



**Melton  
Borough  
Council**

# **Narrative Statement**

Helping People. Shaping Places.



**2023/2024**

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# **1. Introduction to the 2023/24 Statement of Accounts by Dawn Garton, Director for Corporate Services (Section 151)**

I am pleased to present Melton Borough Council's Statement of Accounts for the financial year ended 31 March 2024. The published accounts are an important element of the overall arrangements for demonstrating the Council's financial stewardship of public money. Whilst by their very nature the accounts are backward-looking they provide the context for the challenging financial position, exacerbated by the pandemic that continues to have, an impact on the Council's finances, primarily the ongoing loss of income in key areas. The year-end financial position for 2023/24 has been particularly challenging due to the inflationary impacts on the council's finances.

The current economic climate continues to prove challenging for the Council in terms of financial management and is currently in a period of great uncertainty due to the long promised funding review and ongoing impacts of inflationary increases. We hope that any new government will recognise the valuable contribution districts make to local communities, economic and housing growth and support us financially accordingly.

The preparation of the 2023/24 accounts in a timely manner enables the Council to finalise its consideration of the financial position for the year and to move on to address the challenges that 2024/25 and later years will bring. Challenges in external audit resources have meant that the last three years 2020/21 to 2022/23 have all been disclaimed with only a light touch value for money option provided. .

The Statement of Accounts has been prepared in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA). It aims to provide information so that the reader can:

- Understand the overarching financial position of the Council and the outturn for 2023/24;
- Have confidence that public money has been used and accounted for in an appropriate manner; and
- That the financial position of the Council is sound and secure.

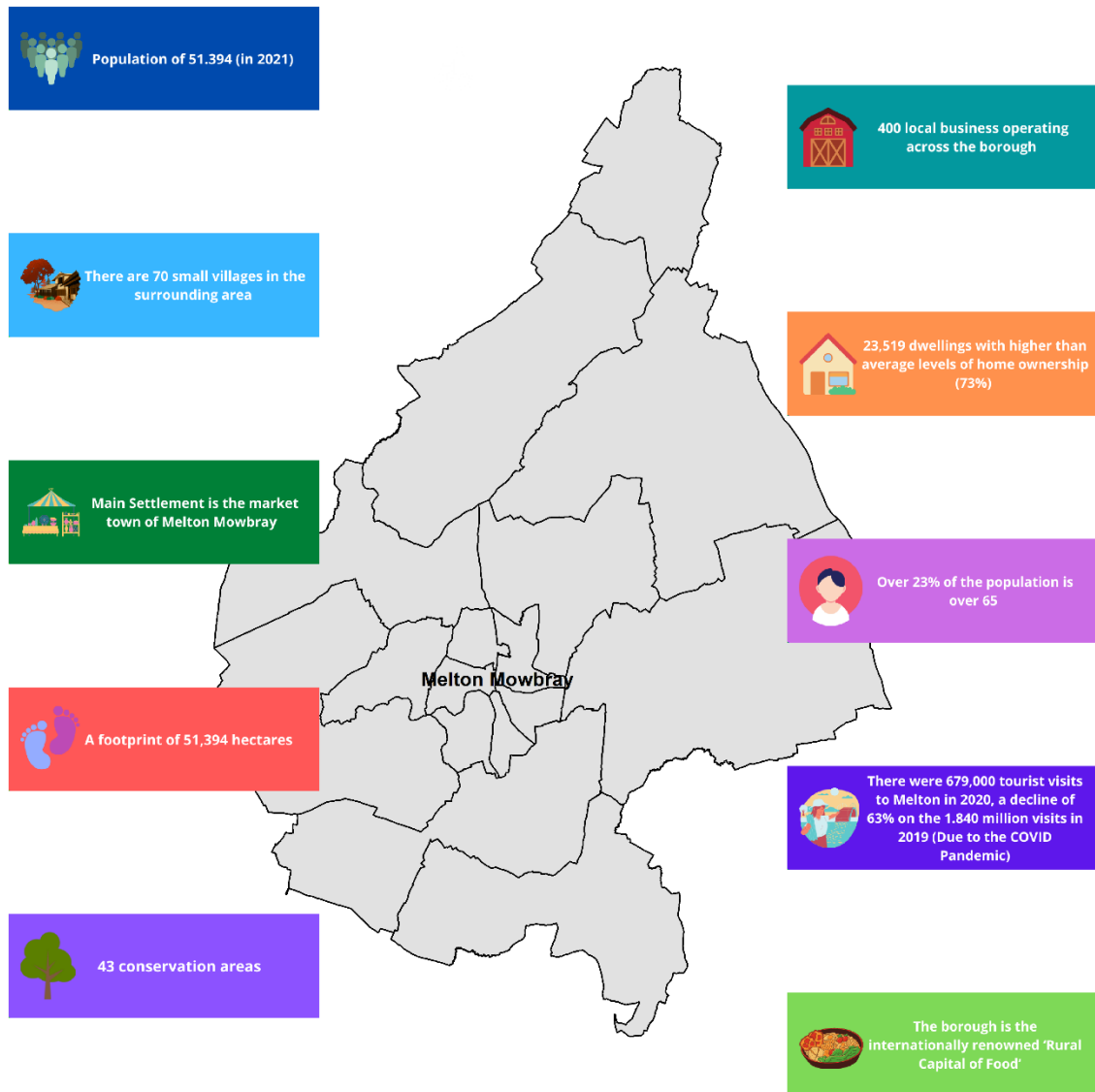
The style and format of the accounts complies with the CIPFA standards and is similar to previous years. The narrative report provides information about Melton, including the key issues affecting the accounts. It also provides a summary of the financial position at 31 March 2024. I would like to thank all of my team and other officers who have supported the process and have worked so hard to meet this challenging target. In addition, my thanks also go to the team and services who have managed the

budgets throughout the year in order to bring actual expenditure in at the year-end under budget whilst delivering on service promises.

Dawn Garton FCPFA

Director for Corporate Services

## 2. About Melton



On the map above you can see some of the key statistics about the borough of Melton. More detailed and up to date statistics regarding the borough of Melton are set out in our [State of Melton report](#) which is refreshed on an annual basis to capture the key data and statistics which inform the Council's decision-making.

### 2.1 About the Council

Melton is a borough council serving the people, communities and businesses of Melton located in northeast Leicestershire. The Council serves over 51,800 residents over 16 wards with 28 elected councillors.

The Council is one of seven district (or borough) councils in Leicestershire which operate within a two-tier system where responsibilities are divided between the district or borough council and Leicestershire County Council.

Following the local elections on 23rd May, 2024, the Labour Group have 6 Councillors, the Conservative Group has 11 Councillors, and there are 9 Independents as well as two non-aligned members.

Councillors set the strategy and policy direction for the Council and Officers work within the direction that has been set. A Leader is elected by the Council on a four yearly basis and is currently led by Councillor Pip Allnatt, who has appointed a Cabinet to make decisions on key strategic issues. Each Councillor who sits on the Cabinet has a portfolio or responsibility for a particular council function, such as Housing and Communities or Economic Development and Regeneration.

In order, to ensure that the Cabinet can be held to account for the decisions it makes, the Council has appointed a Scrutiny Committee. This is made up of Councillors who are not members of the Cabinet. Their role is to assist the Cabinet with policy development and to scrutinise the decisions that the Cabinet is about to or has already taken.

The Council also has 4 Regulatory Committees which deal with matters regarding Planning, Licensing and Audit and Standards. There is also a Committee for employment matters relating to certain Senior Officers.

More information on the political representation of the Council can be found on the [website](#).

Melton contains [26 local councils \(25 parish councils and 1 parish meeting\)](#). Melton Mowbray is not a parished area.

Alicia Kearns is the Conservative MP for [Rutland and Melton](#), and has been an MP continuously since 12 December 2019.

