

Melton Borough Council

Narrative Statement

Delivering an Enterprising and Sustainable Borough



Table of Contents

1. Introduction	3
2. Melton Today – A Portrait	5
3.1 Projections in Future Population Growth and Links to Economy	7
3.2 Economic Growth Plan.....	7
3.3 Political Structure.....	9
3.4 Management Structure.....	9
3.5 Corporate Plan – Goals and Priorities.....	10
3.6 Policy Context	11
3.7 Melton Local Plan	12
3.8 Melton Community Partnership and Sustainable Communities	12
3.9 Devolution and Partnership Working	13
4 Key Factors that have influenced the financial position of the Council in 2015/16	14
5 The 2015/16 Revenue Position	17
6 Council Tax	18
6.1 Council Tax Base	18
6.2 Collection Fund	19
7 Medium Term Financial Strategy for 2015/16	19
8 Projected Level of Balances	20
9 Budget Monitoring	20
10 Capital Strategy and Capital Programme	21
11 Revenue Outturn Position 2015/16	21
12 Non-Financial Performance	27
12.1 Key Achievements.....	27
12.2 Performance Against Corporate Priorities.....	28
13 Risks	29
14 Summary Position	29
15 Receipt of Further Information	29
15 Acknowledgements	30

1. Preface Introduction to the 2015/16 Statement of Accounts by Councillor Pam Posnett, Leader and Lead Member of Resources

I am very pleased to present Melton Borough Council's Statement of Accounts for 2015/16 in this my first year as Leader of Melton Borough Council. Whilst by their very nature the accounts are backward looking they provide the context of the challenging financial position within which I will be leading the Council.

The Council has continued to receive cuts in funding from central government with more to come. The Council is set to incur an overall loss of grant of £0.933m between the financial years 2015/16 and 2019/20 representing a 42% reduction. This is in addition to the previous reductions of £1.859m or 57% over the period 2010/11 to 2015/16. By 2019/20 the Council will no longer be set to receive any general central government funding. Consultation is currently on-going relating to changes to how business rates are distributed and this could also see further reductions in funding at a local level creating more uncertainty for the council.

This presents an extremely challenging financial position as I look forward to my time as leader. In order to meet these challenges I am working with officers to develop an efficiency plan setting out a range of measures and options for closing the funding gap the current Medium Term Financial Strategy is showing. As central government funding declines raising more income will become a key priority for the council if we are to protect cuts to those services the public value the most. As such the emphasis within the efficiency plan will be to look to reduce costs and generate additional income as a priority over service reductions, although recognising that unfortunately, ultimately this may be necessary in some lower priority areas.

The Council's **Corporate Plan** sets out our priorities, goals and promises for 2015-2020. This was developed through engagement and consultation with the many partners and stakeholders we conduct our business in partnership with. The council is also developing a One Council Delivery and Development Plan which will set out our key areas of focus aligned to our corporate priorities.

From 2017/18 there will be a new statutory requirement to close the accounts a month earlier by 31st May each year. In preparation the finance team have trialled this earlier closedown in respect of these accounts for 2015/16. This has been successful with the audit planned for August 2016. The Council has received complimentary audit reports in previous years and looks forward to working with our new auditors Ernst & Young LLP and continuing this success.

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 2015/16;
- 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 is a change in the requirements for 2015/16 and replaces the previous Explanatory Forward. 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 2016.

I would like to thank all of our finance 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 slightly under budget. This enables the Council to have confidence in our financial estimates which therefore assists with sound decision making.

Councillor Pam Posnett

Leader and Lead Member for Resources

2. Melton Today – A Portrait

Melton Borough is an attractive rural area covering 48,138ha in the north-east part of Leicestershire and at the heart of the East Midlands. The Borough has a total population of approximately 50,376 (Census 2011) which has risen from 47,866 (2001 Census). The main activities of the Borough are centred on the market town of Melton Mowbray. There are some 70 villages within the surrounding rural area. The population is split approximately 50/50 between Melton Mowbray and the rural villages.

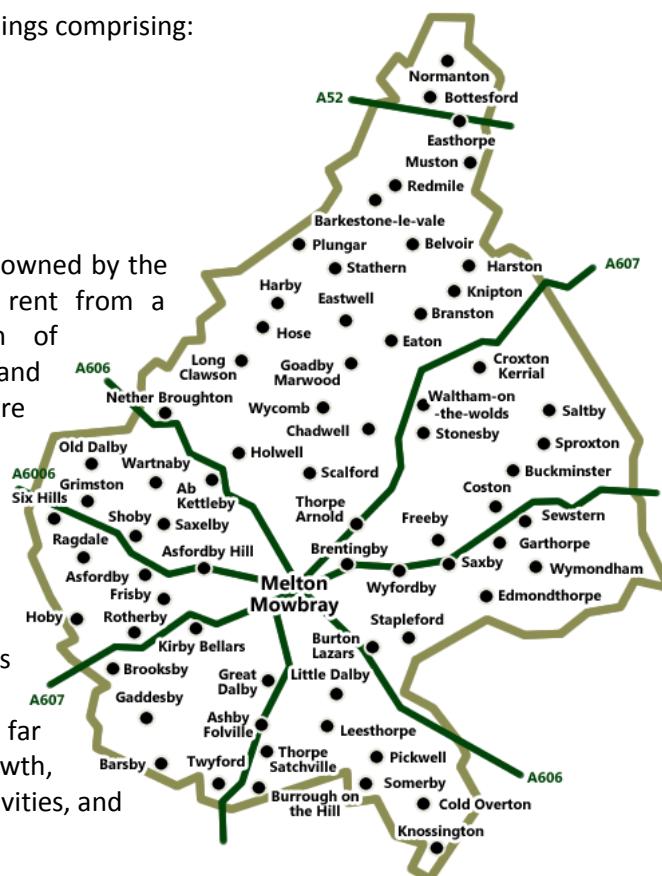
On a range of indicators, including health and poverty, rural areas within the Borough tend to perform better than the more densely populated urban parts including Melton Mowbray.

Throughout the last decade housing has been less affordable in predominantly rural villages than the town centre, although the gap narrowed slightly between 2007 and 2012 due to the recession and subdued housing market, however housing affordability including starter homes remains a key issue across the Borough.

In 2011 there were 21,490 households with dwellings comprising:

- 8,734 detached houses
- 7,743 semi-detached houses
- 3,341 terraced houses
- 3,092 flats and maisonettes.

8.5% of the housing stock within the Borough is owned by the Local Authority with only 2.6% available for rent from a Registered Provider (RP). The proportion of households, working age people, children and pensioners in relative and absolute poverty are well below the national median, however the numbers involved are still significant – with nearly 1,000 children living in poverty within the Borough. The provision of unpaid care is becoming increasingly common in Melton as the population ages, which can be seen in a high rate of economically inactive individuals. This makes it an important social policy issue with its contribution to the supply of care, but has far reaching implications on economic growth, employment opportunities, social and leisure activities, and health status of those providing care.



In 2014/15 the average gross weekly earnings of people who live and work within Melton are very low at £369 per week, compared to the county figure of £448 and national figure of £504 per week. These economic pressures including the general increase in cost of living are testing household and community resilience as well as contributing to the relatively small economic structure and GVA output of the Borough.

