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Narrative Report

1. Introduction

Effective planning, management and scrutiny of the use of public funds are a key part of a local authority's responsibilities. The financial statements are a vital part of the accountability framework, as they demonstrate how much money was spent and for what purpose, and how cash needs were met. They also record the assets used, and liabilities incurred, in delivering services.

Local authority financial statements are complex and can be difficult to understand: they must comply with the Chartered Institute of Public Finance & Accountancy's (CIPFA) "Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025", which is based on International Financial Reporting Standards (IFRS), and the requirements of accounting and financing regulations of central government.

This narrative report will provide the reader with:

- An understanding of the council, its strategic priorities, and the local and national context in which it operates.
- A summary of the council's financial performance for 2024-2025 along with information on how well the Council delivered its key priorities during the year.
- An overview of the council's medium term financial plans, outlook, and its key risks going forwards.
- A guide to the key features of the primary statements and notes that make up the financial statements.

The council is required to publish an Annual Governance Statement to accompany the Statement of Accounts. This sets out the arrangements the council has put in place to manage and mitigate many of the risks it faces when meeting its responsibilities. The 2024-2025 Annual Governance Statement can be found on the Council's website: Statement of accounts | Statement of accounts | Norwich City Council

2. Norwich City Council

Norwich City Council delivers services to the heart of the city, approximately 60% of the urban area, covering a population of some 144,000 (Source: 2021 Census Data, ONS). These services include:

• Housing services • Waste & recycling collections • Street cleansing • Car parking • Parks and open spaces • Cultural, tourism and leisure services	• Electoral Registration • Housing and Council Tax Benefits • Local Planning • Public protection services including licensing and environmental health

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The Council has 39 Councillors representing 13 Wards (three Councillors for each Ward), each serving a four-year term.

The Council employs 678.41 full time equivalent (FTE) employees (as at 31 March 2025). The actual number of employees is 743 of whom 576 are full time and 167 are part-time employees.

The Council delivers some of its services in partnership with other organisations, the most significant of these being CNC Building Control and NPLaw (legal services). The Council is also the sole shareholder for a number of companies – Lion Homes (Norwich) Ltd, Norwich City Services Ltd and Three Score Open Space Management Ltd.

3. Strategic direction of the Council

Following extensive engagement with residents, community organisations, partners and staff, Norwich City Council formally adopted a new community-led plan in April 2024: **We Are Norwich (2024–2029).** This plan represents a significant shift in the council's strategic direction, placing outcomes, inclusion, and public voice at the heart of our work.

The "We Are Norwich" plan replaces our previous corporate plan and is structured around five city-wide priorities:

- A fairer Norwich
- A climate-responsive Norwich
- A future-proof Norwich
- A prosperous Norwich
- An open and modern council

Each of these priorities is underpinned by a clear set of outcomes, actions, and performance indicators to ensure accountability and progress over time. Our approach recognises the interconnected nature of these goals and places greater emphasis on partnership working, evidence-informed decision making, and flexibility in responding to emerging needs.

Our actions are informed and guided by seven organisational principles:

- Be unashamedly ambitious for Norwich
- Do the basics well on the services we provide
- Listen to the city
- Work in partnership
- Focus on the climate in all that we do
- Put equality and inclusion at the heart of our thinking
- Use evidence to inform services

These principles shape how we engage, deliver and lead. In practical terms, they guide everything from capital investment decisions and digital transformation to our approach to reducing inequality and tackling the climate emergency.

A key shift in our approach this year is the trialling of the Outcomes-Based Accountability (OBA) model. This model supports more meaningful performance monitoring, replacing

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activity-based tracking with outcome-focused indicators that better reflect residents' lived experiences.

We have begun to test this approach across all services, supported by the development of a revised performance framework and quarterly reporting cycles. The council's audit function provides oversight, ensuring robust and transparent governance.

Where existing data is insufficient to track progress, we are developing new indicators and improving data collection methods to support better decision-making. We are also ensuring that residents and stakeholders are able to access and understand the difference our work is making through platforms such as the "State of Norwich" and tailored community engagement.

Local Government Reorganisation and Devolution

Norwich City Council remains committed to the principle of establishing a **unitary authority for the Norwich urban area** as part of wider Local Government Reorganisation (LGR) in Norfolk. We believe this approach offers the most effective and accountable structure for delivering city-focused services and ensuring that Norwich's voice is directly represented in regional decision-making.

We are also an active participant in the devolution programme aimed at forming a Mayoral Combined County Authority (MCCA) for Norfolk and Suffolk, expected to be in place by May 2026. In this context, the council has begun early preparations for LGR, including aligning strategies, resources, and performance frameworks in anticipation of future structural reform. This year's business plan includes preparatory work to support this transformation.

We recognise that the period leading up to 2026 and beyond will be one of considerable change as the council continues to respond to change in line with public expectations and wider governance reform. However, our strategic direction remains rooted in the needs and aspirations of the people of Norwich. Our city is ambitious, vibrant, and diverse - and our strategic approach seeks to amplify these strengths while ensuring we remain financially resilient, responsive, and inclusive.

By embedding the We Are Norwich plan, investing in evidence-based governance, and preparing for future local government change, we are positioning the council to deliver long-term impact, unlock future powers through devolution, and build a stronger, fairer Norwich for all.

4. Local context

Norwich is a uniquely positioned city: rich in heritage, creativity, and civic spirit, yet facing complex and persistent challenges. From stark health inequalities and high levels of deprivation to housing pressures and the climate crisis, the city continues to navigate the realities of delivering public services in a time of economic uncertainty and rising demand.

Demographically, Norwich remains a compact and growing urban area, with a diverse population and a youthful age profile compared to the wider county. However, outcomes for

residents vary significantly between neighbourhoods, with some communities experiencing deep-rooted disadvantage. These challenges require not only well-targeted council services, but also collective action through effective partnership working.

The policy and financial environment for local government continues to change. The city is currently preparing for its role within a new Mayoral Combined County Authority (MCCA) for Norfolk and Suffolk, with an elected mayor anticipated by 2026. Norwich City Council is also advocating for a new unitary authority for the urban area, in recognition of its distinct governance, economic and service needs. These developments will shape the way services are designed and delivered in future.

Our current approach has been informed by a broad range of data and engagement activities, including:

- Analysis of local demographic, economic and environmental trends, including inequalities across neighbourhoods
- Learning from peer authorities, national policy shifts, and emerging models of governance
- Feedback from residents, partners, and community groups through conversations and consultations
- Targeted work in areas of greatest need, through the Reducing Inequalities Target Areas (RITA) framework
- Evidence and insight generated by partnership strategies across health, housing, culture, and climate

Although the Norwich 2040 City Vision remains a shared long-term aspiration, the formal partnership is currently inactive. In practice, the council is working closely with a range of more active, outcome-focused partnerships to address strategic priorities. These include:

- Norwich Health and Wellbeing Partnership, supporting place-based population health
- Greater Norwich Growth Board, guiding infrastructure and economic investment
- Creative City Compact, supporting cultural development and inclusive growth
- Retrofit Taskforce and Climate Programme partnerships, advancing net-zero delivery
- Financial Inclusion Consortium, tackling cost-of-living and income inequality

Together, these partnerships reflect the city's commitment to collaborative problem-solving and a shared responsibility for outcomes. They also support the council's ambition to become more transparent, responsive and inclusive in how it plans, delivers and evaluates its work.

Looking ahead, Norwich's success will depend on its ability to harness local strengths - its people, place, and partnerships - while shaping its role within a changing governance landscape. The local context in 2024-2025 demands innovation, shared leadership, and continued focus on the things that matter most to residents: fairness, climate action, opportunity, and place-based improvement.

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5. National Context & Future Outlook

2024-2025 continued to be challenging for Norwich City Council with increasing demands for our services, heightened customer expectations and continued pressure on our sources of income as austerity and the cost-of-living crisis impacted in the aftermath of the pandemic. Despite these challenges the Council has continued to help and support the residents and businesses of the city.

Financial Implications

The council continues to face financial challenges. The sustained period of austerity, now for more than a decade and the effect of inflationary pressures, has decreased the impact of the city council's own budgets whilst putting financial pressures on those of our partners, local businesses, and residents, particularly the most vulnerable residents.

The council has continued to manage the uncertainty associated with changes to future local government funding. The 2024-2025 budget was in effect a roll-over of previous years' funding with little certainty on the direction of travel; this has continued into 2025-2026 with limited additional information on longer term funding intentions.

The medium-term financial challenge to the council remains, with no spending review figures available beyond 2025-2026.

Earmarked reserves have been established to manage future budget risks and uncertainty and to fund the costs of transformation and change in the council. These reserves will be key in managing the financial risks and uncertainty over the short term as wider government support is reduced.

After setting its 2024-2025 budget in February 2024, further economic uncertainty in the form of inflationary pressures continued to emerge with high inflation continuing for part of the year; this has inevitably led to concerns about inflationary pressures on the council's budget and this is reflected in the current 2025-2026 Medium Term Financial Strategy.

Government funding and reforms

The level of funding allocated to local government continues to be insufficient to support the demand for council services. This, together with increased pressures arising from the global pandemic, means that the council will not receive adequate resources to cover its costs over the medium term without implementing a programme of service efficiencies, reductions or increased income generation as well as looking for further efficiencies in pursuit of maximising value for money for Council Tax payers.

The financial settlement covered only 2024-2025, with the government implementing a 'roll forward' finance settlement for that year which has also continued into 2025-2026. The timeframe for any government reforms will be set out in the spending review due to be announced in June 2025 and the autumn of 2025.

Given the lack of clarity on future local government funding, local authorities have no reliable basis on which to appropriately plan their medium-term budgets as it is unclear how much funding there will be, how it will be distributed, and the means of delivery. This was demonstrated tangibly with the late announcement of additional funding for 2025-2026 alongside an additional requirement to produce and publish a productivity plan and, whilst the

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additional funding was welcome, the late announcement of it made financial planning more challenging.

Consequentially, the forecasts for the later years of the MTFS are not to be taken as robust figures and they are largely based on the current funding status quo continuing, particularly concerning levels of government grant, how much business rates income the government allows the city council to retain in the future and council tax referendum levels.

6. Medium Term Financial Plans and Risks

The council's Medium Term Financial Strategy (MTFS), Housing Revenue Account (HRA) business plan, capital programmes and capital, investment & treasury management strategies for 2024-2025 were approved by Council in February 2024 and can be found at this link: 2024-2025 Budget and MTFS

This demonstrated a balanced position across short-term planning period to March 2025.

General Fund

The council's general fund revenue budget comprises the day-to-day costs and income of providing all the council's services except social housing which is operated through a separate ring-fenced Housing Revenue Account (HRA).

The MTFS for the general fund shows that forecast income is insufficient to fund forecast expenditure over the next five years. This is a result of cost pressures, such as inflation and growth in demand for services.

When the 2024-2025 budget was set, forecasts indicated that a further £8.819m of gross permanent savings would have needed to be found over the four-year period from 2025-2026. Since that time savings have been identified across all years of the MTFS including actions to balance the 2025-2026 budget. However, given the continuing pressures it is anticipated that further savings are likely to be required.

In order to respond to the financial challenges, the council has launched a programme of service reviews (see Section 5: Local Context). The aim of the reviews are to improve the efficiency of service delivery to avoid a reliance on service cuts to balance the budget in future years. However, given the scale of the challenge, reductions to some services cannot be ruled out.

The council will plan to implement these savings in a controlled manner and by taking a strategic and medium-term rather than a short-term approach.

Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) is a ring-fenced account, containing the costs arising from the provision and management of the council's housing stock, offset by tenant rents, service charges and other HRA income.

The HRA has lost significant income in recent years from the government's enforced four-year rent reduction policy enacted in the Welfare Reform and Work Act 2016 and rent cap in April 2023. Additionally, there remains significant potential risks to rental income streams arising from the ongoing increases in the cost of living, the roll out of Universal Credit and the continuing Right-to-Buy legislation.

The HRA was forecast to make a surplus of income over expenditure of £10.102m in 2024-2025 and it was proposed to use £10.045m of this surplus to fund capital investment in new social housing, with the remaining £0.057m being transferred to reserves. Following the approval of the 2024-2025 HRA budget, the government announced increased flexibilities enabling retained 'one-for-one' Right to Buy receipts to fund the full cost of new social housing for a two-year period from 2024-2025. As a result, the planned contribution of £10.045m of revenue funds to support capital investment was not required and the resulting underspend was transferred to HRA reserves. The financial strategy for the HRA is based upon a long-term business planning approach, which models the costs of capital investment alongside other forecasts of revenue expenditure and income to determine the resultant surplus or deficit over the life of the plan.

The lifting of the HRA debt cap combined with the council's long term business planning approach and recent experience of house building means that the council, through its HRA account, will seek to build more affordable homes in the city in the future. It has significant reserves that could be used for this purpose and the HRA Business Plan demonstrates significant "headroom" for the HRA to borrow whilst still ensuring the borrowing is prudent and affordable.

Capital Strategy

The council owns and maintains an extensive range of assets including commercial property, social housing in the HRA, a market and heritage assets. Major investment in these and in new assets is included in the capital programme which in turn is resourced from the disposal of surplus assets, revenue budget contributions, grants, and borrowing.

The council's original capital programme for 2024-2025 was £72.245m. In addition, amendments to projects were actioned during the year, resulting in a revised programme of £62.027m.

The general fund has insufficient capital resources to meet its investment needs for the future. Therefore, a comprehensive review of the general fund's land and property assets continues to be undertaken, with a view to optimising the contribution property makes to the council's strategic and service objectives by identifying assets that require investment, are not financial performing, or are surplus to service needs.

The council's overall financial position

The council has a strong balance sheet and owns some £1 billion of long-term assets (mostly land and property). In addition, it has significant unearmarked reserves both for the general fund (£8.249m) and HRA (£51.503m) as at 31 March 2025.

The council's general fund services are under the most financial pressure, both for revenue and capital expenditure. The huge uncertainties surrounding the economic environment and anticipated changes to the local government finance regime hinder robust forward financial planning.

The council holds just under £100m of investment properties which generate a revenue stream for the council.

Local authorities are no longer able to invest in projects that represent purely debt-for-yield activity. However, local authorities can continue to borrow for the crucial work that they do on service delivery, housing, and regeneration. These regulatory changes, mean that the Public

Works Loan Board are no longer a source of lending to local authorities investing in commercial properties to generate income.

The funding of non-financial investments along with the proposed capital programme is expected to significantly increase the council's capital funding requirement (its indebtedness or underlying need to borrow). If projects and programmes proceed to plan, then the capital financing requirement will increase significantly by 2029-2030, driven predominantly by HRA investment.

The council currently has relatively high levels of internal borrowing which will need to be externalised at some point to fund the capital financing requirement; this will be planned to reflect the best position on interest rates.

The council's policy for using borrowing as a means of funding capital expenditure is also described in the Capital Strategy. Essentially the council will only use borrowing (increase its capital financing requirement) in cases where there is a clear financial benefit, such as a new income stream or budget saving, that, at the very least, will fund the costs arising from the borrowing (interest and Minimum Revenue Provision (MRP) costs).

The overall proposed direction of travel means more focus is being given to enhanced options appraisal, business case preparation, financial modelling, and commercial awareness so that robust decisions can be made.

Financial Risks

Financially the Council faces a large number of challenges in the coming years. The 2024-2025 Budget Report identified a number of key financial risks facing the Council and these are set out in the Council's Corporate Risk Register. The financial risks identified include the Councils Medium-Long Term funding position and the impact of the cost-of-living crisis. All of the Councils identified risks are monitored and reported against throughout the year as part of the quarterly assurance monitoring report to Cabinet and can be found on the following link: CMIS > Meetings calendar.

7. Performance against our priorities

Corporate Performance

The period 2024-2025 marked the first year of delivery against our new community-led plan, We Are Norwich (2024–2029). This plan reflects five priorities shaped by our residents and partners:

- A fairer Norwich
- A climate-responsive Norwich
- A future-proof Norwich
- A prosperous Norwich

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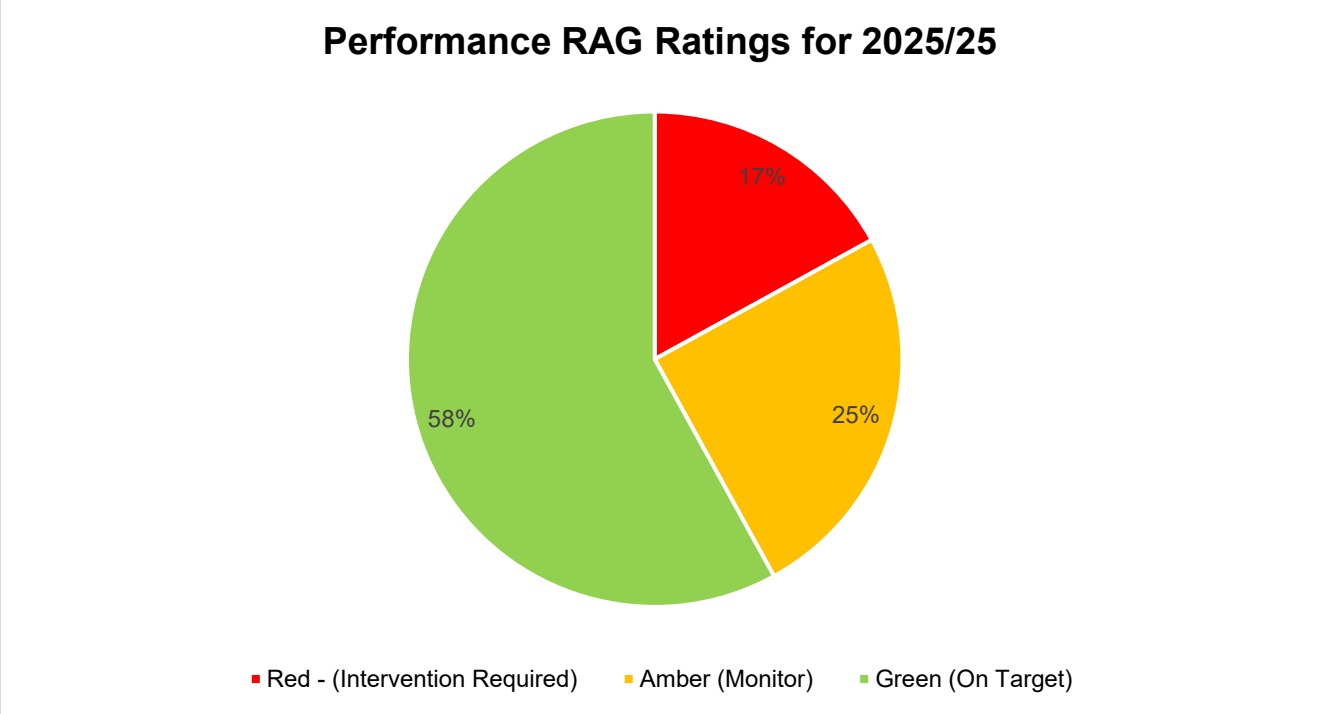
- An open and modern council

To support the delivery of these priorities, we introduced a revised performance framework, mapping existing indicators to the new structure. Our KPIs are under review to ensure we focus on measurable results and impact, rather than simply monitoring activity.

Headline Performance

Of the 28 Key Performance Indicators (KPIs) monitored in 2024-2025:

- 58% were rated Green (on or above target)
- 25% were Amber (early warning – action may be required)
- 17% were Red (off target – intervention required)



The overall performance remained steady year-on-year, despite a backdrop of financial constraints, service pressures, and increasing resident need. Several indicators showed notable progress, while others flagged key areas for improvement. Further details on our performance monitoring, can be found on the following link: Performance reports | Norwich City Council

Delivery highlights by priority

An Open and Modern Council

The council continued to modernise how it works, guided by its principles to listen, use evidence and do the basics well. The introduction of focusing on outcomes across business planning marked a fundamental shift in how services are monitored, prioritising impact over activity. Digital transformation also progressed, with 56.77% of customer contact now occurring through digital channels - a 15.9% increase year-on-year.

Service stability remained high, with IT availability exceeding targets and the new Customer and Digital Strategy ensuring digital services are accessible, inclusive and cost-effective. A redesigned website, shaped by community consultation, is being developed to meet a diverse range of needs. The council also improved complaints handling, with 84% responded to on time, and launched more accessible equality impact assessment tools.

Consultation and transparency were strengthened through the rollout of Get Talking Norwich, which hosted 28 consultations in its first year. Internally, the council published its first Data and Information Strategy, equipping services to use insights to better serve residents. These developments reflect a commitment to open, inclusive and accountable governance, ensuring the organisation is ready for future challenges including devolution and local government reorganisation.

A Prosperous Norwich

In 2024-2025, the council supported economic and cultural vibrancy while continuing to protect the financial resilience of the organisation. Planning performance improved, with statutory timescales met and appeal success rates rising. Council Tax and Business Rates collection exceeded targets despite economic uncertainty, helping sustain core services.

The city's cultural ecosystem benefited from targeted investment. The Lord Mayor's Weekend drew over 30,000 attendees and saw more than 1,000 people participate in the procession. Fourteen projects were awarded grants through the cultural partnership fund, increasing cultural access for children, LGBTQIA+ communities, disabled residents, and emerging artists. New busking guidelines, co-produced through public consultation, ensured that high streets remain vibrant and inclusive.

The council also invested in preserving heritage assets, including restoration works at the Guildhall and St John Maddermarket, sustaining Norwich's cultural identity and its appeal as a destination. These projects directly support tourism, local pride and the wider economy.

A Fairer Norwich

In 2024-2025, Norwich City Council made significant strides in creating a fairer city, aligned to its guiding principles of inclusion, listening, and partnership. The council enabled the delivery of 48 new affordable homes and reduced long-term empty properties to their lowest level in three years. Through improved re-let times and better housing management, more residents accessed safe, secure accommodation. A key success was achieving 100% gas safety compliance across the housing stock, reflecting a sustained focus on tenant wellbeing.

Tackling inequality remained central. The council's targeted work through the Financial Inclusion Consortium helped secure over £3.8 million in benefits for residents and restructure

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over £1,488,000 in personal debt. Meanwhile, the Green Doctor service reached vulnerable households with tailored energy advice and practical support to combat fuel poverty. Accessibility and inclusion were further embedded through the launch of the Equality, Diversity and Inclusion (EDI) Strategy 2024-2027 and the formation of the Inclusive Norwich Partnership, a new collaborative platform shaping services for underrepresented communities.

Investment in inclusive public spaces and healthy lifestyles was also evident. The Hay Hill redesign improved city centre accessibility and biodiversity. New play areas and refurbished tennis courts, co-designed with residents, created welcoming places for active lifestyles, particularly in areas of deprivation. Norwich also joined the Age-Friendly Communities network, committing to supporting older residents to thrive.

A Climate Responsive Norwich

Reflecting the council's guiding principle to prioritise climate in all that we do, 2024-2025 saw major progress in reducing emissions and engaging communities in climate action. The council exceeded its 3% annual emissions reduction target, achieving an 8% drop in operational carbon output. The council published the Climate Responsive Norwich Programme 2025-2035 for consultation with key partners, setting the framework for forthcoming Climate Action Plans across housing, council operations and the wider city.

Over £4.7 million was secured through the Warm Homes grant scheme to retrofit 325 homes. This was complemented by further investment through the Social Housing Decarbonisation Fund, targeting the most inefficient properties. In parallel, the council introduced rooftop solar at Riverside Leisure Centre, cutting carbon emissions by 75 tonnes annually and reducing operational costs. The Solar Together scheme provided 485 households access to discounted solar installations, making renewable energy more accessible.

On community engagement, Norwich supported the creation of Our Power, a neighbourhood energy network training local Energy Champions to promote retrofit and energy advice. The Net Zero Communities pilot in Eaton offered further insight into barriers faced by residents, helping tailor future outreach. Biodiversity also remained a priority, with six parks awarded Green Flag status and new partnerships delivering the Norwich Nature Recovery Network. This collaborative effort is increasing access to nature while tackling environmental inequality.

A Future-Proof Norwich

The council continued to future-proof services and infrastructure while using evidence to inform decision-making. Through strategic alignment with its Medium-Term Financial Strategy and partnership working, the council secured £42.7 million in external funding for place-shaping, regeneration and infrastructure projects. Delivery of the Greater Norwich Local Plan in partnership with neighbouring authorities provided a long-term growth framework for housing, jobs and green infrastructure to 2038.

The council deepened community involvement through the UK Shared Prosperity Fund-supported "community conversations" initiative, enabling 32 local groups to manage 57 green spaces. This built community capacity, reduced isolation, and increased pride of place. The establishment of Norwich Unity Hub, providing affordable space for local charities, is forecast to generate over £2.7 million in social value, directly benefiting some of Norwich's most vulnerable residents.

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The council successfully acquired the Anglia Square Shopping Centre in December 2024, a pivotal step in delivering the much-anticipated regeneration scheme to revitalise this key area of the city. The purchase marked a significant milestone in the ambitious plans to transform Anglia Square into a vibrant, modern hub and will support the ambition to deliver around 1,100 new homes, business opportunities and jobs for local people.

The regeneration of East Norwich represents the largest development opportunity of its kind in the east of England. The project is intended to support the creation of 3,500 new homes and 4,000 jobs across a 50-hectare site. The council's ambition is to deliver a new urban quarter that offers high-quality walking, cycling, and public transport links to the city and the Broads, alongside a diverse mix of housing types and tenures.

Internally, futureproofing also meant modernising systems. The council progressed a new People Strategy, delivered training on digital innovation, and prepared for the full digitisation of planning and regulatory systems. Insights from the new Data and Information Strategy and staff engagement on the Customer and Digital Strategy have laid the groundwork for smarter, more responsive services.

Our next steps include:

- Finalising and testing new KPIs for priority outcomes
- Using learning from Year 1 to refine our business planning process
- Strengthening partnerships and performance governance in preparation for potential Local Government Reorganisation (LGR)

Our focus remains on delivering better outcomes for residents, using evidence and engagement to shape a fairer, greener and more inclusive city.

2024-2025 Financial Performance

Revenue Expenditure

2024-2025 actual against budget for each service area

	Budget £000	Provisional outturn £000	Provisional variance £000
Chief Executive	471	487	16
Corporate Financing	(29,744)	(30,631)	(887)
Resources	15,560	14,444	(1,116)
Housing and Communities	4,801	4,095	(706)
Development & City Services	8,912	10,836	1,924
General Fund Total	**0**	**(769)**	**(769)**
Housing Revenue Account Total	**0**	**(8,300)**	**(8,300)**
Net Revenue Expenditure	**0**	**(9,069)**	**(9,069)**

The outturn for the General Fund is a surplus of £0.769m which represents 1.18% of the council's gross General Fund expenditure budget.

Detailed information on how service areas performed against budget in 2024-2025 is provided in the outturn report to Cabinet on 9th July 2025.

The significant variances are as follows:

- £0.809m of additional income contributed by interest generated by the council's day to day cash investments, due to interest rates remaining high and relatively high cash balances;
- £1.116m of underspend arose within the Resources directorate, largely generated from projects supporting the Customer and Digital Strategy extending into the next financial year, higher than anticipated grant income being received and a lower share of legal costs during the year;
- £0.706m of underspend was generated within the Communities and Housing directorate, arising from higher than anticipated levels of grants and external funding being received from various sources throughout the year;
- £1.924m overspend was generated within the Development and City Services directorate; lower than forecast income from parking significantly contributed towards this. Additionally, income from planning applications and Community Infrastructure Levy was considerably lower than anticipated due to uncertainty surrounding local nutrient neutrality issues.

The General Fund underspend has been transferred to reserves with the intention that it will be used to support priority areas in 2025-2026 including the new Community Plan priorities. It will also be used to mitigate some specific risks such as those in relation to the insurance of the council's assets whilst refurbishment and enhancement work is undertaken. A budget risk reserve is also maintained to provide resilience against emerging pressures and delays in the delivery of savings and other unforeseen events.

The outturn position for the HRA is an underspend of £8.300m which represents 10.17% of the total HRA expenditure budget.

