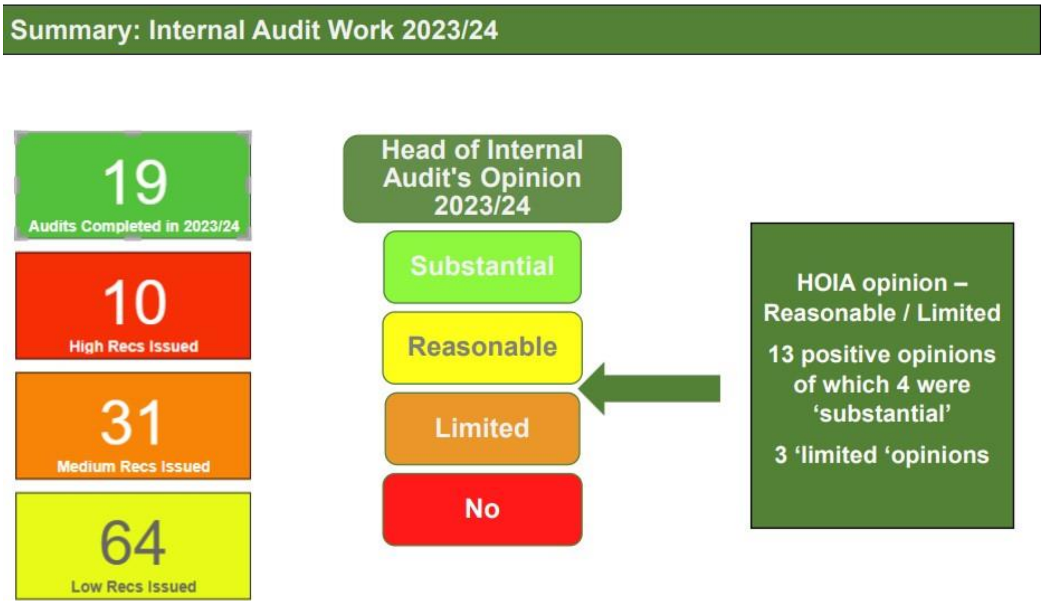
Local Government Association Peer Review

A Corporate Peer Challenge took place in the Autumn of 2023. A resulting Action Plan was produced and agreed by Cabinet in March 2024 which looks to address the recommendations that have been highlighted from the Corporate Peer Challenge.

5.2.6 Head of Internal Audit

Annual Opinion

The Head of Internal Audit issues an annual audit opinion each financial year to notify the Council of the objective assessments undertaken by internal audit and the degree of confidence available in the organisation's governance, risk management and control processes. Based on the findings of the audit reviews carried out throughout 23/24, other sources of assurance available and the relative materiality of the issues arising from audit work as well as the Senior Leadership Team's progress in addressing any control weaknesses identified, the opinion issued for 23/24 was as follows:



Limited opinions for 23/24

Three limited assurance opinions have been issued in 2023/24 and key control weaknesses were identified. These control weaknesses represent unresolved risks:

- **Starters, Movers and Leaves (Final report issued September 2023)**

Two of the three high recommendations relating to adding new starters to and removing leavers from the network have been completed. The other remains open and is overdue. A full review of assets and equipment held across the organisation is needed and the ICT Asset Register updated accordingly. The control weakness affects the ability of the Council to safeguard its assets.

- **Capital Programme (Final report issued April 2024)**

Four high priority recommendations were raised in relation to the monitoring and oversight, and establishment of decision-making procedures for 'operational scheme' projects. The final recommendation related to reviewing and updating the Asset Management Plan and using this to feed the Capital Programme. 'Operational scheme' projects account for circa £21M in the current 2022/23 to 2026/27 capital programme. These control weaknesses impact on the ability of the Council to manage projects effectively and deliver them on time and within budget.

A further six medium priority recommendations were also raised in relation to the governance of the capital programme.

➢ **Public Open Spaces (Final report issued December 2023)**

Three high priority recommendations were raised in relation to reviewing the Tree and Woodland Strategy to ensure progress is being made, ensuring other relevant policies and strategies have taken account of this Strategy, and reviewing the tree management recording system regarding its efficiency and effectiveness. The former two recommendations have due dates of June 2024 and the latter March 2024 which remains open and is overdue.

A further two medium priority recommendations were raised regarding the monitoring and reporting of KPIs. One of these is completed and the due date for the other is June 2024.

Position Statements

Two position statements on Council's Local Authority Treading Companies (LATCOs), WNPL Limited and WNHC Company Limited were issued in 2023/24. Both advisory pieces of work assessed the strategic and governance arrangements at both companies against the Local Partnerships' Local Authority Company Review Guidance.

➢ WNPL Limited

Actions for improvement were made in relation to:

- Finalising key governance documentation for the Company such as articles of association, shareholder's agreement, the Business Plan, the Service Level Agreement (SLA), financial agreements etc.
- Review and update the Risk Register and Business Plan.

➢ WNHC Company Limited

Actions for improvement were made in relation to:

- Signing key governance documentation.
- Updating costs within the SLA to give a true picture of service costs.
- Establishing some performance measures for monitoring.

Outstanding Limited Assurance Recommendations from Previous Years

In addition to the above-mentioned actions, the outstanding high and medium recommendations from limited assurance reports in previous financial years are reflected below:

2021/22 Alive West Norfolk

- 2 High and 1 Medium priority recommendations are outstanding

2021/22 Waste Management

- 1 Medium priority recommendation is outstanding

2021/22 Capital Programme

➢ 1 High priority recommendation is outstanding - '

Outstanding Recommendations

In relation to the follow up of management actions, to ensure that they have been effectively implemented, the position at year end 2023/24 is that 80 recommendations (high, medium and low) crossing the years 2018/19 to 2023/24 are outstanding. The table below shows the numbers by the year in which they were raised for high and medium recommendations:

Audit Year	No. Outstanding	No. of High	No. of Medium
2018/19	3	0	3
2019/20	5	0	5
2020/21	1	0	1
2021/22	10	5	5
2022/23	8	1	7
2023/24	11	2	9
Totals	38	8	30

5.2.7 Anti-Fraud & Anti-Corruption

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

A total of 7,312 investigations (including data matching exercise referrals) were completed with a total of **350** cases of fraud/error were identified to the total value of **£323,494.25.**

A further 5 requests were received across the organisation for assistance with debtor/absconder tracing with **3** successful traces made to the value of **£145,413.94.**

5.2.8 Information Governance

SIRO Annual Report

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

Designated Posts

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

Personal Data Breaches

The Data Protection Officer has investigated **27** potential personal data breaches, **27** were confirmed breaches. **4** data breaches were reported to the Information Commissioners Office (ICO). In these 4 cases, the ICO took no further action.