Melton Mowbray has traditionally been the main economic centre for the Borough providing larger employers and the main retail and service destination for local people and visitors. The jobs in Melton Mowbray are mostly provided by a few large manufacturers. Manufacturing in the Borough (mainly food and drink) is significantly higher than the national average at 24%. However, the GVA

contributions from the rural area cannot be underplayed and are expected to grow in the future, with an increasing number of start-ups and a growing trend towards home working.

Employment in Melton Borough has historically been provided through farming and food production, however over the last 50 years jobs in manufacturing and services have grown significantly as a proportion of overall jobs. By comparison knowledge intensive sectors in Leicestershire, 2014 to 2015, were 17.95% and 21.4% nationally. However, employment in knowledge-driven industries in Melton has improved by 6.54% between 2011 and 2012, whilst the sector declined nationally by - 0.05% during the same period. Employment in the knowledge-based economy is characterised by the increasing demand for more highly skilled workers. The knowledge intensive and high technology parts of the OECD economies tend to be the most dynamic in terms of output and employment growth.

Changes in technology are making educated and skilled labour more valuable, and unskilled labour less so. Government and sub-regional policies have placed more stress on upgrading human capital through promoting access to a range of skills, and especially the capacity to learn and the diffusion of technology; and providing enabling conditions for organisational change at the firm level to maximise the benefits of the technology for productivity.

Manufacturing employment in Melton Borough has largely been provided by significant companies such as Mars UK (pet food producer), Melton Foods, Samworth Brothers, Kettleby Foods, Long Clawson Dairy and Arla Foods. Whilst Melton's food and drink specialism provides bespoke opportunities and a degree of local resilience, there is a need to monitor closely how this sector will perform in the future.

The rural wards are home to the majority of Melton's proportionately significant self-employed population, with 1 in 5 people of working age registered as self-employed (25.6% of the total working age population in rural area) yet the rural area has relatively limited access to broadband services, with broadband speeds significantly lower than in urban areas.

Growth in a range of economic sectors is essential for the Borough's economic future. A more resilient and higher performing economy will need to provide a greater diversity of jobs in a broader range of industries. Melton has a high quality environment and there is significant opportunity to use this attribute to attract inward investment and more value added activities such as targeting highly qualified workers/employers to build a stronger knowledge economy across the Borough's urban and rural base. Achieving the right balance of economic growth and opportunities between Melton Mowbray and the rural communities is also crucial to achieving a stronger, more competitive Melton Borough economy.

The Economic Development Strategy (2015-2020) provides a framework for partners from all sectors – public, private, voluntary and community – to respond to the economic challenges facing Melton Borough.

In addition to the Economic Development Strategy, an Economic Growth Plan was formulated and approved by members in October 2013. The Economic Growth Plan highlights direct local economic development activities and investment into the short-term and medium-term, whilst aligning with the Governments agenda for the Single Local Growth Fund and City Deal.

Ultimately Economic Growth will play an important role in influencing the medium to longer term financial position of the council through NNDR, the new homes bonus and council tax, which will help underpin the financial viability of the Council over the longer term.

3.1 Projections in Future Population Growth and Links to the Economy

Demographic characteristics have a fundamental influence on the social and economic development of an area. Population change has an impact on levels of economic growth through the size of the resident workforce and on the demand for services such as health, education and housing. As a net migration percentage and change profile Melton has been assessed according to the projected long term level of population change, measures of population churn and in-migration. New national insurance indicators have also been used as a proxy for overseas migration.

The proportion of the working age population who were overseas nationals registered for National Insurance in Melton was 0.43% in 2012, by comparison the Leicestershire figure was 1.18% and the East Midlands 1.02%. The proportion of residents who had moved into Melton from other parts of the UK was 4.15%, which was average by national standards and the proportion of residents who had moved out of Melton at the last Census was 4.05%, however the net level of migration in Melton in 2012 of 0.4% was relatively high by national and sub-regional standards (0.03%) indicating more people are moving into the Borough than are moving out. People are migrating out of the Borough for higher education opportunities and employment. In general terms this is exacerbating the skills gap where a low skilled and low pay workforce, which is deepening inequalities within the Borough.

3.2 Economic Growth Plan

Melton's Economic Growth Plan is built on sound evidence through a Place Profile, which assesses the overall economic, social and environmental conditions within the Borough. The profile sets an area within its wider context, comparing performance with neighbouring areas, as well as regional and national averages, and has identified a number of key findings when compared to the sub-regional and national figures, some of which include:

- Overall levels of productivity in Melton are average
- Self-employment rate is extremely high
- The knowledge-driver business score is very low
- The business and enterprise score in Melton is average
- Skills and qualification score is average
- Labour market score is very high
- Connectivity in Melton is very low
- Quality of life score is average
- Total stock of commercial and Industrial floor space is very low



As a result of this evidence, the Economic Growth Plan identified 6 key growth plan projects, all of which are detailed over the page:

Project 1: Melton Livestock Market

The rationalisation and regeneration of a livestock market with regional and national significance. The renewal of existing buildings and the redevelopment of the town centre, Rural Capital of Food linkages and the southern part of the site.

Project 2: Learning and Skills Centre (Me and My Learning)

The Learning and Skills Centre will be a peer to peer support venue bringing together skills, training and advice in one place. With the right support and skills everybody can transform their life. Melton Borough Council and its partners are collaborating to work with those behind the unemployment statistics. Combining providers and local business we intend to support the unemployed to get the advice, training and the job they need to maximise their potential. There is also a desire to focus on up-skilling particularly around the lower skills levels.

Project 3: Town Centre Masterplan

The Masterplan will provide a framework for the regeneration of the town centre. It has clear aspirations to retain and improve the primary retail function whilst attracting a variety of complementary uses that will contribute to the vitality and viability of the centre and reinforce the distinctiveness of its physical environment. It will also aim to develop the commercial and leisure offers so they benefit both the day and evening economy, as well as creating an accessible, safe and attractive environment.

Project 4: Food Enterprise Centre

The Food Enterprise Centre will be established to act as a catalyst for change and provide a focus for growth for food and drink businesses, creating that essential link between business, technical facilities and services and enterprise support.

Project 5: Commercial and Industrial Floorspace Study

Melton Borough Council's Economic Growth Area Delivery Statement (2012) identified that there is a need to further develop its commercial and industrial floorspace offer to businesses. Whilst there are a number of existing sites, including Saxby Road Industrial Estate, Snowhill Industrial Estate, Old Dalby Business Park and Crown Business Park. Additional sites are being developed i.e. Westleigh Industrial Estate and the Rotherhill Development and business feedback is clear that there is a requirement for more and modern premises. Melton Borough Council must also consider upgrading existing business premises to ensure that they are fit for purpose.

Project 6: Business, Enterprise and Innovation Project

The Business, Enterprise and Innovation Project will increase the aspirations of young people and adults and actively encourage them to consider business, enterprise and innovation as a future career choice. The project will work closely with the Learning and Skills Centre by ensuring that individuals are not only work ready, but once in employment they are continually up-skilled so their skill set meets the needs of local employers.

