

Agenda

Meeting name	Meeting of the Council
Date	Thursday, 25 July 2024
Start time	6.45 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH
Other information	This meeting is open to the public

Members of the Council are summoned to the above meeting to consider the following items of business.

Edd de Coverly
Chief Executive

Membership

Councillors	T. Webster (Chair)	J. Adcock
	P. Allnatt	I. Atherton
	S. Atherton	M. Brown
	R. Browne	S. Butcher
	S. Carter	R. Child
	D. Chubb	M. Clay
	H. Cliff	S. Cox
	P. Cumbers	C. Evans
	A. Freer	M. Glancy
	M. Gordon	A. Hewson
	L. Higgins	S. Lumley
	J. Mason	J. Orson
	S. Orson	D. Pritchett
	R. Sharp	A. Thwaites

Quorum: 14 Councillors

Meeting enquiries	Democratic Services
Email	democracy@melton.gov.uk
Agenda despatched	Wednesday, 17 July 2024

No.	Item	Page No.
1.	APOLOGIES FOR ABSENCE	
2.	MINUTES To confirm the Minutes of the previous meeting held on 16 May 2024.	1 - 12
3.	DECLARATIONS OF INTEREST Members to declare any interest as appropriate in respect of items to be considered at this meeting.	13 - 14
4.	MAYOR'S ANNOUNCEMENTS The Mayor will make his announcements. Following the Mayor's announcements, the Mayor will lead the recognition of Malise Graham's 37 year service to Melton Borough Council. Following the recognition of Malise Graham, the Mayor will invite the Strategic Lead for Healthy and Active Communities to provide a 10 minute presentation on the renovated leisure facilities.	
5.	LEADER'S ANNOUNCEMENTS	
6.	PUBLIC QUESTION TIME In accordance with the Constitution, Members of the Council may answer questions from the public of which notice has been given. No questions have been received at the time of publication. Deadline for questions – Thursday 18 July, 12pm	
7.	QUESTIONS FROM MEMBERS In accordance with the Constitution, a Member may ask the Leader, relevant Portfolio Holder or the Chair of the Council, a question on any matter in relation to which the Council has powers or duties or which affects the Borough. Seven questions have been received at the time of publication. All confirmed questions will be circulated after the deadline. Deadline for questions – Thursday 18 July	
8.	MOTIONS ON NOTICE In accordance with the Constitution, motions on notice must be signed by at least two Members and be about matters for which the Council has a responsibility or which affect the Melton Borough.	

	<p>The following motion was received from Councillor J Orson (Seconded by Councillor Browne).</p> <p>Leicestershire County Council's Children and Family Services Ofsted Rating</p> <p>It is proposed that Melton Borough Council congratulates Leicestershire County Council's Children and Family Services on their recent Ofsted Report, having received the rating of Outstanding. It is testament to Lead Member Councillor Deborah Taylor together with Children and Family Services staff for their hard work, dedication and commitment to the benefit of children across the Borough of Melton and Leicestershire.</p>	
9.	<p>CABINET RECOMMENDATIONS TO COUNCIL - TREASURY MANAGEMENT ANNUAL REPORT 2023/24</p> <p>To receive a report from the Cabinet on recommendations referred to Council in relation to the Treasury Management Annual Report 2023/24.</p>	15 - 48
10.	<p>RECOMMENDATIONS AND REPORTS FROM COMMITTEES - SCRUTINY ANNUAL REPORT 2023/24</p> <p>To receive the Scrutiny Annual Report 2023/24 from the Scrutiny Committee.</p>	49 - 86
11.	<p>RECOMMENDATIONS AND REPORTS FROM COMMITTEES - AUDIT AND STANDARDS COMMITTEE ANNUAL REPORT 2023/24</p> <p>To receive the Audit and Standards Committee Annual Report 2023/24 from the Audit and Standards Committee.</p>	87 - 102
12.	<p>POLITICAL BALANCE AND ALLOCATION OF SEATS TO POLITICAL GROUPS</p> <p>The Monitoring Officer is to present the review of political balance and allocation of seats to political groups.</p>	103 - 118
13.	<p>SAFER MELTON PARTNERSHIP - FOCUS ON TOWN CENTRE RETAIL CRIME</p> <p>To receive a report from the Safer Melton Partnership on town centre retail crime.</p>	119 - 146

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Minutes

Meeting name	Council
Date	Thursday, 16 May 2024
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor A. Hewson (Chair)

Councillors

J. Adcock	P. Allnatt
I. Atherton	S. Atherton
M. Brown	R. Browne
S. Butcher	S. Carter
R. Child	M. Clay
H. Cliff	S. Cox
P. Cumbers	C. Evans
A. Freer	M. Glancy
M. Gordon	L. Higgins
S. Lumley	J. Orson
S. Orson	R. Sharp
A. Thwaites	T. Webster

Officers

Chief Executive
 Assistant Director for Governance and Democracy (Monitoring Officer)
 Director for Housing and Communities (Deputy Chief Executive)
 Director for Corporate Services
 Senior Democratic Services and Scrutiny Officer
 Democratic Services Officer (HA)
 Democratic Services Officer (CB)
 Democratic Services Officer (SE)

The Reverend Dr Mary Barr offered prayers.

Minute No.	Minute
CO1	<p>APOLOGIES FOR ABSENCE Apologies for absence were received from Councillors Mason and Pritchett.</p>
CO2	<p>MINUTES The Minutes of the meeting held on 18 April 2024 were confirmed. (23 For, 0 Against, 1 Abstention)</p>
CO3	<p>DECLARATIONS OF INTEREST A personal interest in respect of Councillor J Orson was noted as being on record for any matters which related to the Leicestershire County Council.</p>
CO4	<p>MAYOR'S ANNOUNCEMENTS The Mayor gave an update on events he has attended since the last Council meeting.</p> <ul style="list-style-type: none"> • Stamford Civic parade and Service attended by the Deputy Mayor • St Georges Day Parade attended by the Mayor • Men's international cycle classic race attended by the Mayor • 80 D Day service and parade attended by the Mayor <p>The Mayor then made the following speech:</p> <p><i>Honorary Aldermen, Guests, Fellow Councillors, Ladies & Gentlemen, these last two years have passed so quickly and although I feel a degree of sadness it is coming to an end, it will be good to have a rest!</i></p> <p><i>I would like to thank my wife, Jane, for all her support and encouragement throughout my term of office, for standing by me with weekends and evening events taking over our time alongside the running of the farm and our family life, I really could not have done it without her. Thank you.</i></p> <p><i>The Mayoress and I have found it a hugely rewarding experience though and we have been very grateful for the opportunity to meet so many interesting people and visit such a variety of places, the memories will stay with us for a long time to come.</i></p> <p><i>I have enjoyed and benefited from meeting other Civic Heads in Leicestershire and neighbouring districts; it is the people you meet that make the event so special.</i></p> <p><i>There have been many highlights of my two years in office; and one of my proudest events was hosting the Platinum Jubilee of HM Queen Elizabeth II, in May 2022, though this was sadly followed by her death in September 2022 and my reading of the Proclamation for King Charles III and that led to the Coronation in May 2023.</i></p>

On this final day in office as Mayor, I wish to thank all the people, organisations, and businesses of Melton Borough who continue to welcome and support the role of Mayor in our community, all invitations to the Mayor are important as someone has thought it worthwhile to invite you.

I would like to thank Councillors, past and present, for their support and I must extend my appreciation to Officers and Staff of this Council for their help and advice during the year and in managing the Mayoral diary and events. I would especially like to express my thanks to Malise Graham, who, as you all know has now stepped down after 37 years from being a ward councillor, his guidance and advice has been invaluable having 3 years of Mayoralty experience to draw on. Thank you.

I would like to also pass my thanks, to Reverend Mary Barr from St Mary's Parish Church, Pastor Neal Swettenham from the Melton Vineyard church and Reverend Ruth Simpson, Superintendent Minister Melton Mowbray Methodist Circuit, who have guided and assisted me on numerous occasions including the Christmas Carol Service, Armed Forces Fly the Flag service and in saying prayers at Full Council. Thank you

I would like to pass my thanks and appreciation to the support of the Royal Air Force Cadets from the 1279 (Melton Mowbray) Squadron, for assisting me at armed forces events during the year. Thank you.

I wish the incoming Mayor, Councillor Tim Webster, and his Consort, Mrs Sally-Anne Webster, an enjoyable and rewarding Mayoral Year, and thank Councillor Webster for his support during this past 12 months.

On behalf of Jane and myself, thank you to you all for giving us the privilege of being the Mayor and Mayoress of Melton Borough. Thank you.

At 6:45pm, Councillor R Browne entered the meeting.

CO5

ELECTION OF MAYOR

Councillor Allnatt proposed Councillor Webster be elected Mayor of the Borough until the Annual Council meeting in 2025. Councillor Browne seconded the motion.

Council

RESOLVED

that Councillor Webster be elected Mayor of the Borough of Melton for the period until the Annual Council meeting in 2025.

(24 For, 0 Against, 0 Abstention)

The Mayor signed the Declaration of Acceptance of Office and he and his consort, Mrs Sally-Anne Webster, were invested with the Chains of Office. Once invested, the Mayor gave the following speech:

Distinguished guests, fellow Councillors, Ladies and Gentlemen, firstly, may I thank my fellow Councillors and my proposer, Cllr Pip Allnatt and seconder, Cllr Ronan Browne for their support and the trust they have placed in me, for the election of Mayor of the Borough of Melton.

I wish to pay tribute to Alan and Jane the out-going Mayor and Mayoress for the way in which they have carried out their numerous duties over the last 2 years above and beyond. It has been a pleasure for me and Sally-Anne to serve as your deputies for this last year, representing yourselves on several occasions throughout the year and we thank you, for all your help, advice and support in preparing us for our year as Mayor and Mayoress of the Borough of Melton.

Councillor Glancy proposed a vote of thanks to the outgoing Mayor and Mayoress, Councillor Allnatt seconded the proposal.

Council confirmed the vote of thanks to the retiring Mayor and Mayoress.

The new Mayor Councillor Webster then made his announcements.

Thank you all again.

Myself and my wife, Sally-Anne, are honoured to have the opportunity to promote all that is best in the Borough and the town of Melton Mowbray and all they have to offer.

I can promise you, that I wear this chain with great pride, and I pledge to uphold the dignity and honour that this position demands, and I look forward to severing and promoting all that is best within the Borough and the Town of Melton Mowbray.

Having come from a Melton family, born, and bred, anyone who knows me, knows I am very passionate about Melton and will champion Melton wherever possible to my best ability.

My chosen charities are:

- *Belvoir Cricket & Countryside Trust – I invite Michael Cooke to come forward and make a 5 minute presentation, there is a short video for you to watch.*
Representatives from the Belvoir Cricket & Countryside Trust gave a short presentation and a video was played.

- *Prostaïd cancer support group – and I invite Rob White to come forward and make a 5 minute presentation.*

	<p>Rob White of Prostaïd gave a presentation to Council.</p> <p><i>I am sure these charities are very well known to you all and I hope you agree that they deserve all the support we can give.</i></p> <p><i>I would also like to give thanks to Richard Griffith from Samworth Brothers for producing a ceremonial pork pie for the new mayor, which you will be able to sample later.</i></p> <p><i>I ask you all for your generosity and support of my fundraising events during my Mayoral Year. Look out for Quizzes with auctions and daytime disco at Tubes Nightclub, which will be from 2pm-7pm.</i></p> <p><i>I have already accepted eight invitations to events in the next few weeks and I will cover these in further detail at the next council meeting in July 2024.</i></p> <p><i>Thank you for my election.</i></p>
CO6	<p>ELECTION OF DEPUTY MAYOR</p> <p>Councillor Browne proposed Councillor S Atherton be elected Deputy Mayor of the Borough until the Annual Council meeting in 2025. Councillor Allnatt seconded the motion.</p> <p>Council</p> <p>RESOLVED</p> <p>that Councillor S Atherton be elected Deputy Mayor of the Borough of Melton for the period until the Annual Council meeting in 2025.</p> <p>(23 For, 0 Against, 2 Abstentions)</p> <p>Councillor S Atherton signed the Declaration of Acceptance of Office and she and her consort, Councillor I Atherton, were invested with the Chains of Office. Councillor S Atherton gave thanks for her election as Deputy Mayor.</p>
CO7	<p>NOTIFICATION BY THE LEADER OF THE APPOINTMENT TO THE CABINET</p> <p>The Leader asked that:</p> <p>Council noted the Deputy Leader, Cabinet Membership, the Portfolio Holders and the Scheme of Delegation is unchanged for the new municipal year.</p> <p>The Leader gave thanks to the following:</p> <ul style="list-style-type: none"> • Councillor Alan Hewson for his work in the role of Mayor over the past year, as well as the support provided by the Mayoress. Helen Ainge behind the

scenes and ensuring the Mayor knew where he ought to be.

- The new Mayor, Councillor Tim Webster and his consort Sally-Ann for the past year and high hopes for the coming one.
- Councillor Siggy Atherton for agreeing to become Deputy Mayor and to her consort, Councillor Ian Atherton for his support.
- The Caretaking team for helping to make this building tick, they are always cheerful, helpful, the first to come and the last to leave.
- The Election Services team and the wider team who ran the recent election and count for the Police and Crime Commissioner so efficiently. Melton was the first to declare the result on the Friday.
- The Leader also gave thanks to the many hundreds of residents who contribute so much to the life of the local communities. Most are unpaid, self-sacrificing, and dedicated to the job in hand. Without this volunteer army, so much of what we value would not be possible.
- The Leader congratulated to the re-elected Police and Crime Commissioner in the recent election.
- Thanks, were also given to 3 staff members as they leave the Council: Amelia Bailey, David Hayton-Hill and Pranali Parikh. We wish them all well.

The Leader then reflected on the past year and his consideration of the next one. He started by stating that the past year started with the tail end of the previous administration, an election with many new faces, new partnerships and for officers a period of upheaval and uncertainty. The year has been one of consolidation, preparation and focusing on both urgent issues and big-ticket items. The coming year will continue some of that but with more detail, turning strategies into policies and policies into actions.

The Leader stated that on taking office, it was clear that in the short term the general position was stable but in the medium to long term it was precarious, based upon the Council's resources and regulation by central Government. The administration agreed to not over commit on revenue or running cost expenditure, minimise drawing down from reserves, seek additional external funding and Government grants. The approach continues into this year.

Debt, post COVID was too high on the Housing Revenue Account. By devoting more resources this is now coming down. In doing this the Council have also been active in supporting tenants in financial difficulty. Officers are working with other agencies and charities to achieve this aim. Naturally this work will continue.

Part of the financial environment is of course asset management including the disposal of assets. Due to insufficient staff, record keeping and monitoring has been poor in recent years. This problem has been recognised with vacancies filled, and a start made to improve. The Leader thanked all staff involved for responding to Councillor Cox's leadership on these matters. They are doing this at the same time as supporting multi-million-pound projects, Council housing and new proposals.

On sale of assets, the Council have proceeded with the previous decision to sell “site A” at the cattle market. The general policy options for a similar disposal of “site B” is on hold pending the works for the LUF constructions on sites E and D. From a practical point of view this will be the case for the whole of this municipal year. The Council must proceed with caution, as assets provide utility as well as one-off cash when sold.

The Council have made real progress in adopting the new asset management plan, as well as reset the focus for a GP surgery and rejected the scheme to provide a completely new build at the Melton Sports Village campus.

The new administration rejected the notion of a hotel development at Parkside.

As a result, the Council has secured a commitment from the NHS Integrated Care Board to develop a plan for incorporating a GP surgery at Parkside. The costed business case is being developed and will be considered over the coming months. This will mean surplus space at Parkside will cease to be a financial burden and local private hotels are expanding without uncertainty.

The Council have been able to retain an improved swimming pool serving 18 school curriculums and several other groups. The Council have a 10-year contract for Waterfield and MSV turning a £0.8m net loss into a £1m gain. While investing nearly £2m for building and service improvements. Thanks to our local schools, dry sport groups affected by the changes have been accommodated.

The Leader was very pleased that the Council were able to give a grant for the town’s soft play venue, Jungle Bugs.

Looking to the future, work is progressing on schedule for completion this year at Waterfield and MSV. Local Groups are being invited to consider the shape and provision more generally across the Borough and replacement facilities at the end of the 10-year contract.

The early focus of the new Council was to increase engagement with communities and make Melton Cleaner and Greener. The administration delivered a number of early quick wins, while developing our new corporate strategy, these included:

- Officers and members working alongside tenants with community cleanups and community action days.
- Promoted responsible dog ownership to combat environmental crime, ensuring local businesses can dispose of their waste and working alongside the Police on stop and search initiatives to catch fly-tippers as part of a focus on rural crime.
- Launched the Well-Kept Garden recognition scheme and unveiled the ‘Letters to Heaven’ memorial post box.
- Significant progress was made in planting trees with thanks to Councillors Glancy and Lumley for their support in this.

The administration established new working groups to focus on our Town Centre and Asset Development Programme and this has helped guide the work that has been undertaken this last year. With the conclusion of the Governance work it is hoped that the collaborative approach is enshrined into the Constitution at Council later this year.

The Council have allocated funding from the UKSPF, as well as the Council's own resources to invest in greening the town, developing a new design guide, and supporting partners at Melton in Bloom.

The Council held a cost-of-living event in Bottesford and established the Rural Food Hub to increase focus on rural communities. A new health screening clinic for Farmers at the Livestock Market was launched, which focuses on mental health support.

As a Council more access to Household Support Grants has been provided than any other Leicestershire District Council, with almost 5000 household benefiting. Alongside this the Community Support Hub based as Phoenix House have supported hundreds of residents across the Borough. The digital support at Phoenix House is in demand and the digital support across the Borough is being increased through our UKSPF funding.

The Council have had incredible success with UKSPF funded work and skills project and are on course to exceed its targets by the end of the reporting period. The Council will shortly be launching a scheme for residents to access retail discounts on an ongoing basis,

The 'Let's Get Moving' Roadshow was taken out to a number of rural communities, following the success of these events, the Council hosted the first Let's Get Moving Awards in October for community and sports groups who have made huge contributions to physical activity, health, and wellbeing across the district.

Work on making the best use of the Levelling Up Fund continues, it is anticipated the application for the Stockyard would be submitted in the next month. Regrettably the College are not in a position to utilise the £2m Levelling Up Funding allocated to the theatre, due to intervention of the Further Education Commissioner. An agreement has been reached with Rutland to retain this money in Melton, options are being explored on how best this could be used to support the original aspirations of the bid, albeit in a different way. The Council will continue to work with the college on how to support them in safeguarding the future of the theatre and educational provision within Melton.

It has been a pleasure for the Council to administer capital community grants totalling £147K and business grants just over £152K.

The Council continue to manage our finances well, setting another balanced budget

in February and have introduced e-billing for Council Tax bills to increase efficiency. The Council have completed the first stage of the Healthy Workplaces accreditation, showing focus on attracting and retaining the best possible team by being a great place to work. The importance of Civic occasions is recognised with the co-ordinating a fantastic Remembrance Parade and service working alongside the Royal British Legion.

The Council have continued to focus on housing quality and improvement, a number of new tenant policies have been implemented and the Housing Asset Management plan has been refreshed. A tenant's corner webpage has been launched and at Gretton Court there is a new independent living officer and the kitchens and bathrooms are being replaced. A Housing Support Review is being undertaken and a number of new council homes have been acquired. Alongside making preparations for the regulatory changes that took effect in April.

Melton Borough Council are one of the first Councils in the country subject to the first inspections and whilst the outcome is being awaited, the Leader stated that he is proud that the teams that have risen to the challenge.

The review of the existing Local Plan, which runs until 2036 is progressing well, the Council have set the agenda through a new Corporate Strategy to set out a longer-term vision, alongside a more detailed 4 year delivery plan.

The Council is continuing its commitment to engage with rural communities by establishing two Rural Area Liaison Forums. These are due to take place in August, with invites and more details to follow.

An issue that concerns many people is flooding, whilst the Council's statutory responsibilities and resources are limited, the Council has played a full and active part in responding to issues caused by the storms over the last year and administering Flood Recovery Support grants to households and businesses affected. These issues will be discussed at the aforementioned Rural Area Liaison Forums.

The Council are committed to making Melton a cleaner and greener place and are in the process of appointing a dedicated new Waste and Environmental Services Manager. The Council will be undertaking an evaluation of current service delivery, so it can be clear what is possible within current resources to see which areas can be improved, alongside accelerating our focus on food waste collection which needs to be in place from April 2026.

The Council would maintain our focus on the town centre, delivering the investments promised within the UKSPF and reviewing our approach to car parking.