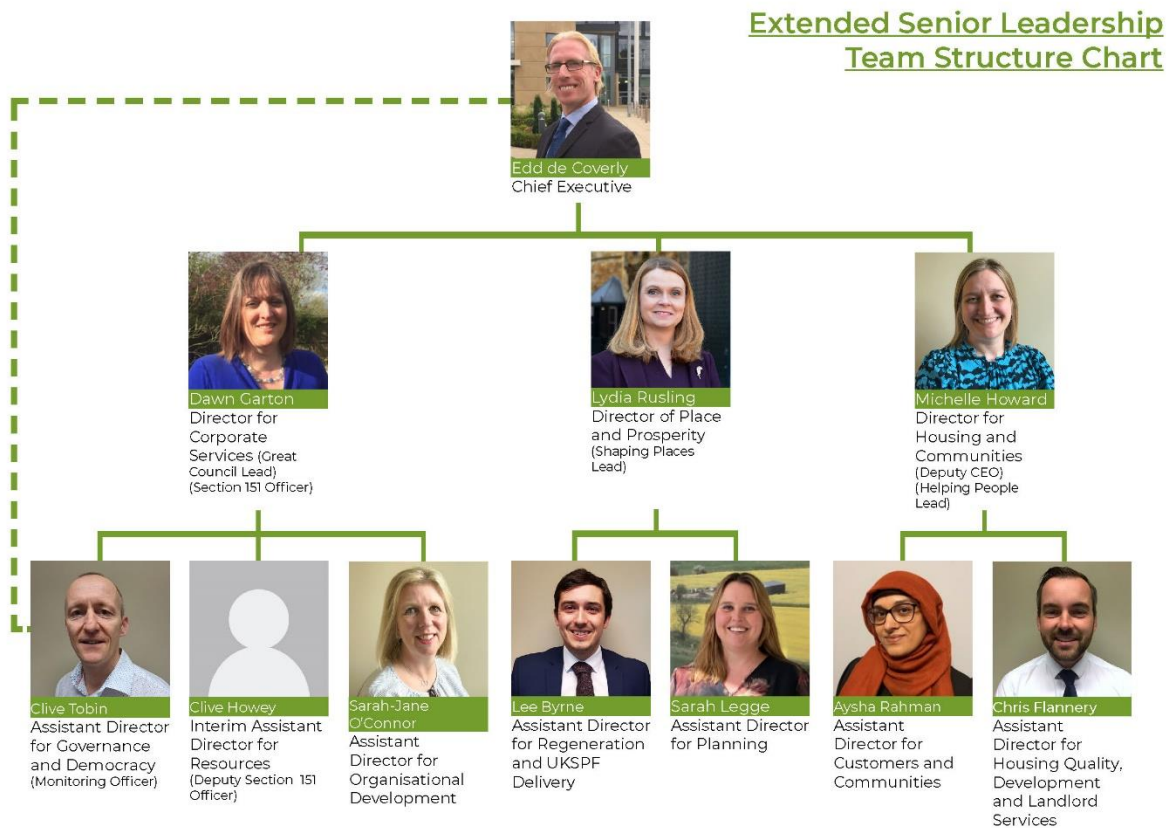
The Council employs approximately 200 full-time and part-time staff.

The Council delivers a full range of services and works in partnership with Leicestershire County Council and many other agencies, including the Health Service, the Police, and the Fire Service.

Some of our key Partnerships which help us to deliver for the residents include:

- Leicester and Leicestershire Local Economic Partnership
- Community Safety Partnership/Safer Melton Partnership
- Leicestershire Waste Partnership
- Melton Business Improvement District (BID)
- Melton Sport and Health Alliance
- Helping People Partnership Board
- Place Board
- Parish Councils
- Community Support Hub
- Leicestershire Rural Partnership
- IT Partnership

## 2.2 How the Council delivers services.



**The Council is divided into three directorates namely:**

- Corporate Services
- Growth and Regeneration
- Housing and Communities

### **Corporate Services**

The services delivered by our teams in Corporate Services are set out below:

- Benefits
- Council Tax & NNDR
- Communications and Public Relations including Website and Social Media
- Corporate Consultation and Engagement
- Finance
- Human Resources
- Information Technology (ICT)
- Internal Audit
- Procurement through the Welland Procurement Unit
- Corporate Complaints
- Data Protection
- Democratic Services
- Elections and Electoral Register

- Legal Services
- Mayor and Civic Duties
- Post and Reprographics
- Performance and Policy

## **Growth and Regeneration**

The services delivered by our teams in Growth and Regeneration are set out below:

- Corporate Policy & Asset Management
- Economic Development (including Town Centre Management & Funding)
- Enforcement: breaches of licensing & planning control, tenancy, place
- Environmental Health: food safety, pollution; environmental crime, Disabled Facilities Grants via 'Lightbulb,' Stray Dogs contract
- Licensing (Taxis, alcohol sales Late Hours Catering and Entertainment etc)
- Strategic Housing
- Building Control
- Conservation
- Development Control (Planning Applications, Appeals and pre application
- Emergency & Business Continuity Planning
- Planning Control
- Land Charges / Personal searches
- Melton Local Plan and other planning policy

## **Housing and Communities**

The services delivered by our teams in Housing and Communities are set out below:

- Burial & Cemetery
- Community Safety/Family Intervention
- Customer Services
- Environmental/Grounds Maintenance Services
- Housing Benefit & Council Tax
- Housing - /Homelessness/Housing Needs/Repairs & Tenant Liaison
- Leisure & Culture
- Community Support Hub and Case Management
- Neighbourhood Management
- Young People & Seniors
- Waste Management & Recycling
- Housing Asset including housing repairs
- Tenancy Services including the Intensive Housing Management Team (sheltered housing)
- Housing Development



## 2.3 Our Corporate Priorities

Our Corporate Strategy 2024-2036, which sets out our long-term ambitions for the next 12 years, and the work we are going to undertake to deliver them.

### [Corporate Strategy 2024 -2036 – Melton Borough Council](#)

## 2.4 Policy Framework

Shown below are the key policies and strategies that shape what we do as a Council and in partnership with stakeholders.

### Regional and Sub Regional Strategy

- Leicestershire Sustainable Community Strategy
- Levelling Up Fund with Rutland County Council
- Leicester and Leicestershire Economic Growth Strategy 2021-2030
- Leicester and Leicestershire Strategic Growth Plan 2050
- Helping People Partnership Board
- Place Board
- Midlands Engine

### Our Corporate Strategies

- Vision 36 and Corporate Delivery Plan
- Medium Term Financial Strategy 2024 – 2028
- Treasury Management Strategy
- Capital Strategy
- Way We Work Strategy
- Local Plan
- Single Equality Scheme
- Commercial Strategy

### Our Corporate Priority Strategies

- **Key Strategies**
  - Melton Community Strategy 2015-2025
  - Integrated People Offer
  - Economic Development Strategy
  - Risk Management Strategy
- **Service Specific**
  - Housing Revenue Account Business Plan
  - Housing Revenue Account Asset Management Plan
  - Housing Strategy
  - Asset Management Plan
  - Customer Feedback and Complaints Policy
  - UK Shared Prosperity Fund Investment Plan
  - Communications and Engagement Strategy

- **Partnership Plans**

- Leicestershire Joint Strategic Needs Assessment 2022-2025
- Melton BID Business Plan 2021-2026
- Community Health and Wellbeing Plan 2023-2028

## 2.5 Trade Union Time

Item	Details
<b>1. Total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)</b>	➤ 2 staff (2.0 FTE) 7.8 days / 58 hours union activity per year
<b>2. Percentage of working hours spent on facility time</b>	<ul style="list-style-type: none"> <li>➤ 0% of working hours: 0 representatives</li> <li>➤ 1 to 50% of working hours: 2 representatives</li> <li>➤ 51 to 99% of working hours: 0 representatives</li> <li>➤ 100% of working hours: 0 representatives</li> </ul>
<b>3. The names of all trade unions represented in the local authority</b>	➤ UNISON
<b>4. Total pay bill and facility time costs</b>	See items below
• <b>Total pay bill:</b>	➤ £8,314,318.53
• <b>Total cost of facility time</b> - A basic estimate of spending on unions (calculated as the number of full-time equivalent days spent on union duties multiplied by the average salary), and	• £807
• <b>Percentage of pay spent on facility time</b> - A basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full-time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill)	• 0.02

## 2.6 Equalities

The Council publishes a Single Equality Scheme (SES) which covers all our legal duties as required by The Equality Act 2010. The current scheme was approved by Council in April 2024 with a new action plan 2024-2028. Actions that will continue into the new Plan have already been incorporated within this, but this will be a live document and further actions and workstreams may be identified and included as this work progresses.

Melton Borough Council also has an existing Equality Policy. It is considered that it would be good practice to use the opportunity as part of a planned review in 2024/25 to develop the policy. The refresh of the Council's Equality Policy would complement and support delivery of the equality statement and action plan.

### **3. Key Factors that have influenced the financial position of the Council in 2023/24**

The overriding factor the council has faced over the course of 2023/24 has been the ongoing inflationary pressure on the councils' finances to maintain a balanced budget in year. The current economic climate continues to prove challenging for the Council in terms of financial management and future financial sustainability is currently in a period of great uncertainty.

The Governments review of local government funding is still outstanding which could see significant changes in how resources are distributed across the country and different classes of authority. This continues to be delayed and confirmation is still awaited of when this will take place along with the planned business rates baseline reset and replacement scheme for New Homes Bonus. This creates great uncertainty for the Council's finances.

An important focus continues to be on how economic growth can be enabled to bring in medium to longer term financial returns through NNDR, and council tax, which will help underpin the financial viability of the Council over the longer term.

#### **Reserves, financial performance and financial position**

Taking into account the in-year pressures the close monitoring of the budget and proactive action taken as a result has resulted in a better position overall for general expenses with an increase to the corporate priorities reserve over that forecast. This is a similar position for Special Expenses Melton Mowbray at the financial year end with improved reserve balance that previously forecast but with the need to consider future cemetery provision this makes the position on this fund extremely challenging.