The Economic Growth Plan was presented and approved by members at their meeting of 30th October 2013.

In order to fully appreciate how Melton Borough's economy is structured and influenced, it is important to consider it against the context of the strategic priorities, policy frameworks and political structures which focus on not just the urban areas but also the rural hinterland and how these ultimately fit into the wider sub-regional economy.

3.3 Political Structure

Melton has 16 wards and there are 28 Councillors serving on Melton Borough Council. They are each elected for a 4 year term. During the FY 2015/16 the Leader of the Council was Councillor Byron Rhodes (Conservative). The next Borough Election is to be held in May 2019.

Melton operates a Committee system and decision-making is mainly by three policy committees, two regulatory committees and a Governance Committee. The Council and policy Committees meet in five cycles a year.

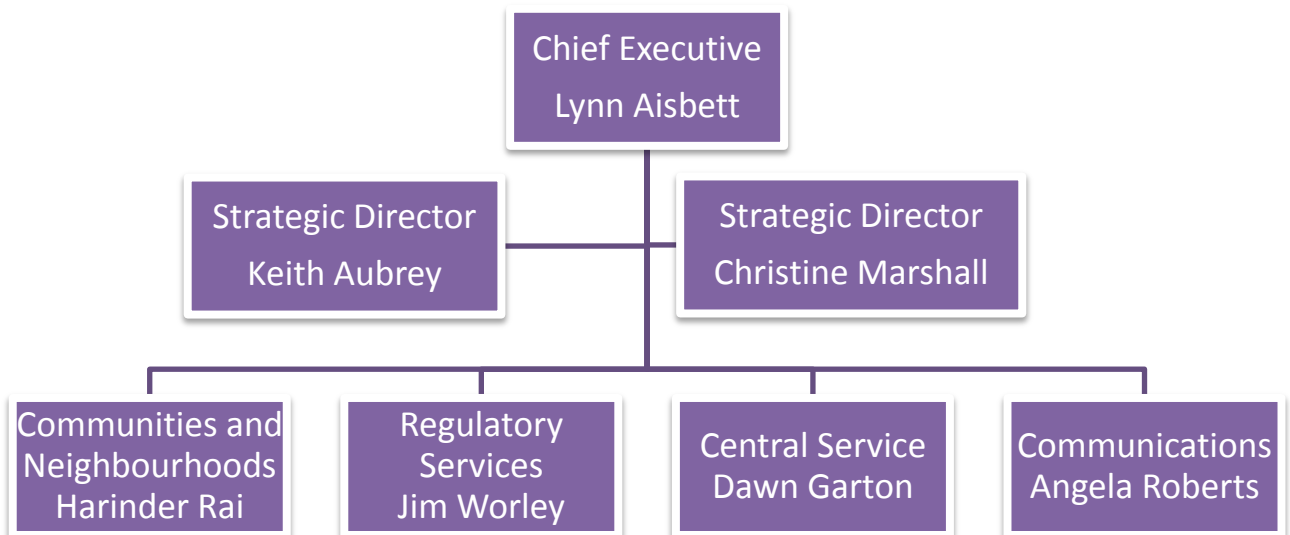
Membership of the Committees is determined each year at the Annual Meeting. The Memberships for 2015/16 were approved at the Annual Meeting of the Council held in May.

3.4 Management Structure

Supporting the work of Councillors is the organisational structure of the Council, which is made up of four service areas:

- Communities & Neighbourhoods
- Central Services
- Communications
- Regulatory Service

The Chief Executive has overall responsibility for these services supported by two Strategic Directors. On the 1 April 2015 we employed 223 staff (184 full time equivalents).



3.5 Melton Borough Council Corporate Plan – Goals and Priorities

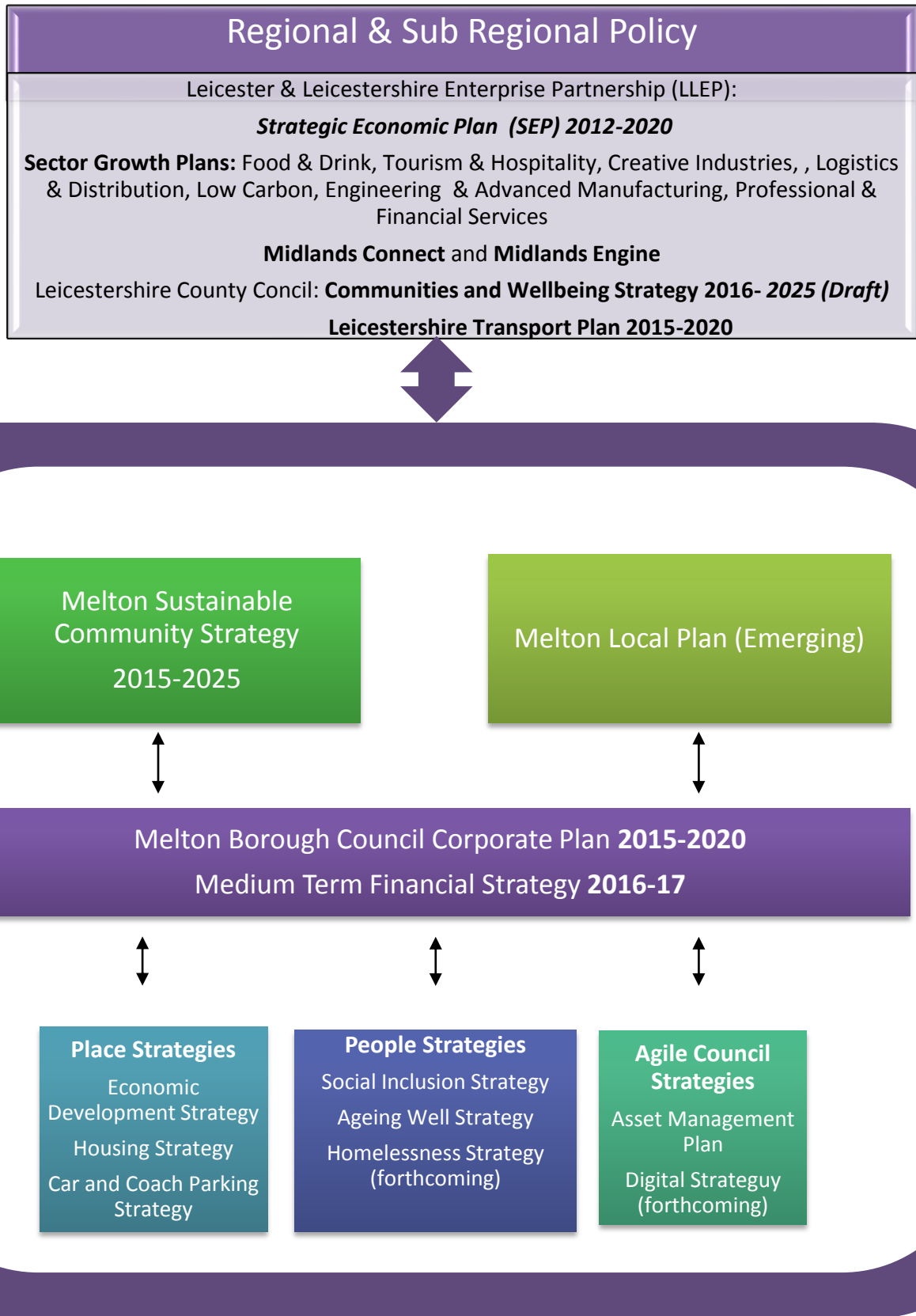
The vision and strategic priorities for the Borough provide a ‘golden thread’ that run through this narrative statement. The Council’s goal is to enhance the quality of life for everyone in the borough of Melton to achieve a sustainable, prosperous and vibrant community... a place where enterprise can flourish and where people want to live, work and visit.