The Leader gave thanks to all Members and Officers, who have made this possible. It has been a privilege to lead the Council and he looks forward to more progress in

	the coming year.
CO8	<p>POLITICAL BALANCE AND ALLOCATION OF SEATS TO POLITICAL GROUPS</p> <p>The Monitoring Officer introduced the report the political balance and allocation of seats to political groups. Councillor Allnatt moved the recommendations of the report and Councillor Glancy seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>2.1 APPOINTED the Scrutiny Committee and Standing Committees as set out in paragraph 5.1.1 for the municipal year 2024/25;</p> <p>2.2 ESTABLISHED an additional Licensing Committee as detailed in Appendix D (Exempt document by virtue of Paragraph 5 of Part 1 of Schedule 12a of the Local Government Act 1972);</p> <p>2.3 AGREED the terms of reference and number of voting places on the Scrutiny Committee, Standing Committees and newly established Licensing Committee as detailed at paragraphs 5.1.2 – 5.1.4 for the municipal year 2024/25;</p> <p>2.4 APPROVED the political balance calculation at paragraphs 5.2.1 – 5.2.4;</p> <p>2.5 APPROVED the allocation of seats on the Committees as set out in paragraph 5.3.1 and Working Groups as set out in paragraph 5.4.1.</p> <p>2.6 RECEIVED nominations and make appointments to Committees and Working Groups as notified by the Group Leaders and set out in Appendix A;</p> <p>2.7 AUTHROISED the Monitoring Officer to:</p> <p>2.7.1 give effect to the wishes of the group in relation to adjustments to committee appointments where properly notified in accordance with Regulation 13 of the Local Government (Committees and Political Groups) Regulations 1990;</p> <p>2.7.2 amend the Constitution to reflect the role of the newly established Licensing Committee;</p> <p>2.8 APPOINTED non-aligned members to their allocation of seats on Committees and Working Groups as set out in Appendix A;</p> <p>2.9 ELECTED the Chairman and Vice Chairman for each of the Committees as set out below.</p> <p>2.9.1 Councillor Higgins was elected Chair of Audit & Standards Committee with Councillor Mason as the Vice Chair;</p>

	<p>2.9.2 Councillor Allnatt was elected Chair of the Employment Committee with Councillor Glancy elected as Vice Chair;</p> <p>2.9.3 Councillor Carter was elected Chair of the Licensing Committee (Taxi and General) with Councillor Lumley elected as Vice Chair;</p> <p>2.9.4 Councillor Carter was elected Chair of the Licensing Committee (Alcohol and Gambling) with Councillor Lumley elected as Vice Chair;</p> <p>2.9.5 Councillor Thwaites was elected Chair of the Planning Committee with Councillor Mason elected as Vice Chair; and</p> <p>2.9.6 Councillor Brown was elected Chair of the Scrutiny Committee with Councillor Thwaites elected as the Vice Chair.</p> <p>(Unanimous)</p>
CO9	<p>CONSTITUTION AND OFFICER SCHEME OF DELEGATION</p> <p>The Monitoring Officer introduced a report on the Scheme of Delegation and the Constitution. Councillor Allnatt moved the recommendations of the report and Councillor Glancy seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>(1) APPROVED the Officer Scheme of Delegation.</p> <p>(2) CONFIRMED the Constitution.</p> <p>(Unanimous)</p>
CO10	<p>PROGRAMME OF MEETINGS 2024/25</p> <p>The Monitoring Officer introduced the report on the Programme of Meetings for the Municipal Year 2024/25. Councillor Allnatt moved the recommendations of the report and Councillor Glancy seconded the motion.</p> <p>RESOLVED</p> <p>Council</p> <p>APPROVED the Programme of Meetings for the Municipal Year 2024/25 (Appendix A).</p> <p>(Unanimous)</p>
CO11	<p>APPOINTMENTS TO OUTSIDE BODIES</p> <p>The Monitoring Officer introduced the report on appointments to outside bodies and</p>

working groups.

There was an amendment to the appointment of the Police and Crime Commissioner representative. Councillor Cox was appointed in place of the Leader, Councillor Allnatt.

Councillor Allnatt moved the recommendations of the report and Councillor Glancy seconded the motion with the amendment.

RESOLVED

Council

2.1 NOTED the appointments in Column A of Appendix A (designated according to the role/portfolio holder/ward member).

2.2 APPOINTED representatives to serve on the outside bodies and working groups listed at Appendix A (other than those in Column A).

(For 18, Against 0, Abstentions 7)

The meeting closed at: 8.12 pm

Mayor

MEMBER INTERESTS

Do I have an interest?

1 DISCLOSABLE PECUNIARY INTERESTS (DPIs)

A “Disclosable Pecuniary Interest” is any interest described as such in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 and includes an interest of yourself, or of your Spouse/Partner (if you are aware of your Partner's interest) that falls within the following categories: Employment, Trade, Profession, Sponsorship, Contracts, Land/Property, Licences, Tenancies and Securities.

A Disclosable Pecuniary Interest is a Registerable Interest. Failure to register a DPI is a criminal offence so register entries should be kept up-to-date.

2 OTHER REGISTERABLE INTERESTS (ORIs)

An “Other Registerable Interest” is a personal interest in any business of your authority which relates to or is likely to affect:

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority; or
- b) any body
 - (i) exercising functions of a public nature
 - (ii) any body directed to charitable purposes or
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)

3 NON-REGISTRABLE INTERESTS (NRIs)

“Non-Registrable Interests” are those that you are not required to register but need to be disclosed when a matter arises at a meeting which directly relates to your financial interest or wellbeing or a financial interest or wellbeing of a relative or close associate that is not a DPI.

In each case above, you should make your declaration at the beginning of the meeting or as soon as you become aware. In any other circumstances, where Members require further advice they should contact the Monitoring Officer or Deputy Monitoring Officer in advance of the meeting.

Declarations and Participation in Meetings

1 DISCLOSABLE PECUNIARY INTERESTS (DPIs)

- 1.1 Where a matter arises at a meeting which **directly relates** to one of your Disclosable Pecuniary Interests which include both the interests of yourself and your partner then:
- a) you must disclose the interest;
 - b) not participate in any discussion or vote on the matter; and
 - c) must not remain in the room unless you have been granted a Dispensation.

2 OTHER REGISTERABLE INTERESTS (ORIs)

- 2.1 Where a matter arises at a meeting which **directly relates** to the financial interest or wellbeing of one of your Other Registerable Interests i.e. relating to a body you may be involved in:
- a) you must disclose the interest
 - b) may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
 - c) must not remain in the room unless you have been granted a Dispensation.

3 NON-REGISTRABLE INTERESTS (NRIs)

- 3.1 Where a matter arises at a meeting, which is not registrable but may become relevant when a particular item arises i.e. interests which relate to you and /or other people you are connected with (e.g. friends, relative or close associates) then:
- a) you must disclose the interest;
 - b) may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter; and
 - c) must not remain in the room unless you have been granted a Dispensation.

4 BIAS

- 4.1 Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias. If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest (bias):
- a) you should not take part in the decision-making process
 - b) you should state that your position in this matter prohibits you from taking part
 - c) you should leave the room.

In each case above, you should make your declaration at the beginning of the meeting or as soon as you become aware. In any other circumstances, where Members require further advice they should contact the Monitoring Officer or Deputy Monitoring Officer in advance of the meeting.

Cabinet recommendations to Council - Treasury Management Annual Report 2023/24

Report Author:	David Scott , Assistant Director for Resources 01664 502448 dscott@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox - Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Ensuring the right conditions to support delivery (inward)
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 The report provides a summary of the Treasury activities in 2023-24. The report also covers the actual position on the Prudential Indicators in accordance with the Prudential Code.

2 Recommendations

That Council:	
2.1	Approves the Treasury Management Annual Report 2023/24 as outlined in Appendix A.

3 Reason for Recommendations

- 3.1 It is important that Members are aware of the Council's Treasury Management performance to ensure they can make informed decisions that protect the Council's financial assets while taking regard of financial stability and potential returns.
- 3.2 The Annual Treasury Report is a requirement of the Council's reporting procedures.

3.3 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through Regulations issued under the Local Government Act 2003.

4 Main Considerations

4.1 Cabinet considered the Treasury Management Annual Report 2023/24 at the meeting held on 9 July 2024.

4.2 The Treasury Management Code of Practice is reviewed and the Strategy is approved at the start of each financial year. The following documents in respect of the 2023/24 financial year were approved by the Council as part of the budget setting process on 23 February 2023:

- Borrowing and Investment Objectives
- Capital Finance Objectives
- Investment and Borrowing Strategies
- Borrowing Limits

4.3 Updates have been provided to Members during the year through the portfolio holder updates alongside the quarterly reporting process.

4.4 Continued changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the year end position for treasury activities and highlights compliance with the Council's policies previously approved by members. The Council has complied with the requirement of the Code to give prior scrutiny to all of the above treasury management reports by this meeting before they are reported to the Council.

4.5 During 2023/24 the Council complied with the legislation and regulatory requirements which limit the levels of risk associated with its Treasury Management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure was prudent, affordable and sustainable and its treasury practices demonstrated a low risk approach.

5 Options Considered

5.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).

6 Consultation

6.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).

7 Next Steps – Implementation and Communication

7.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).

8 Financial Implications

8.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).

Financial Implications reviewed by: See Appendix 1

9 Legal and Governance Implications

- 9.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
Legal Implications reviewed by: See Appendix 1
- 10 Equality and Safeguarding Implications**
- 10.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 11 Data Protection Implications (Mandatory)**
- 11.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 12 Community Safety Implications**
- 12.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 13 Environmental and Climate Change Implications**
- 13.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 14 Other Implications (where significant)**
- 14.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 15 Risk & Mitigation**
- 15.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 16 Background Papers.**
- 16.1 As outlined in the Treasury Management Annual Report 2023/24 (Appendix 1).
- 17 Appendices**
- 17.1 Appendix 1 – Treasury Management Annual Report 2023/24
- 17.2 Appendix A – Annual Treasury Management Review 2023/24

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Cabinet

9 July 2024

Treasury Management Annual Report 2023-24

Report Author:	David Scott , Assistant Director for Resources 01664 502448 dscott@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Councillor Sarah Cox , Portfolio Holder for Corporate Finance, Property and Resources

Corporate Priority:	Ensuring the right conditions to support delivery (inward)
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No Not key decision

1 Summary

- 1.1 The report provides a summary of the Treasury activities in 2023-24. The report also covers the actual position on the Prudential Indicators in accordance with the Prudential Code.

2 Recommendations

That Cabinet:

- 2.1 **Recommend to Council the approval of the Treasury Management Annual Report 2023-24 as outlined in Appendix A.**
- 2.2 **Note the actual position of the Prudential Indicators for 2023-24**

3 Reason for Recommendations

- 3.1 It is important that Cabinet are aware of the Council's Treasury Management performance to ensure they can make informed decisions that protect the Council's financial assets while taking regard of financial stability and potential returns.
- 3.2 The Annual Treasury Report is a requirement of the Council's reporting procedures.
- 3.3 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through Regulations issued under the Local Government Act 2003.

4 Background

- 4.1 The Treasury Management Code of Practice is reviewed and the Strategy is approved at the start of each financial year. The following documents in respect of the 2023-24 financial year were approved by the Council as part of the budget setting process on 23 February 2023:
- Borrowing and Investment Objectives
 - Capital Finance Objectives
 - Investment and Borrowing Strategies
 - Borrowing Limits
- 4.2 Updates have been provided to Members during the year through the portfolio holder updates alongside the quarterly reporting process.
- 4.3 Continued changes in the regulatory environment place a much greater onus on Members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the year end position for treasury activities and highlights compliance with the Council's policies previously approved by members. The Council has complied with the requirement of the Code to give prior scrutiny to all of the above treasury management reports by this meeting before they are reported to the Council.
- 4.4 During 2023-24 the Council complied with the legislation and regulatory requirements which limit the levels of risk associated with its Treasury Management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means that its capital expenditure was prudent, affordable and sustainable and its treasury practices demonstrated a low risk approach.

5 Main Considerations

- 5.1 The Annual Report provides comprehensive detail of the activities undertaken on treasury management during the last financial year. It provides, at Appendix A, the performance of the prudential indicators against the indices set by the Council as part of the budget setting process.
- 5.2 The main issues are set out in the attached appendix with the main points summarised below. The key prudential indicators for the year, with comparators, are as follows:

Prudential and treasury indicators	2022/23 Actual £'000	2023/24 Latest Budget £'000	2023/24 Actual £'000
Capital expenditure	4,314	21,339	5,314
Capital Financing Requirement:			
• Non-HRA	54	43	43
• HRA	31,484	31,484	31,484
• Total	31,538	31,527	31,527
Gross borrowing	31,413	31,413	31,413
Debt	54	43	43
Total	31,467	31,456	31,456
Investments:			
Less than 1 year	17,620	21,500*	16,980
Longer than 1 year	2,000 (Property Fund)	2,000 (Property Fund)	2,000 (Property Fund)

*average balance across the year

- 5.3 No borrowing was undertaken for any further purpose and the Council's maximum actual borrowing position of £31.413m was within its Statutory Borrowing Limit and the Authorised Limit of £46m. At 31 March 2024, the Council's external debt was £31.456m (£31.467m at 31 March 2023) and its investments totalled £18.9m (£19.6m at 31 March 2023).
- 5.4 The anticipated average level of investments in 2023-24 was forecast at £23.5m in February 2023 which is in broadly line with the actual average which was £25.4m. Due to the profiling of the year end precept receipts and payments the yearend balance is always lower and as at 31 March 24 was £18.9m.
- 5.5 The ratio of the financing costs to the net revenue stream has reduced in respect of the General Fund (-19.31% in 2023-24 compared to -6.61% in 2022-23) and decreased in respect of HRA (26.50% in 2023-24 compared to 31.02% in 2022-23 as per Appendix A), which is mainly down to the increased income from investment returns as well as use of reserves on the general fund. On the general fund there are no financing costs (i.e. no debt) therefore the financing ratio is shown as negative figure with no debt to be serviced but income generated from reserve balances.
- 5.6 The gross borrowing, except in the short term, should not exceed the CFR. This is to ensure that borrowing levels are prudent and, over the medium term, the Council's external borrowing, net of investments, is only utilised for a capital purpose. As at 31 March 2024 gross borrowing was below the CFR, primarily due to a small amount of internal borrowing on the HRA.
- 5.7 The overall investment rate of return was 5.07% compared to 2.19% in 2022-23.
- 5.8 Whilst the level of balances available for investment were lower than those anticipated but due to the sustained increase of interest and investment rates in year, above the budget assumption of 2.51%, a significant amount of additional income was achieved. The overall rate of return for 2023-24 was 5.07% which generated additional income of £674k over the original budget. This is across both the General Fund and HRA.

- 5.9 The 2023-24 financial year has continued to be a testing and difficult economic environment with the ongoing inflationary pressures impacting on the cost of delivering services, pay, utilities etc. However, from a treasury perspective the rise in inflation has seen an associated increase in the bank interest rate as a mechanism to try and slow down / reduce inflation which has been positive. This has led to interest rates remaining high and as outlined above resulting in additional income being generated which has helped offset some of the additional costs the council has faced.
- 5.10 The investment portfolio has continued to incorporate more diversification in terms of both counterparty and maturity. As interest rates continued to rise the council will continue to monitor its investment options and maturity length. In order to maximise investment returns the Council continues to hold £2m in a CCLA property fund which has generated positive returns for the Council.
- 5.11 **Implementation of IFRS9**
- 5.11.1 The implementation of IFRS9 has resulted in a change in the treatment of the £2m investment in the CCLA property fund, such that fluctuations in the value of the fund now impact on the Surplus or Deficit on the Provision of Services.
- 5.11.2 Following consultation, the MHLG have introduced a mandatory statutory override to mitigate any effect on the General Fund which has recently been extended for a further 2 years until 2025 to allow councils time to adjust their portfolio of investments, if that is felt necessary.
- 5.11.3 In previous years there was a fluctuation in the valuation of the property fund and as the market has reacted to the cost of living and inflationary pressures there has been a downturn in property rates resulting in a decrease in the valuation of the property fund resulting in a notional loss in the fund of £225k as at 31 March 2024. If it were not for the statutory override this loss would have needed to be recognised in the income and expenditure account and would have impact on the overall net cost of the Council. Whilst the overall value of the investment has dropped the dividend yield itself has been increasing. Due to the risks around this type of investment the Council has previously approved the establishment of a reserve in order to help offset any potential deficits that might arise in future should the statutory override be removed. At the end of 2023-24 the balance in this reserve stood at £160k, with a further £30k budgeted to go in during 2024-25 bringing the total to £190k, which can be called on in the future if required. Due to the current loss in value the officers will continue to review the reserve level required.

A property fund by its very nature is a long-term investment in terms of potential fluctuations in asset values but since the initial investment was made in 2017 the council has received investment income of £580k which has supported the revenue budget during that time.

6 Options Considered

- 6.1 No other options have been considered as it is a statutory requirement to have in place agreed prudential indicators. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both codes through Regulations issued under the Local Government Act 2003.

7 Consultation

- 7.1 Consultation has been undertaken with the portfolio holder regarding the position for the 2023-24 financial year

8 Next Steps – Implementation and Communication

- 8.1 This report will be submitted to the Council meeting on 25 July 2024.

9 Financial Implications

- 9.1 The Treasury Management Strategy and Policy are core financial policies which underpin all the work of the Treasury Management function and incorporate any implications arising from the capital programme.
- 9.2 During the last final year interest rates remained higher than predicted with provided a significant level of additional investment income during the year which was a welcome benefit to help offset other in-year financial pressures. Current returns remain above 5% which is in line with the expected rates for 2024-25 and will continue to be monitored with a view to maximise returns where possible (in accordance with the strategy) over the remainder financial year. The downturn to this is that borrowing rates have also increased and should the Council look to borrow the costs of burrowing will of course be much higher than it was.

Financial Implications reviewed by: Assistant Director for Resources, 14 June 2024

10 Legal and Governance Implications

- 10.1 The Local Government Act 2003, section 15(1), requires a local authority "...to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify...".
- 10.2 The guidance on investments is issued under section 15(1) of the 2003 Act and authorities must therefore have regard to it.
- 10.3 Two codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contain investment guidance which complements Ministry for Housing, Communities and Local Government (now Department for Levelling Up, Housing and Communities) guidance. These publications are:
- Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes
 - The Prudential Code for Capital Finance in Local Authorities
- 10.4 Local authorities are required to have regard to the current editions of these CIPFA Codes by regulations 2 and 24 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

Legal Implications reviewed by: Monitoring Officer.

11 Equality and Safeguarding Implications

- 11.1 There are no direct equality or safeguarding issues arising from this report.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed as there are no risks/issues to the rights and freedoms of natural persons.

13 Community Safety Implications

13.1 There are no direct links to community safety arising from this report.

14 Environmental and Climate Change Implications

14.1 The Council recognises the importance of supporting sustainability and ethical investments and will ask the financial organisations to provide their ethical statements where we look to place investments with them and will consider Environmental, Social or Governance (ESG) specific products if they meet our risk criteria.

15 Other Implications (where significant)

15.1 No other implications have been identified.

16 Risk & Mitigation

16.1 These are assessed as part of the Corporate Services Risk Register

Risk No	Risk Description	Likelihood	Impact	Risk
1	Loss of investment income during 2024-25 as result of change in interest rates	Low	Marginal	Low Risk
2	Reduction in the valuation of the Councils Property Fund investment resulting in an actual loss should the regulations change to charge the loss to revenue account.	Significant	Marginal	Medium Risk
3	Loss of investment through failure of a counterparty	Very Low	Critical	Low Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant		2		
	3 Low		1		
	2 Very Low			3	
	1 Almost impossible				

Risk No	Mitigation
1	Continue to maximise returns in line with the Treasury management investment strategy
2	Establishment of a property fund reserve to help mitigate any losses in the future should the statutory override be removed and there is a need to be charged direct to the revenue account in line with any change in accounting rules.

17 Background Papers

None

18 Appendices

18.1 Appendix A – Annual Treasury Management Review 2023-24

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Annual Treasury Management Review 2023/24

Melton Borough Council
July 2024

Contents

Purpose.....	3
Executive Summary	4
Introduction and Background.....	5
1. The Council’s Capital Expenditure and Financing	5
2. The Council’s Overall Borrowing Need	6
3. Treasury Position as of 31st March 2024	9
4. The Strategy for 2023/24.....	11
5. Borrowing Outturn	16
6. Investment Outturn.....	17
7. The Economy and Interest Rates	17
9. Other Issues.....	20
Appendix 1: Graphs.....	21
Appendix 2: Investment Portfolio	22

Annual Treasury Management Review 2023/24

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2023/24. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

During 2023/24 the minimum reporting requirements were that the Full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 23/02/2023)
- a mid-year, (minimum), treasury update report (Council 14/12/2023)
- an annual review following the end of the year describing the activity compared to the strategy, (this report)

In addition, the Council is also required to report quarterly on treasury management activities which were received by the Cabinet (in their delegated scrutiny role) on the following dates 13/09/2023 and 06/03/2024.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Cabinet before they were reported to the Full Council. Member training on treasury management issues was undertaken during the year in November 2023 in order to support members' scrutiny role.

Executive Summary

During 2023/24, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	31.3.23 Actual £000	2023/24 Latest Budget £000	31.3.24 Actual £000
Capital expenditure			
• Non-HRA	866	15,576	1,667
• HRA (<i>if applicable</i>)	3,448	5,763	3,647
• Total	4,314	21,339	5,314
Capital Financing Requirement:			
• Non-HRA	54	43	43
• HRA (<i>if applicable</i>)	31,484	31,484	31,484
• Total	31,538	31,527	31,527
Gross borrowing	31,413	31,413	31,413
External debt	54	43	43
Investments			
• Longer than 1 year	2,000	2,000	2,000
• Under 1 year	17,620	21,500	16,980
• Total	19,620	23,500	18,980
Net borrowing	11,793	7,913	12,433

Other prudential and treasury indicators are to be found in the main body of this report. The Director for Corporate Services also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
- The actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

1. The Council's Capital Expenditure and Financing

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£'000 General Fund	31.3.23 Actual	2023/24 Budget	31.3.24 Actual
Capital expenditure	866	15,576	1,667
Financed in year	866	15,513	1,667
Unfinanced capital expenditure	0	0	0

£'000 HRA (<i>where relevant</i>)	31.3.23 Actual	2023/24 Budget	31.3.24 Actual
Capital expenditure	3,448	5,763	3,647
Financed in year	3,448	5,763	3,647
Unfinanced capital expenditure	0	0	0

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2023/24 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board [PWLB], or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources, (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2023/24 MRP Policy, (as required by DLUHC Guidance), was approved as part of the Treasury Management Strategy Report for 2023/24 on 23/02/2023.

The Council's CFR for the year is shown below, and represents a key prudential indicator.