The Council's medium term financial strategy approved in February 2024 when the budget for 2024-25 was approved provides forward forecasts for the next 3 financial year. These indicate potential deficits in later years as a result of inflationary pressures, demand, cessation of time limited funding streams and service changes. There is also considerable uncertainty regarding the nature and level of government funding in the future for local authorities and the risk of changes to the business rates retention formula which could see significant sums of retained business rates being lost. The increase to the general fund reserves over that forecast helps provide more resilience but the position remains challenging due to the council's relatively low level of unallocated reserves overall. Allocations from the business rates pool have also helped by increasing the level of reserves.

In recent years, the council has successfully managed any potential deficits in its budget through the development and utilisation of a Financial Sustainability Plan, which has set out a range of options for efficiencies, savings or additional income. This has facilitated the stability of the council's reserves. In view of the projected budget deficit for 2025/26, it is proposed to continue development of options and ideas within the Financial Sustainability Programme in order to secure future financial sustainability.

Capital remains low although the asset development programme is aimed at addressing this. The Council's minimum reserve - the Working Balance has increased to the £1m level recommended by the LGA following their review of the council's financial sustainability.

With regard to the impact on capital, the Council has a modest programme in respect of the general fund and the HRA did have large underspends, but this was mainly due to the delay on the affordable housing new build scheme and the majority of works linked to decent homes standard in the HRA business plan were delivered. Funding has been carried forward into 2024/25 to complete any ongoing schemes.

### **Cash flow management**

The Council has in place an annual cashflow forecast that covers both weekly and monthly incomings and outgoings during the financial year. This has been closely monitoring over the year to understand any significant impacts. Investments are placed across a number of different products including 30-day notice accounts and money market funds which both provide access to more liquid funds, ensuring a greater balance is available for urgent cashflow requirements which might arise. The Council has maturity laddering in place to ensure an even spread of investments maturing throughout the year to help with cashflow requirements should something unexpected happen. We are assessing each maturity on a case-by-case basis.

The Council does not have any borrowing on the General Fund and the HRA self-financing loan is fixed-rate borrowing so there is no impact on changes to repayment amounts.

All controls and prudential indicators have been maintained in accordance with the Treasury Management Strategy.

Additional investment income returns have been achieved in excess of budgeted amount due to higher balances in year coupled with a sudden and sharp upturn up in interest rates during the year.

### **Major risks to the Authority**

The Council's Chief Financial Officer has a duty under the Local Government Act 2003 in setting the budget to comment on the robustness of the estimates and the adequacy of the reserves. This requires that effective budget monitoring procedures are set in

place to monitor expenditure and income against the budget and careful consideration is given to determining the level of reserves.

There are a number of financial pressures and uncertainties which could affect the estimates particularly in future years and collectively these indicate significant financial pressure on the council's resources. The forward projections have been subjected to sensitivity analysis in light of the potential risks associated with particular items and assumptions. These do indicate potential wide fluctuations in any year which could see the likely surpluses/deficits being substantially different to those expected. This emphasises both the high level and impact of the risks that face the Council's finances in the future. In recognition of the significance of these risks, there is a risk contained within the Council's corporate risk register relating to finance. As a corporate risk an action plan is in place and is actively managed, linked to the Financial Sustainability Plan.

In terms of any going concern assessment, the main mitigating factor is that the authority continues to have available general fund balances above the current recommended minimum working balance. At the end of 2024-25 it is budgeted to be £3.287m which is £2.287m above the minimum level taking into account the balance on the Corporate Priorities Reserve, Regeneration and Innovation Reserve and Working Balance. Additionally, the Council's cash flow forecasts anticipate that cash balances will remain in a positive position for at least 12 months following approval of these financials statements and do not forecast a need to borrow. The Council has undertaken cash flow modelling through to March 2025 which demonstrates the Council's ability to work within its Capital Financing Requirement and Cash management framework, with sufficient cash balances forecast at the end of the period. We are therefore confident that the going concern basis of accounting will continue to be applicable for a period of 12 months from the date of approval of these financial statements.

#### **4. The 2023/24 Revenue Budget Process**

The budget was scrutinised by the Senior Leadership Team and the Scrutiny Committee prior to submission to Cabinet to consider the draft estimates and to provide guidance on a number of areas for both General and Special Expenses.

The budget for 2023/24 was prepared on the basis of maintaining services at their agreed levels except where the Council has already agreed to a change in which case any change in cost has been incorporated into the base budget. The proposed budget aligns with and continues to focus on enabling delivery of aspirations set out in the Corporate Strategy.

The growth and savings proposals were discussed at the scrutiny committee held in January 2023, with the formal budget proposals taking into account member feedback being recommended to Council by Cabinet at their meeting on 8 February 2023. At

the meeting of Full Council held on 23 February 2023 the 2023/24 budget was formally approved.

After taking into account the proposed savings and growth proposals, the budget for 2023/24 was balanced with the use of a contribution from the Corporate Priorities Reserve to meet the modest deficit. Given volatility both in the economy, the general uncertainty regarding public finances, and late notice of the finance settlement, this is considered a reasonable approach, so as to avoid hastily introducing savings proposals without time to properly consider or consult on implications.

HRA rent setting and budget proposals for 2023/24 were presented to Council and approved at the same meeting including a 7.21% rental increase in line with the governments rent formula. The budget was based on the HRA 30-year Business Plan which was presented to Cabinet in July 2022 and the Asset Management Plan presented to Cabinet in November 2022. Both of these evidence-based plans provide for robust budget setting and clear plans to invest in council homes.

## 5. Council Tax

As part of the Cabinet recommendations to Council, council tax was recommended to allow for an overall increase in council tax of 2.99% across all Council funds in line with the Government's referendum limit.

This was formally approved by the Council at their meeting on 23 February 2023. During this period the other major preceptors of Leicestershire County Council, Police & Crime Commissioner for Leicestershire and Leicestershire Combined Fire Authority also set their precepts and charges along with the Parish Councils.

The comparison of Council Tax levels for 2022/23 and 2023/24 is shown below:

<b>Organisation</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>Increase %</b>
Melton Borough Council (average for whole area excluding Parish Councils)	217.64	224.14	2.99
Leicestershire County Council	1,452.96	1,525.46	4.99
Police & Crime Commissioner for Leicestershire	258.23	273.23	5.81
Leicestershire Combined Fire Authority	74.29	79.29	6.73
Parish Councils (average for whole area)	69.66	72.36	3.88

<b>Organisation</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>Increase %</b>
Average for whole area (including precepts)	2,040.05	2,140.31	4.91

## 5.1 Council Tax Base

The revision to the 2023/24 Tax base, resulting in an increase of 340 to the number of Band D equivalents to 19,698 in total (as shown in the table below), produced an increase in Council tax income of £128k when taking into account the council tax increase of 2.99% on an average band D property to £224.14 the borough as a whole (excluding parish councils).

<b>Council Tax Base</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Number of Band D Equivalent dwellings	19,088	19,358	19,698

## 5.2 Collection Fund

The payments out of the Collection Fund for the in-year Council Tax (excluding prior year surpluses/deficits) from 2021/22 to 2023/24 are set out in the table below and show a year-on-year increase in funding available for the Precepting Bodies reflecting the increase in Council Tax Base and any general increases on the Council Tax charge.

<b>Organisation</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>
Leicestershire County Council	26,930	28,127	30,049
Police & Crime Commissioner for Leicestershire	4,738	4,999	5,382
Leicestershire Combined Fire Authority	1,322	1,438	1,562

## 6. Medium Term Financial Strategy for 2024/25 to 2026/27

In drawing up this projection a number of assumptions have been made regarding service expenditure and income following discussions with budget holders, and

scrutiny by the Senior Leadership Team. Some of the key assumptions that have been made in preparing these forward projections as follows:

- That an overall increase in council tax of 2.99% will be set in future years;
- There will be significant increases in external audit fees from 2024/25 with variations in the assumptions made
- That there is likely to be a reduction or removal of the current management fee paid in respect of leisure, due to challenges facing the sector currently and the need to procure a new service contract from 2024
- Varying assumptions made regarding the future of fixed term posts currently funded from reserves
- The expected position is based on the current level of service provision with assumptions incorporated regarding general inflation changes to prices and pay, pension costs and income streams and estimated changes in demand. No allowance is made as part of the projections for the delivery of any financial sustainability savings or income generation which would require a change to service levels/policy. This is to enable the true surplus/deficit to be identified that will require management intervention in order to address the position
- Growth projections for council tax growth have been based on the housing growth figures provided by the local plans team
- An allowance have been made for the transfer of the land charges service to the Land Registry in 2024/25
- No allowance has been made for the potential introduction of mandatory food waste collection with the assumption that any additional costs will be covered by a new burdens payment. The Leicestershire Waste and Resources Strategy 2022-2050 caveats a proposal relating to food collection, noting that implementation would be subject to total and ongoing government funding.