The refreshed Corporate Plan (CP) 2015-2020 is where the Council sets out its strategic priorities for the next five years, providing a framework to enable a robust approach to business planning; ensuring that our vision, priorities and spending decisions are based on sound evidence, thorough analysis and understanding of community needs. A key aim for next financial year is to produce a **One Council Corporate Delivery and Delivery Plan**, linking together the very high level strategy with the day-to-day services and working practices of the Council.



These **eight Corporate priorities**, which are based around three core themes of: place, people and agile council, will help align the Council’s focus and resources so we can encourage sustainable communities and a stronger, resilient and prosperous place. The **Corporate Values** (resilience, innovation, performance, customer focus, respect), which along with the Council’s **ME2E (Melton Extending to Excellence) programme**, will guide our internal conduct whilst shaping the culture and defining the character of the Council over the next five years.

3.6 Policy Context



3.7 Melton Local Plan

The Melton Local Plan is currently being prepared and will work hand in hand with key council strategies including the Economic Development Strategy and wider sub-regional strategies to ensure that the Borough Council is doing everything possible to support delivery of sustainable growth to enhance the prosperity of its residents and businesses.

The Issues and Options and Emerging Options presented in “Growing Melton Borough – The Spatial Strategy” has identified the challenges the Borough faces in terms of its ageing population and the impact this might have on the economic growth of the Borough through the ability to service businesses with an appropriate workforce.

Growth in a range of economic sectors is essential for the Borough’s future. A more resilient and higher performing economy will need to provide a greater diversity of jobs in a broader range of industries. The Leicester and Leicestershire Enterprise Partnership (LLEP) have identified key priority sectors within Leicestershire:

- Food and Drink Manufacturing
- Distribution and Logistics
- Creative and Knowledge-Based Services
- Leisure and Tourism
- Financial and Business Services
- Environmental Technologies
- Aerospace and Space Technology

Melton Borough has many clear strengths in terms of some of the sectors detailed above, particularly those centred on food and drink manufacturing, leisure and tourism and distribution and logistics. The Council will continue to explore opportunities to attract and increase knowledge based sectors to the Borough, particularly financial, business services and creative businesses. Working with our partners, the Local Plan and adopted Economic Development Strategy (2015-2020) will ensure that our Strategic Priorities and those priorities identified by the LLEP remain aligned.

3.8 Melton Community Partnership Sustainable Community Strategy

The Melton Community Partnership brings together proactive and engaged public, private, voluntary and community organisations that work or are based in the Borough. The MCP alongside Local Area Co-ordination, remains an important structure in delivering key social and communities based programme, and is supported by all members of MCP who share the common vision which is set out in the Melton Borough Sustainable Community Strategy:

- **Improve the local economy and infrastructure**
- **Re-vitalise Melton Mowbray Town Centre**
- **Improve learning opportunities to help individuals achieve their potential**
- **Making existing structures and projects more accessible**
- **Reduce traffic congestion in Melton Mowbray**
- **Focus our work in the priority neighbourhoods**
- **Create a safer and stronger community**
- **Enable and support the provision of affordable housing**
- **Improve the health and well-being of local people**

3.9 Devolution and Partnership Working

A proposal to develop a Combined Authority for Leicester and Leicestershire was submitted to the Government on 21 December 2015, following approval by the City, County and District Councils and endorsement by the LLEP Board. It is currently anticipated that the Order to establish the Combined Authority will be made by the Secretary of State in October 2016.

The Combined Authority comprises the County and City Councils the District councils together with representation from the LLEP. Our proposal focuses on the areas of long term economic investment/development through closer working in relation to the following key areas:

- Planning: councils to work together to agree a clearer, long-term framework to meet future housing and employment needs for the whole area and identify future growth locations
- Transport: focusing on long-term investment in road, rail and other public transport infrastructure
- Skills: driving and delivering skills and training, to give local people the chance to get better qualifications and employment

Devolution Deal

Closer working through the Combined Authority is an important step to getting more powers from Government and ensuring local decisions are made locally.

Work is now underway to develop an ambitious Devolution Deal for Leicester and Leicestershire, setting out the ambition for the area, consider those areas where increased collaboration is critical to improving service delivery and delivering priority outcomes, and identify which of these would benefit from devolved powers/funding from Government.

A key aspect of the Devolution Deal will be to demonstrate cross-border collaboration with neighbouring LEAs and Combined Authorities, building on many significant collaborative initiatives over the last few years.

The draft Constitution has been produced and has been considered in detail by the nine councils' Monitoring Officers and Solicitors. The Operating Agreement covering how the authority will be managed and run is still in draft form and is being reviewed by partners.

Members will debate at Full Council on the voting rights of certain Members to the Combined Authority. The Leicester and Leicestershire Enterprise partnership (LLEP) is being considered for voting rights within the Authority. Detailed consideration of this is set out within the Constitution and once proposals are understood and considered a debate can be held at Full Council on this matter and the potential for other Partners including other Councils or public sector bodies joining can be held.

4 Key Factors that have influenced the financial position of the Council in 2015/16

The key factors that have influenced the Council and the services that it provided in FY 2015/16 are presented and analysed in the table below using a PESTLE technique to examine and frame the impacts of certain macro forces on the Council's business.

A number of bills and legislative acts are making their way through Parliament, which may impact the Council's Finances and have influenced plans for 2015/16 onwards, for example the Enterprise Bill, Local Jobs and Growth Bill – Business Rates transfer/responsibilities/Impact of Appeals, the Housing and Planning Bill and the Energy Bill.