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

The Corporate Governance Team received **782** FOI/EIR requests during 23/24. **71**% of requests were completed within target. No issues have been highlighted to the SIRO over concerns raised by the Information Commissioner's Officer during the year.

5.2.9 Policy Framework

A full review of the policy framework was planned for 2023/24 to ascertain a full master list of all policies, strategies, protocols, and plans across the Council, to include details of their lifecycles so that updates and reviews to policies are not missed. This work will also consider whether an exhaustive list of 'non-executive' policies should be determined as the Corporate Policies that are the responsibility of Full Council, and then separate out service specific policies and delegate these as executive. Currently all policies must be approved by Full Council. Work will also be undertaken to link and group policies, to ensure there are no conflicts and that appropriate account is taken of connected policies. This work was delayed due to the reallocation of resource onto the Company Secretary function for the Companies and will be progressed during 24/25.

The following policies were approved in 2023/24:

- Updates to various Housing Standards policies
- Whistleblowing Policy
- Anti-Money Laundering Policy

5.2.10 Risk Management

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

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

A presentation was made to Audit Committee in August 2023 in respect of Risk Management as part of the member induction process including to any new committee Councillors. A further presentation was made to Audit Committee in November 2023 in respect of risk management reporting techniques. The Corporate Risk Register was presented to Audit Committee in August 2023.

In May 2023 a presentation was made to the Town Deal Board in respect of Risk Management and risk management development session, including how the Board wished for the Risk Register to be presented and frequency of reporting.

Work commenced around enhancing the way in which risk is managed, monitored, and reported by considering the introduction of software.

5.2.11 Procurement and Contract Management

Areas of Focus

As part of the Procurement and Contract Management Transformation commenced during 22/23, current Contract Standing Orders are in the process of being reviewed and amended, to align with new Procurement legislation and to implement recommendations from the limited assurance audit and the external procurement health check through East of England Local Government Association ("EELGA"). This will include recommendations that the thresholds for procurement methods be increased to bring us in line with other local authorities and the use of eSignature on contracts below £500,000.00.

The Council's current Procurement Strategy, which was approved in April 2018 for the period up to and including 2025, is being revised. The new Procurement Strategy will incorporate the priorities identified through the EELGA health check and align with the Corporate Strategy.

Training and upskilling have been given a priority. Workshops on specification writing and contract management were delivered during 23/24. Further training and engagement with officers on the new regime is planned throughout 24/25

The Procurement team carried out 45 tenders across the Council and the Council's companies. There were how 35 exemptions from Contract Standing Orders, which in part relate to the very short timescales on progressing the Town Deal projects and overall programme.

Limited Assurance Audit

An audit of the Procurement and Contract Management service returned a 'limited assurance'. The following recommendations were made:

- High – update Contract Standing Orders
- Medium – increase service areas' engagement with the Procurement Team to ensure all data on procured contracts is captured, introduce mandatory e-learning for all officers, utilise the financial software to its fullest extent to build in checks and balances and support analysis of spend, require utilisation of KPIs and performance management in contracts, prepare guidance and training for Contract Management, create a system for capturing and actioning all Procurement Policy Notes issued by the Cabinet Office and improve arrangements around the Exemptions Register.

Actions against the audit recommendations are being absorbed into a Procurement and Contract Management Transformation Project.

Non-Compliant Spend

Non-compliance refers to a compliant procurement method under Contract Standing Orders not being identified by the Procurement and Contract Management team as having been used. Contract Standing Orders are an internal control designed to support best value being achieved and as a protection against fraud & corruption. They are an essential part of the Governance Framework.

The non-compliant figures are provided with a caveat. They are based on:

- The top 200 contracts throughout the year based on revenue spend (excluding non-influenceable contracts). This equates to £24,266,422.22 of £30,272,664.12 – or 80.16% of total spend
- The top 70 contracts throughout the year based on capital spend (excluding non-influenceable contracts). This equates to £31,515,148.16 of £33,406,118.90 – or 94.34% of total spend

Additionally, non-compliant spend has been treated as contracts that the Procurement and Contract Management team are not aware of. Due to resource constraints, only the top 21 non-compliant revenue contracts have been fully verified as non-compliant which equates to £1,618,588.31 of spend. The capital non-compliant spend has been fully verified. It is possible that valid procurement methods have been used for some or all of the remainder of the revenue contracts, for example via the use of a framework, but the service area did not inform the Procurement team of this. Accordingly, either way, this points to a breakdown in a fully compliant procedure. Resource would need to be identified to carry out a full verification.

The non-compliant spend figures are:

- Revenue – £3,425,483.09 of £24,266,422.22 spend – equating to 14.12% as non-compliant
- Capital – £293,308.97 of £31,515,148.16 spend – equating to 0.93% as non-compliant

The audit requirement for mandatory training for all officers is the primary action required to mitigate this governance failing. Reducing these figures will be a primary object of the Procurement and Contract Management Transformation.