This results in the following projected balances on the General fund:

Item	2024/25	2025/26	2026/27
Potential Surplus (-)/Deficit	£000	£000	£000
General Fund	317	567	825
Special Expenses	67	68	69

As outlined above the proposed budget for 2024/25 is not a balanced one with the proposals being that the modest deficit be met from the Corporate Priorities Reserve. Given volatility both in the economy, the general uncertainty regarding public finances, and late notice of the finance settlement, this is considered a reasonable approach, so as to avoid hastily introducing savings proposals without time to properly consider or consult on implications.

Discussions relating to distribution of the funds available through the Business Rates Pool were concluded during the year covering the period 2020/21 to 2024/25 and allocations have started to be made for the earlier years which has boosted reserves. Melton Borough Council is one of 9 councils in the pool and this allows for



significant additional funds, in the medium term, however there are multiple calls on this money. If the future financial position as forecast is not addressed then a process to review discretionary services would need to be undertaken to enable identification of potential services areas where reductions and savings could be agreed.

## **7. Projected Level of Balances**

With regard to the revenue reserves the council has three main categories. These are either 'earmarked'; for a specific purpose, 'general'; where the use is flexible and 'working balances'; which are in effect a contingency for unforeseen but risk assessed events.

In relation to the non-earmarked general reserves, they are available to support a range of projects which may be required for the Council to deliver, as well as being available to support capital expenditure should that be necessary due to a low level of capital receipts being held. The reserves have in recent years been utilised to support non-recurring expenditure in support of structural changes, and to balance the budget as is proposed for 2023/24. The reserves had stabilised in recent years and been boosted from the business rates pool but it is clear that the financial challenges are now increasing, and this is putting significant pressure on these moving forward. The Council clearly has a structural deficit that needs to be addressed through the financial sustainability programme and the actions required to address this shortfall will have a lead time to implement and in some cases a cost of implementation which will continue to put pressure on the reserves and is likely to cause further reductions in their levels.

CIPFA (the Chartered Institute of Public Sector Finance and Accountancy) have issued a Financial Resilience index for all councils which is available publicly. This is in response to concerns regarding the viability of councils. It is suggested that Chief Finance Officers should comment on the results as part of their statement on the adequacy of the reserves as part of their budget reports. COVID-19 had an impact on the index in 2020/21 and CIPFA stated this year should therefore be viewed in the context of this having been a transitional year. This therefore impacts on the ability to draw clear conclusions on movements between years for this period. The index continues to illustrate the financial resilience of authorities but figures on reserves have been affected by a series of coronavirus-related payments at the very end of the 2020/21 financial year. The latest version of the indicator has some reserve indicators missing for some authorities including Melton so once again it is difficult to draw conclusions in this area. The key messages for Melton for the residual indicators are as follows:

- Compared to other district councils, and particularly similar district councils classed as being our "nearest neighbours" in terms of comparability, Melton has a high level of debt and interest payable to net revenue expenditure. This is because the indicators include HRA debt. Not all councils have a HRA and therefore it is difficult to draw comparisons in this area, particularly given MBC has no general fund debt currently;

- Melton continues to be shown as being at a lower risk compared to similar authorities and other districts as a result of generating a high proportion of income from fees and charges. This is because this places less reliance on central government for funding with fees and charges being within the authority's control. However, when events such as the pandemic occur such income can become a significant risk. Melton is also shown as having a higher proportion of council tax in relation to its net revenue expenditure which is also deemed a lower risk again due to the lower reliance on central government funding. However, this is similar to its nearest neighbours reflecting the position that such rural authorities are lower funded and therefore will have had to rely on higher council tax over the years to fund service provision;
- Melton is at a lower risk compared to similar authorities and other districts as a result of having lower business rates growth. The implications being that with this source of funding being at risk of the baseline being reset, above which a portion of growth is retained, Melton has comparatively less to lose than other councils.

The need to draw on reserves to balance the 2023/24 budget due to what is a structural deficit will mean that future years indices will be negatively affected. The action and proposals to increase the working balance is a prudent one and sets a clear level for the minimum level of reserves in what are challenging financial circumstances. It does need to be recognised that should reserves above the minimum level deplete further, the ability to support the financial implications of change and transformation from reserves – e.g. costs arising from changes to staffing structure – will be more difficult and such costs could have to be met from within the annual revenue budget. This would therefore require sufficient savings to be made in year or income generated to meet these costs. Should reduced funding from central government result in further savings and efficiencies having to be made then there is a high risk that reserves would need to be drawn on to support the associated one-off costs of achieving these. Whilst not covered by the resilience index, as set out in the capital strategy, the Council is vulnerable due to its low level of capital receipts and the ongoing need to invest in existing assets that have needs identified through stock condition surveys. If assets are not identified for sale that will generate additional receipts that can be invested elsewhere -opportunities for which are limited – then the council will need to identify revenue it can use to fund such capital expenditure directly or to fund the costs of borrowing. The council has an asset development programme which is progressing and this should lead to the realisation of capital receipts which would be available for asset improvements or investment elsewhere for a revenue return.

At the meeting of Full Council on the 23 February 2023 the total reserves as at 31 March 2023 was predicted to be £16.587m and were expected to decrease to £13.626m as at 31 March 2024 as result of financing the capital programme in the main. The Statement of Accounts revises the level of balances at the end of 2023/24 to £14.899m mainly as a result of in year underspends resulting in a reduced need to use reserves, capital programme underspend, business rate pool allocations and additional one-off monies received in year.

## **8. Budget Monitoring**

For the purpose of budget monitoring, services are designated as one of three categories which determines the level and frequency of budget monitoring. These are:

- High risk and complex budgets.
- High risk budgets.
- Lower risk budgets.

The categorisation of the various services are reviewed annually in consultation with the Senior Leadership Team and reported to The Council as part of the annual budget report.

During the financial year revenue and capital budget monitoring information is reported to Cabinet. The Senior Leadership Team receives monthly finance reports on the revenue position, and they also undertake regular monitoring of the Capital Programme.

In addition, treasury management performance is also reported to Cabinet and then The Council as part of the CIPFA code of best practice on Treasury Management which includes the Annual Strategy, Mid-year Performance Review and Annual Report.

## **9. Capital Strategy and Capital Programme**

The Council has a five-year capital programme. The Senior Leadership Team are taking a proactive approach in ensuring a realistic and affordable programme is developed, that meets the Council's priorities and objectives as set out in the various strategies set out in the Corporate Policy Framework.

The Capital Programme and Capital Strategy was approved at the Council meeting on 23 February 2023 and provided the framework within which the Council's capital investment plans will be delivered.

It is good financial practice to incorporate the financial effects of capital spending plans into revenue budgets prior to the consideration and approval of the revenue budgets. As such Members of the scrutiny committee reviewed the projects for both General and Special Expenses for the capital programme in 2023/24 prior to the formal cabinet recommendations. These proposals were incorporated into the revenue budget and prudential indicators as part of the Treasury Management Strategy presented to Council.

In total the original capital programme in 2023/24 was £3.607m (before any carry forward were approved at year end), which included £2.592m spend on the HRA. The majority of funding comes from Capital Receipts and third-party contributions with respect to the general fund and for the HRA the Major Repairs Reserve and cash backed depreciation. As 2023/24 progressed, the initial plans were revised to incorporate expenditure carried forward from the previous year, approvals and scheme updates as information became available.

As part of the updated Prudential Code for Capital Finance in Local Authorities there is a requirement to produce a Capital Strategy which links into the Treasury Management Strategy. The purpose of the capital strategy is to tell a story that gives a clear and concise view of how a local authority determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. It need not duplicate other documents but should include cross references where relevant. It should provide enough detail to ensure that all members understand how the authority is delivering stewardship of the authority's resources, prudence and sustainability and meeting the authority's reporting requirements. The strategy links to the priorities as set out in the Corporate Strategy.

The strategy sets out the links to external influences and partners as well as the linkages to the Council's own priorities and planned activities. In terms of the financial implications and links to affordability, as set out in the strategy, work has been undertaken on refreshed stock condition surveys which have been reviewed and built in the Council's investment strategy. These will then feed into Asset Management Plans for both the General Fund, which was approved in 2023/24 and the approved Housing Revenue Account (HRA). Due to the unaffordable level of investment required on the general fund assets, it is proposed to focus on essential repairs which is reviewed annually through the corporate property team to then feed into the annual budget process.

An updated HRA business plan was approved during 2022/23 which provides a framework for capital investment planning. The Asset Management Plan is used to set budgets each year and is updated on an annual basis. This will ensure that it remains current and relevant in line with a changing financial context and regulatory environment. The Asset Management Plan is an evidence led document. It is informed by a comprehensive condition survey of almost 90% of the Council's housing stock and by consultation with residents as part of the development of the HRA Business Plan.