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

FORCE	FACTOR
Political	<ul style="list-style-type: none"> • Devolution (Cities and Local Government Devolution Act 2016) with the focus on bringing together both decision making and control of resources closer to the people of Leicester and Leicestershire. • General Election in May 2015 with focus on reducing the national deficit continuing in the summer budget of July 2015 targeting a further £20 million reduction in public sector spending by 2020. • Local Government Finance and the Spending Review by the Chancellor in autumn 2015 announced the end of Revenue Support Grant as well as additional changes to business rate retention, Council Tax levy, integration of Health and Social Care and end of LA role in running schools. • Welfare Reform Act with further reductions announced by the Chancellor in July 2015 to reduce spending by £12million, although there have been subsequent changes put forward since the Summer Budget.
Economic	<ul style="list-style-type: none"> • Extension to Small Business Rate Relief from 2015/16. This means that ratepayers with rateable values below £6,000 will pay no rates at all for the period. Rate payers with rateable values between £6,000 and not more than £12,000 will receive tapered relief from 100% – 0%. Occupied properties which have an RV of between 12,000 and 18,000 will automatically be calculated using the lower multiplier. • Ratepayers receiving Small Business Rate Relief that take on an additional property, which would currently disqualify them from receiving relief will continue to receive their existing relief for 12 months. • Business Rates backdating – Alterations to RV only to be backdated to the period 01/04/10- 01/04/15 for a) Valuation Officer alterations made before 01/04/16 and; b) for business ratepayer appeals made before 01/04/2015 • The scheme where all newly built commercial property will be 'exempt' from empty property rates for the first 18 months up to state aids limits finishes on 30 September 2016. • The Reoccupation Relief scheme where a 50% business rates discount for 18 months for businesses moving into previously empty retail premises

	<p>finishes on 31 March 2016 for all new applications</p> <ul style="list-style-type: none"> • The National Living Wage increased to £7.20 per hour in April 2016 for over 25s only, it is uncertain how its introduction will impact small local businesses and low paid sectors locally such as retail, hospitality and social care. The Council currently pays the Living Wage but will be moving to the National Living Wage. The Council's MTFS contains provision for these costs. • Nationally growth rates are below target; local business confidence levels appear higher year on year post recession with the economy performing reasonably well against Planning Policy Guide (PPG) indicators (e.g. comparatively low vacant unit rates etc – however performance is rated sub-optimal overall). • National inflation rate and general increase in cost of living meant that the number of people in relative poverty or in financial hardship rose locally in 2015/16. • Availability and interest rates of bank loans is still inhibiting growth locally. • Comparative exchange rates are negatively impacting certain priority sectors locally including manufacturing and food export markets, which is slowing growth and expansion in certain instances.
Social	<ul style="list-style-type: none"> • The Welfare Reform and Work Act 2016 – received royal assent in March 2016 and includes wide ranging provisions covering employment, apprenticeships, support for troubled families and life chances, and benefit cap, social security and tax credits, loans for mortgage interest and social housing rents. • The Childcare Act 2016- received royal assent in March 2016 and includes free childcare for young children of working parents and the publication of information about childcare and related matters by local authorities in England.
Technological	<ul style="list-style-type: none"> • With the continued focus on Transformation and 'Digital First', the dynamics of technology innovation is becoming increasingly more important in promoting channel shift and demand management to drive local government efficiencies. This is set against a limited availability of technological resources within the Borough (eg. slow roll out of Broadband and poor bandwidth). • Increase in online activity has led to the increased availability of information about Council customers; this level of customer insight is improving the Council's design of key services such as MyAccount and enhancing access options for registering for Council Tax. • Through the IT partnership the council continues to give consideration to utilising new technologies such as Cloud and web hosted software in order to continually drive improvements to service delivery and deliver transformation objectives.
Legal	<ul style="list-style-type: none"> • Key changes in employment law that reflect on power and style of challenge, competition, standards, etc. • The tendency of companies and individuals towards litigation. • Local Audit and Accountability Act 2014 – including measures to abolish the Audit Commission and replace with a new Local Audit Framework. • Extension to Council Tax Referendum provisions, allowing local Council

	<p>Taxpayers to veto rises in Council Tax caused by levying bodies such as Waste Disposal Authorities.</p> <ul style="list-style-type: none"> • Cities and Local Government Devolution Act 2016 – received Royal Assent in January 2016 and support the transfer of powers over housing, transport, planning and policing to be devolved to England’s cities and regions as part of the Government’s plans for a balanced economic recovery. • Accounts and Audit Regulations 2015 – which has changed the timeline for production and approval of Local Authority Statement of Accounts.
<p>Environmental</p>	<ul style="list-style-type: none"> • The Council is actively engaged in carbon reduction initiatives where possible on social housing, transport initiatives including Wheels 2 Work and Environmental Management and Waste schemes. The Carbon Reduction Commitment (CRC) and its replacement of a new universal Climate Change Levy on business may result in a potential tax of the Council’s energy costs which could be offset by an annual saving on CRC allowance. • Local Plan and sustainable development, concern for sustainability, ecology and natural resources set against the need for new housing and employment.

5 The 2015/16 Revenue Budget Process

The Management Team scrutinised all budget submissions prior to submission for member scrutiny. The Budget and Strategic Planning Working Group (BSPWG) met on 12th November 2014 to consider a number of matters arising from the scrutiny and to provide guidance on a number of areas for both General and Special Expenses. The Town Area Working Group met on 12th November 2014 to also consider special expense (Melton Mowbray) budgets. Amendments were made to individual draft service budgets following these meetings.

The emphasis of these meetings was to achieve a balanced budget for 2015/16 as this was a key principle agreed by the Policy Finance and Administration committee (PFA) at its meeting on the 30th September as part of the Budget Framework. As well as this they were also held to scrutinise all service growth and savings put forward, including their fit with Council priorities and to ensure only those that fit such criteria move forward through the budget process. In addition, the Members present considered the on-going issues experienced in balancing the budget and the particular pressures and risks faced as a result of the financial implications in relation to the on-going significant cuts in central government grants both this council and our partners. These were discussed with a view to considering how best the Council could manage these impacts and plan for the future and by doing so minimise the likelihood of cuts in services being necessary.

Following amendments to the proposed budgets both during and following the BSPWG and Management Team meetings, the latest position on the General Fund was presented to members at meeting of PFA on 2 December 2014 as part of the Revenue Estimates and Medium Term Financial Plan report for 2015/16. This highlighted a budget shortfall of £101k on general expenses which reflected the challenging economic environment the council is operating with the significant cuts being applied to grants from central government. At that stage in the process there were always a number of uncertainties with some budgets remaining unclear. The Head of Central Services continued to work with Management Team to review the budget estimates in order to identify further savings or potential budget reductions which could contribute to reducing the current shortfall. Budget reductions proposals were presented to members for consideration at the Strategic Planning 'Away day' in January 2015.

The Strategic Planning 'Away Day' was held on 15 January 2015 to which all Councillors and Heads of Service were invited, to provide their views on the budget proposals and financial position of the Council for the current, next and future years. This exercise enabled Members knowledge of the council's financial position to be enhanced and also resulted in a steer being provided regarding the assumptions to be made in the budget and the Council Tax increase for Council funds. This was against a backdrop of the Council's priorities and achievements which were also discussed.

The growth and savings proposals were also discussed at the Strategic Planning Away Day. However it was agreed at this meeting that the proposals be put to the Policy Finance and Administration Committee at their meeting on 27th January 2015 for them to consider and make recommendations to Full Council. At the meeting of Full Council held on 4 February 2015 the 2015/16 budget was formally approved which after taking into account the proposed savings and growth proposals resulted in a balance budget for 2015/16.

The HRA rent setting and budget proposals for 2015/16 which are underpinned by the 30 year business plan were presented to the Community and Social Affairs committee at their meeting held on 21 January 2015.