Significant key variances are as follows:

- £10.045m underspend has arisen from no longer making a revenue contribution towards the cost of new social housing, following the increased flexibilities announced by the Ministry of Housing, Communities and Local Government, enabling the full cost to be met from retained one-for-one Right to Buy Receipts for a two-year period;
- £1.695m of additional depreciation charges have been made in the year, resulting from higher property values, although the full value of the charge remains within the HRA to support the cost of capital upgrade work.
- £0.318m of underspend has been generated from the outcome of the 2023-2024 NCSL open book audit, offset by significant additional costs arising from enhanced levels of work to mitigate damp, mould and compliance issues.
- £0.353m of additional income contributed by interest generated by the council's day to day cash investments, due to interest rates remaining high and relatively high cash balances;

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Capital expenditure

Capital Programme	Budget £000	Provisional outturn £000	Provisional variance £000
General Fund	31,025	23,678	(7,347)
HRA	30,983	25,063	(5,920)
Total	**62,008**	**48,741**	**(13,267)**

2024-2025 funding of the capital programme

Source of Funding	£000
Revenue Contribution (RCCO)	346
Major Repairs Reserve (MRR)	13,203
Retained right to buy Capital Receipts	8,503
Other Capital Receipts	730
Grants & Contributions	19,113
Community Infrastructure Levy	613
Section 106	502
Leaseholder Contributions	923
Borrowing	4,807
Funding of 2024-2025 Capital Programme	**48,740**

During the 2024-2025 financial year, there was significant expenditure at The Halls which is undergoing a major refurbishment programme (£4.8m) part funded from Towns' Deal grant, along with the development of a Digital Hub (£3.6m) and the completion of the public realm scheme at Hay Hill (£0.6m), also both funded by the Towns' Deal. Solar panels were installed at Riverside Leisure Centre (£0.6m), play equipment was upgraded in parks (£0.6m) and a significant number of disabled facilities grants were made (£1.7m). Investment was also made in the purchase of the Anglia Square site (£6.2m) fully funded by grant income from Homes England and the acquisition of the fire damaged factory site at Dibden Road, which has now been sold to Flagship Housing for the development of new affordable housing.

The housing capital programme delivered upgrades to over 3,000 council homes, with investment of £11.5m, including electrical upgrades to 1,240 properties, heating upgrade works to 360 properties, over 240 new kitchens, over 400 new bathrooms and over 70 replacement doors. Additionally, over 330 properties have benefitted from structural or roofing upgrades whilst 270 properties received renewable energy installations or additional insulation.

During the year, 24 new HRA homes were completed with an additional 24 being acquired at the Three Score Phase 3 site in Bowthorpe, and a further 5 at St James' Quay, whilst work has continued on the development programmed at Argyle Street and Mile Cross.

Grants of right to buy receipts to registered providers totalling £4.280m have also enabled the development of further new affordable homes in the city.

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8. 2024-2025 Statement of Accounts

The Statement of Accounts sets out the financial performance of the Council for the year ended 31 March 2025 and its financial position at that date.

It comprises core and supplementary statements together with disclosure notes.

The format and content of the financial statements are prescribed by the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The Code requires that the accounts give a true and fair view of the financial position of the Council and are prepared on the basis that the Council is a going concern. In line with the Code, suitable accounting policies have been applied, and where necessary, prudent judgements and estimates have been made.

The group statements also include the financial performance and position of the Council's wholly owned companies, Norwich City Services Ltd and Lion Homes (Norwich) Ltd.

The purpose and key figures to note for each of the key statements are described in the following sections of this narrative report.

Expenditure and Funding Analysis

The expenditure and funding analysis reconciles the figures given in the outturn position to those included in the Comprehensive Income and Expenditure Statement (CIES).

The CIES shows the accounting cost for the year of providing the Council's services. This is not the same as the outturn information. The accounting cost is determined in accordance with generally accepted accounting principles (contained within the code) whilst the budget, and the year-end outturn against the budget, must comply with other local government specific legislation.

The code requires that councils make a number of adjustments to the outturn position to determine the accounting costs and income shown in the statement of accounts. For example, large adjustments are made for the accounting treatment of fixed assets (depreciation) and pension costs. These costs, whilst shown in the CIES because they are required under accounting standards, are not included in the council's annual budget nor funded from council tax.

The inclusion of such costs in the CIES is to enable comparison of a council's statement of accounts with other organisations, both within the public and private sectors.

The expenditure funding analysis allows a link to be made between the year-end outturn against the budget to the financial position as set out in the financial statements.

Comprehensive Income and Expenditure Statement (CIES)

The CIES records all the council's income and expenditure for the year and has two parts:

- The first part reflects the accounting cost of providing the council's services with the results summarised at the surplus or deficit on the cost of services line. In the private sector this would be equivalent to the profit or loss of a company.
- The second part, showing other comprehensive income and expenditure, shows the gains or losses in the measurement of the council's assets and liabilities. These gains and loses

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arise because of changes in market valuations, interest rates or changes in measurement assumptions in relation to pension liabilities.

Movement in Reserves Statement (MIRS)

The MIRS shows the movement, from the start of the year to the end, on the different reserves held by the council. It shows how the movements are broken down between gains and losses incurred in accordance with the code and the statutory adjustments required to identify the amounts chargeable to the budget as required under local government legislation.

Reserves are important to local authorities as, unlike central government, they cannot borrow money over the medium-term, other than for investment in assets, and they are required to balance their budgets on an annual basis. They are therefore a vital part of prudent financial management and help reduce the financial risks identified earlier in this narrative report.

Reserves are analysed into two categories: usable and unusable.

Usable reserves

- Result from the council's activities
- Members are involved in deciding on the levels maintained and their use
- Can be spent in the future

Include: general fund, HRA, earmarked reserves, capital receipts reserve, major repairs reserve, and capital grants unapplied

Unusable reserves

- Derive from accounting adjustments
- Cannot be spent

Include: revaluation reserve and capital adjustment account

Balance Sheet

The balance sheet provides a snapshot of the council's position at a specific point in time; showing what it owns and owes as at 31 March 2025. It is very similar to other public sector or private sector balance sheets.

The Balance Sheet is always divided into two halves that should, as the name suggests, balance:

- Net Assets (the top half), and
- Reserves (the bottom half)

The council continues to maintain a strong balance sheet with net assets of £1,050.974m. With a current ratio (current assets/current liabilities) of 1.4:1, the Council is able to pay all its short-term liabilities with current assets and is holding cash and cash equivalents of £61.607m.

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Disclosure of Transitional Accounting Adjustments

In 2024-2025, the Council applied IFRS 16, *Leases,* as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (that is, those lease arrangements where the Council's judgement was that the arrangement did not transfer substantially all the risks and rewards of ownership of an asset and expenditure was recorded in the Comprehensive Income and Expenditure Statement each year) a right of use asset and a lease liability are to be recognised on the Council's Balance Sheet at 1 April 2024 through an adjustment to opening balances. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that Right of Use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024-2025 without adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics
- the weighted average of the incremental borrowing rates used to discount liabilities was 4.36%
- Right of Use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024
- all leases were assessed as to whether they were onerous at 31 March 2024, so Right of Use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet at 1 April 2024:

- £6.007m Property, plant and equipment – land and buildings (Right of Use assets)
- £9k Property, plant and equipment – vehicles, plant and equipment (Right of Use assets)
- £7.20m Non-current creditors (lease liabilities)
- £1.68m Current creditors (lease liabilities)

The newly recognised lease liabilities of £8.89m compare with the operating lease commitments of £4.37m at 31 March 2024 disclosed in the notes to the 2023-2024 financial statements. The lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025. The Council has finance leases where it is the Lessor, these equate to a right of use asset of £0.21m which has been removed the property, plant and equipment – land and buildings (Right of use assets).

The Council also identified that they have two leases for investment property, Travelodge Harlow and Bacon House where a lease liability has not previously been recognised. The Council have corrected this in year which has resulted in an additional liability of £3.05m being recognised.

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There are peppercorn arrangements which have been bought onto the balance sheet at fair value in line with the Code. This results in a difference between the land and buildings - right of use asset and liability of £137k.

Cash Flow Statement

This shows the reason for changes in the council's cash balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

The statement also includes cash equivalents which are short-term investments that are readily convertible into cash and which are subject to only insignificant risks of changes in value.

Cash flows are related to the income and expenditure seen in the CIES but are not the same as them. The difference arises from the accruals concept, whereby income and expenditure are recognised in the CIES when the transactions occurred, and not when the cash was paid or received.

Housing Revenue Account (HRA)

This statement shows the income and expenditure incurred by the council as a provider of social housing under the Local Government & Housing Act 1989. It is a ring-fenced account, so it cannot subsidise or be subsided by other Council activities.

Collection Fund

The collection fund shows the total income received by the council from business rates and council tax and the redistribution of some of that money to Norfolk County Council, Norfolk Police Authority, and central government.

Business Rates

In 2024-2025, the Council received from the Collection Fund its share (£0.573m) of the historic surplus (£1.432m).

In 2024-2025, the Collection Fund ended in £3.470m surplus, of which the Council's share is £1.388m. Due to timing differences, the difference between this amount and the estimated £1.741m figure in the NNDR 1 statutory return, which forms part of the 2024-2025 budget, will only be returned to the General Fund in 2025-2026.

Our fellow preceptors are Central Government and Norfolk County Council.

The City Council also belongs to a pan-Norfolk pool, which shares out resources from growth, the Council is waiting to hear what the outturn position is for 2024-2025.

Council Tax

In 2024-2025, the end of year surplus for the Council Tax element of the Collection Fund is £4.700m, of which the Council's share is £0.604m.

Our fellow preceptors are Norfolk County Council and Norfolk Constabulary.

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Group Financial Statements

Group accounts need to be prepared where the council either controls or significantly influences a company. The group accounts report the full extent of the assets and liabilities of the group entities.

The council is presenting group accounts by consolidating the financial performance and position of Lion Homes (Norwich) Limited (LHL) and Norwich City Services Limited (NCSL) into the overall group.

Norwich City Services Ltd (NCSL)

NCSL is a private limited company wholly owned by Norwich City Council. It was incorporated on 9 June 2020.

The council created NCSL to support its aspirations to transform the way some services are delivered to the city and its people and to have more flexibility and direct control over budgets and expenditure.

NSCL delivers environmental services and building repairs and maintenance services

Draft accounts for NCSL have been prepared subject to audit by Shaw & Co before presentation to the company's Board of Directors for approval.

Lion Homes (Norwich) Ltd

LHL is a private limited company wholly owned by Norwich City Council. It was incorporated on 13 November 2015. It is wholly owned by Norwich City Council. It was set up to develop more housing for affordable rent (to be purchased by the HRA upon completion from LHL) and also to develop housing for private sale and market rent.

Draft accounts for LHL have been prepared by Shaw & Co before presentation to the company's Board of Directors for approval.

Additional Disclosures

The notes to the financial statements include important information and provide the context and detail for the figures in the primary financial statements.

Accounting Policies - These set out the accountancy rules the council has followed in preparing the financial statements. They are largely specified by International Financial Reporting Standards and CIPFA's Code of Practice. At the balance sheet date, the following new standard has been adopted for the 2024-2025 financial year for the Council: IFRS16 Leases. This was introduced by the 2024-2025 Code of Practice of Local Authority Accounting in the United Kingdom.

Critical Judgements - Show the key areas where officers and third-party experts have made judgements about the application of accounting policies. The aim is to highlight key areas of the accounts where others may have made different judgements about the accounting treatment.

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Independent auditor's report to the members of Norwich City Council

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Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

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

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code of Practice.

The Chief Finance Officer has also:

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

Certificate of Chief Finance Officer

I certify that the Statement of Accounts presents a true and fair view of the financial position of Norwich City Council as at 31 March 2025 and its income and expenditure for the year then ended.

Signed:

Date: 26th September 2025

ALISTAIR RUSH

Alistair Rush
Interim Chief Finance Officer (S.151)

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Comprehensive Income and Expenditure Statement (CIES)

		2024-2025			2023-2024		
	Note	Expenditure	Income	Net	Expenditure	Income	Net
		£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive		472	-	472	356	(54)	302
Housing & Communities		17,838	(9,602)	8,236	22,896	(9,613)	13,283
Resources		65,979	(44,961)	21,018	58,388	(43,847)	14,541
Corporate Financing		(1,836)	(104)	(1,940)	1,000	(354)	646
Development & City Services		30,418	(16,045)	14,373	31,425	(16,301)	15,124
Housing Revenue Account *		75,220	(80,297)	(5,077)	69,028	(74,742)	(5,714)
Cost of Services		**188,092**	**(151,009)**	**37,083**	**183,093**	**(144,911)**	**38,182**
Other Operating Expenditure	11			(3,689)			(1,463)
Financing and Investment Income and Expenditure	12			5,537			4,137
Taxation and non-specific grant income and expenditure	13			(42,987)			(31,646)
(Surplus) or Deficit on Provision of Services				**(4,056)**			**9,210**
(Surplus)/deficit on revaluation of non-current assets.	14			(34,646)			1,892
(Surplus)/deficit from investments in equity instruments designated FVOCIE	18			(75)			533
Actuarial (gains)/losses on pension assets/liabilities	40			33,099			(23,003)
Other Comprehensive Income and Expenditure				**(1,622)**			**(20,578)**
Expenditure				**(5,678)**			**(11,368)**

*The amounts disclosed above relating to the Housing Revenue Account may not match those in the Housing Revenue Account Income and Expenditure Account as the figures above are before corporate recharges and those in the Housing Revenue Account Income and Expenditure Account are after these recharges.

**Due to the implementation of IFRS16, which does not require restatement, there is an adjustment to opening balances of £137k and this is reflected in the Movement in Reserves Statement below.

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Movement in Reserves Statement

	General Fund Balance £'000	Earmarked General Fund Balance Reserves £'000	Housing Revenue Account £'000	Earmarked H.R.A. Balance Reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Council Reserves £'000
Balance at 1 April 2024	**(8,249)**	**(21,683)**	**(42,696)**	**(1,690)**	**(72,607)**	**(13,993)**	**(2,388)**	**(163,306)**	**(881,855)**	**(1,045,161)**
Adjustment for the Implementation of IFRS 16 (Note 37)									**(137)**	
Adjusted Balance at 1 April 2024	**(8,249)**	**(21,683)**	**(42,696)**	**(1,690)**	**(72,607)**	**(13,993)**	**(2,388)**	**(163,306)**	**(881,992)**	**(1,045,298)**
Movement in reserves during 2024-2025										
Surplus/ (deficit) on provision of services	(2,304)	-	(1,752)	-	-	-	-	**(4,055)**	-	**(4,055)**
Other Comprehensive Income & Expenditure	-	-	-	-	-	-	-	**-**	(1,622)	**(1,622)**
Total Comprehensive Income & Expenditure	**(2,304)**	**-**	**(1,752)**	**-**	**-**	**-**	**-**	**(4,055)**	**(1,622)**	**(5,677)**
Adjustments between accounting basis & funding basis under regulations (note 9)	5,525	-	(6,739)	-	(5,947)	(4,067)	589	**(10,639)**	10,639	-
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	**3,221**	**-**	**(8,491)**	**-**	**(5,947)**	**(4,067)**	**589**	**(14,695)**	**9,017**	**4,962**
Transfers (to)/from Earmarked Reserves (note 10)	(3,221)	3,221	134	(134)	-	-	-	**-**	-	**-**
Transfers between reserves	-	-	-	-	-	-	-	**-**	-	**-**
Other Adjustments	-	-	-	-	-	-	-	**-**	-	**-**
(Increase)/Decrease in 2024-2025	**-**	**3,221**	**(8,357)**	**(134)**	**(5,947)**	**(4,067)**	**589**	**(14,695)**	**9,017**	**4,962**
Balance at 31 March 2025 carried forward	**(8,249)**	**(18,462)**	**(51,053)**	**(1,824)**	**(78,554)**	**(18,060)**	**(1,799)**	**(178,001)**	**(872,973)**	**(1,050,974)**

An adjustment to the Movement in Reserves Statement for the implementation of IFRS16 has arisen due to the recognition of peppercorn arrangements leaving a difference between land and building right of use asset and liability of £137k.

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	General Fund Balance	Earmarked General Fund Balance Reserves	Housing Revenue Account	Earmarked H.R.A. Balance Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	**(8,249)**	**(16,973)**	**(44,126)**	**(2,625)**	**(95,743)**	**(10,397)**	**(4,248)**	**(182,361)**	**(851,431)**	**(1,033,792)**
Movement in reserves during 2023-2024										
Surplus/ (deficit) on provision of services	6,686	-	2,525	-	-	-	-	**9,211**	-	**9,211**
Other Comprehensive Income & Expenditure	-	-	-	-	-	-	-	-	(20,578)	**(20,578)**
Total Comprehensive Income & Expenditure	**6,686**	**-**	**2,525**	**-**	**-**	**-**	**-**	**9,211**	**(20,578)**	**(11,367)**
Adjustments between accounting basis & funding basis under regulations (note 9)	(11,396)	-	(160)	-	23,136	(3,596)	1,860	**9,844**	(9,846)	**(2)**
Net Increase/ (Decrease) before Transfers to Earmarked Reserves	**(4,710)**	**-**	**2,365**	**-**	**23,136**	**(3,596)**	**1,860**	**19,055**	**(30,424)**	**(11,369)**
Transfers (to)/from Earmarked Reserves (note 10)	4,710	(4,710)	(935)	935	-	-	-	-	-	-
Transfers between reserves	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-
(Increase)/Decrease in 2023-2024	**-**	**(4,710)**	**1,430**	**935**	**23,136**	**(3,596)**	**1,860**	**19,055**	**(30,424)**	**(11,369)**
Balance at 31 March 2024 carried forward	**(8,249)**	**(21,683)**	**(42,696)**	**(1,690)**	**(72,607)**	**(13,993)**	**(2,388)**	**(163,306)**	**(881,855)**	**(1,045,161)**

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Balance Sheet

	Notes	31 March 2025	31 March 2024
		£'000	£'000
Property, Plant & Equipment	14	1,079,205	1,061,343
Heritage Assets	15	33,731	25,940
Investment Properties	16	96,046	93,217
Intangible Assets	17	2,264	2,302
Long term Investments	18	6,325	6,849
Long Term Debtors	19	5,652	9,200
Long Term Assets		**1,223,223**	**1,198,851**
Short Term Investments	18	40,733	67,353
Assets Held for Sale	21	769	216
Short term Debtors	19	23,588	24,666
Inventories	21	7,097	792
Cash and Cash Equivalents	20	61,607	23,906
Current Assets		**133,794**	**116,933**
Short Term Borrowing	18	(54,151)	(3,632)
Short Term Creditors	22	(38,327)	(30,673)
Provisions	23	-	-
Revenue Grants Receipts in Advance Short Term	34	(133)	(130)
Capital Grants Receipts in Advance Short Term	34	(510)	(597)
Current Liabilities		**(93,121)**	**(35,032)**
Long Term Creditors	22	(6,641)	(379)
Long term Borrowing	18	(151,361)	(204,590)
Other Long Term Liabilities	40	(47,271)	(18,680)
Provisions	23	(2,056)	(1,824)
Capital Grants Receipts in Advance Long Term	34	(5,592)	(10,120)
Long Term Liabilities		**(212,922)**	**(235,593)**
Net Assets		**1,050,974**	**1,045,159**
Usable Reserves	24	(178,001)	(163,305)
Unusable Reserves	25	(872,973)	(881,854)
Total Reserves		**(1,050,974)**	**(1,045,159)**

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

Signed: Date: 26th September 2025

ALISTAIR RUSH

Alistair Rush
Interim Chief Finance Officer (S.151)

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Cash Flow Statement

	Note	2024-2025 £'000	2023-2024 £'000
Net surplus or (deficit) on provision of services		4,056	(9,210)
Adjustments to net surplus or deficit on provision of services for non-cash movements	26	57,751	9,461
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	26	(35,470)	(18,513)
Net cash flows from Operating Activities		**26,337**	**(18,262)**
Investing Activities	27	(4,551)	(42,046)
Financing Activities	28	15,915	(2,568)
Net Increase or (decrease) in cash and cash equivalents		**37,701**	**(62,876)**
Cash and cash equivalents at 1 April		23,893	86,769
Adjustment to opening balance		13	
Adjusted cash and cash equivalents at 1 April		23,906	
Cash and cash equivalents at 31 March	20	**61,607**	**23,893**

In the presentation of the cashflow statement for 2023-2024, the opening cash balance at 1 April 2023 was misstated by £13k, which resulted in the balance at 31 March 2024 not matching the cash and cash equivalents line item reported in the balance sheet at that date. The opening balance at 1 April 2024 has been amended to correct this error as detailed in the note above.

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Notes to the Accounts

1. Accounting Policies

i. Going Concern

The concept of a going concern assumes that an authority, its functions and services will continue in operational existence for the foreseeable future. Where this is not the case, particular care will be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept can have a fundamental impact on the financial statements (see disclosure Note 42).

Accounts drawn up under the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025 assume that a local authority's services will continue to operate for the foreseeable future. This assumption is made because local authorities carry out functions essential to the local community and are themselves revenue-raising bodies (with limits on their revenue-raising powers arising only at the discretion of Central Government). If an authority was in financial difficulty, the prospects are thus that alternative arrangements might be made by Central Government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.

ii. General Principles

The Statement of Accounts summarises the Council's transactions for the 2024-2025 financial year and its position at 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. These regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025, supported by International Financial Reporting Standards (IFRS).

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

The Statement of Accounts has been prepared on a 'going concern' basis except for Lion Homes (Norwich) Ltd. As at 31 March 2025 the company was unable to repay its outstanding £6.15m loan to the Council and has since entered into a member voluntary liquidation arrangement process. As a result the accounts for Lion Homes (Norwich) Ltd have been prepared on a break up basis.

iii. Accruals of Income & Expenditure

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

- Revenue from the sale of goods is recognised in accordance with the terms and conditions of 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.
- Rental income from the Council's housing stock is accounted for on the basis of a full year, i.e. 365 or 366 days as appropriate.
- 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; the de Minimis for accruals is £5,000. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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- The Council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.

iv. Cash & Cash Equivalents

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

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

v. Prior Period Adjustments, Changes in Accounting Policies & Estimates & Errors

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

vi. Charges to Revenue for Non-Current Assets

Services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service.
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
- revaluation and impairment gains, where they reverse losses previously charged to services
- amortisation of intangible non-current assets attributable to the service.

The Council is not required to raise Council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, this provision known as the Minimum Revenue Provision (MRP), is equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance (England and Wales). Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the contribution in the General Fund Balance (Minimum Revenue Provision), by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two. No MRP is currently charged on HRA debt, as the debt acquired in relation to the HRA is outside the scope of this regime.

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vii. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled 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 (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which 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 so that these benefits are charged to the General Fund in the financial year in which payment is made.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the relevant service cost line in the CIES when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

The majority of the Council's employees are members of the Local Government Pensions Scheme, administered by Norfolk County Council. The Scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Norfolk pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond chosen by the Fund's Actuary.
- The assets of the Norfolk pension fund attributable to the Council are included in the Balance Sheet at their fair value:
    - quoted securities - current bid price
    - unquoted securities - professional estimate
    - unitised securities - current bid price
    - property - market value
- The change in the net pensions liability is analysed into the following components:
    - current service cost - the increase in liabilities as a result of years of service earned this year - allocated in the CIES to the services for which the employees worked
    - past service cost -the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Surplus or Deficit on the Provision of Services in the CIES as part of the cost of other Operating Expenses
    - net interest on the defined benefit liability, i.e. net interest expense for the Council – the change during the period in the net defined benefit liability that arises from the passage of time charged to the financing and investment income 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 defined benefit liability at the beginning of the period – taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.
    - remeasurements comprising:

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        - the return on plan assets, excluding amounts included in net interest on the net defined liability, charged to the Pension Reserve as Other Comprehensive Income and Expenditure
        - actuarial gains or losses - changes in the net pension's 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 and Housing Revenue Account to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations 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 and Housing Revenue account of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

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

viii. Events after the Balance Sheet Date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts 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 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.

ix. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. Non-exchange transactions, such as those relating to taxes, benefits, and government grants, do not give rise to financial instruments.

They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities
Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement 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.

This means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Liabilities include trade payables. It has been assessed that the carrying amount in the Balance Sheet is a proxy for the fair value of those liabilities.

Financial Assets
There are three main classes of financial assets measured at:

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

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

Expected Credit Loss Model
The Council 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 Council.

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

The Council has a portfolio of a significant number of Decent Homes Loans and Home Improvement Loans to local residents. It does not have reasonable and supportable information that is available without undue cost or 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.

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

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

x. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the account.

xi. Government Grants & Contributions

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions 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 acquired using 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 (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied 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.

xii. Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) 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.

Part of the CIL income is retained to offset the cost of administration and is accounted for as income in the Comprehensive Income and Expenditure Statement. The rest is intended for use to finance capital and is treated as capital contributions. As it is received without conditions it is recognised immediately as capital grants and contributions income and is then transferred to the Capital Grants Unapplied Reserve. A small proportion of the monies may be used to fund revenue expenditure.

The income from CIL is accounted for on an accruals basis and recognised immediately in the CIES at the commencement date of the chargeable development. Surcharges and interest received in accordance with the CIL regulations will be accounted for as if they were CIL receipts.

xiii. 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. As a non-financial asset, investment properties are measured at highest and best use.

Properties are not depreciated but are revalued on a five year rolling programme according to market conditions with the exception of properties with a brought forward value in excess of £500,000 as these are valued every year. Based on consultation with the valuer, any other assets which may have significant volatility in fair value are also included in the assessment. Carrying values are reviewed annually to ascertain if materially different from market values for those assets not valued in year.

Revaluation gains and losses are recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement. However, regulations do not permit unrealised gains and losses to impact the General Fund balance. Therefore, gains and losses are reversed via the

Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve

Rental income is recognised in the Financing and Investment Income and Expenditure line within the Comprehensive Income and Expenditure Statement on a straight-line basis.

xiv. Intangible Assets

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

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 that the Council will be able to generate future economic benefits or deliver service potential by being able to use the asset. Costs relating to the development of computer software for internal use are capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred in the development phase. When the software is available for its intended use, these costs are amortised in equal annual amounts over the estimated useful life of the software.

Amounts capitalised include the total cost of any external products or services and labour costs directly attributable to development. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved. The useful life is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. For computer software licences, the useful life represents management's view of the expected period over which the Council will receive benefits from the software.

Intangible assets are measured initially at cost. The depreciable amount of an intangible asset is written down over its useful life, to the appropriate line in the Comprehensive Income and Expenditure Statement. No intangible assets are recorded with indefinite lives. An asset is tested for impairment whenever there is an indication that the asset might be impaired, and any losses are posted to the appropriate line in the Comprehensive Income and Expenditure Statement.

The calculated amounts for amortisation and impairment are charged to the Cost of Services in the Comprehensive Income and Expenditure Account, but they are not proper charges against the General Fund. A transfer is therefore made from the Capital Adjustment Account to the General Fund to reverse the impact.

xv. Interest in Companies and Other Entities

Local authorities are required to consider all their interests and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. In order to assess whether the Council has interests relevant to group accounts, consideration has been given to involvement with companies, partnerships, voluntary organisations, and other public bodies to determine whether:

- the Council has a formal interest in a body which gives it access to economic benefits or service potential and that the body is an identifiable entity carrying on a trade or business of its own.
- the interest constitutes control over the majority of equity capital or voting rights or over rights to appoint the majority of the governing body or the interest involves it exercising, or having the right to exercise, dominant influence over the entity, such that the entity is classified as a subsidiary of the Council.
- If the Council does not have control, whether its interest involves it being able to exercise a significant influence over the entity without support from other participants, such that the entity is classified as an associate of the authority.
- If the Council does not have control, whether its interest allows it to direct the operating and financial policies in conjunction and with the consent of the other participants in the entity, such that the entity is classified as a joint venture for the Council.

Consideration has been given to the relationship with all potential entities and the following disclosures have been made:

- Interests in other entities as shown in a note to the Core Financial Statements

- Where the relationship with the body disclosed is not material and therefore there is no entity where the Council's interest is such that it would give rise to the requirement to prepare group accounts.

The position is reviewed and updated on an annual basis. The Council has gone through a process in line with the Code guidance flowcharts and concluded Group Accounts are required in 2024-2025. Further detail on the Group boundary judgement is included in the relevant notes and the Group Financial statements.

xvi. Leases

The Council as lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code of Practice on Local Authority Accounting expands the scope of IFRS 16 *Leases* to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

Lease liability - measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined.

The lease payments used in the determination of the lease liability include:

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

Right-of-use asset - The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received. However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

For leases not valued under the cost model, the right of use asset is carried at a revalued amount. The Council determines that the value of right of use assets held under index-linked leases have been adjusted for changes in the relevant index while assets held under peppercorn or nil consideration leases have been valued by a valuer with appropriate qualifications.

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

The lease liability is subsequently measured at amortised cost, using the effective interest rate method. The Council remeasures the lease liability when there is a change in:

- future lease payments arising from a change in the index or rate
- the estimated amount payable under a residual value guarantee
- the Council's assessment of whether it will exercise a purchase, extension or termination option, or
- a fixed lease payment.

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

Low value and short lease exemption

The Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease expenditure charged to revenue

Lease payments are debited against the lease liability.