Housing authorities to show separate General Fund and HRA CFR tables

CFR (£'000): General Fund	31.3.23 Actual	2023/24 Budget	31.3.24 Actual
Opening balance	66	54	54
Add unfinanced capital expenditure (as above)	0	0	0
Less MRP/VRP*	-12	-11	-11
Less PFI & finance lease repayments	0	0	0
Closing balance	54	43	43

CFR (£'000): HRA	31.3.23 Actual	2023/24 Budget	31.3.24 Actual
Opening balance	31,484	31,484	31,484
Add unfinanced capital expenditure (as above)	0	0	0
Less VRP*	0	0	0
Less PFI & finance lease repayments	0	0	0
Closing balance	31,484	31,484	31,484

* Includes voluntary application of capital receipts

Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31.3.23 Actual £'000	2023/24 Budget £'000	31.3.24 Actual £'000
Gross borrowing position (including finance lease)	31,467	31,456	31,456
CFR	31,538	31,527	31,527
Under / over funding of CFR	(71)	(71)	(71)

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2023/24 £'000
Authorised limit	46,000
Maximum gross borrowing position during the year	31,456
Operational boundary	34,000
Average gross borrowing position	31,467
Financing costs as a proportion of net revenue stream - General Fund	-19.13%
Financing costs as a proportion of net revenue stream - HRA	26.50%

3. Treasury Position as of 31st March 2024

The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2023/24 the Council's treasury position, (excluding borrowing by PFI and finance leases) was as follows:-

DEBT PORTFOLIO	31.3.23 Principal £'000	Rate/ Return	Average Life yrs	31.3.24 Principal £'000	Rate/ Return	Average Life yrs
Fixed rate funding:						
-PWLB	31,413	3.72%	26	31,413	3.72%	25
CFR (excluding finance lease)	31,484			31,484		
Over / (under) borrowing	(71)			(71)		
Total investments	19,620	2.19%	£17.6m under 1yr £2m over 1yr	18,980	5.07%	£16.98m under yr, £2m over 1 yr
Average Net rate of return (investment return less borrowing rate)		2.37%			4.81%	

The maturity structure of the debt portfolio was as follows:

	31.3.23 Actual £'000	31.3.24 Actual £'000
Under 12 months	0	98
12 months and within 24 months	98	2,000
24 months and within 5 years	4,000	2,300
5 years and within 10 years	600	300
10 years and within 20 years	5,000	5,000
20 years and within 30 years	10,340	10,340
30 years and within 40 years	11,375	11,375
40 years and within 50 years	0	0

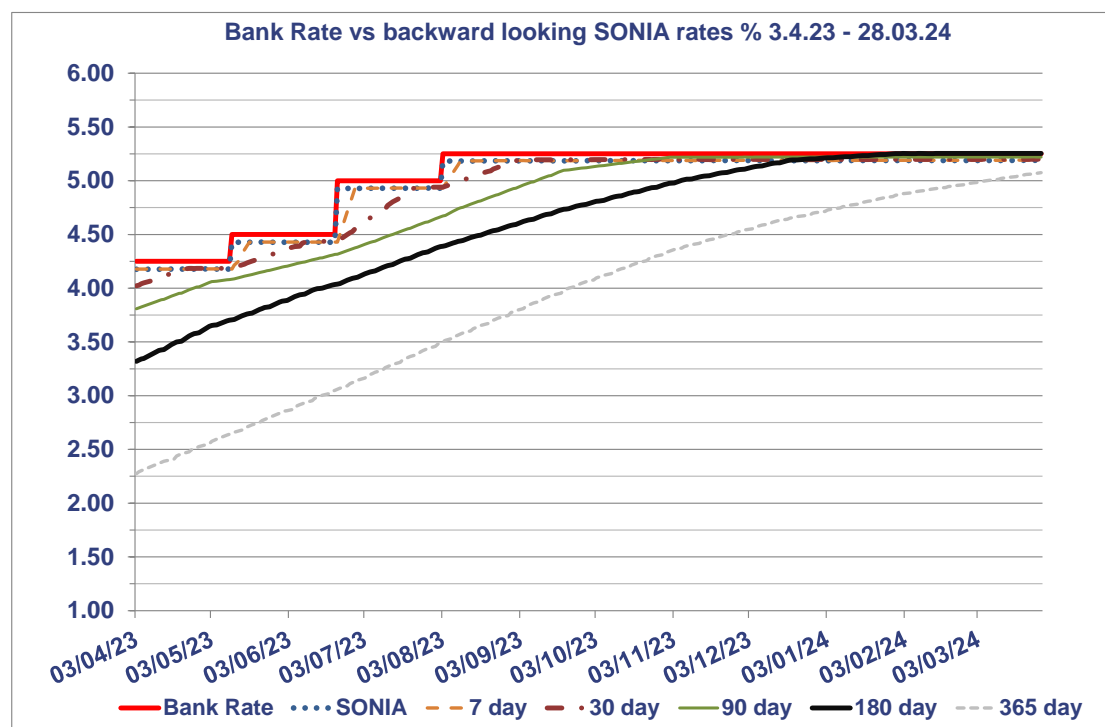
The maturity structure of the investment portfolio was as follows:

	31.3.23 Actual £000	2023/24 Budget £000	31.3.24 Actual £000
Investments			
Longer than 1 year	2,000	2,000	2,000
Up to 1 year	17,620	21,500	16,980
Total	19,620	23,500	18,980

4. The Strategy for 2023/24

4.1 Investment strategy and control of interest rate risk

Investment Benchmarking Data – Sterling Overnight Index Averages (Backward-looking) 2023/24



FINANCIAL YEAR TO QUARTER ENDED 28/03/2024							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.25	5.19	5.19	5.20	5.22	5.25	5.08
High Date	03/08/2023	28/03/2024	28/03/2024	26/03/2024	25/03/2024	22/03/2024	28/03/2024
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	5.03	4.96	4.96	4.93	4.84	4.64	3.93
Spread	1.00	1.01	1.01	1.18	1.41	1.94	2.80

The following commentary has been provided by the Council's Treasury Management advisors:

Investment returns picked up throughout the course of 2023/24 as central banks, including the Bank of England, continued to respond to inflationary pressures that were not transitory, and realised that tighter monetary policy was called for.

Starting April at 4.25%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 5.25% by August. By the end of the financial year, no further increases were anticipated. Indeed, the market is pricing in a first cut in Bank Rate in either June or August 2024.

The upward sloping yield curve that prevailed throughout 2023/24 meant that local authorities continued to be faced with the challenge of proactive investment of surplus cash, and this emphasised the need for a detailed working knowledge of

cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

With bond markets selling off, UK equity market valuations struggled to make progress, as did property funds, although there have been some spirited, if temporary, market rallies from time to time – including in November and December 2023. However, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration), have continued to be at the forefront of most local authority investment strategies, particularly given Money Market Funds have also provided decent returns in close proximity to Bank Rate for liquidity purposes. In the latter part of 2023/24, the local authority to local authority market lacked any meaningful measure of depth, forcing short-term investment rates above 7% in the last week of March.

While the Council has taken a prudent approach to investing surplus monies, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Global Financial Crisis of 2008/09. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

4.2 Borrowing strategy and control of interest rate risk

During 2023/24, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure. This strategy was prudent as although near-term investment rates were equal to, and sometimes higher than, long-term borrowing costs, the latter are expected to fall back through 2024 and 2025 as inflation concerns are dampened. The Council has sought to minimise the taking on of long-term borrowing at elevated levels (>4%) and has focused on a policy of internal and temporary borrowing, supplemented by short-dated borrowing (<5 years) as appropriate.

Interest rate forecasts initially suggested further gradual rises in short, medium and longer-term fixed borrowing rates during 2023/24. Bank Rate had initially been forecast to peak at 4.5% but it is now expected to have peaked at 5.25%.

By January it had become clear that inflation was moving down significantly from its 40-year double-digit highs, and the Bank of England signalled in March 2024 that the next move in Bank Rate would be down, so long as upcoming inflation and employment data underpinned that view. Currently the CPI measure of inflation stands at 3.4% but is expected to fall materially below 2% over the summer months and to stay there in 2025 and 2026. Nonetheless, there remains significant risks to that central forecast, mainly in the form of a very tight labour market putting upward pressure on wages, and continuing geo-political inflationary risks emanating from the prevailing Middle East crisis and the Russian invasion of Ukraine.

Forecasts at the time of approval of the treasury management strategy report for 2023/24 were as follows: -

Link Group Interest Rate View		08.11.22												
		Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE		3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings		3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings		4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings		4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB		4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB		4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB		4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB		4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Throughout the course of the last twelve months there has been a change in interest rates. The tables below provide a schedule of the indicative rates provided by LINK throughout the year which outlines the changes.

Link Group Interest Rate View		24.05.23												
		Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE		4.75	5.00	5.00	4.75	4.50	4.00	3.50	3.25	2.75	2.50	2.50	2.50	2.50
3 month ave earnings		4.80	5.00	5.00	4.80	4.50	4.00	3.50	3.30	2.80	2.50	2.50	2.50	2.50
6 month ave earnings		5.10	5.20	5.10	4.90	4.50	3.90	3.40	3.20	2.90	2.60	2.60	2.60	2.60
12 month ave earnings		5.40	5.40	5.30	5.00	4.50	3.90	3.40	3.20	2.90	2.70	2.70	2.70	2.70
5 yr PWLB		5.00	5.00	5.00	4.80	4.50	4.10	3.70	3.50	3.30	3.20	3.20	3.10	3.10
10 yr PWLB		5.00	5.00	5.00	4.80	4.40	4.10	3.80	3.60	3.50	3.40	3.30	3.30	3.30
25 yr PWLB		5.30	5.30	5.20	5.10	4.80	4.50	4.20	4.00	3.80	3.70	3.60	3.60	3.60
50 yr PWLB		5.10	5.10	5.00	4.90	4.60	4.30	4.00	3.80	3.60	3.50	3.40	3.40	3.40

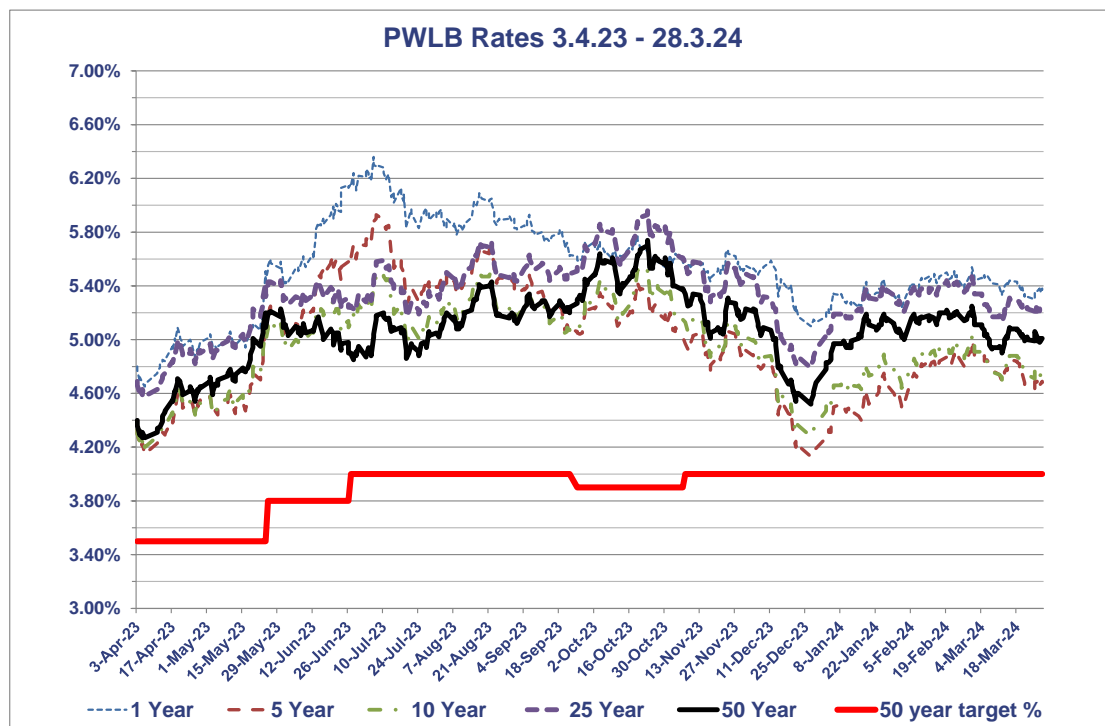
Link Group Interest Rate View		26.06.23												
		Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
BANK RATE		5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	2.75	2.75	2.50	2.50
3 month ave earnings		5.30	5.60	5.50	5.30	5.00	4.50	4.00	3.50	3.00	2.70	2.60	2.50	2.50
6 month ave earnings		5.80	5.90	5.70	5.50	5.10	4.60	4.00	3.50	3.00	2.70	2.60	2.60	2.60
12 month ave earnings		6.30	6.20	6.00	5.70	5.30	4.80	4.10	3.60	3.10	2.80	2.70	2.70	2.70
5 yr PWLB		5.50	5.60	5.30	5.10	4.80	4.50	4.20	3.90	3.60	3.40	3.30	3.30	3.20
10 yr PWLB		5.10	5.20	5.00	4.90	4.70	4.40	4.20	3.90	3.70	3.50	3.50	3.50	3.40
25 yr PWLB		5.30	5.40	5.20	5.10	4.90	4.70	4.50	4.20	4.00	3.90	3.80	3.80	3.70
50 yr PWLB		5.00	5.10	5.00	4.90	4.70	4.50	4.30	4.00	3.80	3.60	3.60	3.50	3.50

Link Group Interest Rate View		25.09.23												
		Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE		5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings		5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings		5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings		5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB		5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB		5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB		5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB		5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

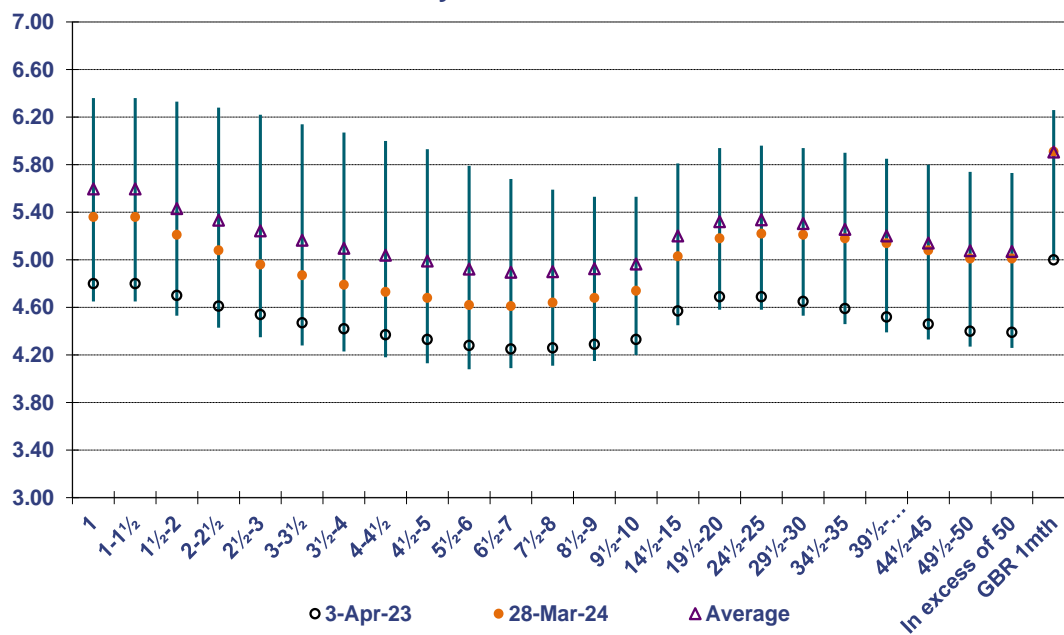
Link Group Interest Rate View		06.11.23												
		Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE		5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.25	3.00	3.00	3.00	3.00	3.00
3 month ave earnings		5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.30	3.00	3.00	3.00	3.00	3.00
6 month ave earnings		5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.40	3.10	3.10	3.10	3.10	3.10
12 month ave earnings		5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.50	3.30	3.30	3.30	3.30	3.30
5 yr PWLB		5.00	4.90	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.60	3.50	3.50	3.50
10 yr PWLB		5.10	5.00	4.80	4.70	4.40	4.20	4.00	3.80	3.70	3.70	3.60	3.60	3.50
25 yr PWLB		5.50	5.30	5.10	4.90	4.70	4.50	4.30	4.20	4.10	4.10	4.00	4.00	4.00
50 yr PWLB		5.30	5.10	4.90	4.70	4.50	4.30	4.10	4.00	3.90	3.90	3.80	3.80	3.80

Link Group Interest Rate View		08.01.24												
		Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE		5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings		5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings		5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings		5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB		4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB		4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB		5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB		5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

PWLB RATES 2023/24



PWLB Certainty Rate Variations 3.4.23 to 28.3.24



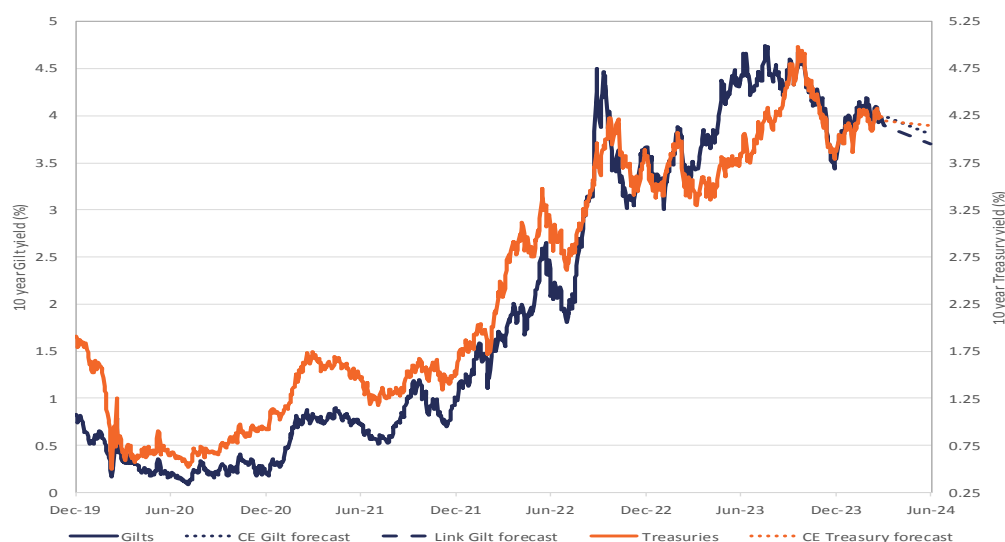
HIGH/LOW/AVERAGE PWLB RATES FOR 2023/24

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	4.65%	4.13%	4.20%	4.58%	4.27%
Date	06/04/2023	27/12/2023	06/04/2023	06/04/2023	05/04/2023
High	6.36%	5.93%	5.53%	5.96%	5.74%
Date	06/07/2023	07/07/2023	23/10/2023	23/10/2023	23/10/2023
Average	5.54%	4.99%	4.97%	5.34%	5.08%
Spread	1.71%	1.80%	1.33%	1.38%	1.47%

PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by levels of persistent inflation that are exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

Graph of 10-year UK gilt yields v. US treasury yields (inclusive of Link's and Capital Economics' forecasts)



Gilt yields have generally been on a continual rise since the start of 2021, peaking in the autumn of 2023. Currently, yields are broadly range bound between 3.5% and 4.25%.

At the close of the day on 28 March 2024, all gilt yields from 1 to 50 years were between 3.81% and 4.56%, with the 1 year being the highest and 6-7 years being the lowest yield.

Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

- **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
- **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
- **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- **HRA Borrowing rate** is gilt plus 40 40bps (G+40bps)

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate falls and inflation (on the Consumer Price Index measure) moves below the Bank of England's 2% target.

As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

The Bank of England is also embarking on a process of Quantitative Tightening. The Bank's original £895bn stock of gilt and corporate bonds will gradually be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, and high in historic terms, is an unknown at the time of writing.

5. Borrowing Outturn

There were no borrowing requirements during 2023/24.

The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

No rescheduling was done during the year as the approximate 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

6. Investment Outturn

Investment Policy – the Council’s investment policy is governed by DLUHC investment guidance, which has been implemented in the annual investment strategy approved by the Council on 23/02/2023. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised as follows:

Balance Sheet Resources (£m)	31.3.23	31.3.24
Balances	1,651	2,050
Earmarked reserves	13,942	12,850
Provisions	317	235
Usable capital receipts	4,279	3,724
Total	20,189	18,859

Investments held by the Council

- The Council maintained an average balance of £25.4m of internally managed funds.
- The internally managed funds earned an average rate of return of 5.065%.
- The comparable performance indicator is the average 7-day SONIA rate, which was 5.0077%.
- This compares with a budget assumption of £23.5m investment balances earning an average rate of 2.51%.
- Total investment income was £1.264m compared to a budget of £590k

7. The Economy and Interest Rates

The following commentary has been provided by the Council’s Treasury Management advisors:

UK Economy

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks’ on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, EZ and US 10-year yields have all stayed stubbornly high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
GDP	-0.3%q/q Q4 (-0.2%/y/y)	+0.0%q/q Q4 (0.1%/y/y)	2.0% Q1 Annualised
Inflation	3.4%/y/y (Feb)	2.4%/y/y (Mar)	3.2%/y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

The Bank of England sprung no surprises in their March meeting, leaving interest rates at 5.25% for the fifth time in a row and, despite no MPC members no longer voting to raise interest rates, it retained its relatively hawkish guidance. The Bank's communications suggest the MPC is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

Of course, the UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while y/y growth was also negative at -0.2%.

But it was a strange recession. Unemployment is currently sub 4%, against a backdrop of still over 900k of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 – is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score, but upcoming inflation and employment releases will settle that argument shortly. It is noted that core CPI was still a heady 4.5% in February and, ideally, needs to fall further.

Shoppers largely shrugged off the unusually wet weather in February, whilst rising real household incomes should support retail activity throughout 2024. Furthermore, the impact of higher interest rates on household interest payments is getting close to its peak, even though fixed rate mortgage rates on new loans have shifted up a little since falling close to 4.5% in early 2024.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

As for equity markets, the FTSE 100 has risen to nearly 8,000 and is now only 1% below the all-time high it reached in February 2023. The modest rise in UK equities in February was driven by strong performances in the cyclical industrials and consumer discretionary sectors, whilst communications and basic materials have fared poorly.

Despite its performance, the FTSE 100 is still lagging behind the S&P 500, which has been at an all-time high for several weeks.

USA Economy.

Despite the markets willing the FOMC to cut rates as soon as June 2024, the continued resilience of the economy, married to sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.

In addition, the Fed will want to shrink its swollen \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

As for inflation, it is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025...but how many and when?

EZ Economy.