6 Council Tax

At the meeting of the BSPWG on 12 November members of the working group supported the budget assumption of taking the Council tax freeze grant for 2015/16 which was on offer from the Government. However, following the Strategic Planning away day held in January 2015 members decided in light of the future funding pressures being faced by the Council to not take up the Governments offer of a further freeze grant for 2015/16 equivalent to a 1% increase. Alternatively, members proposed an average increase across all funds of 1.9% and Special Expenses Melton Mowbray be increased by 1.6% which were formally approved by Full Council at their meeting on 25 February 2015. 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 2014/15 and 2015/16 is shown below:

	2014/15	2015/16	Increase
	£	£	%
Melton Borough Council (average for whole area excluding Parish Councils)	177.66	181.04	1.90
Leicestershire County Council	1,063.00	1,084.15	1.99
Police & Crime Commissioner for Leicestershire	176.48	180.00	1.99
Leicestershire Combined Fire Authority	59.25	60.43	1.99
Parish Councils (average for whole area)	55.76	56.06	0.54
Average for whole area (including precepts)	1,505.71	1,535.09	1.95

6.1 Council Tax Base

The revision to the 2015/16 Tax base, resulting in an increase of 201 to the number of Band D equivalents (as shown in the table below), produced a increase in Council tax of £81k when taking into account the council tax increase of 1.9%.

	2013/14	2014/15	2015/16
Number of Band D Equivalents dwellings	17,497	17,708	17,909

6.2 Collection Fund

The payments out of the Collection Fund for the in-year Council Tax (excluding prior year surpluses/deficits) from 2013/14 to 2015/16 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.

	2013/14 £'000	2014/15 £'000	2015/16 £'000
Leicestershire County Council	18,599	18,823	19,416
Police & Crime Commissioner for Leicestershire	3,042	3,125	3,224
Leicestershire Combined Fire Authority	1,021	1,049	1,082

7 Medium Term Financial Strategy for 2015/16

The key issues for the Medium Term Financial Strategy (MTFS) for 2015/16 were set out in the budget framework approved by the PFA committee on in September 2014. The key issues were:

- The retention of the £820,000 target working balance for General Expenses, £50,000 target for Special Expenses Melton Mowbray and £750,000 for the HRA.
- The council retains its objective for setting a balanced budget in 2015/16
- The Programme Board determine the relative policy for schemes for members to consider and allocate funding based on the information set out in the project mandates.

As part of the budget report to Full Council the financial projections for future financial years were presented as part of the MTFS. These were based on the estimated likely position for these future years. 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 both the Management Team and the BSPWG. Some of the key assumptions that have been made in preparing these forward projections as follows:

- The current policy of allocating a portion of RSG to parishes and special expenses to compensate for the reduction in tax base as a result of council tax support is continued with a reduction in line with Melton's estimated reduction in RSG as approved by the Council on 11th December 2013;
- Any surplus on the General Expenses revenue budget is transferred to the Corporate Priorities Reserve and Special Expenses Melton Mowbray is transferred to the Special Expenses Reserve to provide resources to meet future financial challenges and one off costs. Where there is a budget deficit from 2017/18 onwards this has been left as a balance in order to demonstrate the funding gap;
- That an increase in council tax of 1.9% will be set in 2016/17 and 2017/18 and 2018/19;
- Transformation savings of £200k will be achieved over the 2 years 2015/16 and 2016/17;
- Additional savings/income could arise from the review of public conveniences, increases in income in some services from both demand and price rises, savings from a new waste contract and interest rate increases;

- Additional costs could arise from changes to NI and pension arrangements, general pay and price rises, withdrawal of partner funding in some areas including dry recycling credits, and the transfer of the land charges service to the land registry;
- No allowance has been made for the any financial impact arising from Welfare Reform including the introduction of Universal Credit;
- RSG will continue to reduce significantly in line with previous reductions

8 Projected Level of Balances

One important issue that that was relevant to both the MTFS and also the 2015/16 budget, was the assumption about the level of balances that the council would require to address any unexpected spending pressures. These balances need to reflect spending experience and risks to which the Council might be exposed.

The key issues that could impact on the robustness of the estimates were covered by the high risk budgets set out in an appendix accompanying the 2015/16 budget report to members. In addition assumptions were made regarding partner contributions and external funding where notification of funding levels were yet to be received and there are a number of initiatives in progress that were yet to be fully costed and included in the estimates. Reserves would need to be adequate to fund any in year requests for schemes not supported as part of the budget setting process and each case would need to be assessed at that time based on the availability of individual reserves available to support any such requests.

With regard to the revenue reserves the council has three main categories. These are 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. A brief description of the purpose and future intention with regard to each reserve and provision held by the Council accompanied the budget report as part of the Councils reserve strategy.

At the meeting of Full Council on the 4 February 2015 the total reserves as at 31 March 2014 where £16.360m and were expected to decrease to £11.670m as at 31 March 2016 as result of financing the capital programme in the main . The statement of account revises the level of balances at the end of 2015/16 to £18.925m mainly as a result of slippage on the capital programme and revenue underspends.

9 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 Management Team and reported to Full Council as part of the annual budget report.

During the financial year revenue and capital budget monitoring information is reported to each committee for their relevant portfolios with the PFA committee having an overview for the General Fund and the Community and Social Affairs committee monitoring the HRA. The Town Are committee monitors the Special Expenses – Melton Mowbray budgets. Management team

will receive monthly finance reports on the revenue position and Programme Board undertake regular monitoring of the Capital Programme on the same frequency.

In addition, treasury management performance is reported to the BSPWG and then Full 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.

10 Capital Strategy and Capital Programme

The Council has a five-year capital programme. The Programme Board who have operational oversight of the capital programme take a proactive approach in ensuring a realistic and affordable programme is developed that meets the Council's priorities and objectives as set out within the various strategies contained in the Corporate Policy Framework. The Capital Programme report was approved at the Council meeting on 4 February 2015 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 at the Strategic Planning Away Day on 15 January 2015 considered and made recommendations on the projects for both General and Special Expenses to be funded in the capital programme for 2015/16 in addition to those which have already had funding approved. The impact of these recommendations were incorporated into the revenue budget and prudential indicators as part of the Treasury Management strategy presented to Full Council.

A provisional 2015/16 capital programme in respect of the HRA was approved by the Community & Social Affairs (CSA) Committee at a meeting held on 12 November 2014.

In total the capital programme in 2015/16 was £5.349m including £1.851m 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 2015/16 progressed, the initial plans were revised to incorporate expenditure profiling from the previous year, approvals and scheme updates as information became available.

11 Revenue Outturn Position 2015-16

General Fund Services

General Expenses – the net revenue expenditure of the Council for 2015-16 prior to council tax and grant funding was originally estimated at £5.917m, which was subsequently updated to an estimated year end position of £6.067m. The actual net expenditure for the year was £5.521m, a saving over the original estimate of £396k. After taking into account the change to the Business Rate Retention (BRR) Scheme Levy amount the surplus for the year is £299k compared to an original £135k deficit. Following the reduction of the working balance of £180k the increase in the reserves will be £614k when compared to the original estimate.

Special Expenses – the net revenue expenditure for 2015-16 in respect of special expenses was originally estimated at £503k, which was subsequently updated to an estimated year end position of £508k. The actual net expenditure for the year was £530k, which was an overall deficit of £27k. This results in £7k being allocated to the special expense reserve when compared to the original surplus estimate of £34k.