The Comprehensive Income and Expenditure Statement is charged each year with:

- interest
- straight line depreciation
- any asset impairments, and
- changes in variable payments that are not included in the measurement of the lease liability.

Rentals for leases of low-value items that cost less than £10,000 or for leases with a term shorter than 12 months, are expensed and recognised in the Comprehensive Income and Expenditure Statement.

The Council as lessor

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

Finance Leases

Where the Council grants a finance lease, 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 Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

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.

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Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

xvii. Overheads & Support Services

The Code of Practice on Local Authority Accounting in the United Kingdom introduced the requirement for local authorities to report their service segments based on the way in which they operate and manage services, thereby allowing the reporting on the face of the Comprehensive Income and Expenditure Statement to align with how a local authority reports its performance internally to its management.

Corporate overhead allocations are made at the year-end and shared between users in proportion to the benefits received. However, during the year the Council reports to budget holders and members the financial performance without the impact of the corporate recharges. In deference to the intentions of CIPFA's review, the accounts have been reported without support cost recharges, showing support and overhead costs within their respective portfolio lines.

xviii. Fair Value Measurement

The council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. The Council also discloses fair values for financial assets and liabilities categorised as loans and receivables. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the year end. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the council's financial statements are categorised within the fair value hierarchy, as follows:

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

xix. 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.

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Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment 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 Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

The de minimis level for accounting for expenditure as capital is £10,000.

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 Council does not capitalise borrowing costs incurred whilst 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 Council). 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 Council.

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

- infrastructure, community assets and assets under construction – depreciated historical cost
- dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- all other assets – fair 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 fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

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

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains are credited to the Comprehensive Income and Expenditure Statement 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 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

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Componentisation

The Code of Practice on Local Authority Accounting states that each part of an item of Property, Plant and Equipment (PP&E) with a cost that is significant in relation to the total cost of the item shall be depreciated separately, applied from 1 April 2010 onwards. Where there is more than one significant part of the same asset which has the same useful life and depreciation method, such parts may be grouped in determining the depreciation charge. In adopting the Code of Practice on Local Authority Accounting, the Council has developed the following Componentisation Policy using the approach set out in LAAP bulletin 86:

- Assets within PP&E, excluding Council dwellings with a carrying value of £1m and below, will be disregarded for componentisation as the impact upon the reported cost of service is not considered material.
- Assets, excluding Council dwellings that are above the £1m de-minimis threshold will be componentised where the cost of the component:
  i) Is significant in relation to the overall total cost of the asset and
  ii) Has a different useful life and/or method of depreciation to the main asset.

This policy excludes land assets which are already identified separately.

Council dwellings are not individually componentised. The valuation of dwellings is based on a beacon approach using the assumption that the beacon property is fully upgraded. Each property in that beacon has a reduction in value, as a percentage, for each component that is not upgraded.

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 (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings – from 1 April 2012 depreciation is calculated based on the useful life of the individual components of the dwelling (30-60 years) depending on the beacon group.
- Other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (30-100 years).
- Vehicles – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer (25% carrying amount).

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- Infrastructure – straight-line allocation of between 25-40 years.
- Plant, furniture & equipment – straight line allocation over the useful life of asset (3-25 years).

Where an item of Property, Plant and Equipment assets 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 & 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 previous losses recognised in the Surplus or Deficit on Provision of Services.

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.

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 (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to Housing Revenue Account disposals (75% for dwellings, 50% for land and other assets, net of statutory deductions and allowances) is payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve; this residual amount can only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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.

xx. Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Council becomes aware of the obligation. Subsequently, they 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.

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When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council 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 Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. 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 Council 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 Council.

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.

xxi. Reserves

The Council maintains two groups of reserves, usable and unusable.
Usable reserves comprise the following:

- Capital Receipts Reserve: proceeds from the sales of non-current assets are initially credited to the CIES, but legally can only be used to finance capital expenditure, and so are transferred to the Capital Receipts Reserve and afterwards used for this specific purpose.

- Capital Grants Unapplied: the Council receives grants and contributions towards capital expenditure, and, where repayment conditions are not present or no longer apply, they are credited to the CIES and immediately transferred into the Capital Grants Unapplied Reserve until required to finance capital investment.

- Earmarked Reserves: the Council may set aside earmarked reserves to cover specific projects or contingencies. These are transferred from the General Fund, and amounts are withdrawn as required to finance such expenditure. The expenditure itself is charged to the appropriate line in the Comprehensive Income and Expenditure Statement. There are no legal restrictions on the use of earmarked reserves, and unspent balances can be taken back to the General Fund in the same way.

- General Fund: this represents all other usable reserves for the general fund, without legal restrictions on spending, which arise from annual surpluses or deficits.

- Housing Revenue Account (HRA): This is a statutory reserve for the HRA.

- HRA Earmarked Reserves: this represents reserves from the HRA which arise from annual surpluses or deficits.

- Major Repairs Reserve: This is a statutory reserve which can only be used to fund new capital investment in HRA assets or the financing of historical capital expenditure by the HRA.

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Unusable Reserves consist of those which cannot be used to finance capital or revenue expenditure:

- Revaluation Reserve: this consists of accumulated gains on individual items of Property, Plant and Equipment. The Reserve contains only gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains before that date were 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.

- Capital Adjustment Account: receives credits when capital is financed from the General Fund or from the Capital Receipts and Capital Grants Unapplied reserves, and receives debits to offset depreciation and other charges relating to capital which are not chargeable against the General Fund. The account contains revaluation gains accumulated on non-current assets before 1 April 2007, the date on which the Revaluation Reserve was created to hold such gains.

- Deferred Capital Receipts: in some cases (particularly former housing stock disposed of, where the purchaser financed the transaction through a mortgage from the Council) an asset is disposed of, but the income cannot be collected immediately. The Council maintains records for a long-term debtor, offset by a balance in the Deferred Capital Receipts Account. When the income is received the debtor is written down and a transfer is made between this account and the Capital Receipts Reserve.

- 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 Council 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 Council makes employer's contributions to pension funds or eventually pays 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 Council 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.

- Collection Fund Adjustment Account: this represents the differences arising from the recognition of Council Tax income and Non-Domestic Rates in the Comprehensive Income and Expenditure Statement as they fall due from payers, compared with the statutory arrangements for paying across amounts from the Collection Fund to the General Fund.

- Accumulated Absences Reserve: this contains the difference between the statutory and accounting liability for the cost of accumulated absences: the cost is properly chargeable to the Comprehensive Income and Expenditure Statement, but not to the General Fund.

- Financial Instruments Adjustment Account: this absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

- Financial Instrument Revaluation Reserve: this contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are:
    - revalued downwards or impaired and the gains are lost.
    - disposed of and the gains are realised.

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xxii. Revenue Expenditure Funded from Capital Under Statute (REFCUS)

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 Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council tax.

xxiii. VAT

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

xxiv. The Collection Fund

The Collection Fund shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to local authorities and the Government of council tax and non-domestic rates. The Council, as a billing authority, is statutorily required to maintain a separate agency Collection Fund account, into which all transactions relating to collection of business rate and council tax income from taxpayers and distribution to local government bodies and central government are made. The Collection Fund account is accounted for separately from the General Fund.

The Council collects income from payers of Council Tax and Non-Domestic Ratepayers, but only part of the income relates to this Council, the balance being collected on behalf of other major precepting authorities, including the Government. The amounts of debtors, adjustments for doubtful debts, overpayment creditors and receipts in advance that relate to the precepting authorities are shown as a single net debtor or creditor in the balance sheet. The element of the Collection Fund due to preceptors is held as part of the Short Term Creditors balance. Annual changes in the amounts held for preceptors are shown as part of financing activities in the Cash Flow Statement.

The amounts legally credited to the General Fund are those estimated before the start of the financial year, including distributions of estimated surplus, or contributions towards estimated deficits. In accounting terms, however, the Council's share of the collectable debit (including adjustments to allowances for doubtful debts and appeals) are credited to the Comprehensive Income and Expenditure Statement. The difference between the cumulative amounts for statutory and accounting purposes forms the Collection Fund Adjustment Account (an unusable reserve) and the annual adjustment forms part of the accounting and financing adjustments.

The cash flow statement only includes in revenue activities cash flows relating to its own share of council tax and business rates income collected. The difference between the government and the preceptors' share of the net cash collected and the net cash paid to them is included as a net movement in other liquid resources.

There are a number of Business Rates reliefs available to rate payers which are mandatory, the government funds these reliefs in full (except for Small Business Rate relief which it funds in part) via s31 grant to each authority. The s31 grant included in the Comprehensive Income and Expenditure Statement for the year that which is equal to the NNDR3 outturn. Any excess of this amount compared to the estimated NNDR1 figure is transferred to a s31 earmarked reserve and distributed in subsequent years against any deficit amounts.

Under the Business Rate Retention Scheme the government has calculated the Funding Baseline which each authority needs to fund its business as well as a Business Rate Baseline which relates to the collectable NNDR, the difference between the two will either result in an individual authority paying a tariff to, or receiving top-up from the government. In a two tier authority the County Council will be in a top-up position and the billing authority in a tariff position. The tariff or top-up is reflected in the authority's individual Comprehensive Income and Expenditure Statement i.e. does not go through the Collection Fund.

The Council is required to calculate whether it is in a levy or safety net position at year end. If the authority's income from NNDR and the s31 grant less the tariff paid is greater than the funding baseline then a levy is

payable according to the levy formula, the percentage of levy is capped at 50%. If the authority's income from NNDR and the s31 grant less the tariff paid is less than 92.5% of the funding baseline then the authority is entitled to a safety net payment. Any levy/ safety net amounts are accrued and included in the CIES and in creditors/debtors as appropriate in the Balance Sheet.

2. Accounting Standards that have been issued but have not been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of the accounting change that will be required by a new standard that has been issued but not yet adopted.

At the balance sheet date, the following new standards and amendments to existing standards have been published and will be introduced by the 2024-2025 Code of Practice of Local Authority Accounting in the United Kingdom:

a) Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020.

b) Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022.

c) International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023. Pillar Two applies to multinational groups with a minimum level of turnover.

d) Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023. The amendments require an entity to provide additional disclosures about its supplier finance arrangements.

The Council does not anticipate that items a) and b) will have a material impact on the information provided in the financial statements and does not expect items c) and d) to apply to the Council.

The standards introduced by the 2025-2026 Code where disclosures are required in the 2024-2025 financial statements, in accordance with the requirements of paragraph 3.3.4.3 of the Code, are:

a) IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

b) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The Council currently only completes transactions in GBP.

c) The changes to the measurement of non-investment assets within the 2025-2026 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

It is likely there will be limited application of items a) and b), although authorities will need to consider their individual circumstances in case either of these standards apply.

3. Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1, 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 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.
- Note 18 Financial Instruments details the authority's Investment Strategy and approach to managing risk. None of the authority's investments are impaired.
- The Council has undertaken an analysis to classify the leases it holds, both as a lessee and lessor, as either operating or finance leases. The accounting policy for leases has been applied to these arrangements and assets are recognised or derecognised (as appropriate) as Property, Plant and Equipment in the Council's Balance Sheet.
- The Council has reviewed all property assets in accordance with the policy for Investment Properties and classified as appropriate.
- The Council has reviewed all property assets in accordance with the policy for Assets Held for Sale and reclassified as appropriate; and
- Insurance fund levels are maintained on advice from the council's insurance manager.

The preparation of financial statements also requires management to exercise judgement in applying the council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant are disclosed below:

Property, Plant and Equipment

In determining the useful economic life of property, plant and equipment, judgement needs to be exercised in estimating the length of time that assets will be operational. Judgements are also required regarding the classification of specialist/non-specialist assets and in determining residual values.

Valuers also make a range of judgements when determining the values of assets held at fair value.

The significant assumptions applied in estimating the fair values are:

- For income producing properties, the Valuers adopted an investment approach where they applied a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice, they construct their valuations adopting hardcore methodology where the reversions are generated from regular short-term uplifts of market rent. They would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure or a risk thereto of irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

- The assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and is generally on the basis of Market Rent, as defined in "the Red Book". Where circumstances dictate that it is necessary to utilise a different rental value in the capital valuation, the valuers will generally set out the reasons for this in their report.

- Vacant buildings, in addition to the above methodology, may also be valued and analysed on a comparison method with other capital value transactions where applicable; and

- Owner-occupied properties are valued on the basis of existing use value, thereby assuming the premises are vacant and will be required for the continuance of the existing business. Such valuations ignore any higher value that might exist from an alternative use.

Investment Properties

IAS 40 *Investment properties* ("IAS 40") requires that properties are classified as investment properties where they are held for the purpose of capital appreciation or to earn rentals. To comply with IAS 40, judgement needs to be exercised in determining whether these properties should be classified as investment properties in

accordance with IAS 40. As investment properties are valued at fair value with movements in the fair value being recorded in the income statement this could have a significant effect on the reported surplus or deficit of the Council.

Post Retirement Benefits

Pension's liability – the 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. Actuaries are engaged to provide the Authority with expert advice about the assumptions to be applied. The assumptions made and sensitivity analyses are provided in Note 40.

Group Boundaries

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

The group boundaries have been estimated using criteria associated with the Code of Practice and the following relationships determined:

Lion Homes (Norwich) Limited (LHL)	Subsidiary	Consolidated
Norwich City Services Limited (NCSL)	Subsidiary	Consolidated
Three Score Open Space Management Limited	Subsidiary	Not Material
Norwich City New Co Ltd	Subsidiary	Not Material

Due to the material levels of transactions going through Lion Homes (Norwich) Limited (LHL) and Norwich City Services Limited (NCSL) in 2024-2025, consolidated group accounts have been prepared. As subsidiaries the accounts of both LHL and NCSL have been consolidated with those of the Council on a line-by-line basis, and any balances and transactions between parties have been eliminated in full.

4. Assumptions made about future and other major sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The other key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

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Items	Uncertainties	Effect if Actual Results differ from Assumptions
Business Rates	Since the introduction of the Business Rates retention Scheme in April 2013, Local Authorities are liable for successful appeals against business rates charged to business in 2024-2025 and earlier financial years in their proportionate share. As at the 31 March 2025, there were no outstanding appeals relating to the 2010 rating list. Following the 2017 revaluation, a new check, challenge and appeal process was introduced by the Valuation Office Agency; the impact of which remains highly uncertain. As at 31 March 2025, 21 challenges are outstanding. A provision has been made for the estimated success of future appeals from the 2017 list of £0.8m. Following the 2023 revaluation a further check, challenge and appeal process is in place. As at 31 March 2025, 35 checks and 79 challenges remain outstanding. A total provision has been made for the estimated success of future appeals from this list of £2.40m which equates to 3.0% of the annual net rates payable adjusted for potential loss of reliefs.	Should the outstanding appeals be successful, the amount owed to businesses may be more than estimated, in which case the proportionate share of this would require an increase to the provision. However there may be appeals that are not successful or they may be successful but the amount owed to businesses be less than estimated, which would result in a reduction in the appeals provision. A 1% increase in the coverage of net rates for the 2023 list would increase the provision by £0.769m.
Property, Plant and Equipment (excluding Housing Stock) £188.2m	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for assets would increase by £0.904m for every year that useful lives had to be reduced.
Property, Plant and Equipment (excluding Housing Stock) £188.2m	Apart from infrastructure, community and assets under construction, the basis of value for all assets is Current Value. Current value may be either the Existing Use Value, Depreciated Replacement Cost (DRC) or Fair Value depending on the property type and classification. Of the balance, £34.071m (18%) of assets are held at DRC. This method is used where there is no established property market which would enable a reliable valuation by any other method.	Property values are affected by a number of factors and a 1% change in the assumed valuation of other land and buildings and surplus assets totalling £156m would equate to £1.60m.

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Items	Uncertainties	Effect if Actual Results differ from Assumptions
Pensions Net Liability (£42.239m)	Estimation of the net assets or 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. This also includes estimation of the effect of the asset ceiling adjustment. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. The actuaries allowed for the impact of full GMP indexation in the latest funding valuation results. The Employer's valuation results position is used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation was included within the closing balance sheet position of last year's Accounting Date. Other recent court cases have been considered but no further adjustments made this year for their impact.	The sensitivities resulting in an impact on the Council's finances are disclosed in Note 40.
Arrears	At 31 March 2025, the Council had a balance of sundry debtors of £6.15m. A review of significant balances suggested that an impairment of doubtful debts ranging from 10% to 100% was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, an increase in the amount of the impairment for doubtful debt would be required.
Housing Stock £890.9m	The housing stock is not individually componentised, for valuation purposes a beacon approach is used with the assumption that the beacon property is fully upgraded. Each property in that beacon is then reduced by percentages for each component that is not upgraded.	The percentages used to reduce the value may not reflect the true depreciated value of the individual components. The valuation of housing stock may be under or overstated. Property values are affected by a number of factors - a 1% change in the assumed valuation would equate to £8.909m.

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Items	Uncertainties	Effect if Actual Results differ from Assumptions
Housing Stock £890.9m	The housing stock is not individually componentised, for depreciation purposes council dwellings have their individual components identified as to date of upgrade and using the asset life as advised by the council's valuers, the depreciation associated with each properties components is calculated.	The use of standard lives to calculate components and assumption of full depreciation on components not upgraded may not be valid. The depreciation of council dwellings may be under or overstated. The depreciation charge is £16.7m. It is estimated that the annual depreciation charge for assets would increase by £0.395m for every year that useful lives had to be reduced.
Fair value measurement of investment property	The Council's external valuers use valuation techniques to determine the fair value of investment property. This involves developing estimates and assumptions consistent with how market participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available. In that case, the valuers use the best information available. Further information about the valuation techniques and inputs used in determining the fair value of the council's assets and liabilities is disclosed in Note 16.	The total value of investment properties £96.047m. Of this £85.157m (89%) is a Level 2 valuation and £10.890m (11%) Level 3 valuation. Level 3 valuations use significant unobservable inputs to determine the fair value measurements. Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for investment properties and financial assets A 1% change in the assumed valuation of investment property would equate to £0.96m.

5. Material Items of Income and Expense

On 31 March 2025 loans made to LHL totaling £6.15m (2023-2024 £6.15m) were due to be repaid. LHL was unable to repay any of its loans and has since entered into a managed voluntary liquidation agreement process. As a result the council has impaired the total amount of the loans to nil. The council has also impaired its equity holding in LHL in line with accounts prepared on a break up basis.

During 2024-2025 no new loans were made by the Council to NCSL (2023-2024 new loan of £0.50m). NCSL made repayments of existing loans of £0.54m (2023-2024: repayments of £0.04m). No additional equity was purchased in NCSL by the Council (2023-2024: no equity purchased).

During 2024-2025 the council purchased the Anglia Square site in the city centre for £6.2m using grant funding received from Homes England. The site will be held as an inventory item in the 2024-2025 accounts to reflect the plans for onward disposal in 2025-2026.

6. Events after the Reporting Date

The statement of accounts were authorised for issue by the Interim Chief Finance Officer (S.151) on 26 September 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

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7. Expenditure and Funding Analysis 2024-2025

	Net Expenditure Chargeable to the GF & HRA balances £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
Chief Executive	487	(15)	472
Communities & Housing	5,191	3,045	8,236
Resources	18,474	2,544	21,018
Corporate Financing	1,182	(3,122)	(1,940)
Development & City Services	12,566	1,807	14,373
Housing Revenue Account	(18,633)	13,556	(5,077)
Net Cost of Services	**19,267**	**17,815**	**37,083**
Other income & expenditure	155	(3,843)	(3,689)
Financing and Investment Income	(2,266)	7,804	5,537
Taxation and non-specific grant income	(22,425)	(20,561)	(42,987)
(Surplus) or deficit	**(5,269)**	**1,215**	**(4,056)**
Opening General Fund and HRA balance at 31 March 2024	(50,945)		
Net (Surplus) / Deficit on General Fund and HRA balance in year	(5,269)		
Transfer to/(from) earmarked reserves	(3,087)		
Closing General Fund and HRA balance at 31 March 2025	**(59,301)**		

Analysed between General fund and HRA balances	**General Fund**	**HRA**	**Total**
Opening General Fund and HRA balance at 31 March 2024	**(8,249)**	**(42,696)**	**(50,945)**
Net (Surplus)/Deficit on General Fund and HRA balance in year	3,221	(8,491)	(5,269)
Transfer to/(from) earmarked reserves	(3,221)	134	(3,087)
In year movement in reserves	**0**	**(8,357)**	**(8,356)**
Closing General Fund and HRA balance at 31 March 2025	**(8,249)**	**(51,053)**	**(59,301)**

	Adjustments for capital purposes £'000	Net Changes for Pension adjustments £'000	Other Difference £'000	Total Adjustments £'000
Chief Executive	-	(20)	5	**(15)**
Communities & Housing	4,516	(1,466)	(4)	**3,045**
Resources	3,570	(967)	(59)	**2,544**
Corporate Financing	(3,171)	49	-	**(3,122)**
Development & City Services	3,044	(1,191)	(46)	**1,807**
Housing Revenue Account	14,925	(1,338)	(31)	**13,556**
Net Cost of Services	**22,884**	**(4,933)**	**(135)**	**17,816**
Other income & expenditure	(3,843)	-	-	**(3,843)**
Financing and Investment Income	7,895	415	(506)	**7,804**
Taxation and non-specific grant income	(20,561)	-	-	**(20,561)**
(Surplus) or deficit	**6,375**	**(4,517)**	**(642)**	**1,215**

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Expenditure and Funding Analysis 2023-2024

	Net Expenditure Chargeable to the GF & HRA balances £'000	Adjustments between Funding and Accounting Basis £'000	Net Expenditure in the CIES £'000
Chief Executive	315	(13)	302
Community Services	13,930	(647)	13,283
Corporate & Commercial Services	9,254	5,287	14,541
Corporate Financing	(209)	855	646
Development & City Services	10,681	4,443	15,124
Housing Revenue Account	(8,000)	2,286	(5,714)
Net Cost of Services	**25,971**	**12,211**	**38,182**
Other income & expenditure	230	(1,693)	(1,463)
Financing and Investment Income	(7,135)	11,272	4,137
Taxation and non-specific grant income	(21,412)	(10,234)	(31,646)
(Surplus) or deficit	**(2,346)**	**11,556**	**9,210**
Opening General Fund and HRA balance at 31 March 2023	(52,375)		
Net (Surplus) / Deficit on General Fund and HRA balance in year	(2,346)		
Transfer to/(from) earmarked reserves	3,775		
Closing General Fund and HRA balance at 31 March 2024	**(50,946)**		

Analysed between General fund and HRA balances	**General Fund**	**HRA**	**Total**
Opening General Fund and HRA balance at 31 March 2023	**(8,249)**	**(44,126)**	**(52,375)**
Net (Surplus)/Deficit on General Fund and HRA balance in year	(4,710)	2,365	(2,345)
Transfer to/(from) earmarked reserves	4,710	(935)	3,775
In year movement in reserves	**0**	**1,430**	**1,430**
Closing General Fund and HRA balance at 31 March 2024	**(8,249)**	**(42,696)**	**(50,945)**

	Adjustments for capital purposes £'000	Net Changes for Pension adjustments £'000	Other Difference £'000	Total Adjustments £'000
Chief Executive	-	(19)	6	**(13)**
Community Services	878	(1,544)	19	**(647)**
Corporate & Commercial Services	6,253	(981)	15	**5,287**
Corporate Financing	378	477	-	**855**
Development & City Services	5,677	(1,237)	3	**4,443**
Housing Revenue Account	3,994	(1,236)	72	**2,830**
Net Cost of Services	**17,180**	**(4,540)**	**115**	**12,755**
Other income & expenditure	(1,693)	-	-	**(1,693)**
Financing and Investment Income	5,896	1,765	3,611	**11,272**
Taxation and non-specific grant income	(10,234)	-	-	**(10,234)**
(Surplus) or deficit	**11,149**	**(2,775)**	**3,726**	**12,100**

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8. Income and Expenditure by Nature

	2024-2025 Surplus / Deficit on the Provision of Services	2023-2024 Surplus / Deficit on the Provision of Services
	£'000	£'000
Employee benefits expenses	20,037	22,010
Other service expenses	73,956	71,358
Interest payments	25,586	25,352
Depreciation, amortisation, impairment etc.	44,094	39,276
Payments to Housing Capital Receipts Pool	-	-
Housing Benefit Expenditure	43,358	42,874
Non-Domestic rates tariff	25,505	24,683
Total Expenditure	**232,536**	**225,553**
Fees, charges and other service income	(112,016)	(104,883)
Interest and investment income	(5,843)	(6,480)
Council Tax and Non-Domestic Rate income	(38,649)	(36,174)
Grants and Contributions	(36,269)	(26,852)
Housing Benefit contributions and allowances	(39,972)	(40,261)
Gains on the disposal of assets	(3,843)	(1,693)
Total income	**(236,592)**	**(216,343)**
Net Cost of Services	**(4,056)**	**9,210**

Income received on a segmental basis is analysed below:

	2024-2025	2023-2024
	£'000	£'000
Revenue from External customers	(112,016)	(104,883)
Other Income	(124,576)	(111,460)
Total Income	**(236,592)**	**(216,343)**

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9. Adjustments between Accounting Basis and Funding Basis under regulations

2024-2025	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Usable Reserves £'000	Movement in Unusable Reserves £'000
Adjustments involving the Capital Adjustment Account							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement							
Charges for depreciation and impairment of non-current assets	(8,320)	(27,769)	-	-	-	**(36,089)**	**36,089**
Revaluation gains / (Losses) on Property, Plant and Equipment	-	-	-	-	-	**-**	**-**
Movement in Market Value of Investment Properties	(4,396)	-	-	-	-	**(4,396)**	**4,396**
Movement in Fair Value of Financial Instruments	(3,383)	(116)	-	-	-	**(3,499)**	**3,499**
Capital Grants and Contributions Applied	17,118	3,356	-	-	-	**20,474**	**(20,474)**
Revenue expenditure funded from capital under statute	(2,810)	(4,382)	-	-	-	**(7,193)**	**7,193**
Amounts of non-current assets written off on disposal or sale as part of a gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,858)	(9,382)	-	-	-	**(11,240)**	**11,240**
Insertion of items not debited or credited to the Comprehensive Income and expenditure Statement							
Statutory provision for the financing of capital investment	2,842	136	-	-	-	**2,978**	**(2,978)**
Capital expenditure charged against the General Fund and HRA balances	346	-	-	-	-	**346**	**(346)**
Adjustments involving the Capital Grants Unapplied Account							
Capital Grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	87	-	-	-	(87)	**-**	**-**
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	677	**677**	**(677)**
Adjustments involving the Capital Receipts Reserve:							
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	2,014	13,070	(15,084)	-	-	**-**	**-**
Use of Capital Receipts Reserve to finance new capital expenditure	-	-	9,234	-	-	**9,234**	**(9,234)**
Contribution from the Capital receipts Reserve towards administration costs of non-current asset disposals	(17)	(179)	196	-	-	**-**	**-**
Contribution from the Capital receipts Reserve to Finance the payments to the Government capital receipts pool	-	-	-	-	-	**-**	**-**
Transfers from Deferred Capital Receipts reserve	-	-	-	-	-	**-**	**-**

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2024-2025 (continued)	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Usable Reserves	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Deferred Capital Receipts Reserve							
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	-	-
Transfer to the Capital receipts Reserve upon receipt of cash	-	-	(293)	-	-	**(293)**	**293**
Adjustments involving the Major Repairs Reserve							
Reversal of Major Repairs Allowance credited to the HRA	-	17,270	-	(17,270)	-	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	13,203	-	**13,203**	**(13,203)**
Adjustments involving the Financial Instruments Adjustment Account							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	33	-	-	-	-	**33**	**(33)**
Adjustments involving the Pensions Reserve							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(4,049)	(1,486)	-	-	-	**(5,535)**	**5,535**
Employer's pension contributions and direct payments to pensioners payable in the year	7,340	2,712	-	-	-	**10,052**	**(10,052)**
Adjustments involving the Collection Fund Adjustment Account							
Amount by which Council tax and business rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements	473	-	-	-	-	**473**	**(473)**
Adjustments involving the Accumulated Absence Reserve							
Difference between accounting and statutory credit for holiday	105	31	-	-	-	**136**	**(136)**
Total Adjustments	**5,525**	**(6,739)**	**(5,947)**	**(4,067)**	**590**	**(10,639)**	**10,639**

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2023-2024 comparative figures	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Usable Reserves £'000	Movement in Unusable Reserves £'000
Adjustments involving the Capital Adjustment Account							
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement							
Charges for depreciation and impairment of non-current assets	(6,555)	(26,646)	-	-	-	**(33,201)**	**33,201**
Revaluation gains / (Losses) on Property, Plant and Equipment	-	-	-	-	-	**-**	**-**
Movement in Market Value of Investment Properties	(5,896)	-	-	-	-	**(5,896)**	**5,896**
Movement in Fair Value of Financial Instruments	-	-	-	-	-	**-**	**-**
Capital Grants and Contributions Applied	9,610	1,117	-	-	-	**10,727**	**(10,727)**
Movement in Donated Assets Account	-	-	-	-	-	**-**	**-**
Revenue expenditure funded from capital under statute	(6,253)	(412)	-	-	-	**(6,665)**	**6,665**
Amounts of non-current assets written off on disposal or sale as part of a gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(237)	(5,609)	-	-	-	**(5,846)**	**5,846**
Insertion of items not debited or credited to the Comprehensive Income and expenditure Statement							
Statutory provision for the financing of capital investment	(733)	128	-	-	-	**(605)**	**605**
Capital expenditure charged against the General Fund and HRA balances	364	6,843	-	-	-	**7,207**	**(7,207)**
Adjustments involving the Capital Grants Unapplied Account							
Capital Grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(492)	-	-	-	492	**-**	**-**
Application of grants to capital financing transferred to the Capital Adjustment Account	-	-	-	-	1,368	**1,368**	**(1,368)**
Adjustments involving the Capital Receipts Reserve:							
of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	485	7,054	(7,539)	-	-	**-**	**-**
Use of Capital Receipts Reserve to finance new capital expenditure	-	-	30,600	-	-	**30,600**	**(30,600)**
Contribution from the Capital receipts Reserve towards administration costs of non-current asset disposals	(9)	(108)	117	-	-	**-**	**-**
Contribution from the Capital receipts Reserve to Finance the payments to the Government capital receipts pool	-	-	-	-	-	**-**	**-**
Transfers from Deferred Capital Receipts reserve	-	-	-	-	-	**-**	**-**

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Continued

2023-2024 comparative figures (continued)	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Usable Reserves £'000	Movement in Unusable Reserves £'000
Adjustments involving the Deferred Capital Receipts Reserve							
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-	-	-	-	**-**	**-**
Transfer to the Capital receipts Reserve upon receipt of cash	-	-	(42)	-	-	**(42)**	**42**
Adjustments involving the Major Repairs Reserve							
Reversal of Major Repairs Allowance credited to the HRA	-	16,744	-	(16,744)	-	**-**	**-**
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	13,148	-	**13,148**	**(13,148)**
Adjustments involving the Financial Instruments Adjustment Account							
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(34)	-	-	-	-	**(34)**	**34**
Adjustments involving the Pensions Reserve							
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(5,183)	(1,851)	-	-	-	**(7,034)**	**7,034**
Employer's pension contributions and direct payments to pensioners payable in the year	7,157	2,652	-	-	-	**9,809**	**(9,809)**
Adjustments involving the Collection Fund Adjustment Account							
Amount by which Council tax and business rates income credited to the Comprehensive Income and Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements	(3,577)	-	-	-	-	**(3,577)**	**3,577**
Adjustments involving the Accumulated Absence Reserve							
Difference between accounting and statutory credit for holiday	(43)	(72)	-	-	-	**(115)**	**115**
Total Adjustments	**(11,396)**	**(160)**	**23,136**	**(3,596)**	**1,860**	**9,844**	**(9,844)**

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10. Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure the year. The following sets out a description of the reserves.