Although the Euro-zone inflation rate has fallen to 2.4%, the ECB will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

9. Other Issues

IFRS 9 fair value of investments

Following the consultation undertaken by the Department of Levelling Up, Housing and Communities [DLUHC] on IFRS 9, the Government has extended the mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

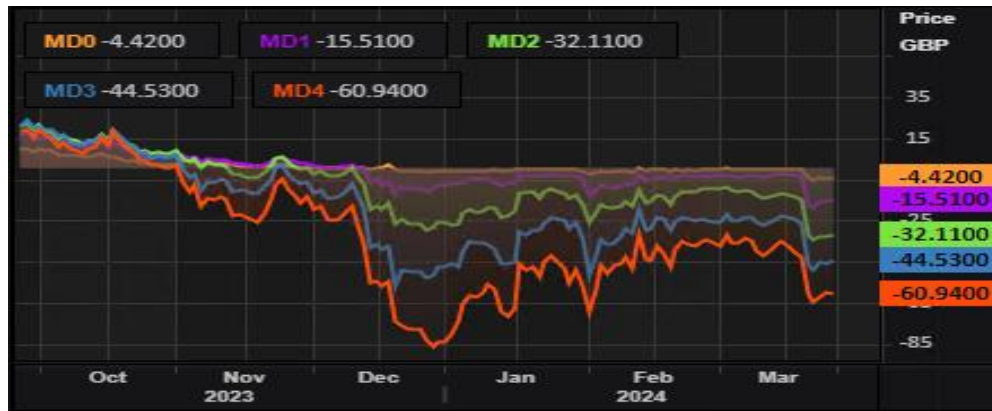
Due to the risks around this type of investment and the potential fluctuations in valuations that could lead to a deficit that would be charged to the General Fund as a direct cost, the Council has established a reserve in order to help offset any potential deficits that might arise in future should the statutory override be removed.

IFRS 16

The implementation of IFRS16 has been delayed until 2024/25. When introduced it will bring currently off-balance sheet leased assets onto the balance sheet. Work is currently being undertaken to assess the impact of these changes. The Operational Boundary and Authorised Limit may, therefore, need to be amended mid-year once the detailed impact is known for each authority.

Appendix 1: Graphs

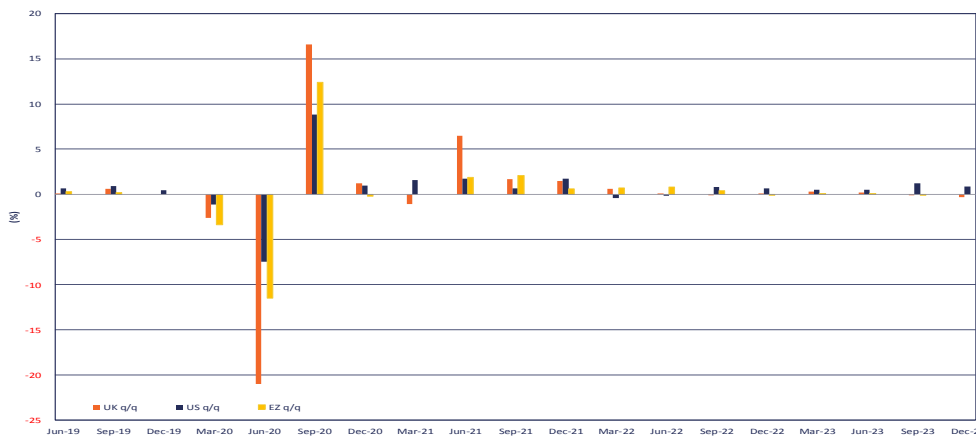
Market Expectations for Future Increases in Bank Rate (3rd April 2024)



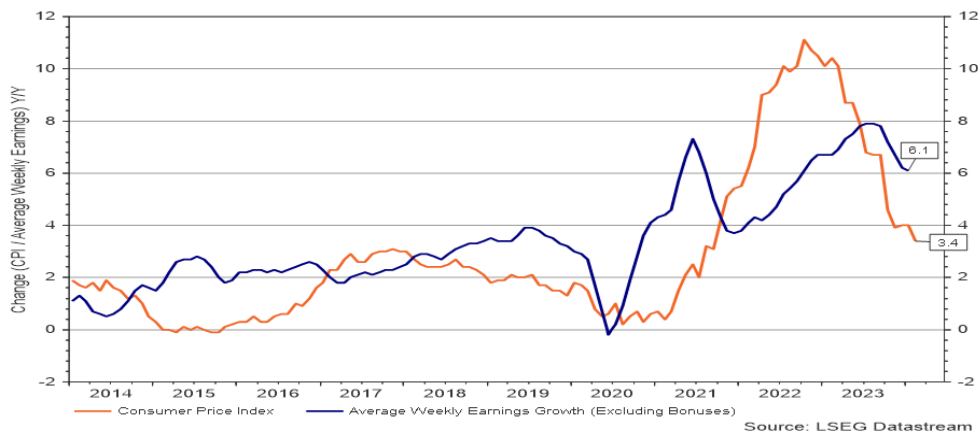
Source: Reuters Eikon

*MD0 = Change in Bank Rate expected at MPC meeting to be held May 2024, MD1 = Jun-24, MD2 = Aug-24, MD3 = Sep-24, MD4 = Nov-24

UK, US and EZ Quarterly GDP



CPI v Average Weekly Earnings Growth



Source: LSEG Datastream

Appendix 2: Investment Portfolio

Investments held as of 31st March 2024 compared to our counterparty list:

Melton Borough Council

Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF Invesco	980,000	5.26%		MMF	AAAm		
Lloyds Bank Plc (RFB)	2,000,000	5.14%	03/04/2023	02/04/2024	A+	0.000%	5
Qatar National Bank	1,000,000	5.27%	03/04/2023	02/04/2024	A+	0.000%	2
National Bank of Kuwait (International) PLC	1,000,000	5.12%	12/04/2023	11/04/2024	A	0.001%	13
Qatar National Bank	3,000,000	5.92%	31/05/2023	30/05/2024	A+	0.007%	218
Qatar National Bank	1,000,000	6.57%	27/06/2023	26/06/2024	A+	0.011%	105
Standard Chartered Bank (ESG)	1,000,000	6.21%	01/08/2023	31/07/2024	A+	0.015%	148
Standard Chartered Bank (ESG)	1,000,000	6.15%	04/09/2023	03/09/2024	A+	0.019%	189
Standard Chartered Bank (ESG)	1,000,000	5.84%	03/10/2023	02/10/2024	A+	0.022%	224
First Abu Dhabi Bank PJSC	1,000,000	5.78%	01/11/2023	31/10/2024	AA-	0.014%	136
National Bank of Kuwait (International) PLC	2,000,000	5.32%	17/01/2024	16/01/2025	A	0.035%	705
National Bank of Kuwait (International) PLC	1,000,000	5.32%	01/02/2024	31/01/2025	A	0.037%	371
National Bank of Kuwait (International) PLC	1,000,000	5.43%	12/03/2024	12/03/2025	A	0.042%	419
Borrower - Funds	Principal (£)	Interest Rate	Start Date	Maturity Date			
CCLA Property Fund	2,000,000	-0.50%					
Total Investments	£18,980,000	4.98%					
Total Investments - excluding Funds	£16,980,000	5.63%				0.016%	£2,536
Total Investments - Funds Only	£2,000,000	-0.50%					

Recommendations and Reports from Committees - Scrutiny Annual Report 2023/24

Report Author:	Adam Green , Senior Democratic Services and Scrutiny Officer 01664 502319 agreeen@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Scrutiny Committee Chairman

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 To provide an overview of the work completed by the Scrutiny Committee during the Municipal Year 2023/24.

2 Recommendations

That Council:

- 2.1 **Notes the Scrutiny Annual Report 2023/24 (Appendix A).**

3 Reason for Recommendations

- 3.1 To ensure that all Members are informed of the work of the Scrutiny Committee for the Municipal Year.
- 3.2 It is considered good practice for the Scrutiny Committee to provide an annual report.

4 Background

- 4.1 The Scrutiny Annual Report 2023/24 was considered by the Scrutiny Committee at the meeting held on 27 June 2024.

4.2 The Scrutiny Committee recommended that the report is submitted to Council for comments and noting.

5 Main Considerations

5.1 Scrutiny Committee recommend the Annual Report to Council for information purposes.

5.2 This report increases the profile of the work carried out by Scrutiny Committee and ensures that all members are provided with information in relation to the work of Scrutiny Committee as well as providing an opportunity for all members to feedback on the Scrutiny function of the Council.

6 Options Considered

6.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

7 Consultation

7.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

8 Next Steps – Implementation and Communication

8.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

9 Financial Implications

9.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

Financial Implications reviewed by: See Appendix 1

10 Legal and Governance Implications

10.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

Legal Implications reviewed by: See Appendix 1

11 Equality and Safeguarding Implications

11.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

12 Data Protection Implications (Mandatory)

12.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

13 Community Safety Implications

13.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

14 Environmental and Climate Change Implications

14.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

15 Other Implications (where significant)

15.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

16 Risk & Mitigation

16.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

17 Background Papers.

17.1 As outlined in the Scrutiny Annual Report 2023/24 (Appendix 1).

18 Appendices

18.1 Appendix 1 – Covering report for Scrutiny Committee

18.2 Appendix A – Scrutiny Annual Report 2023/24

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Scrutiny Annual Report 2023/24

Report Author:	Adam Green , Senior Democratic Services and Scrutiny Officer 01664 502319 agreen@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Scrutiny Committee Chairman

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 To provide an overview of the work done by Scrutiny Committee during the 2023/24 Municipal Year.

2 Recommendations

That Scrutiny Committee:

- 2.1 Approves the Annual Report (Appendix A), and
2.2 Recommends the report to Council.

3 Reason for Recommendations

- 3.1 To ensure that all Members are informed of the work of the Scrutiny Committee for the Municipal Year.
3.2 It is considered good practice for Scrutiny Committee to provide an annual report.

4 Background

- 4.1 The report provides an overview of the items considered by Scrutiny Committee during the 2023/24 Municipal Year, including workshops.

5 Main Considerations

- 5.1 Scrutiny Committee are asked to consider the report and provide any feedback.
- 5.2 Scrutiny Committee are asked to recommend the report to Council for information purposes. This will increase the profile of the work carried out by Scrutiny Committee and ensure that all members are provided with information in relation to the work of Scrutiny Committee.

6 Options Considered

- 6.1 The alternative is that Scrutiny does not provide an annual report. This option is not recommended. Having an annual report supports reflection, visibility and transparency of the work undertaken by the committee and is expressly required by the Scrutiny Protocol.

7 Consultation

- 7.1 Scrutiny Committee will be asked to consider the report before it is presented to Council.

8 Next Steps – Implementation and Communication

- 8.1 Subject to Scrutiny Committee approval, the report will be presented to Council in July 2024.

9 Financial Implications

- 9.1 There are no financial implications.

Financial Implications reviewed by: Assistant Director for Resources

10 Legal and Governance Implications

- 10.1 There are no direct legal implications arising from to this report however, by highlighting the work undertaken by the Committee, the annual report demonstrates how the scrutiny function can assist in identifying financial legal, equality and diversity, and policy issues and solutions to them. In turn this emphasises the contribution of the Committee's work to robust and lawful decision making.
- 10.2 The Executive Scrutiny Protocol states that Scrutiny Committee will produce an annual report for Council.

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

- 11.1 There are no equality and safeguarding implications.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

13 Community Safety Implications

- 13.1 There are no community safety implications.

14 Environmental and Climate Change Implications

- 14.1 There are no environmental implications.

15 Other Implications (where significant)

15.1 There are not any other implications.

16 Risk & Mitigation

16.1 There are no risks in relation to this report.

17 Background Papers.

17.1 There are no background papers.

18 Appendices

18.1 Appendix A – Scrutiny Annual Report 2023/24

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Melton Borough Council Scrutiny Annual Report 2023/24



Contents

The Chairman of Scrutiny's Review	3
Members of the Committee 2023/24.....	3
Scrutiny in Melton - Overview	4
Scrutiny Committee (Summary of items considered)	5
The Leader's Annual Presentation	10
Workshops	11
Budget Scrutiny – 12 December 2023	11
Housing Support Review – 14 February 2024	11
Tenant Engagement Session – 25 April 2024	13
Scrutiny Reports to Cabinet	16
Homelessness – 21 June 2023	16
Income Collection and Debt Management – 21 June 2023	17
CCTV Post Implementation Review – 23 August 2023.....	17
Community Health and Well-being Plan – 23 August 2023	18
Cattle Market Leases – 11 October 2023	19
Preparing for Regulatory Change (Housing) – 11 October 2023	19
Crime and Disorder – 15 November 2023	20
Housing Ombudsman, Annual Report 2022/23 – 15 November 2023	21
New Corporate Strategy – Vision 2036 and Corporate Delivery Plan – 7 February 2024.....	21
Capital Programme 2023-2028 – General Fund and Capital Strategy 2024/25 – 7 February 2024	23
General Fund Revenue Budget 2024/25 and Medium Term Financial Strategy 2025/26 to 2027/28 – 7 February 2024	23
Revenue Budget Proposals 2024/25 – Housing Revenue Account (HRA) – 7 February 2024.....	24
Housing Support Review – 6 March 2024	25
Complaints Update – 17 April 2024	25
Regulatory Change in Housing – 12 June 2024	26
Feedback from Tenant Engagement Session – 12 June 2024	27
Scrutiny Work Programme	28
Training	29
Further information	29

The Chairman of Scrutiny's Review

This report is to inform Council of the work of Scrutiny Committee during 2023/24.

The scrutiny function acts as a critical friend on behalf of the community, to improve services and improve decision-making inside and outside of the Cabinet. The Scrutiny function belongs to the whole Council but is different from other committees in that it is Member-led and evidence-based, with most of Scrutiny's Work Programme being decided by Committee Members, responding to concerns of elected members and the public.

I have been honoured to serve as Chair since May 2023 and would like to thank all Members of the Committee for their hard work and dedication.

This year has been busy as the Scrutiny Committee has considered a number of topics which are summarised on pages 5 to 9. Members have also continued to deliver the Scrutiny agenda as set out in the Annual Work Programme at the start of the Municipal Year.

The Committee has provided comment and feedback to Cabinet, as well as provided input in areas of policy development e.g. future provision of housing support.

I am very grateful to the Officers in Democratic Services who have supported the work of the Committee Members, in particular the Council's Scrutiny Officer, Adam Green.

Cllr Mike Brown

Members of the Committee 2023/24

Councillor Mike Brown (Chair)

Councillor Allen Thwaites (Vice Chair)

Councillor Siggy Atherton

Councillor Robert Child

Councillor Helen Cliff (August 2023 – Present)

Councillor Christopher Evans

Councillor Marilyn Gordon

Councillor Simon Lumley

Councillor James Mason (May 2023 – August 2023)

Councillor Richard Sharp

Councillor Tim Webster

Scrutiny in Melton - Overview

In May 2019 Melton Borough Council formally adopted the Executive Model of Governance and established a Scrutiny Committee to carry out the functions as listed below. The Scrutiny Committee has held 12 meetings and 6 workshops and provided comments for consideration by Cabinet on 14 occasions during the 2022/23 Municipal Year.

In summary the main functions of Scrutiny set out in [Chapter 2, Part 10](#) of the MBC Constitution are to:-

- review and scrutinise decisions made, or other action taken, in connection with the discharge of any function.
- make reports or recommendations to Council or the Cabinet as appropriate with respect to the discharge of any function.
- recommend that a decision made but not yet implemented, be reconsidered by the Cabinet through the Call In Procedure.
- fulfil all the functions of the Council's designated Crime and Disorder Committee under the Police and Justice Act 2006.
- fulfil all the functions conferred on it by virtue of regulations under the National Health Service Act 2006 (local authority scrutiny of health matters).

In addition to the entry in the Constitution, another important reference point for the functions of Scrutiny and how the function interacts with the Cabinet is the Executive Scrutiny Protocol.

In May 2019 the Government published Statutory Guidance on Overview and Scrutiny in Local Authorities which promoted a formal working agreement between the executive and the scrutiny function in the form of a protocol. The guidance suggested that an Executive Scrutiny Protocol can help to define the relationship and expectations between the Cabinet and Scrutiny Committee to ensure that the two can work together in a positive and productive way.

The Protocol was approved by the Scrutiny Committee on 3 November 2020 and Council approved the protocol on 17 December 2020, it is now included in the Constitution.

The Protocol provides a framework that deals with the practical expectations of Scrutiny Committee Members and the Executive, as well as the cultural dynamics of the Council. It also helps define the relationship between the two and mitigates any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens.

The Committee are keen to ensure that the Scrutiny function at Melton Borough Council remains outcomes focused and that following implementation, the impact of its recommendations are monitored and reported back to the Committee and all Members.

From time to time, Scrutiny use the workshop approach. Members appreciate this approach because it is an opportunity to assist in the development of policy, as well as scrutinise a number of topics and provide feedback on them in a way which isn't possible in a Committee meeting.

Scrutiny Committee (Summary of items considered)

Topic	Date	Brief Details	Outcome
Community Health and Well-being Plan	25 July 2023	The report presented a draft Community Health and Wellbeing Plan for Melton. It is evidence led, has been developed through collaboration with partners and seeks to bring together a range of partners with a common purpose – to improve the health and wellbeing of residents across the borough. The Committee were asked to consider a draft Community Health and Well-being Plan for Melton.	Members reviewed the draft and provided comments for consideration by Cabinet at their meeting held on 23 August 2023 (<i>see page 18 for a summary of the comments made</i>).
CCTV Post Implementation Review	25 July 2023	An opportunity for post implementation review had been requested by the Scrutiny Committee. The report provided information about the CCTV project, project implementation and current operating arrangements to support Members with the review. The Committee were asked to consider the report and provide feedback.	The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting on 23 August 2023 (<i>see page 17 for a summary of the comments made</i>).
Preparing for Regulatory Change (Housing)	21 September 2023	The Social Housing (Regulation) Act 2023 has introduced a number of changes to the way Social Housing is regulated, including moving from a reactive to a proactive regulatory approach. Work to develop a new regulatory regime has been taking place since it was first suggested in 2017. The report provided information about the work being undertaken to prepare the Council for the introduction of the new arrangements. The Committee were asked to consider the report and provide feedback.	The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 11 October 2023 (<i>see page 19 for a summary of the comments made</i>).

Topic	Date	Brief Details	Outcome
Cattle Market Leases	21 September 2023	<p>The Scrutiny Committee requested a report to be presented with following details:</p> <ul style="list-style-type: none"> • Details of current occupiers of the site; • How much rent is paid by each tenant; • What percentage of rent is paid as income to the Council; • The method for determining the rental values including when they were last valued and by whom. <p>The Committee were asked to note the report and provide feedback.</p>	<p>The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 11 October 2023 <i>(see page 19 for a summary of the comments made)</i>.</p>
Crime and Disorder	19 October 2023	<p>The Committee considered the following:</p> <ul style="list-style-type: none"> • Impact of team restructure and the difference this has made; • Partnership working and collaboration – including an introduction to the new Inspector for Melton, Darren Richardson; • Current and future funding opportunities; • Community Cohesion and Engagement; • Strategy and Key Performance Indicators. <p>The Committee were asked to consider the report and provide feedback.</p>	<p>The Committee provided feedback and asked questions. The Chairman presented Members' comments to Cabinet at the meeting held on 15 November 2023 <i>(see page 20 for a summary of the comments made)</i>.</p>

Topic	Date	Brief Details	Outcome
Housing Ombudsman, Annual Report 2022/23	19 October 2023	Each year, an annual review of complaints is undertaken by the Housing Ombudsman. The 2022/23 annual review report had been published and the report set out the content of the annual report and provided context regarding the complaints and the way in which complaints are managed by the Council. The Committee were asked to consider the report and provide feedback.	The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 15 November 2023 (<i>see page 21 for a summary of the comments made</i>).
Climate Change – Draft Strategy Consultation	23 November 2023	The report presented a draft Climate Change Strategy for Melton borough. It is a high level strategic and evidence led document, a community focused strategy which considers and reflects the views of the local community and wider partners, collected through community consultation in 2022. The Draft Strategy was released for public consultation on the 22 November 2023. Scrutiny Committee were asked to consider the draft Climate Change Strategy.	The Committee provided comments and suggestions to the strategy, which were taken away by Officers for consideration.
New Corporate Strategy: Vision 2036 and Corporate Delivery Plan	25 January 2024	The current Corporate Strategy ended in April 2024 and the report set out the new Corporate Strategy, including a longer-term vision for Melton up to 2036. The report proposed to confirm the finalised statements following a period of public consultation which took place between December 2023 and January 2024. The Committee were asked for feedback on the strategy and vision.	The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 7 February 2024 (<i>see page 21 for a summary of the comments made</i>). The Strategy was presented to Council on 8 February 2024 where it was approved.

Topic	Date	Brief Details	Outcome
General Fund Revenue Budget 2024/25 and Medium Term Financial Strategy 2025/26 to 2027/28	25 January 2024	<p>The report covered the following:</p> <ul style="list-style-type: none"> • Draft Budget 2024/25; • Future Years 2025/26 onwards; • Use of reserves; <p>The Committee were asked for comments and feedback.</p>	<p>The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 7 February 2024 (<i>see page 23 for a summary of the comments made</i>).</p> <p>The revenue budget and MTFS were presented to Council on 8 February 2024 where they were approved.</p>
Capital Programme 2023-2028 – General Fund and Capital Strategy 2024/25	25 January 2024	<p>The report provided information on the forecast outturn position for 2023/24 for General Fund Capital schemes for both General and Special Expenses and also set out the proposed General Fund Capital Programme for 2023-28 based on a review of spending in the current year's programme and new and existing schemes included in the programme for later years. The Capital strategy was also considered. The Committee were asked for comments and feedback.</p>	<p>The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 7 February 2024 (<i>see page 23 for a summary of the comments made</i>).</p> <p>The capital programme and capital strategy was presented to Council on 8 February 2024 where it was approved.</p>
Revenue Budget Proposals 2024/25 – Housing Revenue Account (HRA)	25 January 2024	<p>The purpose of the report was to update on the financial position of the Housing Revenue Account (HRA) and:</p> <ul style="list-style-type: none"> • to set the rents of the Council dwellings with an increase of 7.70%, in line with the parameters set by government; • approve the HRA budget estimates for 2024-25; • continue to set the working balance for 2024-25 at £1m. <p>The Committee were asked for comments and feedback.</p>	<p>The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 7 February 2024 (<i>see page 24 for a summary of the comments made</i>).</p> <p>The revenue budget proposals for the HRA was presented to Council on 8 February 2024 where it was approved.</p>

Topic	Date	Brief Details	Outcome
The Leader's Annual Presentation	21 March 2024	<p>The Leader provided his Annual Presentation to the Committee. The presentation covered the following themes:</p> <ul style="list-style-type: none"> • Governance • Legacy Issues • Future Plans <p>Members were invited to comment and ask questions.</p>	Members noted the presentation before providing comments and asking questions.
Complaints Update	21 March 2024	The report gives an overview of the complaints and feedback received by the Council along with the policy which guides how the Council responds to complaints.	The Committee noted the report and the Chairman presented Members' comments to Cabinet at the meeting held on 17 April 2024 (<i>see page 25 for a summary of the comments made</i>).
Regulatory change in housing review	25 April 2024	The Committee received a report on the regulatory change in housing review. In addition, a presentation was given outlining the results of the Tenant Satisfaction Survey.	The Committee noted the report and the Chairman presented Members' comments to the Cabinet at the meeting held on 12 June 2024. The Committee also agreed that from 2024/25, it will receive the Landlord Assurance Board's Annual Report. (<i>see page 26 for a summary of the comments made</i>).