With the limited capital resources at the Council's disposal, it is highly likely that future funding needs may need to be met from borrowing which will impact on the council's revenue budget unless investment is met by savings in expenditure or additional income being generated. The stock condition surveys for the General Fund have been used to develop an asset management plan which can be considered alongside the baseline revenue budget available for repairs to assess ongoing affordability. The capital repairs identified from the surveys will be used to update the capital strategy and inform future capital needs.

## 10. Revenue Outturn Position 2023/24

### General Expenses

A balanced budget was set for 2023-24 with some utilisation of reserves and the table below shows the impact of the provisional year end position against the latest approved budget:

Item	Approved Budget	Provisional Year End Position	Variance to Budget (Underspend) / overspend
	£'000	£'000	£'000
Original Net Budget	4,508	-	-
Approved c/fwds from 2022/23	252	-	-
Approved Supplementary Estimates	55	-	-
<b>Revised Budget</b>	<b>4,815</b>	4,069	(746)
<b>Total funding</b>	<b>(4,248)</b>	<b>(4,136)</b>	<b>112</b>
<b>Net Surplus (-) / Deficit for year</b>	<b>567</b>	<b>(67)</b>	<b>(634)</b>
<b>Funded by</b>			
C/fwd Reserve	(252)	<b>(252)</b>	0
Regeneration & Innovation Reserve	0	<b>(44)</b>	(44)
Corporate Priorities Reserve	(465)	<b>(84)</b>	381
Net position	(150)	<b>(447)</b>	<b>(297)</b>
<b>Contributions to reserves</b>			
Working Balance	150	<b>150</b>	<b>0</b>
Overall net position	0	<b>(297)</b>	<b>(297)</b>
Less c/fwds into 2024/25	0	<b>297</b>	<b>297</b>
<b>Overall Surplus (-) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

The original net expenditure budget in respect of General Expenses for 2023-24 prior to council tax and grant funding was set at £4.508m, which was subsequently updated to an approved budget of £4.815m. The increase takes into account the budgets brought forward from the previous financial year (£252k) and supplementary estimates agreed in year (£55k).

Following the approval of the supplementary estimates and carry forwards the approved net budget for 2024-24 provided for a balanced budget with a draw on the Corporate Priorities Reserves of £465k including a contribution of £150k to the working balance as shown from the overall net position in the table above.

The provisional year end position shows a net surplus, prior to the use of reserves, of £67k which is an underspend of £634k when compared to the latest approved budget. After, allowing for the carry forwards (£297k), other reserve funding (£44k) and the increase to the Working Balance by £150k as previously approved by Council, this has resulted in an improved position on the Corporate Priority Reserve of £381k that isn't required to be drawn down. This compares to the forecast underspend of £9k which was reported to Council in February when the budget for 2024-25 was set.

## KEY VARIANCES

### General Fund – Underspends

- **Grant Funding (£308k)** – various grants received have been utilised to support existing corporate commitments and pressures. This includes Asylum support £97k, Homes for Ukraine £35k, Levelling Up Fund staffing support costs £70k and revenues and benefits new burdens funding £106k. Whilst this has been welcome in year to help with existing pressures and has significantly contributed to the underspend this funding isn't something we can always rely on in the base budget going forward.
- **Case Management (£46k)** – Equalities Officer underspend and extra grant income: Armed Forces and Senior Lead (one-off).
- **Customer Services (£39k)** – Multiple staff savings during the year and computer equipment underspend which will be an ongoing saving moving forward.
- **Miscellaneous Finance (£130k)** – Reduction in doubtful debt provision following year end calculation due to lower debt levels and in year write off of legacy debt which mainly relates Rent Rebates and Rent Allowances as outlined below as part of the overspend areas which partly offsets this.
- **Corporate and Democratic core (£25k)** - Reduction in members Special Responsibility Allowance claims due to dual roles and also no cabinet support and one less portfolio holder than originally anticipated has led to an underspend.

- **Emergency Planning (£24k)** - £24,720 carry forward requested for the Local Resilience Partnership (three-year commitment) which has been funded from corporate underspends that were moved into this budget during the year.
- **NNDR Collection** – Increased S31 payments which are awarded to cover national business rate reliefs for the year. Majority of the which is made up of Retail, Hospitality and Leisure Discount. These additional S31 payments have been offset through a reduction in retained business rates shown as funding in the above table of £112k to leave an overall benefit of £9k to the council in year in relation to business rates.
- **Corporate Services (£33k)** – Various in year savings on employee pension costs, software maintenance and support plus lower than anticipated professional fee support required this year.
- **Income Streams (£42k)** – various income streams have exceeded budget in year including Licencing, Car Parks and Cattle market who have all seen a modest level of additional income generated in year.
- **Phoenix House (£66k)** – additional income has been secured through the one off back dated historical service charges invoiced to tenants.
- **Interest (£421k)** – significant level of additional investment income returns in excess of budgeted amount due to a steep and unexpected upturn in interest rates over the past year.

### **General Fund – Overspends**

- **Waterfield Leisure Centre (£29k)** – Additional costs incurred on legal fees to support the procurement of the new leisure contract and payment due to contractor for utility costs due as part of the contract arrangements in place at the time.
- **Rent Rebates and Rent Allowances (£107k)** – There has been additional admin subsidy received in year which has been broadly offset by a shortfall in overpayment recovery, however the main reason for the overspend is the in year write offs totalling £105k which is covered by the bad debt provision and should help stabilise the budget in the future.
- **Melton Lifeline (£27k)** – Shortfall in income alongside increased equipment costs due to the digital switchover.
- **Parkside (£27k)** – Overspends relate to utility costs which have seen an increase in charges linked to inflationary rises.

- **Development Control (£234k)** – £195k Shortfall expected in planning income based on applications received in year which whilst significantly down this it wasn't quite as bad as forecast during the year. A further £40k has been incurred on legal costs related to planning appeals.
- **Building Control (£21k)** – Increase in partnership costs due to lack of applications and therefore loss of income. Interest rate rises and economic outlook which has had a detrimental effect on building improvements and new builds.
- **Environmental Maintenance (£31k)** – High cost and volume of vehicle maintenance works due to delays in replacing equipment alongside additional contract works costs on tree works, grass cutting and other ad hoc items.

## SPECIAL EXPENSES

A balanced budget was set for 2023-24 utilising reserves and the table below shows the impact of the provisional year end position against the latest approved budget for Special Expenses (Melton Mowbray):

Item	Approved Budget	Provisional Year End Position	Variance to Budget (Underspend) / overspend
	£'000	£'000	£'000
Original Budget	698	-	-
Approved c/fwds 2022/23	20	-	-
<b>Revised Budget</b>	<b>718</b>	<b>653</b>	<b>(65)</b>
Non-service related costs	(99)	(84)	15
<b>Net Expenditure</b>	<b>619</b>	<b>569</b>	<b>(50)</b>
<b>Total Funding</b>	<b>(503)</b>	<b>(503)</b>	<b>0</b>
<b>Net Surplus (-) / Deficit for year</b>	<b>116</b>	<b>66</b>	<b>(50)</b>
<b>Funded by</b>			
C/fwd Reserve	(20)	<b>(20)</b>	0
Special Expense Reserve	(96)	<b>(96)</b>	<b>0</b>
Overall net position	0	<b>(50)</b>	<b>(50)</b>



<b>Item</b>	<b>Approved Budget</b>	<b>Provisional Year End Position</b>	<b>Variance to Budget (Underspend) / overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
plus c/fwds into 2024/25	0	50	50
<b>Overall Surplus (-) / Deficit for year</b>	0	0	0

The net revenue expenditure in respect of Special Expenses (MM) for 2023-24 was originally estimated at £698k, which was subsequently updated to an approved budget of £718k. The increase took into account budgets brought forward from the previous financial year (£20k). After taking into account the use of reserves to fund carry forwards from 2022-23 and budgets contributions from the Special Expenses Reserve there is a net surplus of £50k which will be used to fund the proposed carried forwards into 2024-25. This forecast outturn reported to members in February 2024 predicted £112k would be required from the Special Expenses Reserve but as only £96k was required this has increased the anticipated balance by £16k at year end.

The main reason for the underspend is an ongoing carry forward from 2020-21 on the cemetery review which has only been partly spent and a further amount required to complete the feasibility review (£20k). Alongside this, there was less expenditure on play area maintenance and additional investment income achieved but this was partly offset by income loss at the Cemetery relating to burial fees and a public liability claim.

There are no significant variances on the closed Churchyards of Spoxton, Frisby and Gaddesby. No reserves are held for each churchyard due to the levels involved and any surplus or deficit is carried forward and adjusted for when setting council tax in the following year.