General Fund & HRA Insurance Reserves
The Insurance Reserves were established to cover the excesses carried in respect of claims under various insurance policies, particularly public and employers' liability, subject to periodic review of the appropriate level at which any 'stop-loss' arrangements apply. It will also be used to mitigate risk associated with premium cost increases.

An evaluation of the balance on the Insurance Reserve has been undertaken. The amount set aside to cover the uninsured risks at 31 March 2025 is based on the assessed liability and has been apportioned between the General Fund and HRA. Included within this balance is an amount to cover potential liabilities following the trigger of the Municipal Mutual Insurance Limited (MMI) Scheme of Arrangement.

Mousehold Conservators Reserve
Mousehold Heath is a unique 88-hectare area made up of heathland, woodland and recreational open space located in the north of Norwich. Norwich City Council owns the land, supports the Conservators and delivers services on their behalf. The reserve holds funding for future costs of maintaining the area.

Revenue Grants Unapplied Reserves
This reserve is the balance of revenue grant income received that has no conditions applied to it, but where the grant has yet to be applied and there are restrictions as to how the monies are to be applied. This ensures that amounts are set aside from the General Fund and the Housing Revenue Account balances to provide financing to meet the requirements of the grant. The amounts set aside will be transferred back to meet General Fund and Housing Revenue Account expenditure in future years, the transfer being accounted for in the Movement in Reserves Statement within the transfers to/or from Earmarked reserves line.

S31 Earmarked Reserve
Central government compensates local authorities for changes to business rates reliefs. This compensation is made outside of the rate retention scheme by means of a Section 31 (S31) grant directly to the general fund. The S31 Earmarked Reserve holds the historical unused balance of the S31 grant monies received in 2022-2023 and earlier years. These monies will be transferred to the General Fund Reserves in future years to mitigate the delayed impact of deficits on the NNDR Collection Fund as properly accounted for under regulation.

Commercial Property Reserve
The Council has a significant and increasing investment property portfolio. The Commercial Property Reserve has been created using a proportion of the net income generated from the investment properties and will be used to provide funding for any future void and rent-free periods as well as any repairs/upgrades required to the property. The reserve will help to safeguard the future value of the investment properties and the rental income stream, thereby minimising the risk of holding these assets and of fluctuations in the income return.

Lion Homes (Norwich) Limited Reserve
In previous financial years, the Council made commercial loans to LHL. The outstanding balance of £6.15m (2023-2024 £6.15m) was due to be repaid on 31 March 2025. LHL was unable to repay the loans and has since entered into a managed voluntary liquidation agreement process. As a result, the council has impaired the total amount of the loans to nil.

Elections Reserve
This is to provide future funding for council election costs which vary each year according to the differing local and national elections cycles.

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General Fund Repairs Reserve
This is to provide future funding for required maintenance on general fund properties, the costs of which can vary each year according to the differing repairs requirements.

Budget Risk Reserve
This reserve will be used to manage the financial risks associated with the delivery of the 2025-2026 budget and risks potential arising in 2026-2027 and beyond.

Business Change Reserve
This reserve will be used to fund costs linked to the change programme which are not delivering specific savings, for example project management and benchmarking. It will also support training and development of our workforce to ensure we have the skills required to deliver the ambitions of the Council.

Business Rates Pool Reserve
Sums from the Norfolk Business Rates Pool set aside for the refurbishment of the Carrow House site.

General Fund & HRA Invest to Save Reserves
The Invest to Save Reserves for both the General Fund and Housing Revenue Account were set up to support the delivery of savings and efficiencies through the Transformation Programme. The General Fund Invest to Save Reserve balance will be transferred to the Business Change Reserve in 2025-2026 both to reflect changing circumstances and to provide appropriate levels of flexible funding to respond to future challenges. This transfer was agreed by full Council in February 2025.

Neighbourhood CIL Reserve
This new reserve has been created to hold the proportion of the Community Infrastructure Levy funds to be used to fund to revenue projects in line with the Executive's decision to apply 15% of the funds received to smaller schemes which will not meet the criteria to be treated as capital expenditure.

HRA Tenancy & Estate Management System
Reserve to support the project to replace the IT system for housing rents.

HRA Transformation Reserve
This reserve will be used to fund costs linked to the HRA transformation programme.

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	Balance at 31 March 2023	Transfers Out 2023-24	Transfers In 2023-24	Balance at 31 March 2024	Transfers Out 2024-25	Transfers In 2024-25	Balance at 31 March 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Earmarked Reserves							
Insurance Reserve	(311)	-	-	(311)	87	-	**(224)**
Mousehold Conservators Reserve	(41)	17	(11)	(35)	-	(19)	**(54)**
Revenue Grants Unapplied Reserve GF	(3,861)	356	(370)	(3,875)	303	(90)	**(3,662)**
S31 Earmarked Reserve	(629)	-	-	(629)	-	-	**(629)**
Commercial Property Earmarked Reserve	(2,041)	617	(292)	(1,716)	203	-	**(1,513)**
Lion Homes (Norwich) Ltd Reserve	(1,700)	-	(1,300)	(3,000)	842	-	**(2,158)**
Elections Earmarked Reserve	(113)	-	-	(113)	-	-	**(113)**
General Fund Repairs Reserve	(529)	-	-	(529)	-	(122)	**(651)**
Budget Risk Reserve	(1,800)	-	(4,219)	(6,019)	494	(1,066)	**(6,591)**
Business Change Reserve	(4,178)	1,255	-	(2,923)	2,375	-	**(548)**
Business Rates Pool Reserve	(110)	-	-	(110)	-	-	**(110)**
General Fund Invest to Save Reserve	(1,660)	-	(150)	(1,810)	-	-	**(1,810)**
Neighbourhood CIL Reserve	-	420	(1,033)	(613)	340	(126)	**(399)**
HRA Invest to Save Reserve	(704)	223	-	(481)	-	-	**(481)**
HRA Tenancy & Estate Management System	(7)	-	-	(7)	-	-	**(7)**
HRA Insurance Reserve	(202)	-	-	(202)	-	(134)	**(336)**
HRA Compliance Reserve	(713)	713	-	-	-	-	**-**
HRA Transformation Reserve	(1,000)	-	-	(1,000)	-	-	**(1,000)**
Total	**(19,599)**	**3,601**	**(7,375)**	**(23,373)**	**4,644**	**(1,557)**	**(20,286)**

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11. Other Operating Expenditure

	2024-2025 £'000	2023-2024 £'000
Payments to the Government Housing Capital Receipts Pool	-	-
(Gains)/Losses on the disposal of non-current assets	(3,696)	(1,470)
Levies	7	7
Total	**(3,689)**	**(1,463)**

12. Financing and Investment Income and Expenditure

	2024-2025 £'000	2023-2024 £'000
Interest payable and similar charges	7,169	7,083
(Gains)/Losses on the disposal of investment property	(121)	(205)
Pension interest cost and expected return on pension assets	415	1,765
Interest Receivable and similar income	(5,843)	(6,480)
Income and expenditure in relation to investment properties and changes in their fair value	368	1,838
Other investment income	(60)	(43)
Impairment losses	-	-
Impairment of Soft Loans	3,609	179
Total	**5,537**	**4,137**

Further details about investment property income is provided in Note 16.

13. Taxation and Non-Specific Grant Income

	2024-2025 £'000	2023-2024 £'000
Council tax income	(11,892)	(11,209)
Non domestic rates income and expenditure	(26,289)	(25,107)
Non-ring fenced government grants	(9,278)	(9,103)
Capital grants and contributions	(20,565)	(11,052)
Business Rates - Tariff & Levy	25,502	24,427
Business Rates - Norfolk Pool	(465)	398
Total	**(42,987)**	**(31,646)**

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14. Property Plant and Equipment

Movements in 2024-2025	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2024	**889,316**	**162,758**	**13,311**	**2,840**	**13,933**	**-**	**21,769**	**1,103,927**
Adjustment for the Implementation of IFRS 16	-	5,966	9	-	-	-	-	**5,975**
Adjusted Balance at 1 April 2024	**889,316**	**168,724**	**13,320**	**2,840**	**13,933**	**-**	**21,769**	**1,109,902**
Additions	19,028	5,187	1,030	221	290	-	8,769	**34,525**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	12,541	1,071	-	-	-	32	-	**13,644**
Revaluation decreases recognised in the Surplus / (Deficit) on the Provision of Services	(13,315)	(435)	-	-	-	-	-	**(13,750)**
Revaluation write back of prior year deficit recognised in the Surplus / (Deficit) on the Provision of Services	1,799	210	-	-	-	40	-	**2,049**
Derecognition – Disposals	(8,768)	-	(408)	-	-	-	-	**(9,176)**
Derecognition - Other	(306)	-	-	-	-	-	-	**(306)**
Demolition	-	-	-	-	-	-	-	**-**
Assets Reclassified (to) / from Held for Sale	(1,025)	-	-	-	-	-	-	**(1,025)**
Other Movements in Cost or Valuation	12,967	(185)	850	-	2,978	193	(20,760)	**(3,957)**
At 31 March 2025	**912,237**	**174,572**	**14,792**	**3,061**	**17,201**	**265**	**9,778**	**1,131,906**
Accumulated Depreciation & Impairment								
At 1 April 2024	(18,679)	(12,328)	(9,992)	(1,584)	-	-	-	**(42,583)**
Adjustment for the Implementation of IFRS 16	-	-	-	-	-	-	-	**-**
Adjusted Balance at 1 April 2024	(18,679)	(12,328)	(9,992)	(1,584)	-	-	-	**(42,583)**
Depreciation charge	(16,703)	(4,586)	(1,017)	(82)	-	-	-	**(22,388)**
Depreciation written out to the Surplus/Deficit on Provision of Services	4,851	91	-	-	-	-	-	**4,942**
Depreciation write-back on revaluation to Revaluation Reserve	11,852	1,160	-	-	-	-	-	**13,012**
Impairment losses / (reversals) recognised in CIES	(2,875)	(3,396)	-	-	-	-	-	**(6,271)**
Impairment losses / (reversals) recognised in RR	215	-	-	-	-	-	-	**215**
Derecognition – Disposals	-	-	372	-	-	-	-	**372**
Derecognition - Other	-	-	-	-	-	-	-	**-**
At 31 March 2025	(21,339)	(19,059)	(10,637)	(1,666)	-	-	-	**(52,701)**
Net Book Value								
At 31 March 2025	**890,898**	**155,513**	**4,155**	**1,395**	**17,201**	**265**	**9,778**	**1,079,205**
At 31 March 2024	870,636	150,429	3,320	1,256	13,933	0	21,769	1,061,343

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Comparative Movements in 2023-2024	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2023	902,950	156,814	12,831	2,835	13,379	-	16,281	**1,105,090**
Additions	13,690	2,855	704	5	604	-	14,273	**32,131**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(20,544)	4,594	-	-	-	-	-	**(15,950)**
Revaluation decreases recognised in the Surplus / (Deficit) on the Provision of Services	(9,969)	(2,441)	-	-	-	-	-	**(12,410)**
Revaluation write back of prior year deficit recognised in the Surplus / (Deficit) on the Provision of Services	19	1,072	-	-	-	-	-	**1,091**
Derecognition – Disposals	(4,333)	-	(196)	-	-	-	-	**(4,529)**
Derecognition - Other	(381)	-	-	-	-	-	-	**(381)**
Demolition	-	-	-	-	-	-	-	**-**
Assets Reclassified (to) / from Held for Sale	(895)	(220)	-	-	-	-	-	**(1,115)**
Other Movements in Cost or Valuation	8,779	83	(27)	-	(50)	-	(8,785)	**-**
At 31 March 2024	**889,316**	**162,757**	**13,312**	**2,840**	**13,933**	**-**	**21,769**	**1,103,927**
Accumulated Depreciation & Impairment								
At 1 April 2023	(15,359)	(9,324)	(9,145)	(1,504)	-	-	-	**(35,332)**
Depreciation charge	(16,201)	(2,887)	(1,043)	(80)	-	-	-	**(20,211)**
Depreciation written out to the Surplus/Deficit on Provision of Services	4,305	210	-	-	-	-	-	**4,515**
Depreciation write-back on revaluation to Revaluation Reserve	11,896	1,643	-	-	-	-	-	**13,539**
Impairment losses / (reversals) recognised in CIES	(3,361)	(2,299)	-	-	-	-	-	**(5,660)**
Impairment losses / (reversals) recognised in RR	40	329	-	-	-	-	-	**369**
Derecognition – Disposals	-	-	196	-	-	-	-	**196**
Derecognition - Other	-	-	-	-	-	-	-	**-**
At 31 March 2024	**(18,680)**	**(12,328)**	**(9,992)**	**(1,584)**	**-**	**-**	**-**	**(42,584)**
Net Book Value								
At 31 March 2024	**870,636**	**150,429**	**3,320**	**1,256**	**13,933**	**-**	**21,769**	**1,061,343**
At 31 March 2023	887,591	147,490	3,686	1,331	13,379	-	16,281	**1,069,758**

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Valuations

The Council operates a 5-year rolling programme of revaluations in relation to land and buildings except for revaluation of Housing Revenue Account Assets which is carried out on an annual basis. The assets are valued by our external valuers NPS Property Consultants Ltd.

Current year valuations were carried out by:
Liz Macdonald MRICS (NPS)
Jed Snell MRICS (NPS)
Paul Warren (under the supervision of Liz Macdonald MRICS, NPS)

HRA Dwellings

The date of valuation is 31 March 2025.

The valuers undertook a full desktop revaluation at 31 March 2025. The valuations were undertaken in accordance with the Stock Valuation for Resource Accounting Guidance for Valuers 2016 and the RICS Valuation – Global Standards as published by the Royal Institution of Chartered Surveyors.

For each operational asset, that is, those held, occupied and used by the Council in the direct delivery of services for which the Council has either a statutory or a discretionary responsibility, a Current Value Existing Use Value (EUV) has been provided, except in the case of housing stock where Existing Use Value for Social Housing is appropriate (EUV-SH). EUV-SH assumes the property is let for its existing use as social housing.

EUV-SH valuations are arrived at by means of a beacon approach. The beacons are valued on the additional assumptions that there is no potential residential redevelopment of the site or intensification of use. They are then adjusted by a regional adjustment factor, in this case for the Eastern region at 38% to arrive at EUV-SH to reflect the fact that sitting tenants enjoy rents lower than market rents and tenants' rights including Right to Buy.

Any reference to Existing Use Value is not recognised under International Financial Reporting Standards and the use of Existing Use Value (Social Housing) is a departure from International Accounting Standards. This departure is in accordance with current CIPFA and MHCLG guidance.

Under paragraph 4.1.2.43 of the Code, if an item of property comprises two or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual lives.

Due to the onerous amount of work that would be involved in componentising all the council dwellings, this has not been done. However, for valuation purposes, the age of the selected components are noted for each property. The age of the components of the property selected as the beacon in each beacon type is note and all other properties within the asset group are compared to the beacon and values are adjusted up or down depending on whether the age of their components is old or new compared to the beacon. The percentage addition or reduction was agreed between the Council and the Council's valuers.

The valuations are made on the following assumptions:

- That no high alumina cement, asbestos, or other deleterious material was used in the construction of any property and that none has been subsequently incorporated.
- That the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown.
- That the properties and their values are unaffected by any matters which would be revealed by a local search or inspection of any register and that the use and occupation are both legal.
- That inspection of those parts which have not been inspected would not cause us to alter our opinion of value.

- That the land and properties are not contaminated, nor adversely affected by radon.
- That no allowances have been made for any rights obligations or liabilities arising from the Defective Premises Act 1972.

HRA Non-Dwellings

The date of valuation is 31 March 2025.

The valuations were undertaken in accordance with the RICS Valuation – Global Standards as published by the Royal Institution of Chartered Surveyors.

Apart from infrastructure, community and assets under construction, the basis of value for all assets is Current Value. Current value may be either the Existing Use Value, Depreciated Replacement Cost or Fair Value depending on the property type and classification.

EUV is used for valuing property that is operational non-specialised and is often owner-occupied. Fair value is used to value property held as surplus assets, properties held for sale or properties held under non-commercial leases.

In accordance with changes brought about by the HRA item 8 post- transition outcomes, Impairment and valuation losses not covered by revaluation reserve in relation to HRA non-dwellings can now be reversed in the same way as losses for dwellings. This is a change, as under transition any such losses for non-dwellings could not be reversed and therefore impacted on the HRA balance in full.

As with dwellings, valuation gains for non-dwellings, where taken to the HRA income and expenditure statement, can also be reversed under the new Determination, again by a transfer to the Capital Adjustment Account via the movement in reserves statement. Note that this change has been applied prospectively from 1 April 2017 only.

General Fund Assets

The date of valuation is 1 December 2024.

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at current value is revalued at least every five years. Valuations are carried out by the Council's external valuers, NPS Property Consultants Ltd, in accordance with the methodologies and bases for estimation set out by the Royal Institution of Chartered surveyors.

Apart from infrastructure, community and assets under construction, the basis of value for all assets is Current Value. Current value may be either the Existing Use Value, Depreciated replacement Cost or Fair Value depending on the property type and classification.

EUV is used for valuing property that is operational non-specialised and is often owner-occupied. Fair value is used to value property held for investment purposes, surplus assets, properties held for sale or properties held under non-commercial leases.

The valuation cycle fluctuated due to asset reclassifications, disposals and additions and any additional revaluations which occur due to the portfolio review and impairment review.

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VALUATION CYCLE	Council dwellings	Other Land & Buildings	Community assets	Infrastructure	Vehicles, Plant, & Equipment	AUC	Surplus properties	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valued at historical cost			17,201	1,395	4,155	9,778	-	**32,530**
Valued at current value								**-**
2024-25	890,898	9,886					265	**901,049**
2023-24		74,896						**74,896**
2022-23		68,286						**68,286**
2021-22		1,197						**1,197**
2020-21		1,246						**1,246**
Total	**890,898**	**155,512**	**17,201**	**1,395**	**4,155**	**9,778**	**265**	**1,079,205**

Right of Use Asset

The Council has adopted IFRS 16, Leases, with effect from 1 April 2024. The Code requires that IFRS 16 is applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that Right of Use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024-2025 without adjusting prior year figures.

Details of the movements in balances are set out below.

	Land and buildings	Vehicles, plant and equipment	Total	Investment Property*	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2024	**-**	**-**	**-**	**-**	**-**
Transfer of Existing Finance leases from Property, Plant and Equipment	48	278	**326**	-	**-**
IFRS 16 adjustment for recognition of former operating leases	6,178	9	**6,187**	3,054	**3,054**
IFRS 16 adjustment for subleases which are finance leases and where the Council is the Lessor	(211)	-	**(211)**	-	**-**
Investment Property revaluation adjustment on adoption	**-**	**-**	**-**	(3054)	(3054)
Amended Opening Balance	**6,015**	**287**	**6,302**	**-**	**-**
Additions	1,749	56	**1,805**	-	**-**
Revaluations	(84)	-	**(84)**	-	**-**
Depreciation and amortisation	(1,551)	(96)	**(1,647)**	-	**-**
Disposals	-	-	**-**	-	**-**
Balance at 31 March 2025	**6,129**	**247**	**6,376**	**-**	**-**

*Investment properties included above for completeness.

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15. Heritage Assets

Museums collections
The museums are run by the Norfolk Museums & Archaeology Service (NMAS) which is regarded as one of the leaders in the museum sector.

The Council's heritage assets are relatively static, and significant acquisitions and donations are rare. Where they do occur, acquisitions are initially recognised at cost and subsequently at valuation where available.

Material disposals are rare. However, any disposals are accounted for in accordance with the Council's accounting policies on property, plant and equipment. The proceeds of disposals, if any, are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment.

Heritage Buildings
There are a number of buildings within the city which are considered to be of significant historical value.

Where the buildings have an operational use, as offices or museums for instance, they are classified as operational assets and are depreciated and valued on a rolling five year program.

Civic Plate & Regalia
The Council owns a large collection of Civic Plate and Regalia which date back to the 19th century. This collection is stored, managed and cared for on behalf of the Council by NMAS in line with County Council and National Museums standards. The collection of Civic Plate and Regalia is reported in the Balance Sheet at insurance value. Individual items in the collection are periodically revalued by an external valuer with any surplus being credited to the revaluation reserve. Any deficit on revaluation, after utilisation of any revaluation reserve in respect of the individual asset, is reported in the Comprehensive Income and Expenditure Statement. The Civic Plate and Regalia collection are deemed to have indeterminate lives and a high residual value; hence the Council do not consider it appropriate to charge depreciation.

Paintings
The Council owns a collection of paintings which are stored, managed, insured, valued and cared for on behalf of the Council by NMAS in line with County Council and National Museums standards. The collection of paintings is reported in the Balance Sheet at insurance value. Individual items in the collection are periodically revalued by an external valuer with any surplus being credited to the revaluation reserve. Any deficit on revaluation, after utilisation of any revaluation reserve in respect of the individual asset, is reported in the Comprehensive Income and Expenditure Statement. The collection of paintings is deemed to have indeterminate lives and a high residual value; hence the Trustees do not consider it appropriate to charge depreciation.

Sculptures and Bronzes
The Council owns 25 sculptures and bronzes which are situated in external locations around the city. The Sculptures and Bronzes are reported in the Balance Sheet at insurance value and are periodically revalued by an external valuer with any surplus being credited to the revaluation reserve. Any deficit on revaluation, after utilisation of any revaluation reserve in respect of the individual asset, is reported in the Comprehensive Income and Expenditure Statement.

Statues, Architectural Ornamentation, Plaques, Fountains etc
The Council owns 62 of the above which are situated in external locations around the city. The assets are reported in the Balance Sheet at insurance value and are periodically revalued by an external valuer with any surplus being credited to the revaluation reserve. Any deficit on revaluation, after utilisation of any revaluation reserve in respect of the individual asset, is reported in the Comprehensive Income and Expenditure Statement

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

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	Civic Plate & Regalia	Paintings	Sculptures & Bronzes	Statues, Fountain etc	Buildings	Total Heritage Assets
	£'000	£'000	£'000	£'000	£'000	£'000
Valuation						
1st April 2023	8,077	4,825	6,930	2,457	3,493	**25,782**
Additions	-	-	-	-	33	**33**
Disposals	-	-	-	-	-	**-**
Revaluations	-	-	-	125	-	**125**
31st March 2024	**8,077**	**4,825**	**6,930**	**2,582**	**3,526**	**25,940**
Valuation						
1st April 2024	8,077	4,825	6,930	2,582	3,526	**25,940**
Additions	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	**-**
Revaluations	-	-	-	7,791	-	**7,791**
31st March 2025	**8,077**	**4,825**	**6,930**	**10,373**	**3,526**	**33,731**

Valuations

The Council's external valuer (Christopher Hartop and Juliet Nusser) carried out a full valuation of the collection of civic plate and regalia as at 31 January 2014. The valuations were based on commercial markets, including recent transaction information from auctions where similar types of silverware are regularly being purchased. A review of these valuations was completed as at 31 January 2019 to ensure that they remain current, in accordance with the code requirements. No changes to the valuations were required. A more recent review of these valuations was completed as at 31 December 2023 after which 2 changes to the value of the civic chain were made in line with a quotation for replacement provided by Sonkai Jewellers.

There are two particularly significant exhibits within the collection which are:

- The Reade Salt - A rare and important Elizabeth I silver-gilt standing or drum salt (William Cobbold I 1568), valued by our external valuers as £2.5m; and
- The Howard Ewer and Basin - An early 17th century silver-gilt ewer and basin or rosewater dish (1617), valued by our external valuers as £2.0m

At any time approximately 50 percent of the collection of regalia and civic plate are on display in Shirehall museum, 34 percent in the Castle Museum and 15 percent in public meeting rooms at City Hall.

The Council's external valuer (Angus W J Gull) carried out a full valuation of the collection of paintings, sculptures, bronzes, statues, plaques, fountains, memorials etc was completed by 18 December 2024. Prior to this, the last full valuation was carried out by Bonhams Fine Art Valuer and Auctioneers as at 31 March 2012 and reviewed subsequently in 2017.
In accordance with the accounting code a full valuation every five years is not required as there is no prescribed minimum period between valuations however, the code includes a requirement that authorities review the carrying amounts of these heritage assets carried at valuation with sufficient regularity to ensure they remain current.

A particularly significant exhibit within the collection is the portrait of Viscount Horatio Nelson by Sir William Beechey.

Currently approximately 20 percent of the collection of paintings are on display in the Castle Museum, 11 percent in Blackfriars Hall, 27 percent in public meeting rooms at City Hall and 5 percent in Strangers Hall. St Andrews Hall is currently undergoing refurbishment and so none are currently on display there. The remaining items are held in storage but access is permitted to scholars and others for research purposes.

The Heritage buildings valuations are held at historic cost in accordance with the Code.

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16. Investment Properties

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

	2024-2025 £'000	2023-2024 £'000
Rental income from investment property	(7,252)	(6,947)
Direct operating expenses arising from investment property	3,225	2,889
Net (gains)/losses from fair value adjustments	1342	5,896
Loss on IFRS16 adoption due to recognition of lease liability	3054	0
Total	**369**	**1,838**

	2024-2025 £'000	2023-2024 £'000
Balance at start of the year	93,217	99,223
Additions	687	97
Disposals	(473)	(207)
Net gains / (losses) from fair value adjustments	(1,342)	(5,896)
Transfers (to) / from Property, Plant & Equipment	3,957	-
Balance at end of year	**96,046**	**93,217**

The revaluation gains are reversed out in the movement in Reserve Statement so as to have no impact on Council Tax requirement.