The Leader's Annual Presentation

Scrutiny received a presentation from the Leader of the Council on 21 March 2024.

The **Leader of the Council** provided his annual update at the meeting held on 21 March 2024. The Leader outlined the following key points:

- 1) Governance
 - Trend of not going back to the Committee system.
 - Attempt to provide more opportunities for Members to be involved.
 - Invite Chairs of Committees to watch and speak at Cabinet Briefings and Cabinet meetings.
 - Been available to Conservative Group Members to discuss issues of concern.
 - Established two Policy Development Groups. One on the Town Centre and the other on Assets.
 - Increased engagement with Scrutiny. The high point being the collaboration over the Housing Support Review.
- 2) Legacy Issues
 - There were 16 issues which posed practice problems to the new administration when they took over.
- 3) Future Plans
 - General Election
 - Leicestershire
 - Climate Emergency
 - Financial Position

The Leader also provided answers to questions asked at the meeting.

Workshops

Budget Scrutiny – 12 December 2023

The budget scrutiny workshop was held on 12 December 2023. In attendance were Councillors Brown (Chair), S Atherton, Cliff, Gordon, Lumley and Thwaites. The purpose of the workshop was to scrutinise the draft budget and provide feedback.

Members were informed that the figures were unlikely to change between the workshop and the publication of the draft budget ahead of the Scrutiny Committee meeting on 25 January 2024.

After some robust challenge, Officers reassured Members that budget holders are challenged and required to justify spending at several stages to ensure the spending is necessary.

Other issues that were discussed by Members included: deficit on the Special Expenses account; the number of empty properties within the Borough; the financial sustainability of the Council; risks to revenue and the asset development programme.

Housing Support Review – 14 February 2024

The workshop on the Housing Support Review was held on 14 February 2024. In attendance were Councillors Brown (Chair), S Atherton, Cliff, Gordon and Thwaites. The Portfolio Holder for Housing and Landlord Services was also in attendance.

The purpose of the workshop was to review and comment on the following:

- An Independent Living support service for Sheltered Housing schemes;
- Arrangements to facilitate alternative access to support and lifeline services for tenants of dispersed housing (exit plan / transitional arrangements);
- A 'Framework for Independent Living' to provide clear information to tenants, prospective tenants and their families.

The Committee made the following comments:

a) An Independent Living Service for Sheltered Housing schemes:

- The wording/language of the proposal needed to be clear that is focussed on support and Independence. It is crucial that tenants feel empowered and Members want them to feel that they are independent but are able to have access to support when required.
- The service needs to be clear and welcoming and outlined clearly to a tenant before they move into a sheltered housing property.
- There should be opportunity to 'opt out' of the proposed Independent Living Service, although reasons were provided as to why this was not practical.
- Members felt that a pragmatic approach would be needed for tenants who are already living in sheltered housing.
- As a provider of the service there has to be universality about it, in order for it to be affordable to deliver, but that scope needed to be clear and focussed.

- It was noted that other costs include the charge Harborough levy in answering lifeline calls and the cost of cover when officers are on leave.
- In relation to staffing costs, the query was raised as to whether there is scope to have one Officer on band 5 instead of band 6, however Members were informed that for practical reasons this wasn't possible.
- Members were concerned that the proposal does not provide value for money, as it reduces the amount of time that people are left without contact. Visibility and presence on site is important and could it be as simple as people knowing that someone will be in a building at a particular time for an hour.
- Members commented that it is important for tenants to have contact with officers. The arrangements for visits and tenants drop-in surgeries were noted.
- It would be helpful if an officer could attend to a tenant who needs medical attention. Members were reminded that the Council is a landlord who provides additional assistance and not a care provider.
- Officers should be aware of what other supported accommodation is available within the Borough, what are they offering and how are they managing the service and costs.
- The costs could seem a lot for tenants – members noted that any way to reduce costs to tenants would be welcome.
- Transitional arrangements for the Independent Living Service were discussed, and a pragmatic approach was requested to avoid any risk of 'forcing tenants out of their homes'.
- Members recognised that tenants in communal blocks are a part of a community and noted that that the Council should ensure that tenants can afford the service.
- Members considered it beneficial to include Bradgate Bungalows into the Independent Living Service scope.
- In regard to the proposals regarding housing support arrangements for sheltered housing, Members commented that it broadly feels right.
- It was recommended that Ward Members need to be fully engaged on the proposals to be able to manage resident enquiries.
- Members stated that the increased charges for sheltered schemes should be phased in.

b) Arrangements to facilitate alternative access to support and lifeline services for tenants of dispersed housing:

- Concern was raised that tenants do not know who their housing officer is.
- Members noted the importance of having services linked to people rather than properties, so that they can access the right service and not pay for things they do not want or need.
- Concern was raised regarding exit interviews and how to process them in a timely manner. Members suggested that all interviews should be done within three months because once the process has commenced then the information will become widely known and needs to progress in a timely way, even if this requires additional resource.

- Dealing with tenants who may not realise or agree that they need any support or guidance was raised, although Officers comments that there are safeguarding assessments and Officers can refer appropriately.
- Regarding the questionnaire, Members commented that it must also include consideration of softer aspects such as 'how a resident feels living here' or 'whether they feel safe' or whether there is anything else they need.
- Members cautioned that the Council will need to be clear on what they are asking for information from tenants and how this will be used. Suggested that there needs to be somewhere to sign the form in order to make the tenant feel empowered and ideally to give the tenant a copy of the form.
- It was suggested that tenants should be informed of what other support is available.
- Members agreed that the current priority should be to ensure that existing residents are properly supported in a way that is relevant to their needs.
- Members commented that forms are often complicated for tenants to fill out.
- It was recognised that the service has been a reactive service, and that there is a level of frustration from some customers. It was noted that here had been some requests for refunds from customers and that there is analysis of this underway. Members noted this as a risk.

c) Other comments:

- A comment was made that the service officer at Gretton Court needs to be defined as part of the proposed Independent Living Framework, so tenants know what to expect.
- Members were pleased that Officers are constantly improving performance.
- Officers were thanked by Members for their hard work.

The comments were presented to Cabinet at their meeting held on 6 March 2024. The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Tenant Engagement Session – 25 April 2024

The Council's tenants were invited by the Chairman to attend a Tenant Engagement Session on 25 April 2024. The attendees were divided into two groups with the Chairman, Councillor S Atherton, Councillor Cliff and Councillor Sharp, as well as Council Officers, facilitating the discussions. Tenants were asked to discuss the following five questions: What do you like about living in MBC housing? What have been the best changes over recent years? What improvements would you like to see in next 12 months? What longer term improvements would you like to see? How could we encourage greater involvement from other tenants?

The key points were as follows:

1) What do you like about living in MBC housing?

- A tenant commented that they enjoyed living in local authority housing. The flats are of good quality and the Courts look nice.

- Tenants are not frightened to voice concerns with the Council if things are not right.
- A concern was raised that at some meetings, Officers explain things that the tenants don't understand, but any questions or concerns are dealt with. An example given was the garden improvements that the Council are helping with.
- Tenants in attendance confirmed that they go to the Your Choice meetings and they know the staff. Tenants confirmed that all staff have a visible presence and they know who they are if they need to approach them.
- Confirm that there are ASB and drugs issues on the estate but that the Police have been really good. There sometimes appears to be a loss of communication between the Council and the police, although there is good communication between Council Officers.
- Communal room is well used but now a bit old, could do with new curtains and carpets.
- Comment was made that the Council could do more to publicise the website and the survey for future years.
- Another tenant recalled their positive experience living in local authority properties since she was 25 years old and her interaction with the Council during that time, e.g. when they reported mould issues, it was sorted quickly. A specialist came in and treated it and an extractor fan installed.

2) What have been the best changes over recent years?

- There was concern regarding vulnerable younger people moving into flats for over 60s only with examples given.
- Tenants noted that the Senior Housing Officer helps out a lot. Tenants see officers a lot and know them all by name.
- It was noted that the Council are good at communicating with tenants and what had been discussed is interesting. A tenant stated that they enjoyed being involved with the Council.

3) What improvements would you like to see in next 12 months?

- A tenant commented that repairs are now better.
- Garden policy is needed to improve the gardens and tenancy services enforcement needed. New tenants don't look after the gardens, especially tenants in flats. When reported it was dealt with but after a while it went back to poor condition again.
- A tenant raised concerns over how the Council, as a whole, contacts customers back and whether reference numbers need introducing for all contacts made for better tracking.
- A tenant was surprised at what the team have to deal with from tenants. He was positive about what the Council are actually achieving from the 'your choice' function and the 'you said we did' part of it.
- A tenant witnessed two drug raids in the area of town centre, so they would like the Council to keep on top of the anti-social behaviour in the area and feels the area will keep improving if the Council continues to tackle anti-social behaviour.
- Comments were made that if people look after the area they live in, then people will respect it, and that we need more people caring about their environments.
- Tenants praised the gardening competition and the impact this can have on the above.

4) What longer term improvements would you like to see?

- Tenants commented that not a lot can be improved upon, although new windows would be good. At St Johns Court some community room improvements would be welcome and the Council could invest more in community facilities.
- More scooter pods needed as there are now more people needing them and there are not enough. Could get at least four more scooter pods in on the available ground.
- Too many bins in some places for the number of people living there. Some issues with Biffa and the location of bins which could be fixed by moving bins around.
- Issue with pink and brown bags not being delivered for recycling.
- Tenants are very happy where they live. Only issues are with some individual tenants.
- On site warden looked after people, was a very popular service but that was removed.
- A comment was made that if the Council organise more in our areas, it will create ownership and the better an area will become.
- Asked if the Council was considering the use of chat bots and satisfaction surveys on contacts with the Council as a whole.
- A comment was made that the Council needed to ensure it also collected the positive data, and that within the hundreds of contacts it has with tenants the majority go well.

5) How could we encourage greater involvement from other tenants?

- Acknowledged it is hard to get people to come to a meeting. It was noted that not everyone wants to get involved. Council makes them all aware of things, but up to them if they come or not. Although the coffee mornings are popular.
- There was an annual event for tenants for the afternoon at the Council offices. About 100 people attended and there was a dance and play bingo. It was noted that this stopped due to Covid and it hasn't restarted.
- MADMAC (Melton and District Money Advice Centre) invitation to events are sent to all, but poor attendance.
- Jubilee events were organised and were popular.
- A suggestion was made that the Royal British Legion is a way of getting people involved by inviting them to hold events in communal rooms.
- A tenant commented that they are now being listened to and the Council are seeing the results.
- Some tenants take queries on behalf of other tenants. Tenants who do get involved will go back and share what they have learnt with other tenants.
- Garden competition was very popular.
- To get more people to Your Choice meetings need to build confidence and trust. Some people had lost confidence in the Council. Sometimes bureaucracy, same with the police.
- Need to have trust in the Council to get more involved. People don't trust that things will happen.
- Need to share more information about what is going well.

- Historical repair reporting process involved hand-off from customer services and you can be 14th, 16th, 18th in the telephone queue but can now go and speak to someone directly which is much better.
- Must remember that not many people can use online services.
- Fridge magnets for contact details was raised as an idea.
- There is a feeling that good engagement is already happening but could happen a lot more, but that the Council's approach felt like it is going in the right direction.
- A tenant feels there are a variety of options available and the newsletters were very positive. Although many tenants do not read things that they are sent.
- There is a feeling the Council needs to provide a big action for tenants.

The comments were presented to Cabinet at their meeting held on 12 June 2024. The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Scrutiny Reports to Cabinet

In accordance with the Scrutiny Procedures Rules, the Scrutiny Committee may report to Cabinet under Item 4 of the Cabinet Agenda – Matters Referred from Scrutiny Committee in Accordance with Scrutiny Procedure Rules.

The Chairman of Scrutiny has formally reported to Cabinet on behalf of the Committee on the following items:

Homelessness – 21 June 2023

A report on Homelessness was presented to the Scrutiny Committee on 14 March 2023. The report updated Members on the work undertaken by the Council to prevent and relieve homelessness, and to assist households who experience homelessness across Melton. It also covered the following: legal context; budget; temporary accommodation; cases, service demand and collaboration and general service challenges. The report was supported with a presentation from the Lead Officer.

The key points were as follows:

- Officers were thanked for their hard work.
- A Member mentioned that the feedback they had received, regarding the response from the Council, has been positive.
- Concern was raised regarding the number of people living in temporary accommodation however, were reminded that getting people out of temporary accommodation into permanent accommodation remains a top priority.
- A comment was made that the Council is doing an exceptional job in regards to homelessness, although the Council could get a better idea of the level of need through more engagement with food bank providers.
- It was queried whether the banding review (new allocations policy) has had an impact on homelessness, however Members were informed that there have been few complaints as a result of the review. Officers were confident that the review had not impacted on homelessness rates.

- Members welcomed the clarification that Armed Forces Veterans are treated as a priority need when presenting as homelessness.
- The lack of supported accommodation in the Borough was raised as a risk.
- The concern of out of area people being housed within the Borough was raised. It was explained that the people would be isolated from friends and family and would not have the basics or access to services. Officers confirmed that they would always look at suitable properties in suitable locations.
- Concern was raised regarding the houses, in the private rented sector, that can't be brought up to standard due to new guidelines around energy efficiency. The Committee were informed that the Council are aware of the risk in this area. Officers advised that it hoped to increase engagement with landlords through a landlord forum.
- A Member stated that they do not think it is helpful to house a person in a property where everything has been stripped out, however it was noted that this is usually done for health and safety reasons.

In receiving the feedback, the Portfolio Holder for Customers, Communities and Neighbourhoods thanked Scrutiny and the Director for Housing and Communities for the detailed report. The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Income Collection and Debt Management – 21 June 2023

The Scrutiny Committee considered the report on Income Collection and Debt Management at the meeting held on 18 April 2023. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- A Member welcomed the progress made in recovering outstanding debt, especially considering some tenants find paying their debt very difficult due to low incomes or only receiving benefit payments, coupled with the impact of the increase in the cost of living.
- It was suggested that weekly direct debits could be offered to make it more convenient for some tenants to pay off debt. Officers agreed with the principle of weekly direct debits as rent is charged weekly and accepted that in doing so would make the service more flexible and supportive.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

CCTV Post Implementation Review – 23 August 2023

The Scrutiny Committee considered the CCTV Post Implementation Review at the meeting held on 25 July 2023. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- The Committee were very positive about the CCTV project and the way in which it had been implemented. Thanks were passed to the staff and partners involved in the project.
- The Committee were satisfied that the objectives of the CCTV project have been achieved. They felt that the project aims and successes could have been presented more clearly in the report.
- The Committee queried whether the ultimate aim of CCTV is to prevent crime by acting as a deterrent, identify perpetrators for prosecutions or whether the project was initiated with the

dual purpose in mind. The role and remit of CCTV was discussed with officers, including the importance of its role in preventing and detecting crime.

- Members welcomed the 'Help Point' device and commented that it will be a valuable resource in helping to protect vulnerable people. Concern was raised about the potential for abusing the facility.
- The Committee welcomed the feedback that has been received from Leicestershire Police and recognised the value CCTV has in Community Safety and tackling crime and disorder.
- It is recognised that whilst the CCTV network can be valuable in identifying perpetrators, the crime does need to be reported for the Police to take action.
- Members queried whether there was scope to further grow the CCTV project, to benefit other parts of the borough, including in rural communities. Officers committed to discussing further with members who wished to explore mobile camera deployment and longer term options outside of the town centre.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Community Health and Well-being Plan – 23 August 2023

The Scrutiny Committee considered the Community Health and Well-being Plan at the meeting held on 25 July 2023. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- The challenges and the ripple effect of wider issues on people's health and well-being, e.g., cost-of-living pressures, access to education and quality of environment was recognised. Linked to this is the importance of healthy food choices and risk that cost-of-living pressures force people to access healthier choices (the example given was that foodbanks are a crisis offer and don't provide fresh food).
- The Committee noted the importance of understanding underlying issues of behaviour such as trauma leading to drug use/unhealthy choices.
- Members raised the theme of access to health services, e.g., GP access, mental health service access, urgent care and hospital access. There was a sense that local residents have to travel a long way to access health services that they feel could be provided closer to home. It was felt that the healthcare offer in Melton is unclear and disjointed and that a community hub model could be a solution and better utilise current facilities such as the hospital.
- The Committee mentioned the need for good housing that can support independence in keeping people healthy, particularly with an ageing population, e.g., aids and adaptations, good quality homes.
- Members felt that there needs to be proactive and meaningful communication with the public and with Members. The example given was performance figures for the GP surgery and how can healthy choices be supported
- Cross border collaboration and making the plan relevant to those communities who living within the Melton Borough but access health care services in Lincolnshire was mentioned. In particular, how does cross border integration work in practice with Lincolnshire health services and how can confidence be given to residents that the plan recognises their needs and has an ability to influence cross border health provision.
- Members commented that there is low public confidence in health care services due to issues residents have in not being able to get an appointment or having to wait a long time for a GP

appointment. The committee felt that any health and wellbeing plan would not be well received by the public if it did not provide confidence that that GP access and provision would improve in the borough.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Cattle Market Leases – 11 October 2023](#)

The Scrutiny Committee considered the Cattle Market Leases report at the meeting held on 21 September 2023. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- Members noted that the term tenant is used in the report for referring to both tenants and sub-tenants which caused confusion.
- Members asked that the Council should independently review and assess the outcome of rents review undertaken by the tenant to mitigate against the conflict of interest arising from this work.
- Concern was expressed there was a lack of enforcement on the Northern Car Park accessed from Scalford Road (Area C) and the Committee commented that they would like this increased in order to maximise income off the site.
- The Scrutiny Committee recommends that Cabinet considers all options for maximising car parking income from the Cattle Market site including the site allocated for future development. The reasoning for this is that concern was expressed that the income potential for the Council was not being maximised and that there is the potential for a lack of consistency in charging arrangements between this area and Council car parks. A suggestion for maximising income was that access to the site is restricted and vehicles are then redirected to alternative car parks.
- Members were keen to see learning from the current lease arrangements embedded into any future lease arrangements and procurement of operation/management partner.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Preparing for Regulatory Change \(Housing\) – 11 October 2023](#)

The Scrutiny Committee considered the report on Preparing for Regulatory Change (Housing) at the meeting held on 21 September 2023. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- The comment was made that rent arrears remains high, however Members were assured that steps are being taken, with further action proposed to ensure a significant and sustainable improvement.
- A concern was raised regarding the ability of the Council to evict tenants who damage property but are covered by statutory obligations to house them. The Committee were assured that Officers have sufficient tools to resolve these problems, but that eviction can take place, although in certain circumstance it would not be an easy process.
- Concerns were raised in the respect that 48 hours' notice for an inspection of regulatory compliance does seem like short notice and wasn't reasonable. Officers advised that considered the notice to be reasonable and would provide a realistic insight for and ability for the Regulator to check the council's landlord service at any given time.

- Members expect that the budgets are spent and were pleased to hear that budgetary spend is on target.
- Members committed to reviewing progress on preparing for regulatory change at their meeting in April 2024, and that this meeting would be hosted in a community location, and managed in a way that enables scrutiny committee members to hear directly from tenants.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Crime and Disorder – 15 November 2023

The Scrutiny Committee considered the topic of Crime and Disorder at the meeting held on 19 October 2023. The following points were outlined to the Cabinet by the feedback report:

- Members commented that they were impressed with how proactive Leicestershire Police have been in dealing with drug dealers in the community.
- Concerns were raised that young people, some who have a lot of maturing to do, are at risk of being criminalised because of a mistake they may make. Members were reassured that young people have access to support and are given every opportunity to reflect on their choices in order to make the correct decisions before they are charged. The Committee was reassured that taking enforcement action is a last resort.
- The Committee thanked Leicestershire Police for their service.
- A concern was raised regarding the use of social media in order to organise group antisocial behaviour or criminal activity, however it was confirmed that this is rare in Melton.
- Further concerns were raised regarding the disruption that Just Stop Oil protesters can cause, however the Committee were informed that the Police have a plan for such occurrences within Leicestershire.
- The comment was made that submitting queries via the Police website is cumbersome, however it was explained that the form has to conform to reporting standards.
- Concern was raised at the potential for prisoners to be released early due to prison overcrowding. Inspector Richardson informed the Committee that 'Operation Safeguard' would be enacted in such an occurrence, and that this involved the temporary use of custody suites for remand prisoners in some circumstances.
- Members commented that Crimestoppers is a really good service.
- The importance of community trust in the Police was raised, however it was recognised that increased reporting is going to help.
- The comment was made that rural crime prevention has improved with the beat officers and increased visibility and proactivity, as well as the community communication channels.
- Concerns were raised regarding retail crime and although Inspector Richardson stated that there had not be a noticeable increase in retail crime, he did state that County Lines and drugs do impact upon retail crime. The importance of reporting was reiterated.
- Members questioned the speediness of returning recovered stolen property with their rightful owners. Inspector Richardson stated that the Police aim to return property in a timely manner but that there are sometimes reasons why it isn't, e.g. the property being needed for further investigation.