Procurement and Contract Management Transformation

The Procurement and Contract Management team is going to be focussed on various pieces of work being brought together into one Transformation Project:

- Service area transformation - to align the Procurement and Contract Management function with best practice and improve its integration with the rest of the Council and the Council companies;
- Responding to the new procurement regime being introduced by the Procurement Act, which has now received Royal Assent and comes into force on 28 October 2024, ensuring all new requirements are incorporated and adopted by the Council before the commencement date of the new regime.
- Introducing a new Procurement Strategy and Social Value Policy
- Addressing the limited assurance audit recommendations from 22/23
- Forward planning and engaging with service areas from an earlier stage to enable the procurement team to be involved in pre-market engagement
- Implementing the recommendations the EELGA healthcheck which includes centralisation of contractual documents, changes in thresholds for procurement, continued training for all officers and improving focus on contract management across the whole organisation

5.2.12 Equality, Diversity and Inclusion

During 2023/24 the Council has continued to support the aims and objectives outlined in its Equality Policy to ensure it meets its legal obligations under the Equality Act 2010. The Council's work around Equality, Diversity and Inclusion is led by the Assistant Director Central Services, who chairs the Corporate Equalities Working Group. The terms of reference and Councillorship of this group, which includes representatives from across the organisation, has been refreshed and implemented during the 23/24 year. The Assistant Director also provides regular updates to Senior Leadership Team and the Leader of the Council, who is the Portfolio Holder for this area of work.

During 2023/24 the services of an external consultant have been engaged to assist the Assistant Director with a review of existing policies and practices. This has led to a range of recommendations being made. The ADCS reported the key findings of the review and agreed priority actions/recommendations with Senior Leadership Team in September 2023.

The Corporate Equalities Working Group has identified priority areas for development during 24/25, including accessibility of the website, training needs and provision, accessibility issues for customers and general awareness raising. As a result, a series of sub-working groups/task and finish groups have been established to ensure there is progress in key areas during 2024/25. Areas for further task and finish/sub-groups have been identified and will be progressed once the initial workstreams have been completed.

Work to update the existing Equality Policy is progressing, taking on board feedback from the findings of the review undertaken during the year. This will be taken forward through the Council's approval processes during 2024/25. Improvements to Equality Impact Assessment (EIA) processes have been introduced and will be supported by training to help embed best practice into the organisation. Work to compile a central record of completed equality impact assessments and associated webpage is ongoing.

A review of the Council's policy to support transgender employees has been completed, including input from Trade Unions, with an updated Trans Equality policy being implemented. Reports on employment monitoring and the gender pay gap have been completed to deadline with relevant information published on the Council's website.

Work to support Care Leavers, a group we have identified as potentially disadvantaged in our local communities, has been progressed during 2023/24 with the full support of Cabinet, leading to the Council signing the Care Leavers Covenant. Work to develop our offer to Care Leavers is progressing through an officer working group and developing links with relevant partners.

5.2.13 Personnel Services

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

During 2023/24 a range of activities have been undertaken to enhance existing policies and procedures relating to employee matters. Employee wellbeing and resilience has become a key focus since the pandemic, including launching and developing an online wellbeing hub for employees to access, a range of wellbeing related initiatives, updating our stress risk assessment process and embedding of our Trauma Risk Management process. During 2023/24 stress and resilience workshops were delivered to managers and feedback from these will be used to inform future interventions to assist with managers and employees during 2024/25.

Ongoing monitoring of recruitment and retention challenges led to recommendations regarding pay grades being considered as part of the 2023 cost of living pay award process. These revisions have led to an increase to the top of our pay grades which aids retention, by providing room for progression for a number of employees who were previously at the top of their grade, and recruitment, by increasing the pay range that can be used in adverts to attract the best possible candidates. Ongoing use of progression schemes and opportunities for apprenticeships continue to be used to maximise recruitment and retention, particularly in hard to recruit areas. Plans to introduce an employee assistance programme are well developed with the scheme due to launch in early 2024/25 and other schemes to benefit employees, including a cycle to work scheme and volunteering scheme are being progressed for launch in 2024/25.

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

Plans to deliver an employee opinion survey are in the latter stages of development. A procurement process has been undertaken to identify a partner to work with to deliver and analyse the survey independently and the survey is on schedule to go live in April 2024. Findings from the survey will be used to inform a range of improvements/developments to employee communication and engagement activities going forward.

5.2.14 Information Technology and Data

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

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

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

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

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

Other arrangements are in place to ensure compliance with relevant policies and to ensure that expenditure is legal is the ICT Development Group; a group which for the 2023/24 year consisted of the Portfolio Holder, a second Cabinet Member, an additional Member, the Executive Director for Resources, and the ICT Manager. The group manages the ICT capital budgets, reviews all new proposed ICT developments, and keeps up to date with pertinent legislation. Officers write a report to the group outlining their business case and decisions are taken on spend to ensure that it complies with the council's priorities. The group monitors project delivery and items are recorded via agendas and minutes.

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

Other cases in early development during 2023/24 include a couple of data-based projects, one looking at providing a new corporate cloud-based intranet which should improve the way in which corporate information is stored and accessed and another project based on using business intelligence to help us better understand and report on our data across service areas.

5.2.15 Wholly Owned Companies

The Council has three wholly owned local authority companies:

- Alive West Norfolk (Sports and Leisure)
- WNHC Company Ltd (WNHC); and
- WNPL Limited (WNPL).

During 23/24 the following work was undertaken against the Governance Action Plan for the Companies:

- Appointing non-executive Councillors as Directors with relevant experience to support the work of the Companies
- The Chief Executive was removed from the role of Company Secretary on WNPL and WNHC (kept on Alive West Norfolk due to the review of the governance model)
- The Shareholder Committee met to review the governance documents and business plans of the council's housing companies
- Creating resource within the Corporate Governance team to undertake the Company Secretary work for WNPL and WNHC
- Negotiating the Shareholder Agreement and Service Level Agreement for WNPL between the Council and WNPL
- Training sessions put on for Directors and Shareholders in conjunction with CIPFA

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

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

In view of the potential decision to bring Alive West Norfolk back into the Council structure, governance work on Alive West Norfolk had been halted, and now the decision has been taken to bring the leisure and cultural functions back in-house, no further governance work will be undertaken on Alive West Norfolk other than to close the Company down in line with due process. This includes the completion of the audit recommendations from 21/22.