The introduction of IFRS 13 fair value measurement from 1 April 2015 resulted in a change in the classification of properties into different 'levels' which are based on the relevant fair value hierarchy.

The adoption of IFRS 16 leases resulted in additions of £3.054m on adoption which were then revalued downwards by £3.054m to nil balance immediately. This was because the assets were previously recognised as investment properties, in accordance with the code.

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Investment Property Fair Value Hierarchy

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2025

Recurring fair value measurements using:	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair value as at 31 March 2025 £'000
Industrial	44,401	3,590	47,991
Offices	11,672	1,230	12,902
Other	23,027	5,206	28,233
Residential	2,322	-	2,322
Retail	3,734	864	4,598
Total	**85,156**	**10,890**	**96,046**

Investment Property Fair Value Hierarchy

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2024

Recurring fair value measurements using:	Other significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000	Fair value as at 31 March 2024 £'000
Industrial	41,280	4,241	45,521
Offices	10,558	3,242	13,800
Other	21,501	5,249	26,750
Residential	2,042	-	2,042
Retail	3,541	1,563	5,104
Total	**78,922**	**14,295**	**93,217**

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Reconciliation of fair value measurements (using significant observable inputs) categorised within Level 2 of the fair value hierarchy

	2024-2025					
Investment Properties Level 2	**Industrial £'000**	**Offices £'000**	**Other £'000**	**Residential £'000**	**Retail £'000**	**Total £'000**
Opening balance	**41,280**	**10,558**	**21,501**	**2,042**	**3,541**	**78,922**
Reclassification to/from PPE	**-**	-	-	-	-	**-**
Transfer between disclosure category	**-**	-	-	-	-	**-**
Transfers into Level 2	671	1,981	-	-	638	**3,291**
Transfers out of Level 2	**-**	-	-	-	-	**-**
Total gains or (losses) for the period included in surplus or deficit on the provision of services resulting from changes in the fair value	2,442	(4,398)	1,599	280	(755)	**(831)**
Additions	8	3,849	-	-	310	**4,167**
Disposals	-	(319)	(74)	-	-	**(392)**
Balance at end of year	**44,401**	**11,672**	**23,027**	**2,322**	**3,734**	**85,156**

	2023-2024					
Investment Properties Level 2	**Industrial £'000**	**Offices £'000**	**Other £'000**	**Residential £'000**	**Retail £'000**	**Total £'000**
Opening balance	41,022	13,499	24,318	1,926	3,605	**84,370**
Reclassification to OLB	-	-	-	-	-	**-**
Transfer between disclosure category	-	-	-	-	-	**-**
Transfers into Level 2	-	-	-	-	-	**-**
Transfers out of Level 2	-	-	-	-	-	**-**
Total gains or (losses) for the period included in surplus or deficit on the provision of services resulting from changes in the fair value	257	(2,985)	(2,821)	116	(30)	**(5,463)**
Additions	-	45	5	-	10	**60**
Disposals	-	-	-	-	(44)	**(44)**
Balance at end of year	**41,279**	**10,559**	**21,502**	**2,042**	**3,541**	**78,923**

Gains or losses arising from changes in the fair value of the investment property are recognised in surplus or deficit on the provision of services – financing and investment income and expenditure line.

The transfers into level 2 were due to new lettings being agreed.

Reconciliation of fair value measurements (using significant unobservable inputs) categorised within Level 3 of the fair value hierarchy

	2024-2025					
Investment Properties Level 3	**Industrial £'000**	**Offices £'000**	**Other £'000**	**Residential £'000**	**Retail £'000**	**Total £'000**
Opening balance	**4,241**	**3,242**	**5,249**	**-**	**1,563**	**14,295**
Transfer between disclosure category	-	-	-	-	-	**-**
Transfers into Level 3	-	-	-	-	-	**-**
Transfers out of Level 3	(671)	(1,981)	-	-	(638)	**(3,291)**
Total gains or (losses) for the period included in surplus or deficit on the provision of services resulting from changes in the fair value	56	(503)	(47)	-	(16)	**(511)**
Additions	-	473	4	-	-	**477**
Disposals	(36)	-	-	-	(45)	**(81)**
Balance at end of year	**3,590**	**1,230**	**5,206**	**-**	**864**	**10,890**

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Investment Properties Level 3	2023-2024 Industrial £'000	Offices £'000	Other £'000	Residential £'000	Retail £'000	Total £'000
Opening balance	3,335	4,019	5,799	-	1,699	**14,852**
Reclassification to OLB						**-**
Transfer between disclosure category	-	-	-	-	-	**-**
Transfers into Level 3	-	-	-	-	-	**-**
Transfers out of Level 3	-	-	-	-	-	**-**
Total gains or (losses) for the period included in surplus or deficit on the provision of services resulting from changes in the fair value	978	(808)	(550)	-	(53)	**(433)**
Additions	7	31	-	-	-	**38**
Disposals	(80)	-	-	-	(83)	**(163)**
Balance at end of year	**4,240**	**3,242**	**5,249**	**-**	**1,563**	**14,295**

Gains or losses arising from changes in the fair value of the investment property are recognised in surplus or deficit on the provision of services – financing and investment income and expenditure line.

There were no transfers into level 3.

Valuation process for Investment Properties

The fair value of the council's investment property is valued in a five year rolling programme; except for the year ended 31 March 2016 the whole portfolio was valued as at 1 April 2015 following the introduction of IFRS13.

All valuations are carried out by our external valuers NPS Property Consultants Ltd.

All valuations are carried out in accordance with methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors.

Current year valuations were carried out by: Paul Warren, under supervision of Liz Macdonald MRICS (NPS).

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17. Intangible Assets

	2024-2025 £'000	2023-2024 £'000
Balance at the start of the year		
Net carrying amount	2,302	1,959
· Additions	632	870
· Other changes	(48)	-
Amortisation for the period	(622)	(527)
Net Carrying amounts at the end of the year	**2,264**	**2,302**
Comprising:		
· Gross carrying amount	4,686	4,053
· Accumulated amortisation	(2,422)	(1,751)
	2,264	**2,302**

18. Financial Instruments

Financial Assets

	31 March 2025		31 March 2024	
	Book Value £'000	Fair Value £'000	Book Value £'000	Fair Value £'000
Investments - Amortised Cost	3,295	3,295	3,894	3,894
Investments - FVOCI	3,030	3,030	2,955	2,955
Debtors - Amortised Cost	5,346	5,346	8,700	8,700
Assets not defined as financial liabilities	306	306	500	500
Long term Assets	**11,977**	**11,977**	**16,049**	**16,049**
Investments - Amortised Cost	55,000	55,817	71,000	72,364
Callable cash - amortised cash	10,000	10,038	10,000	10,050
Bank deposits < 3 months - Amortised Cost	4,535	4,540	1,923	1,929
MMF - Amortised Cost	31,500	31,625	6,300	6,343
Cash - Amortised Cost	321	321	573	573
Debtors - Amortised Cost	11,502	11,502	8,425	8,425
Assets not defined as financial liabilities	13,070	13,070	17,704	17,703
Other financial assets at amortised cost	**125,928**	**126,913**	**115,925**	**117,387**
Total Financial Assets	**137,905**	**138,890**	**131,974**	**133,436**

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Financial Liabilities

	31 March 2025		31 March 2024	
	Book Value £'000	Fair Value £'000	Book Value £'000	Fair Value £'000
Short Term Creditors - Amortised Cost	(11,675)	(11,675)	(11,318)	(11,318)
Public Works Loan Board - Amortised Cost	(53,200)	(54,011)	(2,500)	(2,537)
Leases - Amortised cost	(2,538)	(2,538)	(128)	(128)
Other borrowing	(140)	(141)	(168)	(168)
Liabilities not defined as financial liabilities	(24,925)	(24,925)	(20,191)	(20,191)
Short Term Financial liabilities at amortised cost	**(92,478)**	**(93,290)**	**(34,305)**	**(34,342)**
Public Works Loan Board - Amortised Cost	(145,948)	(103,934)	(199,148)	(159,163)
Other borrowing	(5,133)	(4,322)	(5,133)	(4,996)
Leases - Amortised cost	(6,509)	(6,509)	(296)	(296)
Liabilities not defined as financial liabilities	(412)	(412)	(392)	(392)
Long Term Liabilities at amortised cost	**(158,003)**	**(115,178)**	**(204,969)**	**(164,847)**
Total Financial Liabilities	**(250,481)**	**(208,467)**	**(239,274)**	**(199,189)**

The long-term investments of share capital are classified as outside the scope of IFRS9. This is because as the Council has no immediate plans to sell its subsidiaries, the Council believes that the cost of obtaining valuations for this investment would be disproportionate to the benefits to users of the financial statements. The investments are fully consolidated into the Group Accounts.

As at 31 March 2025 the Council held £31.5m in Money Market Funds (shown within the comparative short term investments). At the inception of the investments, 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.

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

Soft Loans

The Council has made a number of loans to residents in respect of decent home loans and home improvement loans at less than market rates (soft loans). There are a number of small loans making up the balance owing of £2.271m.

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 decent home loans information is as follows:

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Decent Homes Loans

	31-Mar-25	31-Mar-24
	£'000	£'000
Opening Balance	512	562
Fair value Adjustments	(11)	(7)
Loans Repaid	(60)	(43)
Balance Carried Forward	441	512
Nominal Value carried forward	2,271	2,331

The home improvement loans carrying value after fair value adjustments (minus £43k) total £205k.

Valuation Assumptions

The interest rate at which fair the fair value of this soft loan had been made is arrived at by taking the authority's prevailing cost of borrowing (5%). A review of the assets has identified a collective impairment required on the loans. These are shown within the Amounts Arising from Expected Credit Losses section of the Note.

Investments in equity instruments designated at fair value through other comprehensive income

The Council holds shares in Norwich Airport Limited and in two other companies associated with the Airport (Legislator 1656 and Legislator 1657) which originated through a policy initiative with other authorities to promote economic generation and tourism. As the asset is not held for trading or income generation, rather a longer term policy initiative the equity has been designated as fair value through comprehensive income.

The Authority has a shareholding in the Municipal Bonds Agency. The shares were subscribed to in order to fund the mobilisation and implementation phase of the Agency. As the asset is not held for trading or income generation, rather a longer term policy initiative the equity has been designated as fair value through comprehensive income. The shares are carried at cost of £100k as a proxy for fair value given the immaterial nature of the investment.

No financial assets measured at fair value through other comprehensive income have been impaired by a loss allowance.

The Council's investments in Lion Homes (Norwich) Ltd and Norwich City Services Ltd, its wholly-owned subsidiaries, remain at amortised costs as the companies are included in the Council's group accounts. During 2024-2025 the council impaired its share holding in Lion Homes.

	Nominal	Fair Value	Change in fair value during 2024-2025	Dividends
	£'000	£'000	£'000	£'000
Legislator 1656 Ltd shares	-	3,030	75	-
Legislator 1657 Ltd shares	-	-	-	-
Municipal Bonds Agency shares	100	100	-	-
	100	3,130	75	-

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Items of income, expense, gains or losses

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

	2024-2025		2023-2024	
	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
	£'000	£'000	£'000	£'000
Net gains/losses on:				
financial assets measured at amortised cost	-	(75)	-	533
investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-
financial liabilities measured at amortised cost	-	-	-	-
Total net gains/losses	**-**	**(75)**	**-**	**533**
Interest revenue:				
financial assets measured at amortised cost	(5,843)	-	(6,480)	-
Total interest revenue	**(5,843)**	**-**	**(6,480)**	**-**
Interest expense:				
financial liabilities measured at amortised cost	7,169	-	7,083	-
Total interest expense	**7,169**	**-**	**7,083**	**-**

Fair Value of Financial Assets

Some of the authority's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	31-Mar-25	31-Mar-24
Fair Value through Other Comprehensive Income				
Legislator 1656 Ltd shares*	Level 3	Market approach – adjusted net assets	3,030	2,955
Legislator 1657 Ltd shares	Level 3	Market approach – adjusted net assets	-	-
Total			**3,030**	**2,955**

The Council's shareholdings in Legislator companies are not traded in an active market. The fair value of £3.030m has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made by an independent third party based on an analysis of the assets and liabilities in the companies' latest audited accounts.

There have been no transfers between levels of the Fair Value Hierarchy and no changes in valuation techniques used during the year.

Except for the financial assets carried at fair value (described in the table above), all other 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 premature repayment rates have been applied to provide the fair value under PWLB debt redemption procedures. An additional note to the tables sets out the alternative fair value measurement applying the premature repayment, highlighting the impact of the alternative valuation;
- For non-PWLB loans payable (including lease liabilities), 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; and
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The financial liabilities for finance lease liabilities as at 31 March 2025 include the impact of the transition to IFRS16, Leases, with effect from 1 April 2024. The detail for the liabilities at 31 March 2024 have been based on the requirements of IAS17, Leases. Details of the impact of the transition set out in Note 37 to these financial statements.

Nature and Extent of Risks Arising from Financial Instruments

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; and
- **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 implementing restrictions to minimise these risks. The procedures for risk management are set out through a legal framework in the Local Government Act 2003 and the associated regulations. These require the Council to comply with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and Investment Guidance issued through the Act.

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 at annually to Members.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 9 January 2024. The key indicators within the strategy were:

- The Authorised Limit for 2024-2025 was set at £341.537m. This is the maximum limit of external borrowings or other long term liabilities;
- The Operational Boundary was expected to be £311.537m. This is the expected level of debt and other long term liabilities during the year;
- The maximum amounts of fixed and variable interest rate exposure were set at 100% and 20% based on the Council's net debt; and
- The maximum and minimum exposures to the maturity structure of debt are shown within this note.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet minimum credit ratings from the three major credit ratings agencies. The Annual Investment Strategy also imposes a maximum sum to be invested with a financial institution located within each rating category and country. The Annual Investment Strategy is contained within the Council's approved Treasury Management Strategy.

The Annual Investment Strategy also considers maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria outlined above. Additional selection criteria are also applied after this initial criterion is applied. The key areas of the Investment Strategy are that the minimum criteria for investment counterparties include:

- Credit ratings of Long Term A (Fitch or equivalent rating), with the lowest available rating being applied to the criteria;
- UK institutions provided with support from the UK Government; and
- Building societies with assets in excess of £2.5bn

Commercial Tenants are assessed, taking into account their financial position, past experience via trade and bank references, if these are not available then rent deposits may be requested or a guarantor required. Heads of Terms state rent liability and commitments in accordance with parameters set by Norwich City Council.

Norwich City Council has debentures, unquoted equity investments and loans to related parties where there is no observable market or historical experience of default and has assessed the credit risk as nil.
The following analysis summarises the Council's maximum exposure to credit risk:

	Amount	Historical experience of default	Estimated maximum exposure to default	Estimated maximum exposure to default
	£'000	%	£'000	£'000
	31-Mar-25		31-Mar-25	31-Mar-24
Customers	6,158	12%	739	526

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

The Council does not generally allow credit for its customers, such that £6.158m of the balance is past its due date for payment. The past due amount can be analysed by age as follows:

	31-Mar-25	31-Mar-24
	£'000	£'000
Less than three months	2,540	642
Three to six months	1,507	853
Six months to one year	1,011	513
More than one year	1,101	2,378
Total	**6,159**	**4,386**

The current provision of £2.881m for sundry debt covers 47% of the balance.

Amounts Arising from Expected Credit Losses

The changes in loss allowance during the year are as follows:

	12mth Expected Credit losses	Lifetime Expected Credit Losses – simplified approach	Total
	£'000	£'000	£'000
Opening balance as at 1 April 2024	**-**	**(12,148)**	**(12,148)**
Movement in loss allowance	-	2,083	**2,083**
Other changes	-	-	**-**
As at 31 March 2025	**-**	**(10,065)**	**(10,065)**
Opening balance as at 1 April 2023	**-**	**(12,028)**	**(12,028)**
Movement in loss allowance	-	(120)	**(120)**
Other changes	-	-	**-**
As at 31 March 2024	**-**	**(12,148)**	**(12,148)**

Liquidity risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has immediate access to liquid investments as well as ready access to borrowings from the money markets and the Public Works Loans Board. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The maturity analysis of financial liabilities is as follows:

	31 March 2025	31 March 2024
	£'000	£'000
Repayable between:		
less than one year	53,200	2,500
between 1 and 2 years	7,500	53,200
	60,700	**55,700**

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Refinancing & Maturity Risk

The Council maintains a significant debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by Council in the Treasury Management Strategy):

PWLB	**31 March 2025 £'000**	**31 March 2024 £'000**
Less than one year	53,200	2,500
Between one and two years	7,500	53,200
Between two and five years	56,500	62,000
Maturing in five to ten years	14,980	14,830
Maturing in more than ten years	66,968	69,118
Total	**199,148**	**201,648**
Non-PWLB		
Maturing in more than ten years	5,133	5,133

Market risk

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 Income and Expenditure Account 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 Income and Expenditure Account will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

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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, subject to influences from Government grants (i.e. HRA). 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.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest receivable on variable rate investments	360
Impact on Surplus or Deficit on Provision of Services	**360**
Decrease in fair value of fixed rate borrowings liabilities (no impact CIES)	(7,080)

The impact of a 1% fall in interest rates on interest receivable and the impact of a 1% fall in interest rates on the fair value of fixed rate borrowing liabilities would be as above, but with the movement being reversed.

Price risk - The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds. However, it does have shareholdings at a cost of £3.030m in Norwich Airport. Whilst these holding are generally illiquid; the Council is exposed to losses arising from movements in the price of the shares.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for "open book" arrangements with the company concerned so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

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

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19. Debtors

Long Term Debtors

	2024-2025 Debtors	2024-2025 Provision for Bad Debt	2024-2025 Net Debtors	2023-2024 Net Debtors
	£'000	£'000	£'000	£'000
Advances for House Purchase: Council Houses Sold	-	-	-	-
Norfolk County Council Transferred Debt	54	-	**54**	**54**
Deferred Capital Receipt	-	-	-	**247**
Decent Home Loans	2,547	(2,169)	**378**	**370**
Finance Lease > 1 year	1,594	-	**1,594**	**1,631**
Home Improvement Loans	237	(43)	**194**	**194**
Housing Benefit Overpayments	4,137	(3,114)	**1,023**	**898**
Shared Equity Dwellings	160	-	**160**	**155**
SALIX	305	-	**305**	**253**
Debts with legal charge over property	34	-	**34**	**34**
Wholly owned subsidiary	1,680	-	**1,680**	**5,120**
Other Long Term Debtors	230	-	**230**	**244**
Total	**10,978**	**(5,326)**	**5,652**	**9,200**

Long Term Debtors include:

Wholly Owned Subsidiary Loans

On 31 March 2025 outstanding loans made to LHL totaling £6.15m (2023-2024 £6.15m) were due to be repaid. LHL were unable to repay any of its loans and has since entered into a managed voluntary liquidation agreement process. As a result, the council has impaired the total amount of the loans to nil.

The Council has advanced a loan to its wholly owned subsidiary Norwich City Services Ltd. The balance outstanding on the loan at 31 March 2025 was £1.68m (2023-2024 £2.22m).

Short Term Debtors

	2024-2025	2023-2024
	£'000	£'000
Trade Customers		
- HRA Rentpayer	3,485	(1,697)
- Other Trade Customers	6,844	9,317
Collection Fund		
- Taxpayers (Council Tax & Business Rates)	2,186	1,392
Other Receivables	5,032	4,878
Prepayments - Pension Fund	4,868	9,945
Prepayments - Other	1,173	831
Total Short Term Debtors	**23,588**	**24,666**

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20. Cash and Cash Equivalents

	2024-2025 £'000	2023-2024 £'000
Cash held by Council	4	4
Bank current accounts	4,851	2,492
Short term deposits with banks	20,043	10,056
Short term deposits with building societies	-	-
Short term deposits with local authorities	5,084	5,011
Money Markets	31,625	6,343
Total Cash & Cash Equivalents	**61,607**	**23,906**

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21. Assets Held for Sale & Inventories

Assets Held for Sale

	2024-2025 £'000	2023-2024 £'000
Balance outstanding at 1 April	**216**	**-**
Assets newly classified as held for sale:		
Property, Plant & Equipment	1,025	1,115
Revaluations in Revaluation Reserve	(16)	26
Asset disposals	(456)	(925)
Other movements	-	-
Balance outstanding at 31 March	**769**	**216**

Inventories

The Council has utilised funding from the Government's Towns Fund grant to set up a "revolving fund" to enable the purchase and resale of development sites in the City area to assist with regeneration. At 31 March 2025, the Council held one site which it was in the process of reselling, and other costs were set against "work in progress" for future site acquisitions. Proceeds from the sale of properties will be recycled to buy further sites for resale.

Additionally, during 2024-2025 the council purchased the Anglia Square site in the city centre. The total purchase was funded using a grant received from Homes England. The council is working to dispose of the site in 2025-2026.

In 2024-2025, one property was both purchased and disposed of in the year.

	2024-2025 £'000	2023-2024 £'000
Balance outstanding at 1 April	792	28
Properties purchased for resale	7,378	748
Work in Progress	130	44
Disposals	(1,203)	
Historic Inventory balance written out	-	(28)
Balance held at 31 March	**7,097**	**792**

The balance brought forward for 2023-2024 was missing from the table above in the 2023-2024 Statement of Accounts; this has now been updated.

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22. Creditors

Long Term Creditors

	2024-2025 £'000	2023-2024 £'000
Developer Contributions	-	-
Lease Liability	(6,509)	(296)
Rent Prepayments	-	-
SALIX	(132)	(83)
Total Long Term Creditors	**(6,641)**	**(379)**

Significant increase in lease liability due to adoption of IFRS 16 leases (Note 37).

Short Term Creditors

	2024-2025 £'000	2023-2024 £'000
Preceptors	(7,709)	(6,026)
Trade Payables	(11,675)	(11,318)
Other Payables	(8,871)	(6,248)
Receipts in Advance	(10,072)	(7,081)
Total Short Term Creditors	**(38,327)**	**(30,673)**

23. Provisions

Long Term Provisions

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	(1,824)	(2,233)
Movement in provisions	(232)	409
Balance at 31 March	**(2,056)**	**(1,824)**

Short Term Provisions

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	-	(1,537)
Movement in provisions	-	1,537
Balance at 31 March	**-**	**-**
Total Provisions	**(2,056)**	**(1,824)**

The long-term provision consists of £1.285m (2023-2024: £1.332m) in respect of Non-Domestic Rates appeals following the introduction of Business Rates Retention on 1 April 2013, and £0.771m (2023-2024: £0.491m in insurance provisions for the General Fund and HRA.

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24. Usable Reserves

The usable reserves of the council are:

	2024-2025 £'000	2023-2024 £'000
General Fund	(8,249)	(8,249)
HRA	(51,053)	(42,696)
Earmarked Reserves	(20,286)	(23,372)
Major Repairs Reserve	(18,060)	(13,993)
Capital Grants Unapplied	(1,799)	(2,389)
Capital Receipts Reserve	(78,554)	(72,606)
	(178,001)	**(163,305)**

Details of the movements on these reserves are provided in the Movement in Reserves Statement.

25. Unusable Reserves

The unusable reserves of the council are:

	2024-2025 £'000	2023-2024 £'000
Revaluation Reserve	(208,908)	(177,573)
Financial Instruments Revaluation Reserve	(3,030)	(2,955)
Capital Adjustment Account	(706,313)	(718,371)
Financial Instruments Adjustments Account	1,003	1,036
Deferred Capital Receipts	(1,335)	(1,628)
Pensions Reserve	47,107	18,525
Collection Fund Adjustment Account	(1,992)	(1,519)
Accumulated Absences Reserve	495	631
Total Unusable Reserves	**(872,973)**	**(881,854)**

Revaluation Reserve

	2024-2025 £'000	£'000	2023-2024 £'000
Balance at 1 April		**(177,573)**	**(182,234)**
Upward revaluation of assets	(39,922)		(19,658)
Downward revaluation of assets & impairment losses not charged to the Surplus/Deficit on the Provision of Services	5,276		21,550
Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services		**(34,646)**	**1,892**
Difference between fair value depreciation & historical cost depreciation	1,811		1,575
Accumulated gains on assets sold or scrapped	1,500		1,194
Amount written off to the Capital Adjustment Account		**3,311**	**2,769**
Balance at 31 March		**(208,908)**	**(177,573)**

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Financial Instruments Revaluation Reserve

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	(2,955)	(3,488)
(Upward)/downard revaluation of investments	(75)	533
	(3,030)	**(2,955)**

Capital Adjustment Account

	2024-2025 £'000	2024-2025 £'000	2023-2024 £'000
Balance at 1 April		**(718,371)**	**(704,766)**
Adjustment for the Implementation of IFRS 16		2,917	-
Adjusted Balance at 1 April 2024		**(715,454)**	**(704,766)**
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:			
Charges for depreciation & impairment of non current assets	29,491		26,745
Revaluation gains / (losses) on Property, Plant & Equipment	6,598		6,457
Revenue expenditure funded from capital under statute	7,193		6,665
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income & Expenditure Statement	11,240		5,846
Difference between historic cost & carrying value depreciation	-		-
Net written out amount of the cost of non-current assets consumed in the year		**54,522**	**45,713**
Adjusting amounts written out of the Revaluation Reserve		(3,311)	(2,769)
Net written out amount of the cost of non-current assets consumed in the year		**51,211**	**42,944**
Capital financing applied in the year:			
Use of the Capital Receipts Reserve to finance new capital Expenditure	(9,234)		(30,600)
Use of the Major Repairs Reserve to finance new capital expenditure	(13,203)		(13,148)
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement that have been applied to capital financing	(21,151)		(12,094)
Statutory provision for the financing of capital investment charged against the General Fund & HRA balances	(2,978)		605
Capital expenditure charged against the General Fund & HRA balances	(346)		(7,208)
		(46,912)	**(62,445)**
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income & Expenditure Statement		1,343	5,896
Movements in the fair value of Financial Instruments debited or credited to the Comprehensive Income & Expenditure Statement		3,499	-
Balance at 31 March		**(706,313)**	**(718,371)**

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Financial Instruments Adjustment Account

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	**1,036**	**1,002**
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(18)	(18)
	1,018	**984**
Amount by which finance costs charged to the Comprehensive Income & Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(15)	52
Balance at 31 March	**1,003**	**1,036**

Deferred Capital Receipts

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	**(1,628)**	**(1,670)**
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	-	-
Transfer to the Capital Receipts Reserve upon receipt of cash	293	42
Balance at 31 March	**(1,335)**	**(1,628)**

Pension Reserve

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	**18,525**	**44,303**
Actuarial gains or (losses) on pensions assets & liabilities	33,099	(23,003)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	5,535	7,511
Employer's pensions contributions & direct payments to pensioners payable in the year	(10,052)	(10,286)
Balance at 31 March	**47,107**	**18,525**

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Collection Fund Adjustment Account

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	**(1,519)**	**(5,095)**
Amount by which Council tax income credited to the Comprehensive Income & Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements	(303)	(140)
Amount by which NNDR income credited to the Comprehensive Income & Expenditure Statement is different from Council tax income calculated for the year in accordance with statutory requirements	(170)	3,716
Balance at 31 March	**(1,992)**	**(1,519)**

Accumulated Absences Reserve

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	631	516
Difference between accounting and statutory credit for holiday	(136)	115
Balance at 31 March	**495**	**631**

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26. Cash Flow Statement – Operating Activities

The cash flows for operating activities include the following items:

	2024-2025 £'000	2023-2024 £'000
Interest received	5,843	3,736
Interest paid	(7,169)	(8,410)

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

	2024-2025 £'000	2023-2024 £'000
Depreciation	22,388	20,211
Impairment and downward valuations	-	13,007
Amortisation	622	527
Movement in contract assets, liabilities and costs	-	-
Increase/(decrease) in impairment for bad debts	-	55
Increase/(decrease) in creditors	12,646	(14,266)
(Increase)/decrease in debtors	3,817	(6,993)
(Increase)/decrease in inventories	(6,305)	(765)
Movement in pension liability	(4,517)	(12,720)
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	10,037	5,846
Other non-cash items charged to the net surplus or deficit on the provision of services	18,926	6,096
Net adjustment for non-cash movements	**57,614**	**10,998**

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

	2024-2025 £'000	2023-2024 £'000
Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(14,905)	(7,422)
Any other items for which the cash effects are investing or financing cash flows	(20,565)	(11,091)
Investing and financing activities	**(35,470)**	**(18,513)**

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27. Cash Flow Statement – Investing Activities

	2024-2025 £'000	2023-2024 £'000
Purchase of property, plant & equipment, investment property	(46,265)	(30,419)
Other Capital Payments	-	-
Purchase of short term & long-term investments	(70,000)	(71,000)
Other payments for investing activities	(1,656)	(500)
Proceeds from the sale of property, plant & equipment, investment property & intangible assets*	14,905	7,464
Other Capital Cash Receipts	-	-
Capital grants received	-	-
Proceeds from short term & long-term investments	96,000	50,000
Other receipts from investing activities	2,465	2,409
Net cash flows from investing activities	**(4,551)**	**(42,046)**

*The table when copied into the document excluded this line in the 2023-2024 Statement of Accounts, even though the total net cash flows were correct.