- The Committee wanted more data on how many times the Council has engaged with and supported residents, and not just how many times enforcement action has been taken.
- When it comes to speeding, Members stated that flashing speed signs seem to be highly effective. Clarity was sought on how to request speed monitoring arrangements in local areas.
- Further to a discussion on fly tipping, members wanted to ensure that effective communication takes place, especially around the hiring waste contractors and the fact that the owner of the waste is responsible for how their waste is disposed of even if they hire a contractor to dispose of the waste. Officers outlined the various communication channels and committed to check the accessibility of information on the council website. Members raised a concern that the planned closure of reduced opening hours of household recycling suites would risk increased fly tipping.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Housing Ombudsman, Annual Report 2022/23 – 15 November 2023](#)

The Scrutiny Committee considered the Housing Ombudsman, Annual Report 2022/23 at the meeting held on 19 October 2023. The following points were outlined to the Cabinet by the feedback report:

- Members commented that, occasionally, they recognise that complaints acknowledgement had been an issue and the work that had been done to improve this.
- Concern was raised that the way the contractor acts can affect the way the Council is viewed by the Housing Ombudsman, however, it was noted that the Council is the landlord and is ultimately responsible.
- Members noted that being able to demonstrate learning from complaints was important. It was suggested that as part of the committees workplan review, the council's complaints policy and complaint handling may be added as a future workplan item.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[New Corporate Strategy – Vision 2036 and Corporate Delivery Plan – 7 February 2024](#)

The Scrutiny Committee discussed the new Corporate Strategy on 24 January 2024. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- Members discussed the funding of the business case for the GP surgery. It was explained that it is a joint piece of work between the Integrated Care Board and the Council. The total cost is expected to be £150k with the Council contributing £75k which is to be funded by the Asset Development Programme and the Business Pool.
- The funding for the Town Centre Coordinator role was raised. It was confirmed that there is no budget allocated and that Officers are currently exploring the possibility. If there is a proposal then it would be presented to Members for a decision.
- A comment was made regarding Statement 3 on whether the MMDR should be recognised as an enabler of sustainable homes. Members were informed that it was important that an explicit reference remained within the Strategy.
- Concern was raised on what would happen if sections of the MMDR were not to be built. It was confirmed that the Local Plan is dependent on the MMDR being built and if a section doesn't proceed then it is likely a new Local Plan would be required.

- The Committee questioned whether Statement 4 relates to Council homes or other social rented housing too. It was confirmed that all tenure types would be covered by the statement.
- The question was asked on what the finite deliverables are and how would they be measured. It was explained that there will be a corporate performance framework which will have measurable targets and which will be reported to Cabinet on a quarterly basis. The Corporate Delivery Plan is being updated prior to final publication to increase clarity where possible.
- A comment was made in relation to Statement 8 and the phrase 'net zero', and whether it was a phrase that was understood by the public.
- Members sought clarity on how the Council intends to engage with young people. It was explained that the Communications and Engagement Strategy would outline how the Council will engage with young people but that currently Officers are reviewing how to do that, as young people want to be involved in different ways. It was also noted that the strategy includes a commitment to develop a young persons strategy which will consider this further.
- The comment was made that the consultation took place over Christmas and New Year, which could have led to the low engagement rate. A further comment was made in relation to the consultation, in that the questions would lead to people commenting on things they want, as opposed to identifying what activities are a priority for people. It was acknowledged that consultations through surveys will always have limitations, and that within the corporate delivery plan, there were commitments to improve engagement and some additional resource allocated in the budget.
- The comment was made that there is a mismatch between improving engagement and then a reference to reducing the amount of polling stations. It was explained that the polling station review is a statutory process, against set criteria and that that whilst ensuring efficiency is important, access to the democracy process is of paramount importance. It was confirmed that the reference in the strategy would be updated to reflect this.
- Members would like the Council to campaign for an increase in the uptake of postal votes. In response, Members were informed that the Council already does this but would continue to promote it and welcomed any further suggestions for how this could be done.
- A query was raised what the practical implication is of having young people discharged from care being treated as a protected characteristic. It was explained that the rationale is that people from that background are at a significant disadvantage and by giving them this status, the Council would give due consideration to that group of people when developing a policy or strategy.
- Members want the Council to ensure consideration of value for money in everything it does and the reference to this in the strategy was welcomed.
- A concern was raised in that, even though transport links are important, the Council does not want to project the impression that it has more power than it does over this area, though it was recognised the council had an important role in lobbying partners.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Capital Programme 2023-2028 – General Fund and Capital Strategy 2024/25 – 7 February 2024

The Scrutiny Committee considered the report on the Capital Programme 2023-2028 – General Fund and Capital Strategy 2024/25 at the meeting on 24 January 2024. The following point was outlined to the Cabinet by the Scrutiny Chairman:

- Concern was raised that the underspend on the stockyard projects was misleading and could it be phased across the different years instead. In response it was explained that the underspend relates to the Levelling Up Fund monies and at the point the budget was set last year it wasn't possible to meaningfully profile. As the plans develop this will become easier and can be looked at.

The Cabinet noted the feedback from the Scrutiny Committee.

General Fund Revenue Budget 2024/25 and Medium Term Financial Strategy 2025/26 to 2027/28 – 7 February 2024

The Scrutiny Committee considered the report on General Fund Revenue Budget 2024/25 and Medium Term Financial Strategy 2025/26 to 2027/28 at the meeting held on 24 January 2024. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- A concern was raised that as there is a lot of information in the paper for Members to consider, the job of Scrutiny is difficult. Members recognised the link between the Corporate Strategy and Budget but it would be better if they were done separately. It was explained that it was time to renew the Corporate Strategy and that it usually wouldn't be presented every year. In addition, Officers take Members through the budget process throughout the year and that it is discussed at the State of Melton Debate and there is the Budget Scrutiny Workshop in December as well. Members were invited to raise any further queries with the Director for Corporate Services outside of the meeting.
- Members Allowances was raised. It was explained that there is due to be an independent review in 2024/25 but that the annual uplift had been provided for in the budget.
- The backlog of service charging at Pheonix House and the concern over whether the occupiers know it is coming was raised. It was explained that Officer have discussed the issue with occupiers and that they are aware of the process. The building has been surveyed and the charges will be divided accurately. Officers confirmed that there will be an accrual at year end and it will go in the current year accounts. It was also highlighted that the Council will also be considering the new Asset Management Plan which demonstrates the significant progress that Corporate Asset team has made over the last year.
- A concern was raised in relation to the increasing charges at Thorpe Road Cemetery, as well as the repairs that need doing and the remaining number of plots. It was clarified that work on preparing to increase capacity at the current cemetery has progressed but the work has not yet been undertaken. It was noted that the Special Expenses Budget is a small budget and that the Increase in fees is necessary to help mitigate the rising costs.
- Thanks was given to Officers on the work done during the budget setting process.
- Concern raised over the spend on consultants around projects. The Chief Executive clarified there was not significant use of consultants but confirmed that there will be occasions where

using external technical expertise is necessary, especially in areas the Council doesn't have in-house expertise.

- Members raised the issues of the car parking assessment and whether external resources were required for that. It was explained that this was a legacy commitment and that there is no proposed budget allocated to the task. What there is, is a commitment to review options for new car parking technology which does not require additional resources.
- A Member raised concern that there is a lot of red on the risk register. In response it was explained that finance is a high risk, especially post covid, with rising inflation, reduced income and decreasing government grants but that the Council's finances are under control and there had not been a deterioration from previous years. That said, Members were informed that local government finances as a whole remain fragile and that the SLT maintain constant oversight on the financial position and that the council can in no way be complacent. It was also highlighted that while the current budget was not proposing any significant cuts, there was no guarantee that this may not be required in 12 months' time.
- Parking charges on evenings and Sundays was raised and the concern that this would conflict with the objective of getting more people into the town centre. It was explained that fees and charges had already been approved under delegation and that no other car parking charges had been increased.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Revenue Budget Proposals 2024/25 – Housing Revenue Account \(HRA\) – 7 February 2024](#)

The Scrutiny Committee considered the report on Revenue Budget Proposals 2024/25 for the Housing Revenue Account (HRA) at the meeting held on 24 January 2024. The following points were outlined to the Cabinet by the Scrutiny Chairman:

- The comment was made that it is good to see current tenant rent arrears coming down but at what cost, e.g. staffing cost and legal capacity. It was explained that the expertise is employed on a temporary basis in order to work through the backlog but that the expertise is the correct expertise. It was confirmed that there is an exit plan and that there will be a continued resource of 1 full time officer. The issue of rent arrears does remain a high-risk area for the Council and remains under review.
- A concern was raised on No win, no fee claims. In response it was explained that it is important for the Council to know the stock and its condition, and be able to evidence proactive action to any issues or repairs, so that claims can be defended and the work can be evidenced. The Council has a solicitor responsible for defending those claims.
- Members were surprised at the £340k overspend on gas. It was explained that this was an administrative error which has had to be corrected. Colleagues across the Council are looking at understanding some of these increases with expectation of meeting the relevant account manager.
- Concern was raised that there had been a lot of fires. It was explained that the Council had worked with its insurer and it was established that none of the fires have been the result of the Council. They have either been accidental or a result of a failure of technology. It was

recommended, by the insurer, that the Council should continue educating their residents in order to minimise the fire risk.

- The rent increase was discussed and it was commented that this could add to the pressure of arrears. It was explained that as the Council's costs had increased the rise has become a necessity but that the council will continue to support tenants and identify quickly if tenants are struggling to pay their rent so that they can be supported. Examples of support were provided.
- The services cost pressures were raised as a concern. It was explained that running a housing service is expensive and that the biggest costs are staffing and repairs. The Council had previously had challenges around void properties but that situation has improved through good work within the team. It was explained that costs and value for money remain a focus, particularly on repairs. The importance of a planned programme of work through the capital programme was an important part of managing costs.
- Members queried whether expenses per property are logged and whether trends are assessed and acted upon. It was explained that capital improvements and revenue repairs per property are logged. It was explained that the Council are due to implement a recharge policy whereby it will charge tenants where they have intentionally caused damage. It was also explained that sometimes works for specific property types are undertaken in response to particular issues (for example, non-traditional homes).
- It was noted that the replacement of kitchens and bathrooms will peak in 2025/26. In response it was stated that this would have been profiled on age and condition of stock.

The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Housing Support Review – 6 March 2024](#)

The Scrutiny Committee held a workshop on the topic of the Housing Support Review on 14 February 2024. The points outlined on page 11 were presented to the Cabinet via a feedback report. The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Complaints Update – 17 April 2024](#)

The Scrutiny Committee considered the Complaints Update at the meeting held on 21 March 2024.

The following points were made by the Committee:

- Officers were thanked for their hard work on processing complaints as they come in.
- The report does not cover the beginning of the process (i.e. the interface). Members wanted to know how residents complain to the Council, e.g. phone call, letter, reception or email (It was confirmed that Officers are investigating the possibility of allowing residents to contact the Council via WhatsApp).
- A query was raised on how the Council manages people who don't have the means or ability to complain via technology. It was explained that there is a customer liaison officer located in one of the customer rooms in order to assist when people come in and ask for advice.
- The Council needs to better publicise the policy and what provision there is for residents to get their issues resolved.
- A comment was made that a lot of residents don't know that they can contact their ward Councillor to assist them with issues.

- Following a query it was explained that figures are the number of complaints and not number of interactions with complainants.
- A suggestion was made that the Council could automatically allocate a reference number for each issue, like Leicestershire County Council. Currently someone would only get a reference number from a complaint.
- Members retold various experiences of complainants with some having a negative experience and others having a positive experience, including the resident who had a fault fixed on Christmas Eve. The comment was made that better measures on resolution is required.
- A Member cautioned that just because people contact the Council, it doesn't mean it is a complaint. It was noted that in February, 82% of issues were dealt with at the first point of contact.
- It would be useful if a degree of seriousness of complaint could be identified. It was explained that the process helps to streamline the complaint and answer it in a sensible way.
- Concern was raised on how the Council handles unreasonably persistent complainants. It was explained that the process is outlined in the policy. There is certain criteria within the policy that the Council has to satisfy in order to label a complainant as unreasonably persistent.
- Following a query it was confirmed that a resident doesn't have to complain but can request support. Service request data is something the Council captures.
- In summing up the Chairman stated that the Council should:
 - 1) Improve how it communicates the policy and mechanisms to residents.
 - 2) Not make into a complaint a contact that isn't a complaint.
 - 3) Give the best service in the first instance.
 - 4) Remember that just because someone goes away unhappy, doesn't mean that they will become a complainant.

Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Regulatory Change in Housing – 12 June 2024](#)

The Committee received a report on the regulatory change in housing review. In addition a presentation was given outlining the results of the Tenant Satisfaction Survey. The following points were made by the Committee:

- Officers were congratulated on the work they have done in this area.
- The query was raised as to whether the audit overlaps could be reduced, however in response it was explained that one Officer is responsible for Corporate Health and Safety and another Officer is responsible for Housing Health and Safety and that the audits for both roles do cover different elements. In addition to this there is Internal Audit who are responsible for carrying out a formal audit on the service and then there is External Audit who are independent of Council and will conduct their own audits from time to time. Members were reassured that work was not being duplicated.
- Following a question about the new arrangements it was confirmed that the arrangements are focussed on the public/social sector and that there will be separate arrangements for private sector landlords.
- In response to a question about remuneration for tenants when they join the Landlord Assurance Board, Members were informed that the Council can't pay tenants a salary when

they join the board but that training can be provided so that they can discharge their duties more effectively, and that expenses such as travel and child care can be reimbursed.

- In regard to the timetable for appointing to Landlord Assurance Board, it was noted that, whilst the first meeting was a few weeks prior to the meeting, Members were assured that tenants could be involved. Recruitment to the board would take between 2 to 3 weeks.
- When reviewing the responses and in particular the satisfaction about repairs, it was commented that the dissatisfaction isn't with the Council but with the contractor. However, it was explained that the Council are the landlord and therefore it is up to the Council to hold the contractor to account.
- A Member commented that statistics have to be handled with care and that the Council has to be mindful of those who aren't satisfied. In response, it was explained that the Council can benchmark against other landlords and compare how the Council is performing amongst similar sized organisations. The Council is able to do this as a result of its membership of Housemark.

Cabinet agreed to have regard to the Scrutiny Committee's feedback.

[Feedback from Tenant Engagement Session – 12 June 2024](#)

The Scrutiny Committee hosted Tenant Engagement Session on 27 April 2024. The points outlined on page 13 were presented to the Cabinet via a feedback report. The Cabinet agreed to have regard to the Scrutiny Committee's feedback.

Scrutiny Work Programme

Scrutiny Committee reflect on the work programme at each meeting and consider any new items to be added. The work programme is developed by the Chairman and Vice Chairman in collaboration with the Committee.

The Scrutiny Committee must agree an Annual Work Programme in accordance with the Scrutiny Procedure Rules and that Work Programme may contain:

- 1) Matters which inform the development of the Council's Budget and Policy Framework.
- 2) Matters which inform the development of the Council's approach to matters not forming part of the Council's Budget and Policy Framework.
- 3) Holding enquiries and investigating the available options for future direction in policy development, matters of public concern and any other issues within their functions.
- 4) Call in of Key Decisions.
- 5) Requests by a member of the Scrutiny Committee.
- 6) Requests from the Council and if it considers appropriate, the Cabinet.

The Chairman has asked members to consider the following when proposing items to add to the work programme:

1) Scrutiny Committee Functions & Procedures Rules:

- Which Corporate Priority the item links to (Priorities attached for ease of reference)
- If the item is of significant community concern
- If the issue is significant to Partners and/or Stakeholders
- What the added value is of doing the work
- What evidence there is to support the work
- If the Scrutiny work can be completed within a proportionate time to the task identified
- If the work is being done somewhere else
- What will be achieved
- If the Council has the resources to carry out the work effectively

2) Consider:

- What?
Be prepared to provide the committee with some background information and scope of the proposed report/review.
- Why?
Be prepared to justify why the item should be considered by Scrutiny, what might be the intended outcome, why is it important in relation to the provision of services/value for money etc...?
- When?
Is the item time sensitive? What is the level of priority?

➤ Outcomes?

What value can Scrutiny add, what are likely to be the measurable outcomes, is the work already being done somewhere else?

It is hoped this guidance will ensure that Scrutiny at Melton Borough Council is outcomes focused and that the value of Scrutiny can be evidenced and results measured.

The Scrutiny Committee held a workshop on 22 June 2022 to discuss the Annual Work Programme, which was attended by all Officers from the Senior Leadership Team.

- Members were asked in advance of this workshop to provide ideas for inclusion in the Scrutiny Work Plan 2022/23 to the Scrutiny Chairman.
- The Senior Leadership Team also provided a presentation which provided detail of emerging priorities in relation to the Corporate Strategy.
- All ideas put forward were discussed in detail and a shortlist of items was agreed.
- The shortlisted items were plotted on the work plan in consultation with the Scrutiny Chairman and relevant Directors.

A Work Programme workshop will take place on 15 June 2023 in advance of the first meeting of the 2023/24 Municipal Year to establish priorities for the Committee.

Training

All new Members to the Scrutiny Committee receive induction training. Members received training in June 2023 as part of the Members Induction Programme. This included an outline of scrutiny with a focus on key roles; powers and responsibilities; ways of working for effective scrutiny (e.g. work programme, project scopes, critical friend questioning and listening); discussion around challenges; and provision of examples from meeting observation at MBC and other councils.

Further information

If you would like further information about Scrutiny, please use the contact details below:

Senior Democratic Services and Scrutiny Officer

Name: Adam Green

Tel: 01664 502319

Email: agreen@melton.gov.uk

Scrutiny Committee Chairman

Email: mbrown@melton.gov.uk

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Recommendations and Reports from Committees - Audit and Standards Committee Annual Report 2023/24

Report Author:	Adam Green , Senior Democratic Services and Scrutiny Officer 01664 502319 agreeen@melton.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services 01664 502444 DGarton@melton.gov.uk
Lead Member/Relevant Portfolio Holder	Audit & Standards Committee Chairman

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 To provide an overview of the work completed by the Audit and Standards Committee during the Municipal Year 2023/24.

2 Recommendations

That Council:

- 2.1 **Notes the Audit and Standards Committee Annual Report 2023/24 (Appendix A).**

3 Reason for Recommendations

- 3.1 To ensure that all Members are informed of the work of the Audit and Standards Committee for the Municipal Year.

4 Background

- 4.1 The Audit and Standards Committee Annual Report 2023/24 will be considered by the Audit and Standards Committee at the meeting held on 23 July 2024.

4.2 The Audit and Standards Committee recommended that the report is submitted to Council for comments and noting.

5 Main Considerations

5.1 Audit and Standards Committee recommend the Annual Report to Council for information purposes.

6 Options Considered

6.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

7 Consultation

7.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

8 Next Steps – Implementation and Communication

8.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

9 Financial Implications

9.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

Financial Implications reviewed by: See Appendix 1

10 Legal and Governance Implications

10.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

Legal Implications reviewed by: See Appendix 1

11 Equality and Safeguarding Implications

11.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

12 Data Protection Implications (Mandatory)

12.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

13 Community Safety Implications

13.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

14 Environmental and Climate Change Implications

14.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

15 Other Implications (where significant)

15.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

16 Risk & Mitigation

16.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

17 Background Papers.

17.1 As outlined in the Audit and Standards Committee Annual Report 2023/24 (Appendix 1).

18 Appendices

18.1 Appendix 1 – Audit and Standards Committee Annual Report 2023/24

18.2 Appendix A – Audit and Standards Committee Self-Assessment

18.3 Appendix B – Basis of Scoring and Action Plan

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To: Audit and Standards Committee
Date: 23 July 2024
Report: Chair of Audit and Standards Committee
Title: Annual Report

Report Title:	Audit and Standards Committee Annual Report
Purpose/Description of Report:	It is best practice for the Audit Committee to report to the Council on its activities in this area. This report fulfils this responsibility.
Key Decision:	No
Chair of Audit and Standards Committee for 2023/24:	Cllr L Higgins

1. Introduction and Overview

1.1 The Audit and Governance Committee operates in accordance with the CIPFA Position Statement 2022: Audit Committees in Local Government. This position statement sets out the role of an Audit Committee as follows:

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are

adequate arrangements in place for both internal challenge and public accountability.

1.2 This is important to ensure that the Council understands where things may go wrong and has controls in place to make sure that it mitigates against them. The functions that are discharged by the Committee are not Executive functions and cannot be discharged by the Executive.

1.3 The Committee consists of 10 members, politically balanced. Terms of reference for the Committee are as set out in the Constitution [Audit and Standards Committee: Terms of Reference](#). In addition to members the following will also attend meetings:

- Director for Corporate Services (also the Chief Finance Officer role as required by Section 151 of the Local Government Act 1972);
- The Solicitor to the Council in the role of Monitoring Officer;
- The Head of Internal Audit (HIAS);
- The External Auditor.

Other Officers and Councillors may attend meetings as required.

1.4 For the 2023/24 Council year formal Committee meetings have been held on the following dates. Agendas and minutes are available to the public on the Council website. Public meetings are broadcast live on YouTube and remain available on YouTube.

4th July 2023

26th September 2023

28th November 2023

16th January 2024

26th March 2024

1.5 In addition to the formal public Committee Meetings the Chair and Vice Chair meet quarterly with the Director for Corporate Services, Monitoring Officer and the Head of Internal Audit. These meetings discuss potential future agenda items, performance against development aims, Internal Audit performance and other matters such as changes to the regulation framework for audit, topical national fraud and other risk issues.

1.6 Occasionally as required the Chair and Vice Chair will be invited by the Director for Corporate Services to attend meetings with the External Auditor. Seminars are also held on topical issues nationally for Chairs and Vice Chairs of Audit Committees.

2. Summary of 2023/24

2.1 As part of the induction programme for all members following the election mandatory training was provided on the role of the Audit Committee by the Internal Auditor which included the role of internal and external audit. This was followed later in the year with training on risk management and the statement of accounts.

2.2 Key activities and considerations during the year were as follows:

- Received and considered the internal audit annual opinion and report for 2022/23;
- Approved the internal audit annual plan for 2023/24 following active engagement and consultation on its development;
- The Committee reviewed and approved the Internal Audit Charter and Strategy in April 2023. This is subject to annual review, in line with the Public Sector Internal Audit Standards;
- The Committee received updates on progress providing challenge and scrutiny on any weakness in internal control identified. Key findings from each internal audit assignment are provided for the Committee's consideration as part of the update reports. Where any assurance opinions of less than 'moderate assurance' have been given, members of the Committee would have received full copies of the audit report however I am pleased to report that during 2023/24 no audit reviews resulted in an assurance rating of less than moderate. At the final Committee meeting of the year on 26th March 2024 there were 23 agreed management actions which were overdue for implementation of which 4 were high priority, 16 medium priority and 3 low priority. Of these 16 were over three months overdue. The Committee pay rigorous attention to the non-implementation of recommendations at every meeting;
- Considered and noted the twice-yearly counter fraud progress reports;
- Contributed to and approved the 2024/25 Internal Audit Workplan;
- Considered and noted the draft Annual Governance Statement for 2022/23;
- Considered and noted the annual risk management report and received and noted a six monthly update on risk management;
- Considered and approved the draft information governance framework and noted all actions required in regard to its implementation;
- Considered and approved the Council's updated counter fraud policy and anti money laundering policies and guidance;
- Considered and approved the Council's updated Regulation of Investigatory Powers Act (RIPA) policy and noted the update provided for the financial year 2022/23.