Going forwards into 24/25, priority will be given to finalising the Governance documents for WNHC and WNPL, work will be undertaken to improve the assurance these Companies provide to the Shareholder Committee on performance against their Business Plans and their own internal Governance Framework, in addition to aligning the Council's Medium Term Financial Plan (MTFP) more closely with the Business Plans of the Companies.

5.2.15 Place, Funding and Projects

Progress with the Project Maturity Improvement Plan referenced in the 2022/23 Action Plan has been slower than anticipated as the Programme Management Office (PMO) team has not been resourced yet. Despite this, changes and improvements have been achieved in the way the Council deals with project and programme management, including:

- Template documents are in place
- Project Highlight reports have been refined and are produced in a regular and consistent way
- Project teams have become more efficient at writing the regular reports
- All returns to the Department of Levelling Up, Housing and Communities (DLUHC) have been completed on time
- Liaison between the PMO, project teams and the finance team has continued to improve
- The post of Project Accountant is valued by project leads
- The Officer Major Projects Board has streamlined its Councillorship, and the Member Major Projects Board has continued to develop its approach, moving to quarterly meetings, over the course of the year
- The Member Major Projects Board has a full forward work programme of items which will help to provide assurance around Major Projects to elected Councillors.

During the year, a need to implement a project management software solution has been identified. A software solution would help to align project governance, project delivery and project management office processes, improve efficiency and provide opportunity for automated and improved reporting. Work has commenced on this and is in early stages, hampered by the ongoing delay to resourcing the authority's PMO team.

Towns Fund Projects

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

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

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

Following the Borough Council elections and a new administration, the Town Deal Board determined to increase its Councillorship to include an additional elected member, representing one of the King's Lynn wards. The Board also determined to increase its Councillorship of private sector / local businesspeople, and in the summer of 2023, 3 additional Councillors were recruited. Other changes to organisational representatives also took place during this year, some following the written procedure allowed for in the Terms of Reference; all agendas, papers and minutes were published on the Vision King's Lynn website in a timely fashion. Board Councillorship changes referenced here strengthened commitment, local community and business input and the Terms of Reference were updated accordingly to reflect the changes through the year.

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

An audit of the Town Deal programme was carried out by Internal Audit during February and March 2023, with the report finalised and issued in May 2023. The overall objective of the audit was to ensure that robust arrangements were in place for the management and governance of the Towns Fund grant, for the process of compiling and agreeing the business case for each project, the monitoring and reporting of progress of each project, and for the identification and management of risks relating to each project. The conclusion drawn was that management could be provided with an overall opinion of 'Reasonable Assurance'. Of the eight recommendations that were made, five had been implemented by the time the report was issued. The remaining points will be monitored to completion, as part of the council's usual audit assurance processes.

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

Levelling Up

King's Lynn was also identified as a priority area for Levelling Up, across a range of government programmes, including Towns Fund, Rural England Prosperity Fund and UK Shared Prosperity Funding. In 2022, Norfolk County Council submitted a successful bid for Levelling Up funding for the Southgate's Masterplan and was awarded £24m for a project which will deliver active travel, heritage and sustainability improvements as well as strengthening the identity of the town and offer benefits for residents and visitors.

Hunstanton Masterplan

Work is progressing on the Hunstanton Masterplan. A Levelling Up bid was submitted in 2022 for a replacement for the Oasis Leisure Centre, situated on the southern seafront at Hunstanton. Unfortunately, the bid was not successful, so further work is in progress to establish clear plans for the future operation of this facility. The council is also working in partnership with Norfolk County Council on the development of a transport hub in Hunstanton.

The Hunstanton Advisory Group was set up in 2022/23 around the levelling up bid and a consultation process around the bids that were made to DLUHC.

Local Plan

The councils Local Plan was submitted in 2022. In January 2023, the Planning Inspectors announced the adjournment of the Local Plan Examination to allow the Council the opportunity to undertake further work to justify the spatial strategy and distribution of housing in the Local Plan Review. Work is progressing to address the points raised by the Inspector.

Towns Fund Governance

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

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

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

Capital Programme Audit Recommendations

A total of 4 high priority recommendations have been raised as follows:

1. "Operational Scheme" capital expenditure projects require appropriate governance and oversight with assigned roles consistent with the governance and oversight in place for "major projects".
2. Appropriate decision-making procedures (in particular change control) to be introduced for "Operational Scheme" capital expenditure projects that are consistent with "major projects" decision making procedures. All capital expenditure projects decision-making processes should have regard for: capital expenditure, debt and borrowing and treasury management, commercial activity, other long-term liabilities, and knowledge and skills".
3. Appropriately resource the Programme Management Office (as agreed by SLT on 31st January 2023) to allow for the agreed change control processes to be implemented. SLT to also consider how capital expenditure on the Capital Programme for "Operational Schemes" are to be appropriately resourced for change control processes.
4. Review and update the Asset Management Plan and assign a responsible officer for Asset Management Planning (to help feed into the Capital Programme). Organisationally there needs to be a consideration for ICT assets.

A total of 6 medium priority recommendations have been raised as follows:

Consider the introduction of a corporate project governance strategy/policy and triage process to ensure appropriate documents are used and include relevant information.

All Capital Programme items should be documented whether or not they are successful.

Update the Financial Regulations to include the process to be followed where capital projects are submitted but are unsuccessful, documented reasons are required to explain why it was unsuccessful, and where successful capital projects are reconsidered with documented reasons for decisions.

Consider introducing a standardised budget process template for major projects, major housing schemes, and operational schemes within the Capital Programme, incorporating a tiered approach for the submission, approval, and amendment / withdrawal of capital programme items.

Consider an 8-to-10-year Capital Programme, to capture full life-cycle project costs and where projects within the programme may be slipping in terms of timescales.

Consider the benefits of introducing highlight reports at "programme level" as well as "individual project level" within each programme.

5.2.16 External Assurance

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

External Auditors

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

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

The most recent Annual Audit Report from EY for the 2019/20 Statement of Accounts and their detailed findings was issued on 8 January 2024 and reported to the Audit Committee on 22 April 2024. The auditors issued an unqualified opinion on the financial statements for the year ending 31 March 2020. The scope of EY's work also includes an assessment of the Council's value for money (VFM) arrangements. As part of their 2019/20 audit conclusion, the external auditors issued an unqualified Value for Money Conclusion on the 22 January 2024.