28. Cash Flow Statement – Financing Activities

	2024-2025 £'000	2023-2024 £'000
Other receipts from financing activities	20,565	7,441
Cash payments for the reduction of the outstanding liabilities relating to finance leases	(2,106)	(136)
Cash receipts of short and long term borrowing	8	-
Repayments of short- & long-term borrowing	(2,552)	(4,418)
Other payments for financing activities	-	(5,455)
Net cash flows from financing activities	**15,915**	**(2,568)**

29. Associates

The services provided to the Council by NPS Norwich Limited, Norwich Norse Environmental Limited and Norwich Norse Building Limited were transferred back to the council or to NCSL in the period up to 1 April 2022. The City Council formally ceased to be involved with the companies on 26 January 2024.

30. Agency Services

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

The City Council is a member of three Joint Committees – Norfolk Joint Museums and Archaeology Committee, Norfolk Joint Records Committee and CNC Building Control Consultancy Joint Committee (Building Control Partnership).

Norwich City Council was responsible for parking issues on all city roads, including permit parking, controlled parking extensions, tariffs, and enforcement, but from November 2023 some of these responsibilities transferred to another council. The council also ceased to provide bus-lane enforcement services for the County Council but remains responsible for the collection of most On Street parking income.

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The amounts of income and expenditure for 2024-2025 and 2023-2024 are as follows:

On-Street Car parking	**2024-2025**	**2023-2024**
	£'000	**£'000**
Expenditure	1,424	1,433
Income	(535)	(986)
(Surplus)/deficit paid over to Norfolk County Council	**889**	**448**

The Council's interest in the Norfolk Joint Museums and Archaeology Committee and the Norfolk Joint Records Committee are not material.

On 1 November 2012 the Norwich Business Improvement District was launched. A Business Improvement District (BID) is a defined area within which businesses pay an additional tax or fee in order to fund projects within the district's boundaries.

On 1 November 2022 a new five year BID agreement was launched, covering an expanded geographic area.

The council acts as agent for Norwich BID by billing and collecting the additional tax.

Business Improvement District	**2024-2025**	**2023-2024**
	£'000	**£'000**
Billed	806	846
Collected	(772)	(870)
Paid over to Norwich BID	794	837

31. Members Allowances

	2024-2025	**2023-2024**
	£'000	**£'000**
Members Allowances	437	435

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32. Officers Remuneration

Post holder information (Post title)	Salary (Inc. fees & Allow-ances)	Expense Allowance	Com-pensation for loss of office	Pension Cont-ributions	Total Remun-eration
	£	£	£	£	£
Financial Year: 2024-2025					
Lou Rawsthorne, Chief Executive Officer (1)	164,428			7,153	171,581
Executive Director of Resources 24/25 (1)	120,161			16,937	137,098
Executive Director of Communities & Housing 24/25	103,704			15,007	118,711
Executive Director of Development & City Services 2024/25 (1) (2)	51,870			6,573	58,443
TOTAL COST	**440,163**	**-**	**-**	**45,670**	**485,833**

Post holder information (Post title)	Salary (Inc. fees & Allow-ances)	Expense Allowance	Com-pensation for loss of office	Pension Cont-ributions	Total Remun-eration
	£	£	£	£	£
Financial Year: 2023-2024					
Lou Rawsthorne, Chief Executive Officer (1)	143,184	-	-	-	143,184
Executive Director of Development & City Services (1)	109,178	-	-	15,774	124,952
TOTAL COST	**252,362**	**-**	**-**	**15,774**	**268,136**

1 Remuneration includes payments made in respect of election duties.

2 Executive director of resources started on the 22nd April 2024.

3 Executive director of communities & housing started on the 29th April 2024.

4 Executive director of development & city services left on the 6th September 2024.

Interim staff employed through Agencies

2024-2025

The interim S151 officers, and interim executive director of major projects, were all employed through agencies during 2024-2025, as well as the interim executive director of resources at the beginning of the year.

- The amount paid in respect of the interim executive director of resources, including agency fees, was £13,500.
- The amount paid in respect of the interim S151 officers, including agency fees, was £202,571.
- The amount paid in respect of the interim executive director of major projects, including agency fees, was £197,910.

2023-2024

The interim executive director of communities and housing, interim executive director of resources, the interim S151 officer, and interim executive director of major projects, were all employed through agencies during 2023-2024.

- The amount paid in respect of the interim executive director of communities and housing, including agency fees, was £126,940.
- The amount paid in respect of the interim executive director of resources, including agency fees, was £161,100.

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- The amount paid in respect of the interim S151 officer, including agency fees, was £198,240.
- The amount paid in respect of the interim executive director of major projects, including agency fees, was £64,260.

The number of employees, including senior employees, whose remuneration, excluding pension contributions and including termination payments where applicable, was £50,000 or more in bands of £5,000 was:

Remuneration Band	2024-2025	2023-2024
£50,000 to £54,999	26	20
£55,000 to £59,999	19	14
£60,000 to £64,999	12	6
£65,000 to £69,999	4	6
£70,000 to £74,999	1	3
£75,000 to £79,999	6	6
£80,000 to £84,999	1	-
£85,000 to £89,999	2	-
£90,000 to £94,999	-	1
£95,000 to £99,999	-	1
£100,000 to £104,999	2	-
£105,000 to £109,999	-	1
£110,000 to £114,999	-	-
£115,000 to £119,999	-	-
£120,000 to £124,999	1	-
£125,000 to £129,999	-	-
£130,000 to £134,999	-	-
£135,000 to £139,999	-	-
£140,000 to £144,999	-	1
£145,000 to £149,999	-	-
£150,000 to £154,999	-	-
£155,000 to £159,999	-	-
£160,000 to £165,999	1	-
	75	**59**

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

2024-2025

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**
£0 - £20,000	1	3	**4**	34,997
£20,001 - £40,000				
£40,001 - £60,000		1	**1**	60,000
£60,001 - £80,000				
£80,001 - £100,000				
Total	**1**	**4**	**5**	**94,997**

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2023-2024

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**
£0 - £20,000	-	2	**2**	6,500
£20,001 - £40,000	1	4	**5**	142,956
£40,001 - £60,000	-	1	**1**	42,777
£60,001 - £80,000	-	2	**2**	139,198
£80,001 - £100,000	-	2	**2**	192,111
£100,001 - £150,000	-	1	**1**	107,531
Total	**1**	**12**	**13**	**631,073**

33. External Audit Costs

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

In 2024-2025 and 2023-2024 the following fees were payable by the Council to our external auditors.

	2024-2025 £'000	**2023-2024 £'000**
External Audit Services	285	243
Fees payable for certification of grant claims	37	18
Total	**322**	**261**

The scale fee set by Public Sector Audit Appointments Ltd (PSAA) for 2024-2025 is £230k (2023-2024 £213k). An additional £55k has been recognised in year based on likely further costs associated with ongoing additional professional and regulatory requirements relating to the audit process. During 2024-2025 the Government addressed the audit backlog and the 2021-2022 and 2022-2023 accounts have now received disclaimed audit opinions and the accounts signed off. The estimated audit fees for these years have been reviewed and the accrual for unbilled fees reduced by £86k. The final fees will be subject to agreement with the external auditors and PSAA.

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34. Grant Income

	2024-2025 £'000	2023-2024 £'000
DWP benefits subsidy - Rent Allowance	(21,169)	(20,537)
DWP benefits subsidy - Rent Rebate	(18,803)	(19,724)
Discretionary Housing Payments	(259)	(259)
Housing Benefits Administration Grant	(567)	(546)
Council tax energy rebate	-	(121)
Refugee & Asylum scheme grants	(494)	(525)
NNDR admin grant	(262)	(264)
Covid grants	-	(323)
Homelessness & Rough Sleeping Initiatives	(2,327)	(2,375)
Towns Fund	(126)	-
Household Support Work	(159)	(412)
Other Grants and Contributions	(2,232)	(1,614)
Total within Cost of Services	**(46,398)**	**(46,700)**
Revenue		
Revenue Support Grant	(523)	(491)
New Homes Bonus	(58)	(45)
NNDR Section 31 grant	(7,596)	(7,289)
Funding Guarantee Grant	(975)	(536)
Lower Tier Services Grant	(42)	(202)
Council Tax Support Grant	-	(348)
Community Infrastructure Levy - from developers	(4)	-
Other Grants and Contributions	(84)	(192)
Capital		
Community Infrastructure Levy - from developers	(19)	(173)
Disabled Facilities Grant	(1,649)	(2,095)
Towns Fund	(7,971)	(4,794)
BEIS Sustainable Warmth grant	(17)	(1,960)
Decarbonisation Grant	-	(418)
Homes England Grant	(6,174)	-
Social Housing Decarbonisation Fund	(2,433)	-
Grants and contributions towards capital - from Government	(731)	(74)
Grants and contributions towards capital - non Government	(1,567)	(1,537)
Total within Taxation and non-specific grant income	**(29,843)**	**(20,154)**
Total income from grants and contributions	**(76,241)**	**(66,854)**

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Capital Grants Receipts in Advance

	31 March 2025 £'000	31 March 2024 £'000
Amounts falling due within one year (all other bodies):		
BEIS SALIX PSDS Grants	-	(41)
BEIS Green Homes Grant	(202)	(202)
BEIS Decarbonisation Grant	(83)	(83)
BEIS Sustainable Warmth Grant	(54)	(72)
Land Release Fund Grant	(150)	(150)
Other Government Grants & Contributions.	(21)	(49)
Total short term capital grants received in advance	**(510)**	**(597)**
Amounts falling due after one year (all other bodies):		
Disabled Facilities Grant	(182)	(227)
Land Release Fund Grant	(67)	(67)
Towns Fund	(2,803)	(9,549)
Other Government Grants & Contributions.	(2,540)	(234)
SALIX	-	(43)
Total long term capital grants received in advance	**(5,592)**	**(10,120)**

Revenue Grants Receipts in Advance

	31 March 2025 £'000	31 March 2024 £'000
Amounts falling due within one year (all other bodies):		
Other Government grants and contributions	(133)	(130)
Developers Contributions (S106)	(4,383)	(4,809)
Total short term revenue grants received in advance	**(4,516)**	**(4,939)**

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35. Related Parties

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

UK government has significant influence over the general operations of the council – it is responsible for providing the statutory framework within which the council operates, and prescribes the terms of many of the transactions that the council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in Note 34 on reporting for resources allocation decisions. Grant receipts in advance outstanding at 31 March 2025 are also shown in Note 34; debtors are shown in Note 19 and creditors in Note 22.

Members of the council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2024-2025 and 2023-2024 is shown in Note 31. During 2024-2025, works and services to the value of £57,598 (2023-2024 £1,200) were commissioned from three organisation in which two members had interests. Contracts were entered into in full compliance with the council's standing orders. In addition members approved £188,944 (2023-2024 £554,905) as grants to voluntary organisations, in which one member had an interest. Community grants to the value of £6,747 were awarded in 2024-2025 (2023-2024 £5,274). In all instances, the grants were made with proper consideration of declarations of interest. The relevant members and staff did not take part in any discussion or decision relating to the grants. Details of the interests are recorded in the Register of Members' Interests, open to public inspection at City Hall during office hours and available on the council website.

During 2024-2025, no grants were made to organisations (2023-2024 £0), or works and services commissioned from entities (2023-2024 £0), in which members of senior management had interests.

Several councillors and members of senior management are appointed to represent the Council on various strategic partnership boards. During the year there have been a number of transactions with the strategic partnerships totalling £871,776 (2023-2024 £471,736). These partnership activities are integrated into the council's usual budget setting and management processes.

Companies and joint ventures

Lion Homes (Norwich) Ltd (LHL) is a wholly owned subsidiary company set up by the council to carry out redevelopment projects. At 31 March 2025 LHL was unable to repay loans totalling £6.15m that had fallen due and has since entered into a member voluntary liquidation arrangement process. As a result, in 2024-2025 the council as shareholder has impaired its holding to £2,824,955 (2023-2024 £3,424,100).

The council, in conjunction with LHL, have set up two companies - Threescore Open Space Management Ltd and Norwich City New Co Ltd which is currently dormant.

Norwich City Services Ltd (NCSL) is a wholly owned subsidiary company set up to provide environmental and building repairs, and maintenance services to Norwich City Council. There were no changes to council shareholder investment in 2024-2025 – it remained at £370,010. No further loans were taken out by NCSL during 2024-2025 (2023-2024 £500,000). Repayments of £540,000 were made in relation to these loans during 2024-2025 (2023-2024 £40,000), with the balance of loans at 31 March 2025 totalling £1,680,000 (2023-2024 £2,220,000). The council receives income relating to loan interest and services provided by the council to the company as part of a service level agreement.

The council has a 40.5% shareholding in Legislator 1656 Ltd and its subsidiary company Legislator1657 Ltd, which are related to developments at Norwich Airport.

All of these companies have Council officer or member representatives on their boards of these companies, and relevant information is disclosed in the notes to the accounts about the group interests.

36. Capital Financing Requirement – additional MRP charge

	2024-2025 £'000	2023-2024 £'000
Opening Capital Financing Requirement 1 April	298,033	319,471
Adjustment to the opening balance due to the implementation of IFRS 16	8,893	-
Capital Investment		
Property, Plant and Equipment	32,719	32,131
Investment Properties	687	97
Heritage Assets	-	33
Intangible assets	632	870
Revenue Expenditure Funded from Capital under Statute (REFCUS)	7,193	6,665
Properties for resale (Inventory)	7,508	792
Sources of finance		
Capital receipts	(9,234)	(5,600)
Government grants and other contributions	(21,151)	(12,094)
HRA Major Repairs Reserve	(13,203)	(13,148)
Sums set aside from revenue and reserves	(346)	(7,208)
Other Capital movement		
Capital derecognition	12	(50)
Application of capital receipts to reduce CFR	-	(25,000)
Norwich City Services Ltd loan	(540)	440
Finance lease	(136)	(128)
IFRS16 in year	1,804	-
Other	(33)	29
Minimum Revenue Provision	(896)	(567)
Minimum Revenue Provision (IFRS16)	(1,946)	-
Reversal of prior year Minimum Revenue Provision	-	1,300
Closing Capital Financing Requirement 31 March	**309,997**	**298,033**

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 Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

The CFR is analysed in the second part of this note.

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	31 March 2025 £'000	31 March 2024 £'000
Property, Plant and Equipment	1,079,205	1,061,343
Heritage assets	33,731	25,940
Investment Properties	96,046	93,217
Intangible Assets	2,264	2,302
Assets Held for Sale	769	216
Inventory	7,097	792
Long term Investments	6,223	6,749
Long Term Debtors	1,910	5,339
Financial Instruments Revaluation Reserve	(3,030)	(2,955)
Financial Instruments Adjustment Account	1,003	1,036
Revaluation Reserve	(208,908)	(177,573)
Capital Adjustment Account	(706,313)	(718,371)
	309,997	**298,035**

Each local Council has a borrowing limit determined by the level of debt which it can afford. The system is governed by CIPFA's 'Prudential Code for Capital Finance in Local Authorities' and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

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37. Leases

In 2024-2025, the Council has applied IFRS 16, *Leases,* for the first time as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (that is, those lease arrangements where the Council's judgement was that the arrangement did not transfer substantially all the risks and rewards of ownership of an asset and expenditure was recorded in the Comprehensive Income and Expenditure Statement each year) a right of use asset and a lease liability are to be recognised on the Council's Balance Sheet at 1 April 2024 through an adjustment to opening balances. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024.

Council as Lessee

The Council's lease contracts comprise leases of investment properties, operational land and buildings, and vehicles, plant and equipment.

Right of use liability

This table shows the change in the value of right of use liabilities held under leases by the Council:

	Land and buildings	Vehicles, plant and equipment	Total	Investment Property	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2024	**-**	**-**	**-**	**-**	**-**
Transfer of Existing Finance leases from Property, Plant and Equipment	-	484	484	-	484
IFRS 16 adjustment for recognition of former operating leases	5,829	9	5,838	3,054	8,892
Amended Opening Balance	5,829	493	6,322	3,054	9,376
Additions	1,749	55	1,804	-	1,804
Lease Payments	(2,214)	(195)	(2,409)	(163)	(2,573)
Lease Interest	302	28	330	162	492
Disposals	-	-	-	-	-
Balance at 31 March 2025	5,666	381	6,047	3,053	9,100

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Transactions under leases

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

	2024-2025 £000
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	304
Expense relating to short-term leases	195
Expense relating to exempt leases of low value items	58
Variable lease payments not included in the measure of lease liabilities	34
Income from subletting right of use assets	2,573
Gains or losses arising from sale and leaseback transactions	-
Cash flow statement	
Minimum lease payments	2,573

Maturity analysis of lease liabilities

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

	31 March 2025 £000
Less than one year	2,131
One to five years	3,423
More than five years	3,493
Total undiscounted liabilities	9,047

Council as Lessor

Operating Leases

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

- The provision of community services such as sports facilities, tourism services and community centres
- economic development purposes to provide suitable affordable accommodation for local businesses
- other arrangements.

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

	2024-2025 £'000	2023-2024 £'000
Tenants Future Rental Liabilities		
Not later than one year	4,485	4,990
Later than one year & not later than five years	14,143	18,027
Over five years	49,190	49,596
Total	**67,818**	**72,613**

In addition to the above, there are 102 properties (2023-2024 109 properties) where the rent is in perpetuity that amounts annually to £0.221m per annum (2023-2024 £0.268m).

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

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Finance Leases

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

- The transfer of land and buildings to deliver a cultural benefit to the people of Norwich
- other arrangements.

The Council has gross investments in the leases, made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end. The minimum lease payments are the payments over the lease term that the lessee is or can be required to make, excluding contingent rent. The gross investment is made up of the following amounts:

	2024-2025 £'000	2023-2024 £'000
Finance lease debtor (net present value of minimum lease payments):		
Current	66	57
Non-current	1,594	1,678
Unearned finance income	1,689	1,678
Gross investment in the leases	**3,349**	**3,413**

The gross investment in the lease and the minimum lease payments will be received over the following periods:

	Gross Investment in the Lease		Minimum Lease Payments	
	31-Mar-25 £'000	31-Mar-24 £'000	31-Mar-25 £'000	31-Mar-24 £'000
Future Rental Liabilities				
Not later then one year	68	64	68	64
Later than one year & not later than five years	322	302	322	302
Later than five years	2,959	3,047	2,959	3,047
Total	**3,349**	**3,413**	**3,349**	**3,413**

38. Impairment Losses

During the year the Council carried out adaptations at a cost of £2,376,438 (2023-2024 £2,781,682) to a number of council dwellings under Disabled Facilities legislation. As advised by our valuer, these adaptations added no value to the dwellings; therefore, this expenditure was impaired as shown in Note 14 (combined with the impairments detailed below).

The Council also impaired the cost of works to flats within blocks for which the lease has been sold £478,083, including door access controls, roofing works, energy efficiency measures, compliance upgrades, lift upgrades and upgrades to tower blocks.

Additionally, the council impaired the cost of the works to district heating schemes £218,356, housing alarms £204,340, HRA shops £118,277, compliance upgrades £86.758, water hygiene upgrades £44,698, enhancement of HRA estates £66,882, lift upgrades £40,239 and the stock condition survey £48,326, as it was deemed not to add value.

The Council has also impaired the cost of £2,800,003 in other land and buildings and £786,908 in investment properties on advice of the valuer, as these amounts were deemed not to add additional value to the asset due to the basis of the valuation.

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39. Termination Benefits

The Council terminated the contracts of a number of employees in 2024-2025, incurring liabilities of £94,997 (2023-2024 £631,072). These were payable to 5 (13 in 2023-2024) officers as part of the Council's rationalisation of Services and include amounts payable in respect of early retirement to the pension fund.

40. Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme (LGPS), administered by Norfolk County Council – this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The LGPS pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Norfolk County Council. Policy is determined in accordance with the Pensions Fund Regulations. The investment managers of the fund are appointed by the committee which includes the Strategic Director of Finance at Norfolk County Council in their role as Scheme Administrator.

The principal risks to the authority of the scheme are longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to the discount rate, inflation, bond yields and the performance of investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

The liabilities of the Norfolk pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 5.80% (4.80% 2023-2024) based on the indicative rate of return on high quality corporate bonds.

The assets of Norfolk pension fund attributable to the Council are included in the Balance Sheet at their fair value:

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

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	2024-2025 £'000	2023-2024 £'000
Comprehensive Income and Expenditure Statement		
Current Service Cost	5,071	5,269
Curtailments	49	477
Settlements	-	-
Cost of Services	**5,120**	**5,746**
Net interest expense	415	1,765
Financing and Investment Income and Expenditure	**415**	**1,765**
Total Post Employment Benefit Charged to the Surplus/Deficit on the Provision of Services	**5,535**	**7,511**
Return on plan assets, less included in interest expense	6,159	(17,217)
Actuarial gains & losses:		
Changes in demographic assumptions	(678)	(2,285)
Changes in financial assumptions	(53,018)	(15,736)
Other	(4,223)	12,235
Changes in the effect of the asset ceiling	84,859	-
Remeasurement of the net defined benefit liability	**33,099**	**(23,003)**
Total Comprehensive Income and Expenditure Statement	**38,634**	**(15,492)**
Movement in Reserves Statement		
Reversal of items relating to retirement benefit debited or credited to the Comprehensive Income and Expenditure Statement	5,535	7,511
Employer's pension contributions and direct payments to pensioners payable in the year	(10,052)	(10,286)
Total taken to Movement in Reserves Statement	**(4,517)**	**(2,775)**

Reconciliation of Fair Value of Employer Assets (scheme Assets):	2024-2025 £'000	2023-2024 £'000
Value of Assets at 1 April	**381,798**	**346,859**
Effect of settlements	-	-
Interest income on plan assets	18,002	16,504
Contributions by Members	1,693	1,601
Contributions by the Employer	4,975	20,231
Return on assets excluding amounts recognised in Other Comprehensive Income	(6,159)	17,217
Effect of business combinations	-	-
Benefits Paid	(19,829)	(20,614)
	380,480	**381,798**

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Reconciliation of Defined Benefit Obligation (scheme Liabilities):	2024-2025 £'000	2023-2024 £'000
Value of Liabilities at 1 April	**(390,378)**	**(391,162)**
Current Service Cost	(5,071)	(5,269)
Past Service Cost	(49)	(477)
Effect of settlements	-	-
Interest Cost	(18,417)	(18,269)
Contribution by Members	(1,693)	(1,601)
Actuarial Gains and (Losses):		-
Change in demographic assumptions	678	2,285
Change in financial assumptions	53,018	15,736
Other experience gains and (losses)	4,223	(12,235)
Effect of business combinations and disposals	-	-
Benefits Paid	19,829	20,614
	(337,860)	**(390,378)**
Net Asset/(Liability) at 31st March (before effect of Asset Ceiling)	**42,620**	**(8,580)**
Effect of the asset ceiling	(84,859)	-
Net Asset/(Liability) at 31st March	**(42,239)**	**(8,580)**

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Local Government Pension Scheme assets comprised:

	2024-2025				2023-2024 Restated			
	Quoted prices in active markets	Quoted prices not in active markets	Total	% of total assets	Quoted prices in active markets	Quoted prices not in active markets	Total	% of total assets
	£'000	£'000	£'000		£'000	£'000	£'000	
Cash & Cash Equivalents	**12,788**	**-**	**12,788**	**3.0%**	**5,807**	**-**	**5,807**	**2.0%**
Private equity		48,678	**48,678**	**13.0%**		48,073	**48,073**	**13.0%**
Bonds								
by sector								
Corporate								
UK Government	7,211		**7,211**	**2.0%**	9,541		**9,541**	**2.0%**
Other								
Sub-total Bonds	**7,211**	-	**7,211**	**2.0%**	**9,541**	-	**9,541**	**2.0%**
Property								
by geographical location								
UK property		24,253	**24,253**	**6.0%**		28,566	**28,566**	**7.0%**
Overseas property		3,564	**3,564**	**1.0%**		4,311	**4,311**	**1.0%**
Sub-total Property	**-**	**27,817**	**27,817**	**7.0%**	**-**	**32,877**	**32,877**	**7.0%**
Investment Funds & Unit Trusts								
Equities	212,527		**212,527**	**56.0%**	162,384		**162,384**	**43.0%**
Bonds	28,724		**28,724**	**8.0%**	72,784		**72,784**	**19.0%**
Infrastructure		42,516	**42,516**	**11.0%**		43,537	**43,537**	**11.0%**
Other								
Sub-total Investment Funds & Unit Trusts	**241,251**	**42,516**	**283,767**	**75.0%**	**235,168**	**43,537**	**278,705**	**73.0%**
Derivatives								
Foreign Exchange	219		**219**	**0.0%**	6,796		**6,796**	**2.0%**
Total Assets	**261,469**	**119,011**	**380,480**		**257,312**	**124,486**	**381,798**	

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Basis for Estimating Assets & Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, based on the latest full valuation of the scheme at 31 March 2022. The 31 March 2025 triennial valuation is currently underway.

In the 2024-2025 accounts the council has recognised changes in the liability arising from changes in assumptions within the re-measurement of the defined benefit liability and reported in Other Comprehensive Income and Expenditure Statement within the Comprehensive Income and Expenditure Statement.

	2024-2025 £'000	2023-2024 £'000
Present Value of funded liabilities	(325,380)	(376,346)
Present Value of unfunded liabilities	(12,480)	(14,032)
Fair Value of plan assets	380,480	381,798
Amounts not recognised due to effect of asset ceiling	(84,859)	-
Net Liability arising from defined benefit obligation	**(42,239)**	**(8,580)**

	2024-2025	2023-2024
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Male	25.7	20.9
Female	24.2	24.2
Longevity at 45 for future pensioners:		
Male	21.8	21.9
Female	25.7	25.8

	2024-2025	2023-2024
Rate of increase in salaries	3.50%	2.80%
Rate of increase in pensions (CPI)	2.80%	3.50%
Rate for discounting scheme liabilities	5.80%	4.80%

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.

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Change in assumptions at 31 March 2025	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	1%	4,994
1 year increase in member life expectancy	4%	13,514
0.1% increase in the Salary Increase Rate	0%	185
0.1% increase in the Pension Increase Rate (CPI)	1%	4,946

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, we estimate that a one-year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one-year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The last triennial valuation was completed on 31 March 2022. The 31 March 2025 triennial valuation is currently underway.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

As part of the 2023-2024 MTFS and budget setting the Council agreed to pre-pay its secondary pension contributions in April 2023. The Council elected to account for the pre-payment in accounting period the contribution fell due. The total contribution expected to be made to the scheme by the Council for the year to March 2026 is £3.695m which excludes the 2025-2026 element of the pre-payment of secondary contributions totalling £5.077m.

The weighted average duration of the defined benefit obligation for scheme members is 15 years, (2023-2024 15 years).

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41. Contingent Assets and Liabilities

Assets

A contingent asset is a potential economic benefit that is dependent on a future event or events and is largely out of the council's control. Not knowing for certain whether a gain will materialise, or being able to determine their precise economic value, means these assets cannot be recorded on the balance sheet. However, they can be reported in the accompanying footnotes of the statement of accounts provided that certain conditions are met.

Software Product Upgrade

During 2024-2025 the council identified functionality issues with a software upgrade. The council is seeking full reimbursement of our implementation costs and will pursue these via formal legal dispute if a negotiated settlement is not reached.

Liabilities

A contingent liability arises where an event has taken place that gives the Council 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 Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

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

Capital Scheme

During 2023-2024 the council lodged a dispute against one of our contractors in relation to costs charged against a scheme. The council does not consider these costs to be payable and issued a pay less notice under paragraph 10 of Part II of the Scheme for Construction Contracts (England and Wales) Regulations 1998 (SI 1998/649) (as amended) and section 111 of the Housing Grants, Construction and Regeneration Act 1996 (as amended). The outcome of the dispute is still to be determined.