- 2.3 One significant area to note is the progress on the external audit of the Council's financial statements. There is a national backlog of external audit work due to a lack of external audit resources and Melton is no exception. At the start of the Council year the Council's accounts for 2020/21 to 2022/23 remained unaudited although draft statement of accounts have been published within statutory deadlines. Consultation from national bodies has been undertaken. Unfortunately changes to the Code of Audit Practice and introduction of statutory publication dates ("backstop" dates) for the outstanding accounts cannot proceed until the new Parliament has considered if it wishes to proceed with the proposals. The external auditors for this period are Ernst Young with new auditors taking over from the financial year 2023/24. An update on progress was received from Ernst Young during the year but the audit of the accounts for 2020/21 to 2022/23 remain outstanding at the end of the 2023/24 council year. The External Audit plan for 2023/24 was received from Grant Thornton, the new external auditors, and it is intended that priority will be given to the audit of this latest financial year in order to get the Council back on track. However, this does depend on the position for these earlier years being resolved. The key issue being will Grant Thornton need to undertake a balance sheet audit for 2023/24 to verify the opening balances in light of any qualified accounts from prior years due to Ernst young not being able to undertake their audits.
- 2.4 The Chair and Vice Chair in consultation with committee members, the Director for Corporate Services and The Head of Internal Audit has updated its self assessment using the checklist from the CIPFA publication *Audit Committees – practical guidance for Local Authorities*. This is contained at Appendix A. Appendix B includes the rationale for the scoring along with an action plan to address those areas where scope for improvement was identified.

Written by: Chair of Audit and Standards Committee

Appendix A: Audit Committee Self Assessment

Appendix B: Basis of Scoring and Action Plan

Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply					Partially complies and extent of improvement needed*				Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement					
Weighting of answers	0	1	2	3	5					

Audit committee purpose and governance

- 1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?
- 2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?
- 3 Has the committee maintained its advisory role by not taking on any decision-making powers?
- 4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?
- 5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?
- 6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?
- 7 Does the governing body hold the audit committee to account for its performance at least annually?

* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those requiring minor changes.

Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:																									
<ul style="list-style-type: none"> compliance with the CIPFA Position Statement 2022 																									
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 																									
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 																									
Functions of the committee																									
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?																									
Governance arrangements																									
Risk management arrangements																									
Internal control arrangements, including:																									
<ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 																									
Annual governance statement																									
Financial reporting																									
Assurance framework																									
Internal audit																									
External audit																									
10 Over the last year, has adequate consideration been given to all core areas?																									
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?																									
12 Has the committee met privately with the external auditors and head of internal audit in the last year?																									

Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				

Membership and support

13 Has the committee been established in accordance with the 2022 guidance as follows?

- Separation from executive
- A size that is not unwieldy and avoids use of substitutes
- Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation

14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?

15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?

16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?

17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?

18 Is adequate secretariat and administrative support provided to the committee?

19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?

Effectiveness of the committee

20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?

21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?

22 Are meetings effective with a good level of discussion and engagement from all the members?

23 Has the committee maintained a non-political approach to discussions throughout?

Good practice questions	Partially complies and extent of improvement needed				Fully complies
	Does not comply	Major improvement	Significant improvement	Moderate improvement	Minor improvement
Weighting of answers	0	1	2	3	5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?					
26 Do audit committee recommendations have traction with those in leadership roles?					
27 Has the committee evaluated whether and how it is adding value to the organisation?					
28 Does the committee have an action plan to improve any areas of weakness?					
29 Has this assessment been undertaken collaboratively with the audit committee members?					
Subtotal score					
Total score					
Maximum possible score					200**

** 40 questions/sub-questions multiplied by five.



Audit and Standards Committee

Self-assessment against the CIPFA Position Statement 2022 (Appendix A)

Notes to support scoring assigned on assessment form

Date: 26th March 2024

Completed by: Cllr Jim Adcock, Cllr Siggie Atherton, Cllr Mike Brown, Cllr Steven Carter, Cllr Malise Graham, Cllr Leigh Higgins.

Supported by: Rachel Ashley-Caunt, Chief Internal Auditor

In attendance: Dawn Garton, Director of Corporate Services

Self-assessment question	Comments on basis for scoring	Action ref
1	Standards matters are handled by the sub-committee.	
2	The Committee reports to Full Council in terms of structure, but in practice there has been a lack of reporting. This has already been acknowledged and an Annual Report to Council is to be produced in 2024.	
3	No decision-making powers exercised.	
4	Agreed that the Terms of Reference (ToR) would benefit from a review and refresh to ensure consistency with the latest guidance.	1
5	Consensus that other Members do not generally have a clear understanding of the role of the Audit and Standards Committee. It is considered that the Annual Report to Council, which will set out the activity of the Committee throughout the year, will be a first step in raising awareness and the profile of the Committee.	
6	Agreed that issues have been effectively escalated in 2023/24 – with examples of concerns raised regarding key issues which have resulted in actions being taken.	
7	As above – to be delivered through the Annual Report to Council.	
8	As above – Annual Report to be produced in 2024.	
9	Agreement that the core areas are suitably covered but may be gaps around governance which can form part of the ToR review mentioned above – see action 1. Assurance framework, for example - Code of Corporate Governance needs updating and sight by the Committee.	1
10	Generally – but lack of external audit reports.	



Self-assessment question	Comments on basis for scoring	Action ref
11	Agreed that there has been no activity beyond the Committee's remit.	
12	No.	2
13	<p>There are currently no independent members on the Committee. Not currently mandatory and agreed not to proceed at this time to recruit – as no specific skillsets needed.</p> <p>Discussion around separation from executive and that it may benefit from formalising that Exec members cannot serve on the Audit and Standards Committee.</p>	3
14	Committee membership includes a range of skillsets and there is support for further training.	
15	No evaluation yet conducted on Members' skills, experience and training but to feed into training plan.	
16	A training plan to be developed, informed by analysis referenced above. All in agreement with introducing a regular training session pre-meeting on core areas (ideally with relevance to the agenda for that day).	4
17	Some views that agendas / committee papers can be too long which does not enable members to engage effectively and take time to consider all content.	
18	Agreed that support is effective.	
19	Relationships with auditors and Chief Finance Officer are considered to be strong and effective.	
20	No feedback to date.	
21	Agreement that meetings are well chaired and focus on key items.	
22	Considered to be a good level of engagement and questions from members of the Committee.	
23	Agreement that meetings are apolitical.	
24	Good engagement and management attendance at meetings.	
25	Agreement that the Committee has been effective in this regard.	
26	Implementation of audit recommendations is subject to committee review and has been raised with leadership team.	
27	The assessment taking place today addresses this requirement in relation to delivering key roles.	

Self-assessment question	Comments on basis for scoring	Action ref
	Agreement that the further checklist (Appendix F to the CIPFA guidance) should form part of the next self-assessment, to look further at the effectiveness of the Committee.	5
28	Action plan to be agreed based on the assessment completed today and then subject to monitoring by the Committee – see below.	
29	All Committee members invited – with all in attendance except one, with substitute attending. The notes will be circulated to all Audit and Standards Committee Members for agreement, following the meeting.	

Action Plan

Action ref	Description	Timeframe
1	<p>Terms of Reference To ensure the Terms of Reference for the Committee are reviewed and updated, where needed, to align with the latest CIPFA guidance.</p> <p>To ensure suitable coverage on assurance framework / governance and regular sight of the Code of Corporate Governance.</p>	December 2024
2	<p>Annual report to Council To produce a report on the Audit and Standards Committee activity annually for Full Council. This should raise the profile of the Committee and highlight the good work – and seek feedback on how this meets the needs of those charged with governance.</p>	September 2024
3	<p>Executive Members To seek formalisation that Executive Members cannot be on the Audit and Standards Committee, in line with the CIPFA guidance.</p>	December 2024
4	<p>Training plan To develop a training plan which can be delivered as pre-meeting sessions and cover key areas, ideally relating to the topics on the agenda that day. This should be informed by a review of skillsets.</p>	September 2024
5	<p>Assessment of effectiveness The further checklist (Appendix F to the CIPFA guidance) should form part of the next self-assessment, to look further at the effectiveness of the Committee.</p>	January 2025

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Political Balance and Allocation of Seats to Political Groups

Report Author:	Adam Green , Senior Democratic Services and Scrutiny Officer 01664 502319 agreeen@melton.gov.uk
Chief Officer Responsible:	Clive Tobin , Assistant Director for Governance and Democracy (Monitoring Officer) 01664 502541 ctobin@melton.gov.uk
Lead Member/Relevant Portfolio Holder	N/A

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 To approve the revised political balance calculations and allocation of seats on committees in accordance with statutory requirements (as set out in the report) following recent changes which alter the political balance between the Groups.

2 Recommendations

That Council:	
2.1	Approve the political balance calculation at paragraphs 5.2.1 – 5.2.3;
2.2	Approve the allocation of seats on the Committees as set out in paragraph 5.3.1 and Working Groups as set out in paragraph 5.4.1.
2.3	Receive nominations and make appointments to Committees and Working Groups as notified by the Group Leaders and set out in Appendices A and B;
2.4	Appoints non-aligned Members to their allocation of seats on Committees and Working Groups as set out in Appendices A and B.

3 Reason for Recommendations

- 3.1 In order to comply with legislative and constitutional requirements the Council must appoint its committees and review the allocation of seats in accordance with political balance rules.
- 3.2 To ensure that the council complies with its statutory obligations under the Local Government and Housing Act 1989 and associated Regulations.

4 Background

- 4.1 Councillor Malise Graham resigned as a Member of the Council on 10 April 2024. The by-election on 23 May 2024 resulted in the election of David Chubb.
- 4.2 On 7 June 2024, the Monitoring Officer was notified that Councillor David Chubb wished to be treated as a Member of the Conservative Group in accordance with Regulation 10 of the Local Government (Committees and Political Groups) Regulations 1990.
- 4.3 Separately to this on 28 May 2024, the Monitoring Officer was notified that Councillor Christopher Evans resigned from the Conservative Group and wished to be treated as an independent (non-aligned) Councillor.
- 4.4 Section 15 of the Local Government and Housing Act 1989 places the authority under a duty to review the allocation of seats to Political Groups as soon as practicable following specified changes to the membership of those groups.
- 4.5 The Council's duty is to determine the allocation of seats to be filled by appointments by the authority, except the Cabinet and the Licensing Committee established under the Licensing Act 2003. The purpose is to ensure that there is proportionality across the formal activities of those bodies of the Council, representing the overall political composition. It affects all panels, committees and subcommittees which discharge functions on behalf of the authority or advise the Council on the discharge of those functions.
- 4.6 The political proportionality rules that apply in allocating seats on Committees etc. set out in Section 15 and 16 of the 1989 Act apply only to political groups.
- 4.7 Independent (non-aligned) members are to form part of the calculation for political balance purposes.
- 4.8 It is a requirement that, once seats have been allocated to political groups, the remaining seats are offered by Council to the Independent (non-aligned) members.

5 Main Considerations

- 5.1 Political Balance
- 5.1.1 The follow Committees are political balanced:
- Planning Committee (11 seats)
 - Scrutiny Committee (10 seats)
 - Audit & Standards Committee (10 seats)
 - Employment Committee (7 seats)
 - Licensing Committee (Taxi and General) (10 seats)

5.1.2 The total number of seats available across all politically balanced committees is 48.

5.2 Revised Composition

5.2.1 The revised composition of the Council is shown in the following table.

Members	Number	%	Proportion of seats available	Rounded to
Conservative Group	10	35.71	17.14285714	17
Labour Group	6	21.43	10.28571429	10
Independent Group	9	32.14	15.42857143	15
Non-aligned	3			6

5.2.2 The political proportionality rules that apply in allocating seats on Committees, set out in Section 15 and 16 of the 1989 Act, apply only to political groups (i.e., 17 to the Conservative Group, 10 to the Labour Group and 15 to the Independent Group).

5.2.3 Once seats have been allocated to the political groups, the authority is then under a duty to allocate the remaining seats to Members who are not aligned to a political group.

5.3 Allocation of Seats

5.3.1 Using 48 as the total number of seats across all committees, the 'total row' shows the total number of places each group is entitled to for each committee, using the calculated proportions above.

Committee	Places	Conservative	Labour	Independent	Non-aligned
Planning	11	4	2	4	1
Scrutiny	10	4	2	3	1
Audit & Standards	10	3	2	3	2
Employment	7	3	2	2	0
Licensing (Taxi and General)	10	3	2	3	2
Total across all C'tees	48	17	10	15	6

5.3.2 With each group having been allocated seats in accordance with its total proportional entitlement, Group Leaders will provide notification of those members it wishes to be appointed to each Committee as detailed in Appendix A, before the meeting.

5.3.3 The remaining seats are then allocated to the non-aligned Members. The non-aligned Members have expressed their preferences for allocation of seats and these are detailed in Appendix A.

5.3.4 The outcome now requires the Council to make the following decisions:

- To confirm appointments of the Committees above and to that size of membership
- To allocate seats on the Committees as above to the three political groups

c) To appoint named non-aligned members to seats on the Committees

5.4 Outside Bodies and Working Groups

5.4.1 Whilst the following are not formal Committees, the terms of reference for these meetings do require the allocation of seats to be calculated in accordance with the political balance calculation. The allocation of seats are detailed in Appendix A.

Group Name	Joint Staff Working Group (7 seats)	Local Plans Working Group (9 seats)
Conservative	3	3
Labour	2	2
Independent	2	3
Non-aligned	0	1
Totals	7	9

6 Options Considered

6.1 The Council must review its political balance and allocation of seats at its annual meeting and as soon as practicable following prescribed changes to political groups in accordance with the legislation.

7 Consultation

7.1 The Group Leaders have been consulted on the information presented in this report and the appendices were compiled in consultation with them wherever possible.

7.2 Non-aligned members have also been provided with the information presented in this report.

8 Next Steps – Implementation and Communication

8.1 Any changes to membership of Committees will be reflected on the Council's website page for each Committee.

8.2 Any mandatory training requirements will be considered and arranged as necessary for respective members.

9 Financial Implications

9.1 There are no financial implications arising from this report.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

10.1 After a Member has notified the Monitoring Officer that they have joined a political group, the Council is, as soon as practicable, required to review its political balance, to allocate seats on specified bodies in accordance with that political balance, and appoint members to those bodies in accordance with the wishes of the Political Groups.

10.2 The Council must allocate seats on committees so as to give effect to the political balance rules unless there is a decision to the contrary with no member voting against.

- 10.3 The allocation of seats must conform to the principles of proportionality contained in sections 15 and 16 of the Local Government and Housing Act 1989. There is a duty to give effect to the following principles, as far as reasonably practicable, in the order shown:
- a) Not all the seats on the body are allocated to the same political group;
 - b) A majority of the seats on a body are allocated to a group if it comprises a majority of the total membership of the authority;
 - c) Subject to (a) and (b) above, that the number of seats on ordinary committees allocated to each group bears the same proportion to the total of all seats on ordinary committees as is borne by the number of members of that group to the total membership of the authority; and
 - d) Subject to (a) to (c) above, that the number of seats on a body allocated to each group bears the same proportion to the number of seats on that body as is borne by the number of members of that group to the total membership of the authority.
- 10.4 For political balance, a group must have at least two members in order to be formally constituted as a political group.
- 10.5 The political proportionality rules that apply in allocating seats on Committees etc. set out in Section 15 and 16 of the 1989 Act apply only to political groups.
- 10.6 Where the Council has members who are non-aligned, section 15(3) of the Act has words inserted/modified by regulation 16 of the 1990 Regulations to read as follows:
- “15(3) Where at any time the representation of different political groups on a body to which this section applies falls to be reviewed under this section by any relevant authority or committee of a relevant authority, it shall be the duty of that authority or committee, as soon as practicable after the review to determine the allocation to each of those groups of such of the seats which fall to be filled by appointments made from time to time by that authority or committee as bear to the total of all of those seats the same proportion as is borne by the number of members of that group to the membership of the authority.”*
- 10.7 Additionally, where there are non-aligned members, section 16(2A) of the 1989 Act has effect. The Regulations also insert the following:
- “Where appointments fall to be made to seats on a body to which section 15 applies otherwise than in accordance with a determination under that section, it shall be the duty of the authority or the committee, as the case may be, so to exercise their power to make appointments as to secure that the persons appointed to those seats are not members of any political group”.*
- 10.8 The implications of these changes to paragraph 15(3) taken with section 16(2A) is to require that the Council must allocate seats to the political parties in accordance with the four principles set out above (10.3 a-d). If there are any seats left over, they must then make appointments to the non-aligned members.
- 10.9 Alternative arrangements for not complying with section 15 and 16 of the 1989 Act may be made by virtue of Section 17 of the 1989 Act by passing a resolution with no member voting against the resolution.
- 10.10 Once the allocation of seats has been agreed, the appointment of individual members will be given effect in accordance with the wishes of the relevant Group as expressed through the Group’s Leader / Deputy Leader in accordance with section 16 of the 1989 Act and Regulation 13 of the 1990 Regulations.

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

11.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

12 Data Protection Implications

12.1 A Data Protection Impact Assessments (DPIA) has not been completed for the following reasons because there are no risks to the rights and freedoms of natural persons.

13 Community Safety Implications

13.1 There are no community implications arising from this report.

14 Environmental and Climate Change Implications

14.1 There are no environmental or climate change implications arising from this report.

15 Other Implications (where significant)

15.1 There are no other implications arising from this report.

16 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Failure to meet statutory and constitutional obligations.	Low	Critical	9

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant				
	3 Low			1	
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
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17 Background Papers.

17.1 There are no background papers.

18 Appendices

18.1 Appendix A – Committee Membership 2024/25, July 2024

18.2 Appendix B – Working Group Membership 2024/25, July 2024

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Committee Membership 2024/25, July 2024 Appendix A

Committee	Group Name/Non-aligned	Councillor name
Audit and Standards * 10 Members Politically Balanced 3 Conservative 3 Independent 3 Labour 1 Non-aligned	Conservative	Councillor Ian Atherton
	Conservative	Councillor Alison Freer
	Conservative	Councillor Simon Orson
	Independent	Councillor Steven Carter
	Independent	Councillor Leigh Higgins
	Independent	Councillor Richard Sharp
	Labour	Councillor Mike Brown
	Labour	Councillor James Mason
	Non-Aligned	Councillor Jim Adcock
	Non-Aligned	Councillor Christopher Evans
Substitutes	Conservative	Councillor Siggie Atherton
	Conservative	Councillor David Chubb
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Alan Hewson
	Independent	Councillor Allen Thwaites
	Labour	Councillor Margaret Clay
* Standards Sub Committee – 5 out of 10 Members from the Audit and Standards Committee		
Employment 7 Members Politically Balanced 3 Conservative 2 Independent 2 Labour (Leader & Deputy Leader as Chair & Vice Chair)	Conservative	Councillor Ronan Browne
	Conservative	Councillor Robert Child
	Conservative	Councillor Joe Orson
	Independent	Councillor Sharon Butcher
	Independent	Councillor Margaret Glancy
	Labour	Councillor Pip Allnatt
	Labour	Councillor Margaret Clay
Substitutes	Conservative	Councillor Siggie Atherton
	Conservative	Councillor David Chubb
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Richard Sharp
	Independent	Councillor Allen Thwaites
	Labour	Councillor Mike Brown

Committee	Group Name/Non-aligned	Councillor name
Planning 11 Members Politically Balanced 4 Conservative 4 Independent 2 Labour 1 Non-aligned	Conservative	Councillor Ian Atherton
	Conservative	Councillor Siggy Atherton
	Conservative	Councillor Ronan Browne
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Pat Cumbers
	Independent	Councillor Margaret Glancy
	Independent	Councillor Leigh Higgins
	Independent	Councillor Allen Thwaites
	Labour	Councillor Pip Allnatt
	Labour	Councillor James Mason
	Non-Aligned	Councillor Marilyn Gordon
Substitutes	Conservative	Councillor Robert Child
	Conservative	Councillor Alison Freer
	Conservative	Councillor Simon Orson
	Independent	Councillor Sharon Butcher
	Independent	Councillor Richard Sharp
	Labour	Councillor Mike Brown
Scrutiny 10 Members Politically balanced 4 Conservative 4 Independent 2 Labour (Must not include Cabinet Member) No substitutes	Conservative	Councillor Siggy Atherton
	Conservative	Councillor Robert Child
	Conservative	Councillor David Chubb
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Simon Lumley
	Independent	Councillor Richard Sharp
	Independent	Councillor Allen Thwaites
	Labour	Councillor Mike Brown
	Labour	Councillor Helen Cliff
		Non-Aligned

Committee	Group Name/Non-aligned	Councillor name
Licensing (Taxi and General) ** 10 Members Politically balanced 4 Conservative 3 Independent 2 Labour 1 Non-aligned	Conservative	Councillor Siggy Atherton
	Conservative	Councillor Simon Orson
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Steven Carter
	Independent	Councillor Simon Lumley
	Independent	Councillor Alan Hewson
	Labour	Councillor Pip Allnatt
	Labour	Councillor Margaret Clay
	Non-Aligned	Councillor Jim Adcock
Non-Aligned	Councillor Christopher Evans	
Substitutes	Conservative	Councillor Alison Freer
	Conservative	Councillor Joe Orson
	Conservative	Councillor Robert Child
	Independent	Councillor Leigh Higgins
	Independent	Councillor Allen Thwaites
	Labour	Councillor Mike Brown
**Licensing Sub Committee - 3 out of 10 Members from the Licensing Committee		

Committee	Group Name/Non-aligned	Councillor name
Licensing (Alcohol and Gambling) *** 10 Members 4 Conservative 3 Independent 2 Labour 1 Non-aligned No substitutes	Conservative	Councillor Siggy Atherton
	Conservative	Councillor Simon Orson
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Steven Carter
	Independent	Councillor Simon Lumley
	Independent	Councillor Alan Hewson
	Labour	Councillor Pip Allnatt
	Labour	Councillor Margaret Clay
	Non-Aligned	Councillor Jim Adcock
Non-Aligned	Councillor Christopher Evans	
***Licensing Sub Committee - 3 out of 10 Members from the Licensing Committee		

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Working Group Membership 2024/25

Joint Staff Working Group

Working Group	Group Name or Single Cllr	Councillor name
7 Members Political Balance required: 3 Conservative 2 Independent 2 Labour	Conservative	Councillor Siggy Atherton
	Conservative	Councillor Robert Child
	Conservative	Councillor David Chubb
	Independent	Councillor Simon Lumley
	Independent	Councillor Allen Thwaites
	Labour	Councillor Mike Brown
	Labour	Councillor Sarah Cox

Local Plan Review Working Group

	Group Name or Single Cllr	Councillor name
<p style="text-align: center;">9 Members</p> <p style="text-align: center;">Political Balance Required: 3 Conservative 3 Independent 2 Labour 1 Non-aligned</p> <p style="text-align: center;">(Membership to include the relevant Portfolio Holder.)</p> <p style="text-align: center;"><i>(Membership criteria decided at Council, 26 April 2022.)</i></p> <p style="text-align: center;"><i>(Membership expanded from 5 to 9 at Council, 28 September 2023.)</i></p>	Conservative	Councillor Siggy Atherton
	Conservative	Councillor Ronan Browne
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Margaret Glancy
	Independent	Councillor Leigh Higgins
	Independent	Councillor Allen Thwaites
	Labour	Councillor Helen Cliff
	Labour	Councillor James Mason
	Non-aligned	Councillor Marilyn Gordon

Constitution Review Working Group

	Group Name or Single Cllr	Councillor name
<p>7 Members</p> <p>Cross party</p> <p>(Membership to include 1 member of the Cabinet (Relevant Portfolio Holder) and 1 member of the Audit and Standards Committee.)</p> <p><i>(Membership expanded from 5 to 7 at Council, 27 July 2023.)</i></p>	Conservative	Councillor Siggie Atherton
	Conservative	Councillor Alison Freer
	Conservative	Councillor Donald Pritchett
	Independent	Councillor Pat Cumbers
	Independent	Councillor Margaret Glancy
	Labour	Councillor Mike Brown
	Single non-aligned Cllr	Councillor Jim Adcock

Climate Change Emergency Working Group

	Group Name or Single Cllr	Councillor name
5 Members Cross party (Membership to include relevant Portfolio Holder, Chairman of Scrutiny Committee and 3 other Members.) <i>(Membership criteria decided at Council, 17 July 2019.)</i>	Conservative	Councillor Ian Atherton
	Conservative	Councillor David Chubb
	Independent	Councillor Margaret Glancy
	Labour	Councillor Mike Brown
	Single non-aligned Cllr	Councillor Marilyn Gordon

Safer Melton Partnership - Focus on Town Centre Retail Crime

Report Author:	Aysha Rahman , Assistant Director, Customers and Communities David Walker , Strategic Lead Safer Communities
Chief Officer Responsible:	Michelle Howard , Director for Housing and Communities (Deputy Chief Executive)
Lead Member/Relevant Portfolio Holder	Cllr Sarah Cox , Chair of the Safer Melton Partnership (Portfolio Holder for Corporate Finance, Property & Resources)

Corporate Priority:	Healthy Communities and Neighbourhoods
Wards Affected:	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 This report has been prepared on behalf of the Chair of the Safer Melton Partnership. It provides an update on the work of the partnership to support businesses and to address retail crime.