Housing Revenue Account (HRA) – The original estimate for the HRA was a deficit of £46k. The actual year end position was a surplus of £339k, resulting in an underspend of £385k.

The table below compares the original estimate with the actual year end position for all Council funds:

	2015-16 Original Estimate	2015-16 Actual	2015-16 Variances
	£'000	£'000	£'000
<u>General Expenses</u>			
Cost of Service Provision	6,536	5,926	-610
Other Items	-619	-405	214
Council Tax, BRR & Grant Income	-5,782	-5,820	-38
Deficit / Surplus(-) for Year	135	-299	-434
Transfer to Working Balance	0	-180	-180
Transfer from (-)/ to Reserves	-135	479	614
Net Surplus(-)/Deficit	0	0	0
<u>Special Expenses</u>			
Cost of Service Provision	622	631	9
Other Items	-119	-101	18
Council Tax & Grant Income	-537	-537	0
Deficit/Surplus(-) for Year	-34	-7	27
Transfer to Working Balance	0	0	0
Transfer to General Reserve	34	7	-27
Net Surplus(-)/Deficit	0	0	0
<u>Housing Revenue Account (HRA)</u>			
Expenditure	8,071	7,829	-242
Income	-8,025	-8,168	-143
Deficit/Surplus(-) for year	46	-339	-385

The reduced spend on general expenses of £396k over the original estimate was mainly due to:

- **Project Work** - It should be noted there was an underspend against the Local Plans budget which mainly relates to development of the Transport Strategy and Community Infrastructure Levy which has been delayed. This will now take place during 2016/17 and the majority of the underspend forms part of the carry forward request (£435k). In addition to this the funds provided to support the Cattle Market redevelopment will be carried forward into 2016/17 following some minor delays to the programme (£99k).
- **Benefits** – There has been an underspend of circa £49k due to the increase in subsidy payments resulting from the introduction of the Intensive Housing Management Scheme together with lower instances of claimant and local authority errors. There has also been an increase in the overpayment recovery as a result of focused work in that area.
- **Information Technology** – There have been a number of saving initiatives achieved within this service including a change in the approach to Microsoft licencing, replacement of security firewalls removing the need for annual support, internet connection contract and a review of the server strategy linked to the data centre consolidation work which has resulted in a underspend of £81k.
- **Reduced costs** – In general there have been a number of savings across services such as salary savings within Communities and Neighbourhoods (£46k) and Regulatory services (£11k), reduced audit fees and bank charges (£13k), underspends on asset maintenance (£31k) and savings on the elections budget due to less seats being contested (£26k). There was also a saving generated on the insurance provision for the Wheels to Work scheme following a procurement exercise (£14k)
- **Business rates** – There has been a shortfall on the section 31 grant, which is provided to reimburse local authorities to cover the cost for implementing a number of government set reliefs due to the differences between the original estimates and final returns. As a result of a lower level of collectible rates over that originally estimated the levy payment was lower than predicted. The impact of this lower level of business rates will flow into later year's calculations. To offset the impact of these changes over that budgeted for in 2015/16 a higher amount has been transferred from the revenue account into the business rates equalisation reserve. This reserve was created to mitigate the impact of such fluctuations on the Council's financial position against budget with regard to business rates retention.
- **Income** – the council has seen an increase in a some key income streams such as:
 - Development control with higher than anticipated number of major applications being received in year (£24k)
 - Car Parks and Bus station income was higher than predicted with increased fee income due to the bad weather and a new lease agreed for Thorpe End which wasn't expected which contributed to the overall underspend (£36k)
- **Additional costs** – along with the reduced costs, savings and additional income generated, these have been partly offset by some additional costs elsewhere. These include staffing costs for supporting people (£22k), recycling gate fees were lower on waste management due to reduced tonnages (£19k) and due to an increase in vulnerable residents the costs associated with delivery the homeless service have exceeded the budget (£23k)

In addition to the above there are a number of other service underspends where approval has been given to carry forward the budget into 2016-17.

The HRA year-end position when compared to the original budget shows a net reduction in spending of £385k. The majority of the underspend has been caused by the need to re-do surveys resulting in a delayed planned maintenance programme in addition to lower costs obtained per property. Lower demand and a mild winter have also contributed to the

underspend on responsive repairs whist partially being off-set by high voids. Higher interest on balances, higher number of Right to Buy Sales, the increased communal cleaning charge and the new Intensive Housing Management Service as well a contribution towards this service have contributed to the higher income obtained.

Impact of the Current Economic Climate

The current economic climate continues to prove challenging for the Council in terms of financial management and is set to worsen with the future planned cuts in Government grant funding coupled with the uncertainty over the 100% Business rate Retention Scheme. The Council is developing an efficiency plan to help meet the future budget pressures with the aim of these savings and income generation initiatives to mitigate the loss in grant funding. This will be a challenging target and requires a One Council approach in order to achieve.

New 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).

Long Term Borrowing – Public Works Loans Board (PWLB)

During the year, no loans were repaid and none raised leaving the outstanding loan debt at 31 March 2016 at £31.413m. The maturity profile of the outstanding loan debt at 31 March 2016 is shown below:

<i>Balance</i>	Analysis of Loans by maturity	Balance
31 March 2015		31 March 2016
£'000		£'000
0	Maturing in less than 1 year	0
0	Maturing in 1-5 years	0
0	Maturing in 5-10 years	2,098
31,413	Over 10 years	29,315
<hr/> 31,413 <hr/>		<hr/> 31,413 <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 2016 was £42.829m (£42.116m at 31 March 2015).

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

Investments

During the year investments increased by £1.20m and stood at £17.65m at 31 March 2016. The fair value at that date was £17.721m.

Capital Expenditure

Capital expenditure amounted to £3.446m which resulted in an underspend on the programme of £1.427m. Of this underspend, £1.439m has been carried forward into 2016-17. Whilst this is the net total underspend the following schemes did overspend, resulting in the higher carried forward figure; various housing related schemes of £51k and the Leisure Vision project of £23k.

The major items of capital expenditure in 2015-16 were; Leisure Vision project £707k, Cattle Market £243k, Contribution to County-wide Broadband access £360k, Skatepark £318k and various works to Council owned dwellings £1.476m

The programme was funded by the following sources:

	£'000
Capital receipts	1,277
Major repairs reserve	1,426
Development & Regeneration Reserve	49
Third party contributions	494
Government grants	0
Use of reserves	200
	<hr/> 3,446 <hr/>

Other than the expenditure on capital projects set out above and income received from capital receipts in the sum of £1.219m 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 £4.581m.