Association for Public Service Excellence (APSE)

The Authority is a member of the APSE. Litigation proceedings had been instigated by one of the members against the other 23 members. A notice of stay of proceedings has since been issued whilst the dispute is considered by all parties. The Authority is not a representative defendant in the proceedings but could be affected by any judgement or settlement.

Water Charges

The Authority has acted as a collection agent on behalf of Anglia Water in respect of Housing Revenue Account (HRA) tenants' water and sewerage charges. In return for this service, the Authority has received a commission which has been treated as an income stream to the HRA. The treatment of this arrangement has been called in to question due to a Court ruling (Kim Jones versus London Borough of Southwark). Traditionally this has been viewed as an agency arrangement, but the Court ruling concluded that the Authority concerned was acting as a water supplier; in light of this, preparations are underway for a substantial proportion of the commission to be passed on to tenants, and a contingent liability is disclosed while the council assesses the financial impact.

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42. Going Concern

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-2025 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis except for Lion Homes (Norwich) Ltd. The company has entered into a member voluntary liquidation arrangement process. As a result the Lion Homes accounts have been prepared on a break up basis.

In carrying out its assessment that this basis is appropriate, made for the going concern period to 31 March 2027 management of the Council have undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting.

Our most recent year-end balances, as reported in these statements are as follows:

Date	General Fund	General Fund Earmarked Reserves
31 March 25 (unaudited)	£8.25m	£18.46m

The General Reserves are projected to remain above the s151 officer's minimum level of £5.5 million through to March 2027, as set out below.

Date	General Fund	General Fund Earmarked Reserves
31 March 2027 (estimated and unaudited)	£8.25m	£17.23m

The key assumptions within this forecast include:

- the achievement of £3.2m of savings in 2025-2026 as approved in February 2025
- further gross savings of £1.1m in 2026-2027 per the current medium term financial strategy (February 2025)

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing other than to support the capital programme which is consistent to our plans and normal practice.

We have considered a downside scenario where the savings are not achieved to the planned timetable, or income fails to recover to pre-pandemic levels. The council has a budget risk reserve of £5.8m to mitigate against such scenarios and therefore it is considered that the above projections would not be significantly affected with both minimum levels of reserves and liquidity remaining through the same period.

On this basis, the Council have a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

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Housing Revenue Account Income & Expenditure Statement

	Notes	2024-2025 £'000	2023-2024 £'000
Expenditure			
Repairs & Maintenance		17,110	16,974
Supervision & Management		23,037	23,307
Rents, Rates, Taxes & Other Charges		7,365	6,422
Negative Subsidy payable to Secretary of State		-	-
Revenue expenditure funded as captial (Refcus)		4,382	412
Depreciation & Impairment of Non-current Assets	HRA 10&11	21,273	21,348
Local Authority Housing - Revaluation loss (gain) on Dwellings		6,496	5,298
Debt Management Costs		96	80
Movement in Allowance for Bad Debts		586	115
Total Expenditure		**80,345**	**73,956**
Income			
Dwelling Rents		(66,578)	(63,070)
Non-dwelling Rents		(2,519)	(2,413)
Charges for Services & Facilities		(10,331)	(3,335)
Contributions towards expenditure		(1,008)	(6,056)
Total Income		**(80,436)**	**(74,874)**
Net (Income)/Cost of HRA Services included in the Comprehensive Income & Expenditure Statement		**(91)**	**(918)**
HRA services share of Corporate & Democratic Core		1,169	1,311
HRA share of the other amounts included in the whole Council Net Cost of Services but not allocated to specific services		-	-
Net (Income)/Cost of HRA Services		**1,078**	**393**
HRA share of operating income & expenditure included in the Comprehensive Income & Expenditure Statement			
Other Operating Expenditure		(3,687)	(1,445)
Financing & Investment Income & expenditure		4,213	4,693
Taxation & Non-Specific Grant Income		(3,356)	(1,117)
(Surplus)/deficit for the year on HRA services		**(1,752)**	**2,524**

The amounts disclosed above may not match those in the Comprehensive Income and Expenditure Statement disclosure relating to the Housing Revenue Account as the figures above are after corporate recharges and those in the Comprehensive Account Income and Expenditure Statement are before these recharges.

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Movement in Reserves Statement (Housing Revenue Account)

	2024-2025 £'000	2023-2024 £'000
Balance at 1 April	(42,696)	(44,126)
Movement in reserves during Year		
(Surplus)/ deficit on provision of services	(1,752)	2,525
Other Comprehensive Income & Expenditure	-	-
Total Comprehensive Income & Expenditure	**(1,752)**	**2,525**
Adjustments between accounting basis & funding basis under regulations (Note 9)	(6,739)	(160)
Net Increase/ Decrease before Transfers to Earmarked Reserves	(8,491)	2,365
Transfers to/from Earmarked Reserves (Note 10)	134	(935)
Transfers between reserves	-	-
(Increase)/Decrease in Year	(8,357)	1,430
Balance at 31 March carried forward	**(51,053)**	**(42,696)**

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Notes to Housing Revenue Account Income & Expenditure Statement

1. Other Operating (Income) / Expenditure

	2024-2025 £'000	2023-2024 £'000
(Gains)/Losses on the disposal of non-current assets	(3,687)	(1,445)
Total	**(3,687)**	**(1,445)**

2. Financing and Investment Income and Expenditure

	2024-2025 £'000	2023-2024 £'000
Interest payable and similar charges	6,532	6,533
Pension interest cost and expected return on pension assets	112	435
Interest receivable and similar income	(2,431)	(2,275)
Total	**4,213**	**4,693**

3. Taxation and Non-Specific Grant Income

	2024-2025 £'000	2023-2024 £'000
Capital Grants and contributions	(3,356)	(1,117)
Total	**(3,356)**	**(1,117)**

4. Loan Charges

Under HRA self-financing the Council has adopted a 'two-pool' approach so that HRA self-financing loans and the resultant interest are directly attributable to the HRA. This has led to external interest charges of £6.532m being charged to the HRA in 2024-2025 (2023-2024 £6.532m).

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5. HRA Council Dwellings

At 31 March 2025 there were 14,130 HRA Council dwellings, of which 923 were sheltered housing units.

	31-Mar-25	31-Mar-24
	Total Stock	Total Stock
Parlour houses	279	281
Non-parlour houses	4,683	4,742
Non-traditional houses	598	608
Bungalows	332	332
Cottage properties	174	177
Flats	6,049	6,103
Maisonettes	455	460
Flats in tower blocks	404	404
Sheltered/Good Neighbour housing units	923	923
Passivhaus flats	81	72
Passivhaus houses	151	108
Passivhaus bungalows	1	1
	14,130	**14,211**

The changes in stock during the year can be summarised as follows:

Stock as at 1 April	**14,211**	**14,257**
Right to Buy sales	(134)	(69)
Other Dwelling Sales	-	(5)
Housing acquisitions	29	-
New Build Housing	24	28
Stock as at 31 March	**14,130**	**14,211**

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6. Housing Valuation

	31-Mar-25 £'000	31-Mar-24 £'000
Operational Assets:		
Council Dwellings (HRA)	890,898	870,637
Other Land & Buildings	28,216	27,509
Vehicle, Plant & Equipment	249	393
Infrastructure & Community Assets	2,197	2,197
Assets Under Construction	5,626	17,593
Surplus assets	-	-
Sub Total	**927,186**	**918,329**
Intangible Assets	430	567
Sub Total	**430**	**567**
Total	**927,616**	**918,896**

The above figure for HRA Council dwellings equates to the value for Council dwellings shown in Note 14 to the Core Financial Statements.

As set out in the Statement of Accounting Policies, Council dwellings are valued on the basis of Existing Use Value for Social Housing (EUV-SH). This value is less than the Vacant Possession Value to reflect the fact that Local Authority Housing is let at sub-market rents and, in broad terms, is arrived at after applying a regional adjustment factor of 62% (2023-2024 62%). The difference between the two values therefore shows the economic cost of providing housing at less than market value.

The Vacant Possession Value of all HRA Dwellings as at 31 March 2025 was £2,298.37m (31 March 2024 £2,246.10m).

7. Major Repairs Reserve

	2024-2025 £'000	2023-2024 £'000
Balance brought forward at 1 April	(13,993)	(10,397)
Depreciation charge for the year	(17,270)	(16,744)
Financing of capital expenditure for the year	13,203	13,148
Balance for the year	**(4,067)**	**(3,596)**
Balance Carried forward	**(18,060)**	**(13,993)**

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8. HRA Capital Expenditure

	2024-2025 £'000	2023-2024 £'000
Capital Investment		
Opening Capital Financing Requirement 1st April	208,533	208,533
Operational Assets	19,028	13,690
Other Land & Buildings	597	596
Vehicles, Plant & Equipment	-	58
Intangible Assets	48	17
Assets under Construction	1,007	10,687
Revenue Expenditure Financed as Capital	4,382	412
Appropriation to General Fund	-	-
	233,595	**233,993**
Sources of Finance		
Capital Receipts	(8,503)	(4,352)
Government Grants & Other Contributions	(3,356)	(1,117)
Major Repairs Reserve	(13,203)	(13,148)
Revenue Contributions	-	(6,843)
Closing Capital Financing Requirement 31 March	**208,533**	**208,533**

9. HRA Capital Receipts

In 2024-2025 total capital receipts from the disposal of HRA assets were:

	2024-2025 £'000	2023-2024 £'000
Other Land & Buildings	100	-
Council dwellings	12,969	6,662
Total	**13,069**	**6,662**

10. Depreciation

From 1 April 2012 depreciation of the council's housing stock is calculated by reference to the value at the previous 31 March. Council dwellings have their individual components identified as to the date of upgrade, and using the asset life as advised by the Council's valuers, depreciation associated with each properties components is calculated.

The amount of depreciation charged for the year was £17,599k (2023-2024 £17,058k).

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	2024-2025 £'000	2023-2024 £'000
Operational Assets		
Council dwellings	16,703	16,201
Other land & buildings	567	543
Vehicles, Plant & Equipment	144	132
Intangible Assets	185	182
Total	**17,599**	**17,058**

11. Impairment Costs

During the year there were £3.680m of impairment costs (2023-2024 £4.305m) relating to HRA assets, which are detailed in the tables below.

	2024-2025 £'000	2023-2024 £'000
Council Dwellings	3,137	4,116
Other Property	543	189
Total	**3,680**	**4,305**
Disabled Facilities adaptations not adding value	2,376	2,782
Lift installations not adding value	-	74
Housing alarm upgrades not adding value	-	139
Upgrades to District Heating schemes not adding value	216	160
Enhancement of HRA estates not adding value	67	379
Structural work to flats where lease has been sold not adding value	37	140
Other work to flats where lease has been sold not adding value	441	442
Other	543	189
Total	**3,680**	**4,305**

12. Pensions Reserve

As set out in the Statement of Accounting Policies at Note 1, the Council has restricted the accounting entries for the purposes of IAS19 'Retirement Benefits' to current service cost only for the HRA. This is reflected in the Net Cost of Services and a compensating adjustment is made to the Pensions Reserve in order that there is no impact on either the Surplus/(Deficit) for the year or subsequent rent levels.

13. Rent Arrears

Rent arrears at 31 March 2025 were £7.93m (2023-2024 £7.73m). The provision for doubtful debts (rents) at 31 March 2025 was £4.70m (2023-2024 £4.64m). Amounts written off during the year amounted to £0.395m (2023-20-24 £0.378m).

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The Collection Fund Revenue Account

The Collection Fund shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to local authorities and the Government of council tax and non-domestic rates.

	Business Rates	31-Mar-25 Council Tax	Total	31-Mar-24 Total
	£'000	£'000	£'000	£'000
INCOME				
Council Tax receivable	-	(106,741)	**(106,741)**	**(101,055)**
Business rates receivable	(65,996)	-	**(65,996)**	**(58,648)**
Council Tax Reduction Scheme	-	14,865	**14,865**	**14,509**
	(65,996)	**(91,876)**	**(157,872)**	**(145,194)**
EXPENDITURE				
Precepts & Demands:				
Central Government	31,933	-	**31,933**	**30,591**
Norfolk County Council	6,387	64,833	**71,220**	**67,052**
Norfolk Police Authority	-	12,248	**12,248**	**11,591**
Norwich City Council	25,546	11,524	**37,070**	**35,514**
Distribution of Estimated Surplus / (Deficit) for Previous Years:				
Central Government	716	-	**716**	**5,438**
Norfolk County Council	143	359	**502**	**1,242**
Norfolk Police Authority	-	68	**68**	**29**
Norwich City Council	573	65	**638**	**4,379**
Charges to Collection Fund:				
Transitional Protection Payment	(476)	-	**(476)**	**(2,772)**
Costs of Collection	262	-	**262**	**264**
Increase/decrease in Bad Debt Provision	566	(115)	**451**	**36**
Increase/decrease in Provision for Appeals	(117)	-	**(117)**	**(1,024)**
Write Offs of uncollectable amounts	39	497	**536**	**1,053**
	65,572	**89,479**	**155,051**	**153,393**
Collection Fund Balance b/fwd at 1 April	**(3,046)**	**(2,303)**	**(5,349)**	**(13,548)**
(Surplus) / Deficit for the year	(424)	(2,397)	**(2,821)**	**8,199**
Collection Fund Balance c/fwd at 31 March	**(3,470)**	**(4,700)**	**(8,170)**	**(5,349)**

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Notes to the Collection Fund Statement

1. Income from Business Rates

Since 1 April 2013 and the introduction of the Business Rates Retention Scheme, the Council collects national non-domestic rates (NNDR) for its area, which are based on local rateable values controlled by the Valuation Office multiplied by a uniform rate controlled by Central Government. The total amount, less certain reliefs and other deductions is paid to Central Government, Norwich City Council and Norfolk County Council in accordance with legislated percentages of 50%, 40% and 10% respectively.

The total non-domestic rateable value on 31 March 2025 was £186,909,412 (31 March 2024 £187,469,542). The national non-domestic rate multiplier for 2024-2025 was 54.6p in the £ (2023-2024 51.2p in the £). The small business multiplier for eligible businesses in 2024-2025 was 49.9p in the £ (2023-2024 49.9p in the £).

2. Council Tax

The calculation of the tax base, i.e. The number of chargeable dwellings in each Valuation Band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, is shown below:

Property Value	Band	2024-2025 Calculated Number of Properties in Band	2023-2024 Calculated Number of Properties in Band
Up to £40,000	A	11,201.11	11,102.47
£40,001 to £52,000	B	13,745.47	13,639.11
£52,001 to £68,000	C	6,665.11	6,634.67
£68,001 to £88,000	D	3,192.50	3,161.75
£88,001 to £120,000	E	2,486.61	2,454.83
£120,001 to £160,000	F	1,214.78	1,195.64
£160,001 to £320,000	G	963.75	959.58
Over £320,000	H	95.00	93.00
		39,564.33	**39,241.05**
Collection Rate		0.98 x	0.975 x
		38,773.00	**38,260.00**
Contribution in Lieu (relating to Crown Properties)		0.00	0.00
Tax Base		**38,773.00**	**38,260.00**

The tax rate per Band D property was £2,285.23 (2023-2024 £2,184.17).

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3. Council Tax Contribution to Collection Fund Surpluses & Deficits

The Council Tax surplus/deficit on the Collection Fund will be distributed in subsequent financial years between Norwich City Council, Norfolk County Council and Norfolk Police Authority in proportion to the value of the respective precept made on the Collection Fund.

	2024-2025 £000	2023-2024 £000
Norfolk County Council	3,448	1,685
Norfolk Police Authority	648	318
Norwich City Council	604	300
Surplus/(Deficit) Carried Forward	**4,700**	**2,303**

4. NNDR Contribution to Collection Fund Surpluses and Deficits

The NNDR surplus/deficit on the Collection Fund will be distributed in subsequent financial years between Central Government, Norwich City Council and Norfolk County Council in accordance with legislated percentages of 50%, 40% and 10% respectively. These percentages apply to any prior year surplus.

	2024-2025 £000	2023-2024 £000
Central Government	1,735	1,523
Norwich Council	1,388	1,218
Norfolk County Council	347	305
Surplus/(deficit) Carried Forward	**3,470**	**3,046**

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Group Financial Statements

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 Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with Lion Homes (Norwich) Ltd and Norwich City Services Ltd.

The following pages include:
Group Movement in Reserves Statement
Group Comprehensive Income and Expenditure Statement
Group Balance Sheet
Group Cash Flow Statement
Notes to the Group Accounts

These statements are set out on the following pages, together with accompanying disclosure notes.

2. 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.

Jointly Controlled Entities - where the Council exercises joint control with one or more organisations.

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:

Lion Homes (Norwich) Limited (LHL) (previously Norwich Regeneration Limited (NRL)	Subsidiary	Consolidated
Norwich City Services Limited (NCSL)	Subsidiary	Consolidated
Three Score Open Space Management Ltd	Subsidiary	Not material
Norwich City New Co Ltd	Subsidiary	Not material

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3. Lion Homes (Norwich) Limited (LHL)

Lion Homes (Norwich) Limited (LHL) was incorporated on 13 November 2015. It is wholly owned by Norwich City Council. It was set up to develop more housing for affordable rent (to be purchased by the HRA upon completion from LHL) and also to develop housing for private sale and market rent. The company accounts are subject to audit by Shaw & Co and have a financial year end of 31 March.

As a subsidiary, the accounts of LHL have been consolidated with those of the Council on a line by line basis, and any balances and transactions between parties have been eliminated in full. LHL expenditure and income, adjusted for transactions with the council, is shown within the Lion Homes (Norwich) Limited line in the Comprehensive Income and Expenditure Statement. As the performance of LHL is not reported alongside the Council's to management, the figures have been shown as a separate service line. Balance sheet values are incorporated into the relevant heading of the Balance Sheet, removing balances owed between the two parties.

Since the 31 March 2025, LHL has entered into a member voluntary liquidation arrangement process and has prepared 2023-2024 accounts on a break up basis using accounting policies consistent with those applied by the Council. The 2023-2024 accounts were finalised in December 2025 and filed at Companies House on 16th January 2026. The auditor for Lion Homes has issued a qualified audit opinion for the 2023-2024 accounts due to a limitation of scope arising from an ongoing independent investigation arising from a whistleblowing complaint. Although the company is unable to quantify the contingent liability in their accounts, the value is not considered material when consolidated into the council's group accounts.

The LHL ledger data reflecting the activity carried out during 2024-2025 has been used for consolidation into the 2024-2025 Group accounts using the break up basis.

4. Norwich City Services (NCSL)

Norwich City Services Ltd (NCSL) is a private limited company wholly owned by Norwich City Council. It was incorporated on 9 June 2020. NCSL delivers environmental and building repairs and maintenance services.

The company accounts are subject to audit by Shaw & Co. Copies of the accounts may be obtained from Companies House or by request to the Council.

As a subsidiary, the accounts of NCSL have been consolidated with those of the Council on a line-by-line basis, and any balances and transactions between parties have been eliminated in full. NCSL expenditure and income, adjusted for transactions with the council, is shown within the Norwich City Services Limited line in the Comprehensive Income and Expenditure Statement. As the performance of NCSL is not reported alongside the Council's to management, the figures have been shown as a separate service line. Balance sheet values are incorporated into the relevant heading of the Balance Sheet, removing balances owed between the two parties.

NCSL has prepared 2024-2025 accounts using accounting policies consistent with those applied by the Council, and no adjustments have been required to align accounting policies. NCSL has a financial year end of 31 March.

5. Three Score Open Space Management Ltd

This company has been set up to manage the open spaces around the Three Score development. The principle activity will be to maintain the open spaces on the Three Score site. Income to do this will be generated through homeowners paying over of an annual service charge to the company for the maintenance. This is incorporated within the contract to purchase any properties on the site.

The company had been set up initially as a subsidiary of LHL and NCC are registered as subscribers and have guarantee limit of £1 each should the company be wound up. LHL has been registered as being the Relevant Legal Entity with 75% ownership of the voting rights. NCC is named as an 'Other Registrable Person' again with 75% ownership of the voting rights (as it indirectly holds the voting rights as parent company of LHL). In the long term it is intended to hand the company over to the residents/stakeholders to manage at which point the ownership of the voting rights will be amended accordingly. Since 31 March

2025, LHL has entered into a member voluntary liquidation arrangement process and all assets and liabilities from LHL will be met by the City Council.

There are no material transactions in 2024-2025 or 2023-2024 therefore it is not included in the Group Accounts.

6. Norwich City New Co Ltd

Norwich City New Co Ltd was incorporated on 4 March 2019. The company has been set up to manage all private rental sector properties built by Lion Homes (Norwich) Ltd (LHL) or those that the new company may purchase itself as a business opportunity.

Norwich City New Co Ltd is a limited liability company using the Council's powers to set up such a company under S1 and S4 of the Localism Act 2011 and S95 of the Local Government Act 2003. The company is limited by shares all of which are wholly owned by the Council, and the council will have full control of its activities via the approval of an annual Business Plan.

No transactions have occurred in the company in 2024-2025 or 2023-2024, therefore the company will not be consolidated into the 2024-2025 Consolidated Group Statements.

7. Basis of Consolidation

The financial statements of Lion Homes (Norwich) Limited and Norwich Council Services Limited have been consolidated with those of Norwich City Council on a line by line basis which has eliminated balances, transactions, income and expenditure between the Council and the subsidiary. Since the 31 March 2025, LHL has entered into a member voluntary liquidation arrangement process and has prepared 2023-2024 accounts on a break up basis using accounting policies consistent with those applied by the Council. LHL ledger data reflecting the activity carried out during 2024-2025 has been used for consolidation into the 2024-2025 Group accounts using the break up basis.

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Group Movement in Reserves Statement

	Council usable reserves	Subsidiary usable reserves	Total Group usable reserves	Council unusable reserves	Subsidiary unusable reserves	Total Group unusable reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	**(161,740)**	**5,544**	**(156,196)**	**(885,104)**	**-**	**(885,104)**	**(1,041,300)**
Adjustment for the Implementation of IFRS 16	**-**	**-**	**-**	(136)	**-**	**(136)**	**(136)**
Adjusted Balance at 1 April 2024	**(161,740)**	**5,544**	**(156,196)**	**(885,240)**	**-**	**(885,240)**	**(1,041,436)**
Movement in Reserves in 2024/25:							
(Surplus)/ deficit on the provision of services	(4,055)	(777)	(4,834)	-	-	**-**	**(4,834)**
Other Comprehensive Income and Expenditure	-	-	-	(1,622)	-	**(1,622)**	**(1,622)**
Total Comprehensive Income and Expenditure	**(4,055)**	**(777)**	**(4,834)**	**(1,622)**	**-**	**(1,622)**	**(6,456)**
Adjustments between group accounts and authority accounts	(33)	33	-	-	-	**-**	**-**
Adjustments between accounting and funding basis under regulation	(10,639)	-	(10,639)	10,639	-	**10,639**	
Net increase/decrease before transfers to Earmarked reserves	**(14,727)**	**(744)**	**(15,471)**	**9,017**	**-**	**9,017**	**(6,456)**
Transfers to/from Earmarked reserves - note 10	-	-	-	-	-	**-**	**-**
Transfers between reserves	-	-	-	-	-	**-**	**-**
Other adjustments	-	-	-	-	-	**-**	**-**
(Increase)/Decrease in 2024/25	**(14,727)**	**(744)**	**(15,471)**	**9,017**	**-**	**9,017**	**(6,456)**
Balance at 31 March 2025	**(176,467)**	**4,800**	**(171,669)**	**(876,223)**	**-**	**(876,223)**	**(1,047,892)**

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	Council usable reserves	Subsidiary usable reserves	Total Group usable reserves	Council unusable reserves	Subsidiary unusable reserves	Total Group unusable reserves	Total Group Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2023	**(179,850)**	**7,057**	**(172,793)**	**(855,913)**	**-**	**(855,913)**	**(1,028,706)**
Movement in Reserves in 2023/24:							
(Surplus)/ deficit on the provision of services	7,978	(1,227)	**6,751**	1,233	-	**1,233**	**7,984**
Other Comprehensive Income and Expenditure	-	-	**-**	(20,578)	-	**(20,578)**	**(20,578)**
Total Comprehensive Income and Expenditure	**7,978**	**(1,227)**	**6,751**	**(19,345)**	**-**	**(19,345)**	**(12,594)**
			-			**-**	**-**
Adjustments between group accounts and authority accounts	(944)	944	**-**	-	-	**-**	**-**
			-			**-**	**-**
Adjustments between accounting and funding basis under regulation	9,846	-	**9,846**	(9,846)	-	**(9,846)**	**-**
			-			**-**	**-**
Net increase/decrease before transfers to Earmarked reserves	**16,880**	**(283)**	**16,597**	**(29,191)**	**-**	**(29,191)**	**(12,594)**
			-			**-**	**-**
Transfers to/from Earmarked reserves - note 10	-	-	**-**	-	-	**-**	**-**
Transfers between reserves	-	-	**-**	-	-	**-**	**-**
Other adjustments	-	-	**-**	-	-	**-**	**-**
			-			**-**	**-**
(Increase)/Decrease in 2023/24	**16,880**	**(283)**	**16,597**	**(29,191)**	**-**	**(29,191)**	**(12,594)**
			-			**-**	**-**
Balance at 31 March 2024	**(162,970)**	**6,774**	**(156,196)**	**(885,104)**	**-**	**(885,104)**	**(1,041,300)**

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Group Comprehensive Income and Expenditure Statement

	2024-2025			2023-2024 - Restated		
	Expenditure	Income	Net	Expenditure	Income	Net
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	472	0	**472**	356	(54)	**302**
Housing & Communities	17,838	(9,602)	**8,236**	22,896	(9,613)	**13,283**
Resources	65,503	(42,944)	**22,559**	58,388	(43,548)	**14,840**
Corporate Financing	(1,836)	(104)	**(1,940)**	1,000	(260)	**740**
Development & City Services	22,201	(15,598)	**6,603**	25,009	(16,301)	**8,708**
Housing Revenue Account	63,698	(80,297)	**(16,599)**	56,197	(74,742)	**(18,545)**
Lion Homes (Norwich) Limited	75	(141)	**(66)**	1,173	(27)	**1,146**
NCSL Ltd	21,397	(383)	**21,014**	18,710	(2,242)	**16,468**
Cost of Services	**189,347**	**(149,068)**	**40,279**	**183,729**	**(146,787)**	**36,942**
Other Operating Expenditure			**(4,149)**			**(1,606)**
Financing and Investment Income and Expenditure			**2,023**			**4,295**
Taxation and non-specific grant income and expenditure			**(42,987)**			**(31,646)**
(Surplus) or Deficit on Provision of Services			**(4,834)**			**7,984**
Surplus on revaluation of non-current assets.			**(34,646)**			**1,892**
(Surplus)/deficit from investments in equity instruments designated FVOCIE			**(75)**			**533**
Actuarial (gains)/losses on pension assets/liabilities			**33,099**			**(23,003)**
Other Comprehensive Income and Expenditure			**(1,622)**			**(20,578)**
Total Comprehensive Income and Expenditure			**(6,456)**			**(12,594)**

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Group Balance Sheet

		31 March 2025 £'000	31 March 2024 Restated £'000	01 April 2023 £'000
Property, Plant and Equipment	*Note 1*	1,081,460	1,056,241	1,071,400
Heritage Assets		33,731	25,940	25,783
Investment Properties	*Note 2*	98,250	95,422	101,385
Intangible Assets		2,264	2,302	1,958
Long Term Investments	*Note 3*	3,130	3,055	3,588
Long Term Debtors	*Note 4*	3,972	4,080	4,567
LONG TERM ASSETS		**1,222,807**	**1,187,040**	**1,208,681**
Assets Held for Sale		769	216	0
Short Term Debtors	*Note 5*	21,646	28,568	20,079
Inventories	*Note 6*	7,459	7,285	2,951
Short Term Investments		40,733	67,353	45,336
Cash and Cash Equivalents		63,333	26,256	91,488
CURRENT ASSETS		**133,940**	**129,679**	**159,854**
Short Term Creditors	*Note 7*	(40,029)	(35,467)	(52,645)
Provisions		0	0	(1,537)
Short Term Borrowing		(54,151)	(3,632)	(5,204)
Capital Grants Receipts in Advance		(133)	(130)	(966)
Revenue Grants Receipts in Advance		(510)	(597)	(8,678)
Lease liabilities		(743)	0	0
CURRENT LIABILITIES		**(95,566)**	**(39,826)**	**(69,030)**
Capital grants receipts in advance		(5,592)	(10,120)	(14,669)
Long Term Creditors		(6,641)	(379)	(514)
Provisions		(2,056)	(1,824)	(2,233)
Other Long Term Liabilities		(47,271)	(18,680)	(44,081)
Long Term Borrowing		(151,361)	(204,590)	(207,337)
Finance Leases		(369)	0	(1,965)
LONG TERM LIABILITIES		**(213,290)**	**(235,593)**	**(270,799)**
NET ASSETS		**1,047,892**	**1,041,300**	**1,028,706**
Usable Reserves		(171,669)	(156,196)	(177,275)
Unusable Reserves		(876,223)	(885,104)	(851,431)
TOTAL RESERVES		**(1,047,892)**	**(1,041,300)**	**(1,028,706)**

Signed: ALISTAIR RUSH

Date: 26th September 2025

Alistair Rush
Interim Chief Finance Officer (S.151)

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Group Cash Flow Statement

	2024-2025	2023-2024
	£'000	£'000
Net surplus or (deficit) on provision of services	4,833	(7,984)
Adjustment to Balance Sheet movement of IFRS16 opening adjustment	137	-
Adjustments to net surplus or deficit on provision of services for non-cash movements	57,916	5,690
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(35,470)	(18,513)
Net cash flows from Operating Activities	**27,416**	**(20,807)**
Investing Activities	(5,108)	(41,157)
Financing Activities	14,769	(3,267)
Net Increase or (decrease) in cash and cash equivalents	**37,077**	**(65,231)**
Cash and cash equivalents at 1 April	26,256	91,488
Cash and cash equivalents at 31 March	**63,333**	**26,257**

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Notes to the Group Accounts

Group Boundary

Lion Homes (Norwich) Limited (LHL) was incorporated on 13 November 2015. On 7 October 2016, the Council transferred 3.35 hectares of land at Bowthorpe at full market value to its wholly owned subsidiary Lion Homes (Norwich) Limited in exchange for 22,000 £100 shares in the company. It is a subsidiary for accounting purposes, and has been consolidated into the Council's group accounts.