### **Housing Revenue Account (HRA)**

The provisional year end position shows an actual deficit of income over expenditure of £943,255 at "Total Expenditure" level, being an overspend of £2,115 against the approved budget deficit of £941,140 as outlined in the table below:

Item	Approved Budget £	Estimated Year End Position (2023-24) £	Variance £
Expenditure	8,752,310	8,995,790	243,480
Income	-8,847,220	-8,798,053	49,167
Net Interest Charges	923,960	660,030	-263,930
Revenue Contribution to Capital	112,090	85,488	-26,602
<b>Total Net Expenditure</b>	<b>941,140</b>	<b>943,255</b>	<b>2,115</b>
Contribution to/from (-) Reserves	-1,191,140	-1,193,255	-2,115
In Year Surplus (-)/Deficit	-250,000	-250,000	0

There are a number of budget variances that make up this underspend and as part of the budget monitoring and review process all budget holders have been requested to provide reasons for significant variations against their latest approved budget on individual service accounts. The main ones to note are:

- **General Management £258k underspend**

Whilst we rebuild and strengthen the service some of our vacancies and roles have been challenging to fill. Agency staff have been approved under delegation through the year, for which a carry forward of £92k was approved under delegation into 2024-25. The policy for the hardship fund was not finalised and so the fund was not spent, and very little court action has been taken. Offset by higher and longer voids incurring Council Tax and the higher insurance charges following a number of fires at our properties. Internal re-charges were re-apportioned in-year to ensure that the Intensive Housing Management Service was charged their share.

There was also an underspend on the resident involvement budget of £17k due to a vacant post towards the end of the year and an annual mailing not carried out.

- **Special Services £149k overspend**

Employee costs were underspent due to budgeting for the full establishment whilst the service was re-assessed.

The contract works and asbestos budgets were also underspent for which carry forwards of £26k have been approved under delegation as works have been taken back in-house the budgets will continue to be better informed as part of the continuous re-assessment of the asset management plan.

These have been offset by the contractor increasing the cost for the new aerial upgrade works and a 300-400% increase in utility bills from 1st April 2023 as well as the full 2022-23 charge for Gretton Court in the year.

- **Repairs & Maintenance £400k overspend**

Underspends arising from a vacant post have been offset by agency costs.

Asbestos surveying was below the levels budgeted and a carry forward approved under delegation of £46k for 2024-25.

At the beginning of 2023-24 there were some residual long-term, high value, void properties (void over six months). These were cleared in quarter 2 of 2023-24, instead of during 2022-23 as envisaged when the budget was set. This meant that more major void work was completed this year.

The continuing increased focus nationally of damp and mould cases led to a significant rise in reports from tenants. Stock condition surveys and repair logging ensured that we had an accurate picture of damp and mould in our stock at the time that the surveys were completed. However, mould can develop in properties for a number of reasons that could not have been predicted at the stock condition survey stage. This can include changes in weather, occupancy levels, leaks and other factors that could not have been foreseen.

Cases of disrepair claims have increased by 400% on the previous year resulting in higher spend against the annual budget in year, as well as higher compensation payments than expected.

An additional budget allowed for during the period when the gas maintenance contract was in-between contractors was not required and the reduced need for stock condition and feasibility works also meant a resulting underspend on those lines.

- **Income shortfall of £49k**

Of this shortfall £43k is attributable to dwelling rent as, noted above, the planned purchase of the 8 affordable homes did not occur as expected within the budgeted income amount.

There were a large number of write-offs completed in the year, but the reduction in arrears balances and the ages of these balances has meant a reduction in the provision for non-payment of arrears resulting in an underspend of £57k in this area.

Void performance has improved, resulting in additional income on meals and property charges, following the Intensive Housing Management Service review a number of tenants had that charge removed from November 2023 resulting in a shortfall of £18k.

- **Investment Income increase of £266k**

The increased interest rates have contributed to an increased share of investment income to the HRA.

### **Basis of Preparation and Accounting Policies**

Local authorities in the United Kingdom are required to prepare their Statement of Accounts (accounts) in accordance with 'proper practices', which is based on the Code of Practice of Local Authority Accounting (the Code).

The Council following parameters sent out by External Audit in their Audit Planning Report where a materiality level is set to determine whether the financial statements are free from material error for which they define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Their evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition. We are still awaiting the parameters for the 2022/23 accounts but previously they have determined that overall materiality for the financial statements for Melton is £574k based on 2% of gross revenue expenditure for prior year. Performance materiality was set at £431k, which represents 75% of materiality (consistent with the prior year). Audit would then communicate uncorrected audit misstatements greater than £29k to the Audit and Standards Committee.

### **Borrowing – Public Works Loans Board (PWLB)**

During the year, no loans were repaid, and none raised leaving the outstanding loan debt at 31 March 2022 at £31.413m. The maturity profile of the outstanding loan debt at 31 March 2022 and 2023 is shown below:

<b>Balance</b>	<b>Analysis of Loans by maturity</b>	<b>Balance</b>
<b>31 March 2023</b>		<b>31 March 2024</b>
<b>£'000</b>		<b>£000</b>
0	Maturing in less than 1 year	98
4,098	Maturing in 1-5 years	4,000
600	Maturing in 5-10 years	600
26,715	Over 10 years	26,715
<hr/> <b>31,413</b> <hr/>		<hr/> <b>31,413</b> <hr/>

Accounting practice requires that local authorities disclose the fair value, i.e. (the settlement value), of their portfolio. The fair value at 31 March 2024 was £28.445m (£30.837 at 31 March 2023).

The figures have been calculated by reference to the 'premature repayment' set of rates in force on that day.

### **Investments**

During the year investments decreased by £0.640m and stood at £17.552m at 31 March 2023.

## Capital Expenditure

Capital expenditure amounted to £5.313m, against the latest approved budget of £21.653m, resulting in an underspend on the programme of £16.310m of which £15.591m will be carried forward into 2024-25.

The major items of capital expenditure in 2023-24 were Disabled Facilities Grants £0.401m, Stockyard LUF £0.454m, UKSPF £0.313m, Environmental Maintenance Team replacement vehicles £0.188m and various works to Council owned dwellings £3.647m

The programme was funded by the following sources:

<b>Funding Source</b>	<b>£'000</b>
Capital receipts	1,345
Major repairs reserve	1,577
Development & Regeneration Reserve	365
Third party contributions	53
Government Grants	1,411
Use of reserves	562
<b>Total</b>	<b>5,313</b>

Other than the expenditure on capital projects set out above and income received from capital receipts in the sum of £0.797m the other material change to assets and liabilities follows the revaluation of a number of assets. In the year the revaluation reserve has increased by £6.888m, which is primarily due the annual valuation exercise showing an increase in asset values across the Council.

## Reserves

Overall revenue reserves and revenue account balances have decreased by £0.675m and at 31 March 2024 totalled £14.899m. These are analysed below:

<b>Item</b>	<b>31 March 2023</b>	<b>31 March 2024</b>
	<b>£'000</b>	<b>£'000</b>
Special reserves	12,469	10,286
Other reserves	1,454	2,563
General Expenses working balance	850	1,000
Special Expenses working balance	51	50

Item	31 March 2023 £'000	31 March 2024 £'000
Housing Revenue Account working balance	750	1,000
<b>Total</b>	<b>15,574</b>	<b>14,899</b>

### Pensions Liability

Since 2003-04 Local Authorities have had to account for retirement benefits when they are committed to give them, even if the actual payment will be many years into the future. At the end of 2023/24 the pension fund became a net asset moving from a liability of £2.251m to a net asset of £1.928m which is principally because financial assumptions at 31 March 2024 are more favourable than they were at 31 March 2023. The primary reason is the reduction in the pension increase rate derived from CPI inflation, which has reduced over the review period. In addition to this the salary increase assumption has also been lowered alongside an increase in the discount rate due to the corporate bond yield increasing over the period.

Under IAS19 we are required to measure the defined benefit asset reported as the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Based on the required calculation looking at future time horizons and additional secondary contributions the council has to make the revised final pension position moves back to being a liability which stands at £6.057m on the balance sheet.

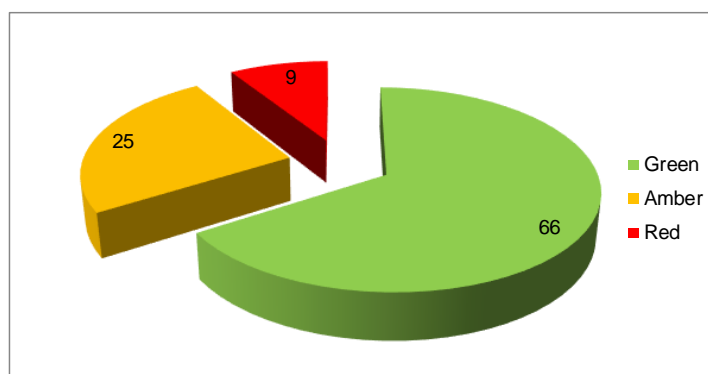
## 11. Non-Financial Performance of the Council 2023/24

### 11.1 Performance against Corporate Objectives

The overall performance against each of the 6 Corporate Priorities. This is a snapshot relating to the position as at the end of quarter 4 (31<sup>st</sup> March 2024) of the financial year 2023-24.