Reserves

Overall revenue reserves and revenue account surpluses increased by £1.912m and at 31 March 2016 totalled £12.808m. These are analysed below:

	31 March 2015	31 March 2016
	£'000	£'000
Special reserves	6,536	7,920
Other reserves	2,377	2,744
General Expenses working balance	820	640
Special Expenses working balance	44	44
Housing Revenue Account working balance	1,120	1,460
	10,897	12,808

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. As a result a total liability of £15.635m has been included in the balance sheet, thereby reducing the net worth of the Council. This is a significant decrease on the liability of £21.702m at 31 March 2015. This is principally because financial assumptions at 31 March 2016 are more favourable than they were at 31 March 2015. The balance sheet position for Melton has improved over 2015/16 as a result of an increase in the net discount rate over this period, the positive impact of which has outweighed the likely lower than expected asset returns. The projected 2016/17 charge to Profit & Loss is likely to be lower than the 2015/16 charge due to a higher net discount rate (the discount rate net of inflation), leading to a lower current service cost the 2016/17 net interest cost is likely to be less than the 2015/16 net interest cost due to the likely lower deficit at 31 March 2016.

12 Non-financial Performance of the Council 2015/16

12.1 Key Achievements

Melton Borough Council has the full support and commitment from its public, private and voluntary sector partners and has built a strong spirit of partnership and sense of common purpose. It has a strong track record and is well placed to deliver at pace and provide value for money. Significant successes have already been achieved, and include:

- Securing £3.5 million of Local Growth Funding to safeguard and develop the future of Melton Mowbray Livestock Market .This investment will replace existing provision to safeguard the Livestock Market, providing modern facilities to allow its continued operation over the next 20 years: 4,295 m2 of new accommodation will be created and a total phase 1 site of 33,980 m2 secured.
- Facilitating investment through the Growing Places Fund to unlock the development of a key employment site at Old Dalby Enterprise Village that will deliver significant jobs growth within the Borough.
- Melton Borough Council was selected as a national leader for one of the Government’s flagship initiatives for economic growth and the borough is one of only 17 pilots across the country to become a Food Enterprise Zone.
- Melton Country Park is an area of open space 137 acres (55.5 hectares) in size, 10 minutes’ walk from the centre of Melton Mowbray. The park been awarded the Green Flag award for the past 3 years, and has been named "One of the best parks in the UK". It was also successful in becoming a QE11 Diamond Jubilee ‘Fields in Trust’, this ensures the park will be protected as a park forever.
- The achievements of Melton Borough Council’s innovative Me and My Learning programme were recognised by the prestigious iESE Public Sector Excellence national awards event. The Me and My Learning programme was successful in two categories, achieving a Silver Award in the Innovation category and a Bronze award in the Transforming Services category. Me and My Learning, based at Phoenix House, brings together a wide range of partner organisations under a single delivery “umbrella” to help people to live more independently and has been successful in moving over 100 people into work since starting in 2014.
- The Wheels 2 Work in Leicestershire and Rutland has been a successful programme run and managed by Melton Borough Council since its start in 2006, the scheme started off with just 8 mopeds covering the Melton and Rutland area, over the course of the last few years the scheme has grown to become one of the largest in the country with a fleet of over 170 vehicles ranging from electric bicycles to 125cc scooters. The scheme now covers the whole of Leicestershire and Rutland and was awarded LSTF 2 funding in September 2012 with transitional funding secured from Leicestershire County Council for 2016/17. The programme has helped in excess of 250 people access employment and education who would otherwise have been unlikely to have been able to do so.
- Melton Borough Council has been awarded the Cabinet Office’s prestigious Customer Service Excellence (CSE) Standard as well as retaining its Investors in People (IIP) accreditation. External assessors visited the Council in October and undertook

discussions with staff, partners, Councillors and customers to assess performance against the criteria for both the CSE and IIP standards. The Council has held the IIP award since 2005 award. This is the first time the Council has been assessed against the CSE standard for customer service delivery.

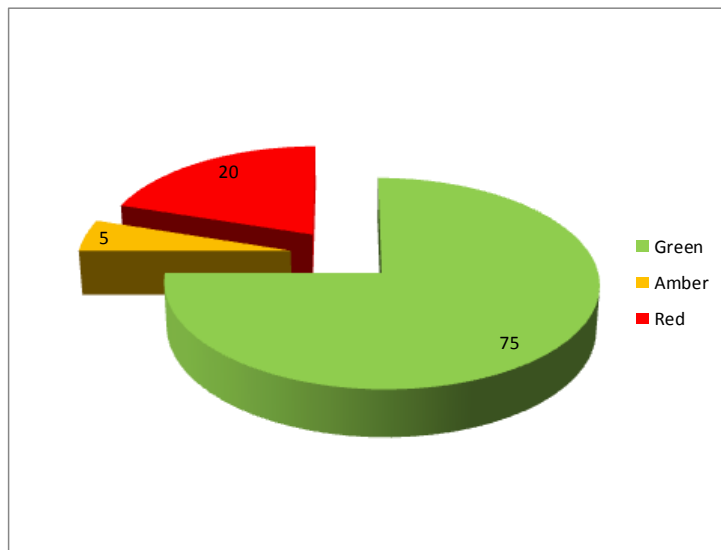
12.2 Performance Against Corporate Objectives

Traditionally the Council’s performance has focused invariably on targets that are fed by inputs and outputs (i.e. percentage of customers dealt with in a certain amount of time). A key objective for the refreshed Corporate Plan (2015-2020) and the associated performance management framework is to focus on how the Council can work towards an outcome based performance system that builds up a picture of the collective performance of the organisation in terms of impact. The intention is to ensure information can be tracked in a way that allows us to tell the story of transformational change within the Borough and to ensure the Council captures outcomes and (customer) experiences that have occurred as a consequence of the Council’s work.

Performance against the delivery of Melton Borough Council’s three corporate themes of Place, People and Agile Council, were monitored and reported quarterly through the year to a Performance Management Task Group – PTMIG. Overall, 75% of the rated corporate measures met their targets in FY 2015/16. Remedial action and improvement progress is reported to members for the areas where targets are not met. An overview of the corporate performance is presented below:

Corporate Metrics set

Live metric:	%	
Total	100	20
Green	75	15
Amber	5	1
Red	20	4



13 Risks

The Council has a Corporate Risk Register which is regularly reviewed and updated with a formal annual review by the Governance Committee undertaken. The risks currently contained in the Corporate Risk Register are:

- The Local Plan – Delivering the local plan and delivering growth and sustainable development
- Funding - Risk of achieving a balanced budget as a result of government funding cuts without resulting in significant cuts in service provision
- Vulnerable Families - Increased number of vulnerable families and individuals resulting from the impact of Welfare Reforms and long term sustainability of initiatives to tackle this.
- Transformation - Challenge of cultural issues which could undermine our ability to transform the Council and deliver required savings

All risks in the Corporate risks Register are supported by a action plan which is regularly reviewed and updated.

At an operational level a record of service risks is also maintained which is regularly reviewed by the council's Management Team. Key projects are also supported by a risk log and reports to the Council's Policy committees also have a section where the risks of proposals are considered as part of the decision making process.

Summary Position

The year-end position for 2015/16 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. This represents a tremendous achievement for the Council in such economically challenging times.

In 2015/16 the Council has faced a number of challenges and with the further significant changes ahead the Council will need to adapt and meet these challenges. There are risks as highlighted above which will need to be managed through the Melton's robust risk management processes. Overall the Council is in a good position as it moves into 2016/17.

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, Central 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, who have assisted in the preparation of this document. I would also like to thank them for all their support during the financial year.