The backlog of audits of local authorities nationally is at an unacceptable level. The number of outstanding opinions peaked on 30 September 2023 at 918. On 31 December 2023, this backlog stood at 771. The Department for Levelling Up, Housing and Communities has been working with the National Audit Office, Financial Reporting Council and CIPFA (Chartered Institute Public Finance Accountancy) on proposals to address the backlog.

The 2020/21, 2021/22 and 2022/23 are open audits for the Council and EY have focused on their VFM work for these years which is substantially complete. The final reporting for all outstanding years, is timetabled to be concluded by the end of 2024 and the Statement of Accounts for 2023/24 to be concluded in Spring 2025, subject to guidance and legislation to be enacted.

Delays to sign off the Accounts does mean that the Accounts remain liable to further amendment in respect of significant events after the balance sheet date. Late audits also delay the assurance that can be placed on them, and further costs can be incurred.

Local Government and Social Care Ombudsman

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

Details of complaints received during 23/24 are dealt with at section 5.2.3 above.

Local Government Association

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

Department for Levelling Up Communities and Housing

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

6. Significant Governance Issues

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

Issue 1: Delays to auditing the Council's Statement of Accounts

- Progress reports have been presented to the Council's Audit Committee throughout the year. The Council's external auditors have also attended the Audit Committee to address concerns. Additional resources have been applied to support the outstanding audits and closure of the annual accounts.
- As a result of the delays in the completion of the audit for 2019/20 statement of accounts, production, and publication of the Statement of Accounts for subsequent years has been impacted. It is recognised that work on valuations for Plant, Property and Equipment and Investment Properties and Cash and Cash Equivalent figures have suffered as a result of this where figures could be materially misstated. Work has been undertaken to rectify this in the Statement of Accounts for 2022/23 so that going forward the figures and the quality of the working papers to support them are accurate and up to date.

Issue 2: Continued uncertainty of Government funding.

- The Council has estimated a MTFP, taking a cautious approach towards assumed government grants for future years. The Council will develop a Cost Management and Income Generation Plan in order to close the budget gap estimated in future years to reduce reliance on funding from the General Fund Reserve.

Issue 3: Limited Audit Assurance for the Capital Programme

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

Issue 4: Levels of non-compliant spend

- The Procurement and Contract Management Transformation project will be targeting the reduction of non-compliant spend through mandatory training and improvement of systems to make procurement more accessible for officers.

Issue 5: Limited assurance for Procurement and Contract Management

- Procurement and Contract Management received a limited assurance in 22/23. A Transformation project is to be commenced with external support from the East of England Local Government Association to deliver an improved function and raise the understanding and engagement with procurement across the Council.

Schedule 1

Governance Action Plan

Actions reported in 2022/23

Item	AGS Action	Issues/Challenges Identified	Progress 2023/24
1	Undertake a review of the Council's equality policy, benchmarking with current best practice within local authorities	Due to resource issues this work was undertaken by an external consultant.	A review has been completed confirming that the content of our current policy is robust. However, there are recommendations with regards to the format and title of the policy going forward which will be progressed during 24/25
2	Undertake a review of the process and paperwork used to complete Equality Impact Assessments	Due to resource issues initial work was undertaken by an external consultant and this has subsequently been progressed by the Corporate Policy team.	EIA paperwork has been refreshed and implemented. A new flowchart to explain the process to managers has been developed and implemented. The requirement to submit completed EIA forms with cabinet/panel reports is now being enforced (as agreed at SLT in Sept 23) to ensure information is considered alongside Cabinet report and that Cabinet is able to take into account all relevant information when making decisions. Work to develop a central recording and monitoring system and
			publication of Full EIA's on our website are being progressed.

3	Undertake a review of the terms of reference and Councillorship of the Corporate Equality Working Group	This review has been completed by the ADCS in consultation with Senior Leadership Team and agreed in October 2023.	A refreshed and reformatted working group, supported by the Corporate Policy team, is now up and-running. Group Councillors have completed eLearning to update/refresh their knowledge prior to participating in the group. Group meetings have been scheduled for the full year.
4	Source and deliver equality training for Elected Councillors	This action has been progressed and is ongoing	EDI training has been offered to all Elected Councillors. Three sessions had been undertaken, which have been attended by all Cabinet Councillors and a number of other Councillors. Further training is planned for the 24/25 year.
5	Project Management Software Solution	Progress has been slower than planned due to capacity issues.	To be carried forward to 2024/25 Action Plan.
6	Procurement and Contract Management Limited Assurance Audit Opinion recommendations to be progressed and actioned.	These have been incorporated into a service area Transformation project with external support from the EELGA	Work to continue with alignment to the new Procurement Act 2023 which comes into force in October 2024.
7	Procurement and Contract Management - Preparation required for new legislative requirements	None.	Diagnostic exercise completed December 2023 Recommendations received January 2024 Training workshops completed February 2024
8			
9			
10			

New Actions identified in 2023/24

AGS Action	Issues/Challenges Identified	Context to Action
Retitle the Equality Policy to make it an 'Equality, Diversity and Inclusion Policy	To be included in update to policy progressed during 24/25	Revised remit of the policy to make it more reflective of current best practice
Develop new equality objectives and strengthen procedures for recording and monitoring EIA's	To be identified following development of the updated policy. Further work needs to be undertaken to embed improvements to processes implemented during 2022/23. Corporate Equality Working Group will begin to monitor completed EIA's during 24/25	This will give focus to the development of our approach to equalities and identify key priorities for action by the equality working group. Training on EIA's has been delivered to Equality Working Group Councillors and arranged for Cabinet Councillors and Panel Chairs. Training for managers and other officers who write reports for consideration by Cabinet/Panels will also be delivered.
Develop guidance for making reasonable adjustments for Managers (for employment and service delivery)	A sub-group of the Corporate Equalities Working Group will progress this action with regards to customers, and Personnel Services will progress in relation to employment	To strengthen managers knowledge and understanding of reasonable adjustments
Review equality monitoring and reporting arrangements (for employment and service delivery)	Consider current characteristics monitored and areas where monitoring is undertaken	To ensure current practice reflects recommended best practice