Lion Homes (Norwich) Limited has now entered into a member voluntary liquidation arrangement process. As a result, in 2024-2025 the council as shareholder has impaired its holding.

Norwich City Services Limited was incorporated on 9 June 2020.

Accounting Policies

LHL and NCSL have prepared 2024-2025 accounts using accounting policies consistent with those applied by the Council.

There is only one addition to the stated accounting policies for the Council which needs to be included for LHL. This is the accounting policy for Inventories. There is no stated policy on Inventories within the council's accounting policies as these are immaterial for the Council. However Inventories are material for LHL.

The accounting policy is that Inventories are measured at the lower of cost and net realisable value. The cost of inventories is assigned using the First In First Out (FIFO) costing formula. The policy is consistent for both the Council and LHL.

All entities have a financial year end of 31 March. Disclosure notes have only been restated in the group accounts section where they are materially different from those of the Council's single entity accounts.

Prior Period Adjustment

Three prior period adjustments have been made to the Group financial statements for 2023-2024 as detailed below.

Adjustment due to change in basis of Lion Homes (Norwich) Ltd 2023-2024 Financial Statements
In 2023-2024, the draft accounts for Lion Homes (Norwich) Ltd (LHL) as supplied for the consolidation were produced on a going concern basis as appropriate at the time. Since 31 March 2025, LHL entered into a members' voluntary liquidation arrangement and as 2023-2024 accounts had not been filed for the company, these have now been updated to a break up basis. An adjustment has been made to the group accounts to reclassify fixed assets of £0.217m to inventories, revalue the investment properties downwards to market value (£0.051m), revalue work in progress downwards to realisable value (£0.496m), remove trade debts (£0.236m) and payables (£0.409m) owed between entities that were not fully eliminated previously, and correct the elimination of the loan split between short-term and long-term borrowings (£0.9m).

Adjustment due to correction of income recognition in Lion Homes (Norwich) Ltd in 2023-2024
The 2023-2024 draft Lion Homes (Norwich) Ltd accounts included 19 property sales, however during the audit, it was recognised that the legal completion of these sales had not been finalised as at 31 March 2024. An adjustment has therefore been made to these accounts to move the income (£6.063m) to the balance sheet as income in advance and the cost of these property sales (£5.232m) back on the balance sheet as WIP, leaving a net impact to the CIES of a reduction in profit of £0.831m. The full sales transaction of £6.947m was then eliminated on consolidation between assets under construction and prepayments. The net effect of both adjustments was a reduction in short term creditors of £0.883m.

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Error in presentation of Group 2023-2024 Cashflow Statement
An error was identified in the 2023-2024 group cashflow which was caused by inter-group transactions that were not eliminated appropriately, leading to the Net Surplus or Deficit on the Provision of Services presented in the Group Cashflow not matching the value presented in the Group CIES. This has been corrected by a reduction of deficit on provision of services of £2.273m, matched by an adjustment to non-cash movements, plus an increase of £0.5m within investing activities offset by a reduction in financing activities.

The prior period adjustments impact the 2023-2024 financial year only. No adjustments were required to the opening balances at 1 April 2023.

Effect on Comprehensive Income and Expenditure Statement

	Originally stated at 31 March 2024 Net Expenditure	Amount of restatement Break up	Amount of restatement Delayed Sales	Restated at 31 March 2024 Net Expenditure
	£000	£000	£000	£000
Corporate & Commercial Services	14,571	269	-	**14,840**
Lion Homes (Norwich) Limited	(270)	585	831	**1,146**
Cost of Services	**35,257**	**854**	**831**	**36,942**
Other Operating Expenditure	(1,463)	(143)	-	**(1,606)**
Financing and Investment Income and Expenditure	4,413	(118)	-	**4,295**
(Surplus) or Deficit on Provision of Services	**6,561**	**592**	**831**	**7,984**
Total Comprehensive Income and Expenditure	**(14,017)**	**592**	**831**	**(12,594)**

The adjustment due to change in basis for Lion Homes (Norwich) Ltd reduced income within the Corporate & Commercial Services by £0.269m as a result of cancelling debts owed by LHL, which then for Lion Homes (Norwich) Ltd increased expenditure by £0.585m, reduced other operating expenditure by £0.143m, and reduced financing and investment expenditure by £0.118m.

The adjustment due to correction of income recognition reduced the income for Lion Homes (Norwich) Ltd by £6.063m and reduced the expenditure by £5.232m.

Effect on Items in the Balance Sheet	Originally stated at 31 March 2024	Amount of restatement Break up	Amount of restatement Delayed Sales	Restated at 31 March 2024
	£000	£000	£000	£000
Property, Plant and Equipment	1,063,405	(217)	(6,947)	**1,056,241**
Investment Properties	95,473	(51)	-	**95,422**
Long Term Assets	**1,194,255**	**(268)**	**(6,947)**	**1,187,040**
Short Term Debtors	28,804	(236)	-	**28,568**
Inventories	2,549	(496)	5,232	**7,285**
Cash and Cash Equivalents	26,257	(1)	-	**26,256**
Current Assets	**125,179**	**(732)**	**5,232**	**129,679**
Short Term Creditors	(36,759)	409	883	**(35,467)**
Short Term Borrowing	(4,532)	900	-	**(3,632)**
Current Liabilities	**(42,018)**	**1,309**	**883**	**(39,826)**
Long Term Borrowing	(203,690)	(900)	-	**(204,590)**
Long Term Liabilities	**(234,693)**	**(900)**	**-**	**(235,593)**
Net Assets	**1,042,723**	**(592)**	**(831)**	**1,041,300**
Usable Reserves	**(157,619)**	592	831	**(156,196)**
Total Reserves	**(1,042,723)**	**592**	**831**	**(1,041,300)**

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The adjustment due to change in basis for Lion Homes (Norwich) Ltd reclassified fixed assets of £0.217m to inventories, revalued the investment properties downwards to market value (£0.051m), revalued work in progress downwards to realisable value (£0.496m), removed trade debts (£0.236m) and payables (£0.409m) owed between entities that were not fully eliminated previously, and corrected the elimination of the loan split between short-term and long-term borrowings (£0.9m).

The adjustment due to correction of income recognition reduced property, plant and equipment by £6.947m, reduced short term creditors by £0.883m, and increased inventories £5.232m due to sales not completing in 2023-2024.

Effect on Movement in Reserves Statement within Group Usable Reserves	Originally stated at 31 March 2024	Amount of restatement Break up	Amount of restatement Delayed Sales	Restated at 31 March 2024
	£000	£000	£000	£000
Balance at the end of the previous reporting	**(1,028,706)**	**-**	**-**	**(1,028,706)**
(Surplus)/ deficit on the provision of services	6,564	589	831	7,984
Adjustments between accounting and funding basis under regulation	(3)	3	-	-
(Increase)/Decrease in 2023-2024	**(14,017)**	**591**	**831**	**(12,594)**
Balance at 31 March 2024	**(1,042,723)**	**591**	**831**	**(1,041,300)**

The prior period adjustments affected only the Group Usable Reserves, matching the changes in Total Comprehensive Income and Expenditure.

	Originally stated at 31 March 2024	Amount of restatement Error Correction	Amount of restatement Break up	Amount of restatement Delayed Sales	Restated at 31 March 2024
	£000	£000	£000	£000	£000
Net surplus or (deficit) on provision of services	(8,833)	2,273	(592)	(831)	(7,984)
Adjustments to net surplus or deficit on provision of services for non-cash movements	6,540	(2,273)	592	831	5,690
Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(18,513)				(18,513)
Net cash flows from Operating Activities	**(20,806)**	**-**	**-**	**-**	**(20,807)**
					-
Investing Activities	(41,657)	500			(41,157)
Financing Activities	(2,767)	(500)			(3,267)
Net Increase or (decrease) in cash and cash equivalents	**(65,230)**	**-**	**-**	**-**	**(65,231)**
					-
Cash and cash equivalents at 1 April 2023	91,474	14			91,488
Cash and cash equivalents at 31 March 2024	**26,244**	**14**	**-**	**-**	**26,257**

The prior period adjustments affected the net surplus or (deficit) on provision of services by the change in the CIES above, matched by adjustments to non-cash movements.

The adjustment due to error in presentation reduced deficit on provision of services by £2.273m, matched by an adjustment to non-cash movements, and increased investing activities by £0.5m, offset by a reduction in financing activities.

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1. Property, Plant and Equipment

Movements in 2024-2025	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles, Plant, Furniture and equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Lion & NCSL £'000	Assets Under Construction £'000	Total Property, Plant & Equipment £'000
Cost or Valuation								
At 1 April 2024	**889,318**	**164,242**	**14,571**	**2,840**	**13,933**	**-**	**14,821**	**1,099,725**
Adjustment for the Implementation of IFRS 16	-	482	1,512	-	-	-	-	**1,994**
Adjusted Balance at 1 April 2024	**889,318**	**164,724**	**16,083**	**2,840**	**13,933**	**-**	**14,821**	**1,101,719**
Additions	19,028	11,271	1,037	221	290	-	15,716	**47,562**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	12,541	1,071	-	-	-	32	-	**13,644**
Revaluation decreases recognised in the Surplus / (Deficit) on the Provision of Services	(13,315)	(435)	-	-	-	-	-	**(13,750)**
Revaluation write back of prior year deficit recognised in the Surplus / (Deficit) on the Provision of Services	1,799	210	-	-	-	40	-	**2,049**
Derecognition – Disposals	(8,768)	-	(530)	-	-	-	-	**(9,298)**
Derecognition - Other	(306)	-	-	-	-	-	-	**(306)**
Demolition	-	-	-	-	-	-	-	**-**
Assets Reclassified (to) / from Held for Sale	-	-	-	-	-	-	-	**-**
Other Movements in Cost or Valuation	11,940	(185)	850	-	2,978	193	(20,759)	**(4,983)**
Other reclassifications	-	-	-	-	-	-	-	-
At 31 March 2025	**912,237**	**176,656**	**17,440**	**3,061**	**17,201**	**265**	**9,778**	**1,136,638**
Accumulated Depreciation & Impairment								
At 1 April 2024	**(18,680)**	**(12,537)**	**(10,683)**	**(1,584)**	**-**	**-**	**-**	**(43,484)**
Adjustment for the Implementation of IFRS 16	-	(99)	(727)	-	-	-	-	**(826)**
Adjusted Balance at 1 April 2024	**(18,680)**	**(12,635)**	**(11,410)**	**(1,584)**	**-**	**-**	**-**	**(44,309)**
Depreciation charge	(16,703)	(4,748)	(1,718)	(82)	-	-	-	**(23,251)**
Depreciation written out to the Surplus/Deficit on Provision of Services	4,851	91	-	-	-	-	-	**4,942**
Depreciation write-back on revaluation to Revaluation Reserve	11,852	1,160	-	-	-	-	-	**13,012**
Impairment losses / (reversals) recognised in CIES	(2,875)	(3,396)	-	-	-	-	-	**(6,271)**
Impairment losses / (reversals) recognised in RR	215	-	-	-	-	-	-	**215**
Derecognition – Disposals	-	-	484	-	-	-	-	**484**
Derecognition - Other	-	-	-	-	-	-	-	-
At 31 March 2023	**(21,340)**	**(19,528)**	**(12,644)**	**(1,666)**	**-**	**-**	**-**	**(55,178)**
Net Book Value								
At 31 March 2025	**890,897**	**157,128**	**4,796**	**1,395**	**17,201**	**265**	**9,778**	**1,081,460**
At 31 March 2024	870,638	151,705	3,888	1,256	13,933	-	14,821	1,056,241

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Restated Movements in 2023-2024	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture and equipment	Infrastructure Assets	Community Assets	Lion & NCSL	Assets Under Construction	Total Property, Plant & Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation								
At 1 April 2023	**902,952**	**158,686**	**13,581**	**2,835**	**13,379**	**-**	**16,280**	**1,107,713**
Additions	13,690	2,855	1,213	5	604	-	7,326	**25,693**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(20,544)	4,594	-	-	-	-	-	**(15,950)**
Revaluation decreases recognised in the Surplus / (Deficit) on the Provision of Services	(9,969)	(2,441)	-	-	-	-	-	**(12,410)**
Revaluation write back of prior year deficit recognised in the Surplus / (Deficit) on the Provision of Services	19	1,072	-	-	-	-	-	**1,091**
Derecognition – Disposals	(4,333)	(156)	(196)	-	-	-	-	**(4,685)**
Derecognition - Other	(381)	-	-	-	-	-	-	**(381)**
Demolition	-	-	-	-	-	-	-	**-**
Assets Reclassified (to) / from Held for Sale	(895)	(220)	-	-	-	-	-	**(1,115)**
Other Movements in Cost or Valuation	8,779	83	(27)	-	(50)	-	(8,785)	**-**
Other reclassifications	-	(231)	-	-	-	-	-	(231)
At 31 March 2024	**889,318**	**164,242**	**14,571**	**2,840**	**13,933**	**-**	**14,821**	**1,099,725**
Accumulated Depreciation & Impairment								
At 1 April 2023	**(15,359)**	**(9,614)**	**(9,836)**	**(1,504)**	**-**	**-**	**-**	**(36,313)**
Depreciation charge	(16,201)	(2,971)	(1,043)	(80)	-	-	-	**(20,295)**
Depreciation written out to the Surplus/Deficit on Provision of Services	4,305	210	-	-	-	-	-	**4,515**
Depreciation write-back on revaluation to Revaluation Reserve	11,896	1,643	-	-	-	-	-	**13,539**
Impairment losses / (reversals) recognised in CIES	(3,361)	(2,299)	-	-	-	-	-	**(5,660)**
Impairment losses / (reversals) recognised in RR	40	329	-	-	-	-	-	**369**
Derecognition – Disposals	-	156	196	-	-	-	-	**352**
Derecognition - Other	-	9	-	-	-	-	-	**9**
At 31 March 2024	**(18,680)**	**(12,537)**	**(10,683)**	**(1,584)**	**-**	**-**	**-**	**(43,484)**
Net Book Value								
At 31 March 2024	**870,638**	**151,705**	**3,888**	**1,256**	**13,933**	**-**	**14,821**	**1,056,241**
At 31 March 2023	887,593	149,072	3,745	1,331	13,379	-	16,280	1,071,400

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The Council operates a 5-year rolling programme of revaluations in relation to land and buildings except for revaluation of Housing Revenue Account Assets which is carried out on an annual basis. LHL had a marketing suite held in property, plant and equipment valued at £0.232m at 1 April 2023. This was transferred into stock as part of the members' voluntary liquidation arrangement process within 2023-2024. LHL held no fixed assets in 2024-2025.

NCSL have made several improvements to leasehold property which are currently included in the balance sheet at a net cost of £1.268m, based on historic cost less depreciation. Property, plant and equipment for the single entity is measured at current value and revalued at least every five years, by the Council's external valuers NPS. The valuation cycle is shown in the table below and more details on the valuations can be found at Note 14 to the single entity accounts.

In prior years, IFRS16 adjustments made by the company have been stripped out of the Group Accounts. IFRS16 was adopted by the Council in April 2024 in accordance with the requirements of the CIPFA Code of Practice and therefore the group data now reflects the requirements of the accounting standard.

VALUATION CYCLE	Council dwellings	Other Land &Buildings	Community assets	Infrastructure	Vehicles Plant etc.	Surplus properties	Assets under construction	Total PPE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valued at historical cost		1,616	17,201	1,395	4,795	0	9,778	34,785
Valued at current value								-
2024-25	890,898	14,903				265		906,066
2023-24		69,879						69,879
2022-23		68,286						68,286
2021-22		1,197						1,197
2020-21		1,246						1,246
	890,898	**157,128**	**17,201**	**1,395**	**4,795**	**265**	**9,778**	**1,081,460**

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2. Investment Properties

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

	2024-2025 £'000	2023-2024 £'000
Rental income from investment property	(7,252)	(7,034)
Direct operating expenses arising from investment property	3,225	2,907
Net (gains)/losses from fair value adjustments	4,396	5,868
Total	**369**	**1,741**

	2024-2025 £'000	2023-2024 £'000
Balance at start of the year	**95,422**	**101,380**
Additions	3,741	98
Purchases	-	-
Disposals	(473)	(207)
Net gains / (losses) from fair value adjustments	(4,397)	(5,849)
Transfers (to) / from Property, Plant & Equipment	3,957	-
Balance at end of year	**98,250**	**95,422**

The table above includes investment properties held by LHL as at 31 March 2025. These are units of accommodation held by the company for rental to the private sector.

3. Long Term Investments

	2024-2025 £'000	2023-2024 £'000
Lion Homes (Norwich) Limited	-	-
Norwich City Services Ltd	-	-
Municipal Bonds Agency	100	100
Legislator 1656	3,030	2,955
Total	**3,130**	**3,055**

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4. Long Term Debtors

	2024-2025			2023-2024
	Debtors	Provision for Bad Debt	Net Debtors	Net Debtors
	£'000	£'000	£'000	£'000
Advances for House Purchase: Council Houses Sold	-	-	-	-
Norfolk County Council Transferred Debt	54	-	**54**	**54**
Deferred Capital Receipt	0	-	**0**	**247**
Decent Home Loans	2,547	(2,169)	**378**	**370**
Finance Lease > 1 year	1,594	-	**1,594**	**1,631**
Home Improvement Loans	237	(43)	**194**	**194**
Housing Benefit Overpayments	4,137	(3,114)	**1,023**	**898**
Shared Equity Dwellings	160	-	**160**	**155**
SALIX	305	-	**305**	**253**
Debts with legal charge over property	34	-	**34**	**34**
Wholly owned subsidiary	-	-	-	-
Other Long Term Debtors	230	-	**230**	**244**
Total	**9,298**	**(5,326)**	**3,972**	**4,080**

5. Short Term Debtors

		Restated	
	2024-2025	2023-2024	2022-2023
	£'000	£'000	£'000
Amounts falling due within one year:			
Trade Customers			
- HRA Rentpayer	3,485	(1,697)	3,120
- Other Trade Customers	2,349	8,867	6,433
Collection Fund			
- Taxpayers (Council Tax & Business Rates)	2,186	1,392	1,340
- Preceptors	-	-	(1)
Other Receivables	5,032	4,878	6,288
Prepayments	8,594	15,129	2,899
Total short term debtors	**21,646**	**28,569**	**20,079**

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6. Inventories

	2024-2025	2023-2024
	£'000	£'000
Balance 1 April	7,285	2,951
Purchases	6,308	4,361
Recognised as an expense in the year	(6,134)	(27)
Transfers	-	-
Balance 31 March	**7,459**	**7,285**
Council Stock	7,097	792
LHL	222	6,355
NCSL	140	138
Total	**7,459**	**7,285**

Under the members voluntary liquidation arrangement process a marketing suite of £0.222m was reclassified to stock in LHL in 2023-2024. In 2024-2025, sales of 24 completed properties to the council were finalised and development costs recognised as an expense.

7. Short Term Creditors

	2024-2025	Restated 2023-2024	2022-2023
	£'000	**£'000**	**£'000**
Amounts falling due within one year:			
Preceptors	(7,708)	(6,026)	(11,667)
Trade Payables	(8,220)	(14,133)	(20,764)
Other Payables	(12,985)	(7,345)	(11,577)
Receipts in Advance	(11,116)	(7,964)	(8,637)
Total short term creditors	**(40,029)**	**(35,467)**	**(52,645)**

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Glossary of Terms

Accounting Period
The period of time covered by the accounts, normally a period of twelve months, that commences on 1 April for local authority accounts. The end of the accounting period, i.e. 31 March, is the balance sheet date.

Accrual
A sum included in the final accounts attributable to the accounting period but for which payment has yet to be made or income received.

Amortisation
A measure of the consumption of the value of intangible assets, based on the remaining economic life.

Asset
An item having a value measurable in monetary terms. Assets can either be defined as fixed or current. A fixed asset has use and value for more than one year where a current asset (e.g. stocks or short-term debtors) can readily be converted into cash.

Audit of Accounts
An independent examination of the Council's financial affairs, which ensures that the relevant legal obligations and codes of practice have been followed.

Balance Sheet
A financial statement that summarises the Council's assets, liabilities and other balances at the end of the accounting period.

Billing Authority
A local authority charged by statute with the responsibility for the collection of and accounting for council tax, NNDR and residual community charge. These in the main are district council's, such as Norwich, and unitary authorities.

Budget
A financial statement that expresses the council's service delivery plans in monetary terms. This covers as a minimum the same period as the financial year but increasingly council's are preparing medium-term financial plans covering 3 to 5 years.

Capital Expenditure
Expenditure to acquire fixed assets that will be used in providing services beyond the current accounting period or expenditure that adds value to an existing fixed asset.

Capital Financing
The raising of money to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, direct revenue financing, usable capital receipts, capital grants, capital contributions and revenue reserves.

Capital Financing Requirement
The capital financing requirement reflects the Council's underlying need to borrow for a capital purpose.

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Capital Programme
The capital schemes the council intends to carry out over a specified time period, often within a 6 to 10 year timeframe.

Capital Receipt
The proceeds from the disposal of land and other assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government, but they cannot be used for revenue purposes.

Cash Equivalents
Investments that mature in 90 days or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Chartered Institute Of Public Finance and Accountancy (CIPFA)
The principal accountancy body dealing with local government finance.

CIPFA Code of Practice on Local Authority Accounting
This specifies the principles and practices of accounting to be followed when preparing the Statement of Accounts. It constitutes “proper accounting practice” and is recognised as such by statute.

Collection Fund
A separate fund maintained by a billing authority which records the expenditure and income relating to council tax, NNDR and residual community charges.

Community Assets
Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions in their disposal. Examples of community assets are parks.

Comprehensive Income and Expenditure Statement
This statement reports the net cost for the year of all the functions for which the Council is responsible, and demonstrates how that cost has been financed from general government grants, and income from local taxpayers. It brings together expenditure and income relating to all the local authority’s functions.

Consistency
The concept that the accounting treatment of like items within an accounting period, and from one period to the next one is the same.

Contingent Liability
A possible obligation arising from past events, 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.

Creditor
Amounts owed by the Council for work done, goods received or services rendered before the end of the accounting period but for which payments have not been made by the end of that accounting period.

Debtor
Amounts due to the Council for work done, goods received or services rendered before the end of the accounting period but for which payments have not been received by the end of that accounting period.

Depreciation
The measure of the cost or revalued amount of the benefits of a fixed asset that have been consumed during the accounting period.

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Effective Rate of Interest
The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the balance at initial measurement.

Exceptional Items
Material items which derive from events or transactions that fall within the ordinary activities of the Council, and which need to be disclosed separately, by virtue of their size or incidence, such that the financial statements give a true and fair view.

Fair Value
The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Finance Lease
A lease which transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee. Not the same as an Operating Lease (q.v.).

Financial Instruments
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term 'financial instrument' covers both financial assets (e.g. bank deposits and investments), and financial liabilities (e.g. trade payables and borrowings).

Financial Reporting Standard (FRS)
Financial Reporting Standards cover particular aspects of accounting practice, and set out the correct accounting treatment, for example, of depreciation. Compliance with these standards is normally mandatory and any departure from them must be disclosed and explained.

Fixed Assets
Tangible assets that yield benefits to the Council, and to the services it provides, for a period of more than one year.

Housing Revenue Account
A separate account to the General Fund, which includes the expenditure and income arising from the provision of housing accommodation owned by the Council.

Impairment
The term used where the estimated recoverable amount from an asset is less than the amortised cost at which the asset is being carried on the balance sheet.

Infrastructure Assets
Fixed assets belonging to the Council which do not necessarily have a resale value (e.g. highways), and for which a useful life-span cannot be readily assessed.

Intangible Fixed Assets
These are assets which do not have a physical substance, e.g. software licences, but which yield benefits to the Council and the services it provides, for a period of more than one year.

Minimum Revenue Provision
MRP is a charge to the revenue account in relation to capital expenditure financed from borrowing or credit arrangements.

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Movement in Reserves Statement
This statement precedes the Comprehensive Income and Expenditure Statement. It takes into account items, in addition to the Income and Expenditure Account surplus or deficit, which are required by statute, and non-statutory proper practices, to be charged or credited to the General Fund, Housing Revenue Account & other reserves.

Movement in Reserves Statement – Housing Revenue Account
This statement follows the Housing Revenue Account Income and Expenditure Statement. It takes into account items, in addition to the Income and Expenditure Account surplus or deficit, which are required by statute, and non-statutory proper practices, to be charged or credited to the Housing Revenue Account.

NNDR (National Non-Domestic Rate)
National Non-Domestic Rate is a standard rate in the pound, set by the government, on the assessed rateable value of properties used for business purposes.

Non-Current Asset
Tangible assets that yield benefits to the Council, and to the services it provides, for a period of more than one year.

Operating Lease
A lease that does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Not the same as a Finance Lease (q.v.).

Outturn
Refers to actual income and expenditure or balances as opposed to budgeted amounts.

Precept
The amount which a local authority, which cannot level a council tax directly on the public, requires to be collected on its behalf. The major precepting authorities are Norfolk County Council and Norfolk Police Authority.

Provisions
Monies set aside for liabilities which are likely to be incurred, but where exact amounts or dates are uncertain.

Prudential Code
The Prudential Code, introduced in April 2004, sets out the arrangements for capital finance in local authorities. It constitutes ‘proper accounting practice’ and is recognised as such by statute.

Rateable Value
The annual assumed rental value of a property, which is used for business purposes.

Reserves
The accumulation of surpluses and deficits over past years. Reserves of a revenue nature can be spent or earmarked at the discretion of the Council. Reserves of a capital nature may have some restrictions placed on them as to their use.

Revenue Expenditure
Spending on day to day items, such as employees’ pay, premises costs and supplies and services.

Revenue Expenditure Funded from Capital under Statute (REFCUS)
Expenditure which legislation allows to be classified as capital for funding purposes when it does not result in expenditure being carried on the Balance Sheet as a fixed asset. The purpose of this is to enable the expenditure to be funded from capital resources rather than be charged to the General Fund and impact on that years’ council tax.

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Revenue Support Grant
The main grant paid by central government to a local authority towards the costs of their services.

SERCOP (Service Reporting Code of Practice)
The Service Reporting Code of Practice provides guidance on the content and presentation of costs of service activities within the CIES. It constitutes 'proper accounting practice' and is recognised as such by statute.

Tangible Assets
See Fixed Assets (q.v.)

Transfer of Undertakings (Protection of Employment) Regulations (TUPE)
This protects employees' terms and conditions of employment when a business is transferred from one owner to another. Employees of the previous owner when the business changes hands automatically become employees of the new employer on the same terms and conditions.

Trust Funds
Funds administered by the Council for such purposes as prizes, charities and specific projects, usually as a result of individual legacies and donations.

Two Tier Authority
In most areas of England, local government functions are divided between two tiers of local authority, county council's, known as "upper tier" authorities and city, borough or district council's, known as "lower tier" authorities.

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REAR COVER TO BE INSERTED IN FINAL VERSION

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