#### Corporate Measures set

Live measures	%	number
Total	100	59
Green	66	39
Amber	25	15
Red	9	5



During 2023/24 we delivered the following outcomes:

- 99.92% of our housing stock with a current gas safety check.
- We collected 98.56% of our Council Tax payments.
- We collected 97.33% of our National Non-Domestic Rates payments.
- We pay over 95% of our undisputed invoices within 30 days.
- 2,000 residents accessing support through our Community Support Hub.
- Over 270 environmental crime incidents investigated (waste on land, dog fouling, littering, abandoned vehicles, fly tipping, graffiti, and other similar issues)
- It took on average 3.5 days from receipt to completion to process an application for land charges.
- Our customer services team dealt with over 100,000 customer contacts.
- We had around 375,000 visits at Council Leisure Facilities.
- 96% of food businesses that are broadly compliant at inspection.

More information on how we perform as a Council can be found [here](#).

### What is next for the Council?

Looking to the year ahead, the Council will continue to deliver high quality services for the residents and place of Melton. Areas of future focus for the Council are set out below in our Corporate Delivery Plan as part of our Vision 36 which we aim to make progress against

### Helping People

#### Theme 1: Healthy Communities and Neighbourhoods

Focus Area	Key Actions
<b>High Quality and Accessible Public Services</b>	<ul style="list-style-type: none"> <li>• Review of Customer Journey, including for out of hours response</li> <li>• Accessibility Audits in Town Centre and Country Park</li> <li>• Establish System Admin role in Regulatory Services</li> </ul>
<b>Making the Borough Cleaner, Safer and Greener</b>	<ul style="list-style-type: none"> <li>• Respond to Waste Reforms – Introduce Food Waste collections</li> <li>• Develop programme of environmental community clean up days</li> <li>• Develop and implement Country Park Masterplan &amp; secure Green Flag Award</li> <li>• Following extension to current cemetery, develop business case for future long-term provision</li> <li>• Establish ‘Pride in Place’ group to improve environmental quality</li> </ul>
<b>Healthy and Active Communities</b>	<ul style="list-style-type: none"> <li>• Develop and Implement Play Park Strategy</li> <li>• Mobilise new 10-year Leisure contract inc. £1.75m investment</li> <li>• Finalise business case for new leisure provision and pursue funding opportunities</li> </ul>

Focus Area	Key Actions
<b>Connected with our Communities</b>	<ul style="list-style-type: none"> <li>• Develop Patch Walk programme</li> <li>• Develop and maintain effective refugee resettlement support</li> <li>• Increase engagement with Voluntary and Community Sector and explore opportunities for closer working</li> <li>• Adopt Care Experience as a protected characteristic</li> <li>• Develop a Young Persons' Strategy</li> </ul>

## Theme 2: High Quality Homes and Landlord Services

Focus Areas	Key Actions
<b>Housing Quality and Development</b>	<ul style="list-style-type: none"> <li>• Ensure the Council is prepared for new housing regulations and achieves a positive outcome through inspection</li> <li>• Deliver the HRA Business Plan</li> <li>• Deliver the Housing Management Asset Plan to improve the condition of the Council homes</li> <li>• Establish private rented sector capacity to support improved quality of homes and bringing empty properties into use</li> <li>• Improve customer journey for housing repairs</li> </ul>
<b>Tenancy Support and Engagement</b>	<ul style="list-style-type: none"> <li>• Ensure the Council is prepared for new housing regulations and achieves a positive outcome through inspection</li> <li>• Develop and enhance the approach to tenant involvement, scrutiny and engagement</li> <li>• Complete review of housing support and implement revised arrangements that support independent living</li> <li>• Stabilise and continue to improve income recovery arrangements</li> </ul>

## Shaping Places

### Theme 3: Tourism & Town Centre Regeneration and Vitality

Focus Areas	Key Actions
<b>Improving the Town Centre</b>	<ul style="list-style-type: none"> <li>• Explore feasibility of establishing partnership-funded Town Centre Co-ordinator role</li> <li>• Undertake car parking review and evaluate new technology</li> <li>• Implement Levelling Up Fund projects including the Stockyard and resolve position regarding the theatre</li> <li>• Develop and implement a design guide to improve the design, aesthetics and environment of the town centre</li> </ul>



<b>Focus Areas</b>	<b>Key Actions</b>
<b>Attracting more visitors to the Borough</b>	<ul style="list-style-type: none"> <li>• Strategic liaison with the Place Marketing Organisation and wider partners to raise Melton's profile</li> <li>• Continued development of Discover Melton to increase visibility of tourism offer and content</li> <li>• Co-ordination and delivery of a year-round events programme to bring in visitors to the borough</li> </ul>
<b>Economic Development</b>	<ul style="list-style-type: none"> <li>• Continue to implement and deliver the UKSPF Investment Plan</li> <li>• Undertake activities to ensure occupation of employment sites, commercial units and support inward investment</li> <li>• Supporting local businesses to meet their regulatory requirements</li> </ul>

#### **Theme 4: Sustainable growth and infrastructure**

<b>Focus Areas</b>	<b>Key Actions</b>
<b>Maximising the value of our assets</b>	<ul style="list-style-type: none"> <li>• Development of a business case to establish feasibility for use of Parkside as a second GP practice</li> <li>• Delivery of a wider asset development programme to reduce costs, secure income and facilitate homes and jobs</li> <li>• Adopting and delivering the Asset Management Plan</li> </ul>
<b>Securing the right infrastructure to enable sustainable growth</b>	<ul style="list-style-type: none"> <li>• Explore opportunities with partners to support investment in waterways and green infrastructure</li> <li>• Lobby utility partners to develop infrastructure solutions to support the planned growth</li> <li>• Deliver demand responsive transport project in partnership with Rutland, through the Levelling Up Funding</li> </ul>
<b>Ensuring Planning Policy and Development support sustainable growth</b>	<ul style="list-style-type: none"> <li>• Complete Local Plan Review and respond to updated NPPF</li> <li>• Ensure planning development is effectively resourced to manage demand and deliver good quality outcomes</li> <li>• Implement Planning Enforcement Policy and take action where required to address local concerns</li> </ul>
<b>Delivering a net zero borough</b>	<ul style="list-style-type: none"> <li>• Adopt Climate Change Strategy</li> <li>• Prepare and deliver an action plan to reduce council's carbon emissions through service delivery</li> </ul>

## Great Council

### Theme 5: Right conditions to support delivery

Focus Areas	Key Actions
<b>Ensuring Good Governance and Performance Management</b>	<ul style="list-style-type: none"><li>• Development of performance and risk management system to support improved data led decision making</li><li>• Undertake an LGA Corporate Peer Challenge</li><li>• Support Council's Governance processes to ensure collaborative and inclusive</li></ul>
<b>Effective Organisation and Great Place to Work</b>	<ul style="list-style-type: none"><li>• Refresh and implement an update Workforce Strategy to assist with recruitment and retention</li><li>• Development of an IT strategy and roadmap to support improved service delivery to customers</li></ul>
<b>Delivering Financial Sustainability and Value for Money</b>	<ul style="list-style-type: none"><li>• Development of the Welland Procurement function to increase the number of clients served to bring in income</li><li>• Development of a service review programme to improve the effectiveness and efficiency of services</li><li>• Maintain a strong Financial Sustainability Plan</li><li>• Maintain strong grip on debt recovery</li></ul>

### Theme 6: Engaging and Connected Council

Focus Areas	Key Actions
<b>Promoting local democracy</b>	<ul style="list-style-type: none"><li>• Establish Area Liaison Forums in communities, bringing county, borough and parish councils together</li><li>• Support Boundary Commission Review and implement findings</li><li>• Undertake Community Governance Review in relevant parish areas</li></ul>
<b>Engaging and communicating effectively with residents</b>	<ul style="list-style-type: none"><li>• Undertake borough wide Residents' Survey</li><li>• Introduce new systems to improve response to info requests, customer complaints and ensure services learn from feedback</li><li>• Implement Communications and Engagement Strategy and action plan</li></ul>