Refresh and extend training provision for staff.	A sub-group of the Corporate Equalities Working Group will progress this action	To ensure current practice reflects recommended best practice, both in terms of service delivery and as people managers
Develop our local offer for Care Leavers	To be progressed by the Care Leavers working group	To demonstrate the Council's commitment to Care Leavers and the Care Leavers covenant
Project Management	A project management software solution would help to align project governance, project delivery and project management office processes, improve efficiency and provide opportunity for automated and improved reporting.	Scope, tender and implement project management software.
Project Management	A project maturity assessment identified the need for a PMO to principally support the major capital projects / programmes, to provide project oversight, alignment, and control.	Resource the Council's PMO as agreed in January 2023.
King's Lynn Town Deal Board Chair	The Chair of the King's Lynn Town Deal Board has announced in February 2024 his intentions to step down from the role.	Monitor and ensure a new Chair is appointed and Board development sessions take place once in post, if required.
Procurement and Contract Management	Awareness to be raised of the procurement cycle and training to be delivered to	Increasing awareness of the procurement cycle, training depts to be more proactive
	departments to ensure proactive approach to contracts due to end, enabling early pre-market engagement.	when contracts are due to end and to approach us early for pre-market engagement.

Procurement and Contract Management	New regulations and new online portal system to be embedded into organisational processes.	Training for new regulations and for the use of Quick Call online portal and ongoing support for as long as it is needed
Capital Programme	Capital programme governance arrangements to be reviewed and embedded across the organisation.	The processes around new additions, monitoring and reporting against projects need enhancing to ensure that reporting is focussed on live projects and there is clear oversight of the pipeline of supported projects coming forward and the associated capital and revenue implications are known.

Schedule 2: How the Council Works

Governance Model

The Council operates under 'executive' arrangements, meaning it has a 'Leader' and a 'Cabinet'. The majority of functions are executive, meaning that the responsibility for decision making flows through the Leader and Cabinet through to officers. Examples of executive functions are waste collection, noise complaints and regeneration projects. The remainder of the functions are retained as 'non-executive' and are the responsibility of the Council's Full Council. This includes functions such as setting the budget, the Council's Constitution and the policy framework.

Full Council

Full Council consists of 55 elected Councillors, called Councillors. They are elected by the voters, in elections held every 4 years, in areas which constitute Borough Wards. We have 35 Borough Wards in West Norfolk. Elections took place during May 2023, resulting in a change in administration from the Conservative Group to an Independent Partnership Group supported by the Labour Party.

Councillors can be part of a political Group. During 23/24 the political group make-up of the Council had some minor revisions during the year, the latest make up as of 31st March 2024 was:

- Independent Partnership: 21
- Conservative Group: 21
- Labour: 11
- Progressive Group: 2

The Full Council meets approximately every six to eight weeks.

Cabinet

The Cabinet is made up of the Leader (Cllr Terry Parish) of the Council and 8 other Cabinet Councillors. The portfolios of the Cabinet Councillors are:

- Cllr Jim Moriarty, Deputy Leader – Development and Regeneration
- Cllr Bal Anota, Property and Corporate Services
- Cllr Alistair Beales, Business (excluding Tourism)
- Cllr Chris Morley, Finance
- Cllr Simon Ring, Tourism, Events and Marketing
- Cllr Jo Rust, People and Communities
- Cllr Sandra Squire, Environment and Coastal
- Cllr Michael De Whalley, Climate Change and Biodiversity

The Leader's portfolio covers:

- Overall responsibility for setting the Vision for Council and supporting Strategy
- Overall responsibility for the submission to Council of Policy
- Overarching responsibility for Cabinet portfolios

- Developing and managing external Strategic relationships
- Public Emergencies, Emergency Planning, Emergency Management and Business Continuity
- Democratic arrangements
- Civics
- Liaison with Hunstanton and Downham Market Town Councils
- Legal – Data Protection and Freedom of Information
- Communication strategy and implementation
- All Staffing related matters including Pay and Pensions
- Equal opportunities strategies and policies, and corporate health and safety
- Skills
- Safeguarding
- Performance Issues. KPI's, Risk Management and Associated Matters
- Shared Services, Partnerships and any other Joint Working Arrangements
- Any issues not covered by other portfolios

Overview and Scrutiny

The counterweight to the Leader and Cabinet executive arrangements governance model is the overview and scrutiny function. Scrutiny Committees are in place to scrutinise executive decisions before or after they are made to help develop policy and review the effectiveness of adopted policies. Within the Council, these responsibilities are split across 3 panels, and these are collectively referred to as the "Policy Review and Development Panels":

- Corporate Performance Panel (responsibility for 'call-ins' of executive decisions)
- Regeneration Development Panel
- Environment and Community Panel

Audit Committee

The Audit Committee provides assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework, internal control environment reviews and approves the Council's annual Statement of Accounts. It receives updates on the Risk Management processes in place, the effectiveness of the Council's counter fraud and corruption activities, approves the Annual and Strategic Internal Audit Plans and receives progress updates against the Annual Internal Audit Plan and the Annual Audit Opinion.

Constitution

The Council's Constitution sets out how the Council procedurally operates, its organisational structure, how the public can participate, how decisions are made and the roles and responsibilities within the Council to ensure that decisions are made in an efficient yet transparent manner and accountable to local people. It specifies the roles and responsibilities of the executive and non-executive, setting delegation arrangements and protocols for effective communication and governance.

The Constitution includes the Council's Financial Regulations, the Councillor Code of Conduct, Contract Standing Orders, the Member/Officer Protocol, and the Councillors Allowances Scheme.

Budget and Financial Management

The Council's budget is set by the Council each year, usually in February. The budget includes the revenue and capital expenditure, income, and savings plans. It is developed in consultation with service managers and is aligned with the Council's strategic objectives:

- Financial Monitoring Reports are prepared at least quarterly and presented to Audit Committee. All Councillors all receive a copy of the report which provides an update on the Council's financial position against the budget. They highlight any variances, emerging risks, and propose corrective actions where necessary.
- The MTFP is a rolling plan that covers a five-year period (updated position for current financial year and the next 4 years). It provides a framework for future financial planning, identifying potential budget gaps and setting out strategies to manage resources effectively to help ensure long-term financial sustainability and resilience.
- The Annual Statement of Accounts is a statutory report that provides a comprehensive summary of the Council's financial position over the financial year. It includes the balance sheet, income and expenditure account, and other key financial statements. The accounts are prepared in accordance with the CIPFA Code of Practice and are subject to external audit.
- Treasury Management Reports are provided to the Audit Committee half yearly, detailing the Council's borrowing and investment activities. These reports ensure that the Council's treasury management strategy is being implemented effectively and that risks are being managed.
- The Capital Strategy is a key policy that sets out the Council's approach to capital investment over the medium to long term. It is aligned with the Council's corporate priorities and provides a framework for decision making regarding capital expenditure and financing. The Capital Strategy is reviewed annually alongside the Capital Programme as part of the budget-setting process.

Corporate Strategy

The Corporate Strategy was reviewed and updated during 2023/24 for the period 2023-2027 following the results of the Local Government elections held in May 2023. The updated Corporate Strategy represents the key priorities set by the new administration which was formed by an "Independent Partnership" in conjunction with the Senior Leadership Team. The key priorities set out within the Corporate Strategy are outlined in "The Golden Thread" section below.

Code of Conduct

In accordance with the Localism Act 2011, the Council has adopted a Code of Conduct for Councillors. The Code supports the Council's duty to promote and maintain high standards of conduct and is based on the 'Seven principles of public life' and the Local Government Association's Model Code of Conduct. The Code of Conduct was reviewed, and a new version adopted during 2022/23.

A Code of Conduct for Officers is also in place to set out the standards expected of employees and to promote the highest standards of conduct from all employees who work in local government. A copy of this Code is made available to every employee of the Council.

Observance of these Codes helps to maintain and improve standards and ensure openness and transparency with regards to any issues of potential bias and/or conflicts of interest.

The Golden Thread

Corporate Business Strategy 2023 - 2027

Promote growth and prosperity to benefit West Norfolk

Protect our environment

Efficient and effective delivery of our services

Support our communities

Directorate Service Plans

Central Services

Environment & Planning

Health, Wellbeing & Public Protection

Operations & Commercial

Programme & Project Delivery

Property & Projects

Regeneration, Housing & Place

Resources

Legal, Corporate Governance & Licensing

Corporate Governance

Constitution

Annual Plan Dec 23 - Mar 24

Corporate Risk Register

Statutory Officers

Key Performance Indicators, Performance monitoring and Performance Management Scheme

Annual Governance Statement

Internal Audit

External Audit

Medium Term Financial Plan

Town Deal Board Governance

Shareholder Committee

Performance Management Scheme

Personal objectives and targets

Personal development and training opportunities

Appraisals, 1-2-1s and Team Meetings

Project Management

The Council has a Capital Programme of £205,154,120 for the period 2022/23 to 2026/27. The Council monitors ongoing 'Major Projects' through the Officer Major Projects Board and the Member Major Projects Board. Project Highlight Reports for all Major Projects are produced quarterly and published for openness and transparency through the Member Major Projects Board. The Council has a Project Management Office to support the co-ordination of delivery of the Major Projects.

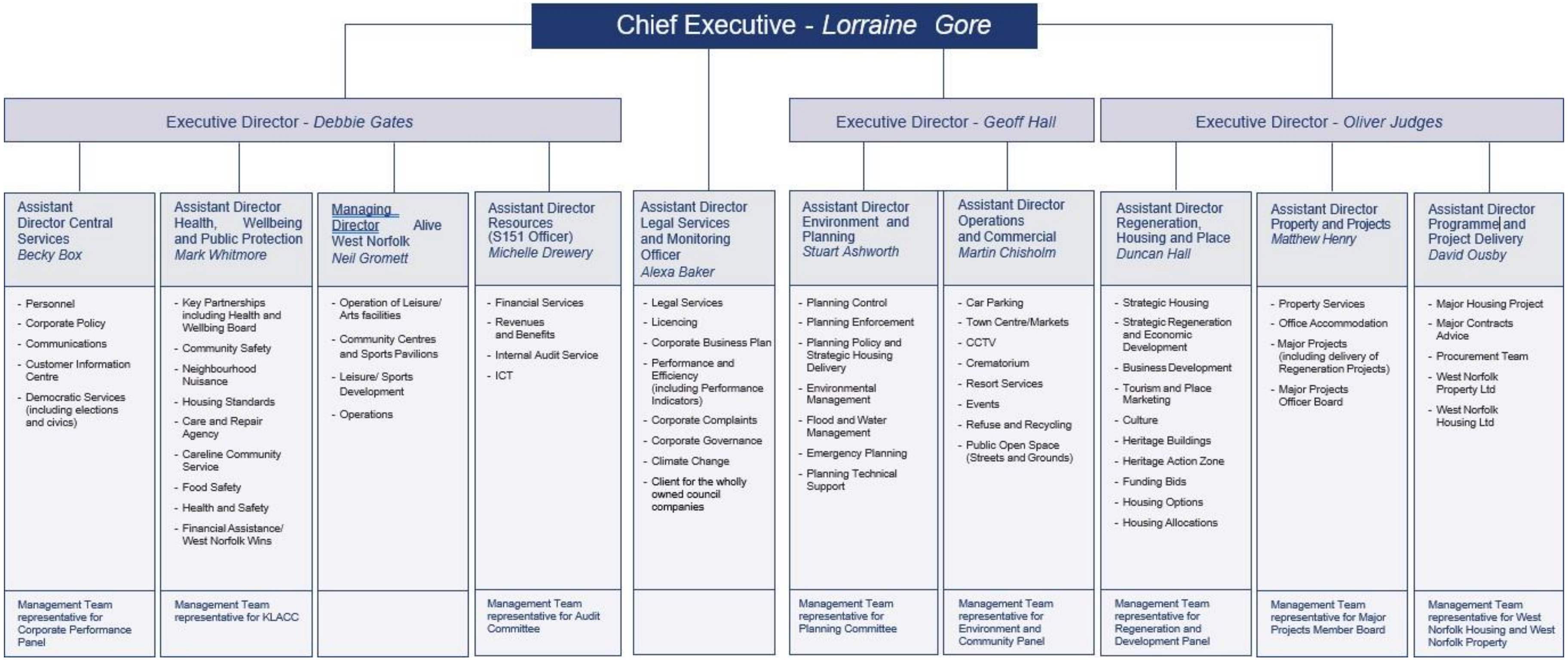
King's Lynn has a Towns Fund Deal with Central Government. The Council is the Accountable Body for the Towns Fund. Governance arrangements are in place to support the King's Lynn Town Deal Board, which includes a Local Assurance Framework, Terms of Reference, and their own Code of Conduct.