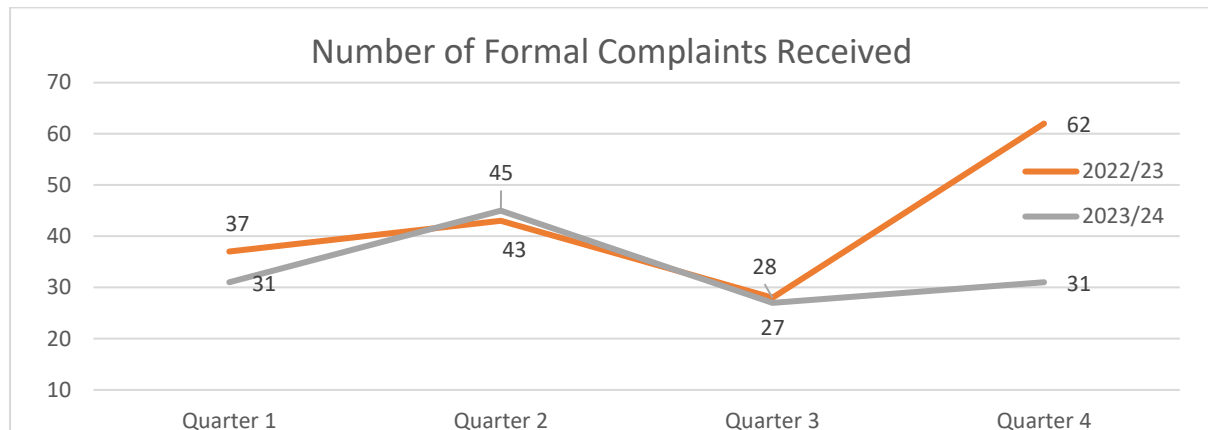
## 11.2 Complaints Analysis

The Council recognises that complaints are a valuable opportunity to gain feedback, learn and improve services. The Council wants to provide a positive response to complaints and encourages feedback so that positive action can be taken.

The Corporate Complaints process comprises a two-stage internal process comprising stage one complaints which are dealt with by Service Managers and stage two complaints where the stage one response is reviewed by a Director. Where a

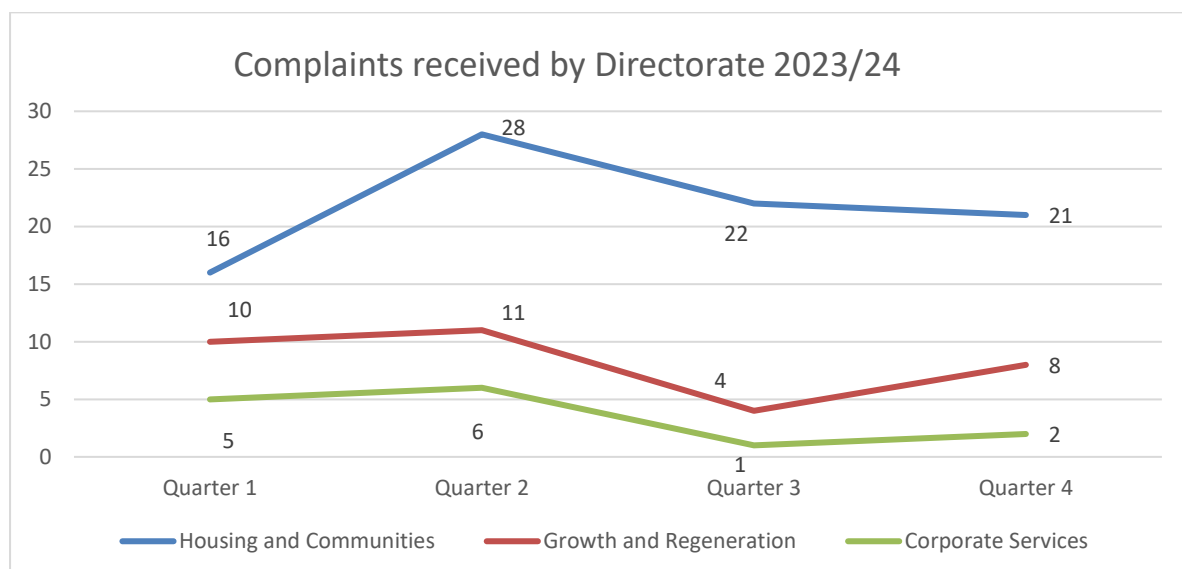
complainant remains dissatisfied with the Council’s response after this process, they can refer the matter for independent review by the Local Government and Social Care Ombudsman or Housing Ombudsman. The Council reviewed and updated its Customer Feedback and Complaints Policy during 2023/24 to ensure continued compliance with the Ombudsman’s guidance.

In 2023/24, the Council received 134 formal complaints from customers.



### Complaints by Directorate.

Of the 134 formal complaints received from customers in 2023/24, the vast majority relate to the more customer facing departments of Housing and Communities. Given the outward facing nature of this directorate this is not unexpected. The breakdown of these complaints by Directorate is shown below.



### Complaints upheld or partially upheld.

Of the 134 formal complaints so far received this year from customers, 73 of these have been upheld or partially upheld by the Council which is 54.48% and is a large

increase on the 11.18% upheld last year. This increase shows that the Council looks at taking responsibility for addressing issues raised through formal complaints at the earliest opportunity.

### **Ombudsman Complaints**

From 01 April 2023 to 31 March 2024, 9 complaints were received by the Local Government and Social Care Ombudsman in respect of Melton Borough Council.

From 01 April 2023 to 31 March 2024, 2 complaints were received by the Housing Ombudsman in respect of Melton Borough Council.

## **12. Governance and Risk**

### **11.1 Annual Governance Statement**

The Council undertakes an annual review of the sufficiency and effectiveness of its governance framework. At the end of each year annual assurance statements are issued to each Member of the Senior Leadership Team to provide assurances on the identification and assessment of risks, and that sound operational arrangements exist within their service. Following their return these are considered by Senior Leadership Team to identify which of the issues raised are appropriate to be included in the Annual Governance Statement (AGS). In addition, the Council receives an annual report from the Head of Internal Audit providing details of the effectiveness of Internal Control with an annual opinion. This information is considered alongside the Council's Local Code of Corporate Governance which is consistent with the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework. Consideration was given to any issues that needed to remain an area of focus during 2024/25 along with new areas of focus identified from the 2023/24 review and are set out in the action plan in the same document.

### **11.2 Risk Management**

The Council has a Strategic Risk Register which was formally reviewed and updated during the year with the Strategic Leadership Team. A formal annual review is also undertaken by the Audit and Standards Committee. The risks contained in the updated Corporate Risk Register reviewed by members in March 2024 are:

#### **PLACE – those areas which directly impact our communities:**

- Inability to influence, secure and then maximise the benefit to Melton residents from Devolution, County Deal and UK Shared Prosperity Fund
- Implementation of a food waste collection arrangement
- Capacity to Respond to a Major Incident

### **PRIORITIES – those commitments made in our Corporate Strategy:**

- Failure to deliver MMDR (in full or in part) and the financial and legal impacts on Melton Borough Council arising from the agreement with the County Council which seeks to support delivery
- Uncertainties regarding long term future leisure provision in Melton
- Regulatory Changes in Housing – preparedness and compliance

### **SERVICE AND GOVERNANCE – those areas which are associated with our service areas and corporate governance:**

- Failure to Secure financial stability in the medium term
- Stability of future provision of ICT services
- Financial pressures undermining partnerships (integrated working)
- Failure of a key supplier e.g. Housing Repairs, Waste and Leisure
- ICT Security Breaches
- Resourcing of the projects relating to Levelling Up Funding, the UKSPF Investment Plan, Asset Development Plan and Leisure developments
- Lack of capacity to deliver services and projects due to resourcing issues in specific teams
- Capacity to deliver the new Vision 36 and the Corporate Delivery Plan

All risks in the Strategic Risk Register are supported by an action plan which is regularly reviewed and updated.

At an operational level a risk register review has also been undertaken within each of the directorate areas to refresh and update the current service risks which will be regularly reviewed by directorates. Key projects are also supported by a risk log and reports to the Council's committees also have a section where the risks of proposals are considered as part of the decision-making process.

During the year, the Council has rolled out an E-Learning course on risk management to supplement previous focused training in this area. In addition to this training for members post the local elections has been held in September 2023.

## **13. Summary Position**

The year-end position for 2023/24 has shown that flexible budget management processes and the good working relationships and partnership between finance and budget holders has enabled increased costs to be offset by savings elsewhere in the main as well as managing the continued inflationary pressures. This represents a tremendous achievement for the Council in such economically challenging conditions.

In 2023/24 the Council has faced a number of challenges and with the further significant changes ahead the Council will need to adapt and tackle these challenges head on. There are risks as highlighted above which will need to be managed through the Melton's robust risk management processes. Whilst the council ended the financial year in a stable and somewhat improved position the inflationary pressures and local government funding review will continue to provide great uncertainty, and we will need to continue closely monitoring and managing this if the Council future financial sustainability is to be secured.

## **14. Receipt of Further Information**

If you would like to receive further information about these accounts, please do not hesitate to contact me at Melton Borough Council, Corporate Services, Parkside - Station Approach, Burton Street, Melton Mowbray, LE13 1GH.

## **Acknowledgements**

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, which have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.



D K Garton FCPFA  
Section 151 Officer  
Director for Corporate Services