Statutory Officer Meetings

The Council has a Chief Executive (Head of Paid Service), a Monitoring Officer, and a section 151 Officer – the three statutory officers of the Council. During 2022/23 'Statutory Officer Meetings' were scheduled monthly. This provides a platform for the three officers to share intelligence related to areas of governance, assurance, budgets, risk, and organisational decision making.

Management Team and Senior Leadership Team

The current management structure of the Council was introduced in January 2020 and supports a collective and accountable leadership, enabling colleagues throughout the organisation to deliver the priorities, projects and actions set out by the Council's political administration. The structure is headed by a Chief Executive (Head of Paid Service), supported by 3 Executive Directors (in February 2023 the Council introduced a new Executive Director for Place), who together form the Management Team ("MT"). The Senior Leadership Team("SLT") is made up of the Management Team plus the 9 Assistant Directors and the Managing Director of Alive West Norfolk:



Key Roles

The key roles of those responsible for developing and maintaining the Governance Framework are:

The Council	Approval of the Corporate Strategy Approves the Constitution (including the Financial Regulations and Member Code of Conduct) Approves policy framework and sets the budget.
Cabinet	The executive decision-making body of the Council. Cabinet is made up of the Leader of the Council and Cabinet Councillors with responsibility for different portfolios.
Audit Committee	Provides assurance to the Council on the adequacy and effectiveness of governance arrangements, risk management framework and internal control environment. Approves the Annual Statement of Accounts and Annual Governance Statement.
Standards Committee	Promotes high standards of Member conduct.
Corporate Performance Panel	Fulfils the statutory overview and scrutiny functions, as the counter-weight to the 'Leader and Cabinet' model. Its functions also extend to policy review and development.

Management Team (Chief Executive and Executive Directors) and Senior Leadership Team (Assistant Directors)	Provide strategic oversight on: • the Corporate Strategy and emerging issues • key policy items • internal control issues, including risk management • performance management • compliance, including governance • value for money; and • financial management Accountability for developing and maintaining of the Council's performance and risk frameworks.
Chief Executive (Head of Paid Service)	It is the role of the Chief Executive, also known as the Head of Paid Service, to ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management.
	The Chief Executive has overall accountability for the governance framework and operation of the organisation and staffing.
Assistant Director, Resources (S151 Officer)	Leads and directs the financial strategy of the Council and ensures the Council controls and manages its money well, being suitably qualified and experienced, and ensures the Financial Services Team is fit for purpose. Assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations. Contributes to the effective corporate management and governance of the Council.

Assistant Director for Legal and Licensing (Monitoring Officer)	The Monitoring Officer ensures that the Council observes its Constitution and operates legally. Key duties include: • Reporting on matters they believe to be illegal or amount to maladministration; • Responsible for matters relating to the Conduct of Councillors (Borough and Parish); and • Responsible for maintaining and advising on the operation of the council's Constitution. Overall responsibility for the maintenance and operation of the Whistleblowing Policy.
Internal Audit	Provides independent assurance and opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. Delivers an annual programme of risk-based audit activity, including counter-fraud and investigation activity. Contributes to the effective corporate management and governance of the Council. Makes recommendations for improvements in the management of risk.
External Audit	Audits / reviews and reports on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency, and effectiveness in the use of resources (the value for money conclusion).
Assistant Directors, Heads of Service and Managers	Through the relevant service areas, implement the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues.
	Responsible for implementing the Council's governance, risk, and control framework. Contribute to the effective corporate management and governance of the Council.

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

Glossary

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

Renewals Reserve	An account an Authority can establish to meet the cost of replacing and renewing its vehicles, plant and equipment.
Revaluation Reserve	Reserve used for recording the net gain (if any) from revaluations, depreciation and impairment made after the 1 April 2007.
Revenue Contributions to Capital	The use of revenue monies to finance capital expenditure instead of financing the expenditure from loan, capital receipts, lease or unsupported borrowing.
Revenue Expenditure Funded from Capital under Statute	Capital expenditure that does not result in a new or enhanced asset in the Authority's accounts.
Revenue Expenditure	Expenditure incurred by the Authority to fund day to day operations.
Revenue Support Grant (RSG)	A Central Government grant given to Local Authorities to fund revenue expenditure
Soft Loans	Loans made at less than market value rates
Trading Operations	Services which are operated partly or wholly on commercial lines
Transferred Debt	The amounts in the Authority's Balance Sheet which are still owed to or by other bodies to repay the debt outstanding on assets transferred to or from those authorities. (See Transferred Services)
Transferred Services	Those services which were once administered by one Authority but which, for a variety of reasons, have been transferred into the control of another Authority. It is sometimes necessary for the original Authority to continue to repay loans and this expenditure, together with associated costs is then recovered from the Authority to which the services have been transferred. (See Transferred Debt).
Unsupported Borrowing	A form of capital finance funded by revenue either by increased income or a reduction in costs. There is no Government grant to support this form of funding.

Chief Executive

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