2 Recommendation

That Council:

- 2.1 **Notes the review and update from the Chair of the Safer Melton Partnership on actions to address retail crime within the town centre.**

3 Reason for Recommendations

- 3.1 Further to a motion supported by Full Council in December 2023, the Chair of the Safer Melton Partnership (SMP) was asked to provide a report outlining what the partnership intends to do about retail crime in the area.
- 3.2 This report responds to that resolution, which has been discussed by the Safer Melton Partnership. It outlines the current situation within Melton town centre regarding retail crime and what actions the Safer Melton Partnership have done and intend to undertake to reduce future incidents and support our local retailers.

4 Background

- 4.1 At a meeting of Full Council in December 2023, a [motion relating to retail crime](#) was unanimously supported. It was resolved that Council:
- Condemns any abuse suffered by our retail workers and calls on all partners to ensure that retail and supermarket workers can have confidence that their reports of such behaviour are acted on swiftly and appropriately and;
 - Tasks the Leader and Deputy Leader to write to the Chair of the Melton Safer Community Partnership, highlighting the issues in the motion and asks for a report on what the Melton Safer Community Partnership intend to do, to be brought back for consideration by Council at the meeting on 18 April 2024.
- 4.2 Due to a change of chairing responsibilities for the Safer Melton Partnership, the report back to Council was subsequently scheduled for the meeting of Full Council in July 2024.
- 4.3 The Safer Melton Partnership (SMP), also more widely known as the Community Safety Partnership (CSP) was formed due to the introduction of the Crime and Disorder Act 1998. This Act placed a statutory duty on the Police, Local Authority, County Council, Primary Care Trust, Police Authority, Probation Trust, and Fire Authority to work collaboratively to develop and implement a community safety strategy designed to reduce crime and Anti-Social Behaviour within the Melton Borough.
- 4.4 The partnership also engages with as many local agencies and voluntary groups as possible to achieve a community-based multi-agency approach to crime reduction.
- 4.5 Following concerns raised regarding retail crime and ASB incidents within the town centre, Council requested further investigation into these concerns. These include:
- a) Groups of youth accessing businesses' roof tops, causing damage to property, and intimidating staff and members of the public.
 - b) Confrontational and inconsiderate behaviour intimidating staff and visitors to the town centre.
- 4.6 Over recent years, shop theft has become more commonplace nationally. Not only does this impact businesses and employees, but it also has wider implications to the community as businesses may need to increase pricing to recover lost revenue. Due to the current cost of living crisis, this is even more concerning for our residents and families. It's reported by British Retail Consortium (BRC) that the cost of shop lifting has doubled since 2022 from approximately £953 million to over £1.8 billion annually.
- 4.7 Nationally, nearly half a million incidents of abuse towards retail staff were recorded last year, according to BRC. This is an increase of 50% on the previous year of 2022.

4.8 In early 2024, the Leader and Deputy Leader of the Council wrote to the Chair of the Safer Melton Partnership regarding these concerns and requested information on the actions being taken to address this issue at a local level and especially within a wider context of a national increase. The letter is attached as **Appendix 1**.

5 Main Considerations

5.1 The Data

5.1.1 National

- a) Since the Covid 19 pandemic, retail crime is reported to have increased nationally. British Retail Consortium (BRC) report that the number of violent and abusive incidents in a retail setting has risen by 50% with approximately 1,300 per day.
- b) It is also reported that the total number of theft incidents per day is approximately 45,000 per day, with an annual cost to retailers of £1.8 billion. It's estimated that retailers have also spent a total of £1.2 billion on crime prevention, through CCTV, security personnel and body worn cameras. This taking the total cost to over £3 billion.
- c) The BRC also report that over 60% of retailers were dissatisfied with the Police response.

5.1.2 Countywide

- a) In Leicestershire, like the national trend, retail crime is reported to have has increased.
- b) There is public interest in this matter, and local media reports have recently covered the national and local trend in this regard. According to this [Leicester Mercury news article](#) one district saw an increase in retail theft of over 100% increase in thefts.

5.1.3 Melton

- a) Whilst the national and Leicestershire picture is one of increasing incidents for retail theft, the Melton Borough has seen a decrease in retail theft, with a 6% reduction in 2023 from the previous year. This is also referenced in the news article and from police data.
- b) Melton is one of among only 12 Local Authorities nationally to buck the rising trend.

5.2 Further Melton Context

5.2.1 The Safer Communities team recently conducted a retail crime and ASB focused survey of local town centre businesses.

5.2.2 This survey provided a snapshot of the views and current understanding of local town centre businesses in relation to retail crime.

5.2.3 15 businesses responded to the survey:

- a) 44% of the businesses stated they experienced frequent incidents of retail crime and ASB.
- b) 47% of the businesses felt that retail crime has increased over the last 12 months in their store.
- c) However, 67% of staff stated they felt safe at work, with 93% knowing how to report an incident.
- d) Over half of the businesses surveyed are now using a reporting tool known as 'the DISC app' as a tool to report incident of theft and ASB within their stores.

e) Of the businesses using the DISC app, 75% stated they have noticed an increase in enforcement action against the perpetrators and are confident with using the DISC app.

5.2.4 The full results of the survey are attached as **Appendix 2**.

5.2.5 We have also provided the Police data in relation to Melton as **Appendix 3**:

a) The data from April 2023 to March 24 shows a drop in retail theft in Melton town.

b) Melton is one of only a small number of towns across England and Wales who have seen a reduction in retail thefts.

c) Melton Town Centre has reported 71 retail thefts, this is a 13.4% reduction on the previous year, significantly bucking the national trend.

d) Across the Melton Borough, there have been 191 reported retail thefts in comparison to 201 for the previous year, a 5% reduction.

e) There have also been 42 offences recorded within retail stores across the Melton Borough that are recorded as either public order or violence with injury (Assault). This is a 2.3% reduction on the previous year:

f) Melton town centre has had 21 recorded offences of either public order or assault, this is a reduction of 4.5% on the previous year.

5.3 When considered against the national picture, Melton's position in relation to retail crime and ASB is more positive both within the town centre and across the Borough. Factors such as the size of the borough and concentrated social media focus in small communities can skew the perception of crime and ASB activity that is not reflective of the actual data.

5.4 However, we also acknowledge that even a small number of incidents within a small community can have a disproportionate impact and are not complacent in our approach to supporting our local businesses and town centre residents.

5.5 **Activity to Date**

5.5.1 **DISC**

5.5.2 In May 2023 the Safer Melton Partnership funded the introduction of the DISC app to the Safer Melton Against Retail Theft (SMART) members for a period of 12 months.

5.5.3 DISC helps support our retailers report incidents of retail crime and ASB through an interactive app that links businesses with both the Local Authority and the Police. This enables quicker and UK GDPR compliant transfer of information and evidence to allow a robust process leading to meaningful outcomes such as warnings and fines relating to antisocial behaviour and crime.

5.5.4 This isn't a replacement to 999 or 101 but a link between members, Police and Local Authority and helps build intelligence on offenders, improves communication and is compliant with UK GDPR.

5.5.5 The information provided through DISC helps Melton Borough Council and the Police take formal action against offenders, such as, Acceptable Behaviour Contracts (ABC's), Community Protection Warnings (CPW's) and Community Protection Notices (CPN's).

5.5.6 It also has the potential to assist with wider enforcement actions, such as injunctions and Criminal Behaviour Orders (CRIMBO's).

5.5.7 Between April 23 and March 24 Melton Borough Council issued 11 CPW's and 2 CPN's with the help of the DISC app.

- 5.5.8 The enforcement results achieved through DISC strengthened the value that the app brought to local businesses in tackling retail crime and ASB at a local level.
- 5.5.9 To encourage more businesses to use the app and subsequently reduce the annual cost to businesses for retaining the app, the SMP agreed to fund the app for a further 12 months.
- 5.5.10 At a recent shop theft conference led by the OPCC in Leicestershire, Melton was promoted as a model of good practice for the use of the DISC app to encourage other county offices to sign up.
- 5.5.11 **Police and Multi-Agency response**
- 5.5.12 Over the last 12 months the Police have also issued 5 Criminal Behaviour Orders (CBOs) to some of our most prolific offenders of retail crime. These orders often stay in place for 3 years and a breach of an order could result in a custodial sentence.
- 5.5.13 In October 2023 Melton town centre experienced an increased level of ASB incidents. As a response, a task group consisting of the Safer Communities team, schools, Melton Learning Hub (MLH), Police and elected Members was quickly set up.
- 5.5.14 The police implemented dispersal orders and work commenced in exploring injunctions for the most prolific offenders. There were also joint patrols with schools, police and MBC to increase a presence within the town.
- 5.5.15 Though the dispersal orders could appear to be a disproportionate response compared to how they would normally respond to such incidents, the police also recognised the significant impact of the incidents as part of their decision to deploy this targeted, short, sharp operation to this sudden state.
- 5.5.16 At a follow up meeting on the 13th November 2023, the group reviewed the actions that had been taken and noted the positive position reached as the ASB level in the town centre had abated.
- 5.5.17 **CCTV**
- 5.5.18 In April 2023 the new CCTV system for Melton town centre went live and has been monitored by Harborough District Council (HDC).
- 5.5.19 We now have a network of 19 cameras, 13 of which are within the town centre, providing us with a wider coverage of the centre.
- 5.5.20 We also introduced 2 Help Points, as part of our commitment to reassure visitors to the town centre, especially for the nighttime economy. It also supports our commitment to reduce violence against women and girls. These are located on Norman Way and Wilton Terrace.
- 5.5.21 In response to some changes in organisational needs, it has been agreed that the Council will transition to an alternative provider for CCTV monitoring and maintenance.
- 5.5.22 An exit and transition process has recently been agreed, meaning that following implementation of a transition to a new provider, Harborough District Council (HDC) will no longer monitor the Council's CCTV system. It has been agreed that HDC will continue to monitor the system until a suitable replacement has been sourced and officers have been exploring options with alternative providers to ensure we receive the best possible service at the best possible price.

5.5.23 As a result of this process, it has been agreed to move CCTV monitoring and maintenance arrangements to West Northampton Council (WNC). We are now in the process of agreeing contracts and arranging a managed transition, though a date has not yet been confirmed. We are currently working with BT to provide the connection between both authorities and are in the process of negotiating the finer details. We hope to have the new provider in place before October 2024.

5.5.24 Additional funding has also been secured via the Safer Melton Partnership of £10,837 to support transition and enhance the CCTV offer for Melton. The money will pay for the brand-new screens and accessories, solely for MBC cameras at the WNC control room, Avigilon licences to ensure our software is operational for the next 5 years, Melton Police station will have brand new screens installed to enable them to have better communication with the CCTV control room and enable them to tackle crimes robustly within our town centre.

5.5.25 **Funding – CSP and Safer Streets 5 (SS5)**

5.5.26 Over the last financial year, the SMP used its budget and SS5 funding to deliver a range of projects intended to help mitigate against ASB and crime:

- a) Additional CCTV at Norman Way, Wilton Terrace and Beckmill Court
- b) Help Points x 2 at Norman Way, Wilton Terrace
- c) Solar lighting at the skate park. This is to make our facilities more accessible to our young people in darker months instead of hanging around in the town centre.
- d) Solar lighting at Wilton Terrace to illuminate an area where local business felt at risk of crime due to the lack of lighting.
- e) Solar lighting at St Mary's Close graveyard.
- f) Streetvibe, a youth diversion organisation that attend Melton town on a Monday and Tuesday between 15:00hrs to 17:00hrs. They have an outreach bus that caters for young people where they can access music gaming and other activities whilst engaging with the workers who will activity try and build relationships.
- g) The Peoples Buddhi, a youth diversion organisation that worked within the 2 secondary schools with some of their challenging students offering an alternative method of learning.

5.5.27 **Case Study**

5.5.28 The Safer Communities team received a report, via the DISC app, concerning an individual that had been shoplifting within one of the SMART members stores. The report had a log of the incident and a photograph they had uploaded. This was extremely helpful for the team, as we were able to identify the offender because of the photograph that was provided through DISC. The offender was known to us, and we were aware they may have been involved in retail crime before. As a result, we issued the offender with a Community Protection Warning excluding them from the SMART member shops, for a period of 6 months.

5.5.29 We have also had reports, via DISC, where the CPW has been breached, and consequently a CPN was issued. As you can see from the figures at 4.6.1, CPWs are an effective deterrent – only 2 individuals breached their CPW and went on to receive a CPN out of the 11 issued.

5.6 **Planned Activity**

- 5.6.1 The SMP remain fully committed to supporting our local retailers and local economy through proactive, targeted and responsive measures as appropriate.
- 5.6.2 Through SS5 we have also secured target hardening items, such as video doorbells and further mini CCTV units. Whilst the video doorbells are intended generally for domestic properties, the SMP have been able to extend the scope and are now able to offer this to our town centre shops to act as a further deterrent.
- 5.6.3 Our CCTV offer will be more robust and proactive, with the new monitoring partnership coming to fruition in the coming weeks. The new monitoring system has the capability to expand wider to accommodate additional cameras and we also have a staggered replacement plan in place to future proof the system and avoid the costly impact of having to replacement the whole system in one go.
- 5.6.4 We will be installing anti-climbing spikes at Wilton Terrace, to prevent youths climbing on the rooftops of businesses causing damage to buildings and distress to staff.
- 5.6.5 **Diversions activities**
- 5.6.6 Streetvibe will continue to work in Melton until the end of March 2025 and will be actively trying to engage with our young people, encouraging them to use their facilities and support our young people.
- 5.6.7 Skatepark accessibility. We have introduced 6 solar lights around the skate park to encourage our young people to access the area in the darker months without feeling unsafe.
- 5.6.8 We have also run a competition, asking for graffiti designs, by our residents, to make the skate park feel more part of their community and give them a sense of ownership.

6 **Options Considered**

- 6.1 This report responds directly to a request arising from a motion to Full Council in December 2023.

7 **Consultation**

- 7.1 On 3rd June 2024, partner organisations that form the Safer Melton Partnership were consulted with on the subject of retail theft and the contents of the report was discussed.
- 7.2 A retail survey was conducted with 15 businesses within the town centre and has provided a snapshot of the current views of our retailers.
- 7.2.1 All 15 businesses responded to the survey:
- 44% of the businesses stated they experienced frequent incidents of retail crime and ASB.
 - 47% of the businesses felt that retail crime has increased over the last 12 months in their store.
 - However, 67% of staff stated they felt safe at work, with 93% knowing how to report an incident.
 - Over half of the businesses surveyed are now using a reporting tool known as 'the DISC app' as a tool to report incident of theft and ASB within their stores.
 - Of the businesses using the DISC app, 75% stated they have noticed an increase in enforcement action against the perpetrators and are confident with using the DISC app.

7.2.2 The full results of the survey are attached as **Appendix 2**.

8 Financial Implications

8.1 The activities of the Safer Melton Partnership are supported by external funding, guided by clear priorities and in response to specific crime trends or needs.

8.2 The Safer Melton Partnership has access to an annual budget of £31,335.75 which is used for projects and activities to support the reduction of crime and ASB within the borough. In order to receive the funding, the SMP must submit a bid to the Office for the Police and Crime Commissioner (OPPC), and if approved the funds will be released.

8.3 We then must provide quarterly stats to the OPCC to ensure delivery.

Financial Implications reviewed by: Director for Corporate services

9 Legal and Governance Implications

9.1 This report has arisen from a motion to Council. However, as part of its remit, the scrutiny committee is the Council's designated statutory Crime and Disorder Scrutiny Committee and receives an annual update report to assist in the discharge of this responsibility. The next annual report is due in September 2024.

9.2 The Council's obligation to prepare and implement a crime and disorder strategy (referred to at 4.3 above) includes keeping that strategy under review for the purposes of monitoring its effectiveness. Any revisions to that strategy are the joint responsibility of Council and Cabinet. The effectiveness of the measures referred to in this report may also be relevant to any such review.

Legal Implications reviewed by: Monitoring Officer

10 Equality and Safeguarding Implications

10.1 This report does not require an Equality Impact Assessment (EIA) as it is for information only. We will be developing our strategic plan this year and will undertake an EIA as well as full consultation as part of this.

11 Data Protection Implications (Mandatory)

11.1 A Data Protection Impact Assessments (DPIA) has not been completed for the following reasons. This report is for information only and there are no risks/issues to the rights and freedoms of natural persons. The Council should however, continue to consider the extent to which it shares information using the DISC App, seeking advice from the Information Governance Lawyer and/or Monitoring Officer as to its implications. This responsibility continues to apply to the Council notwithstanding the capability of the App itself.

12 Community Safety Implications

12.1 This is a report of behalf of the chair of the Community Safety Partnership (Safer Melton Partnership). It directly addresses matters relating to community safety.

13 Environmental and Climate Change Implications

13.1 The Safer Communities team also have responsibilities around enviro crime and commercial waste. Tackling enviro crime and commercial waste also helps to, etc. improve the environmental impact of ASB such as graffiti, damage to property

14 Other Implications (where significant)

- 14.1 Improved mental health of retailers and residents; Morale of businesses and reduction of losses incurred due to theft and vandalism

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Failing to act on planned interventions to address retail crime	Very Low	Critical	6
2	Failure of reporting through correct channels	Significant	Critical	12

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High				
	4 Significant			2	
	3 Low				
	2 Very Low			1	
	1 Almost impossible				

Risk No	Mitigation
1	Robust partnership working through the SMP
2	Increasing and ongoing use of DISC and businesses actively involved in SMART

16 Background Papers

16.1 Council Meeting December 2023: [Agenda item - MOTIONS ON NOTICE - Melton Borough Council](#)

17 Appendices

17.1 Appendix 1 Letter from Council Leader and Deputy Leader

17.2 Appendix 2 Retail Surveys

17.3 Appendix 3 Police Data

Private and Confidential

Councillor Sarah Cox
Chair of Melton Safer Community Partnership
c/o Melton Borough Council
Parkside
Burton Street
Melton Mowbray
LE13 1GH

Our Ref:
Direct Line:
Email:
Date: 26 March 2024

Dear Councillor Cox,

Retail Crime in Melton Mowbray

At the Council meeting on 14 December 2023, Members discussed the issue of retail crime in Melton Mowbray.

The Council applauded the huge contribution that retail and supermarket workers had made in recent years in helping our local community, particularly during the pandemic and thanked them for their hard work and dedication.

Council agreed that everyone should have the right to work in safety and free from violence and abuse especially when bravely tackling shop thefts or criminal damage to property. Especially in the run up to Christmas.

It is alarming to hear directly from employees in the Melton area of such abuses being faced recently and this is not just a local issue but across the country as reported by supermarket CEOs.

The Council condemns any abuse suffered by our retail workers and calls on all partners to ensure that retail and supermarket workers can have confidence that their reports of such behaviour are acted on swiftly and appropriately.



**Melton
Borough
Council**

T 01664 502502

W www.melton.gov.uk

TW @MeltonBC

We are writing to you to formally request a report from the Melton Safer Community Partnership outlining what you intend to do about retail crime in the area and we ask that this report is presented to Council at the meeting scheduled for 25 July 2024.

Yours sincerely

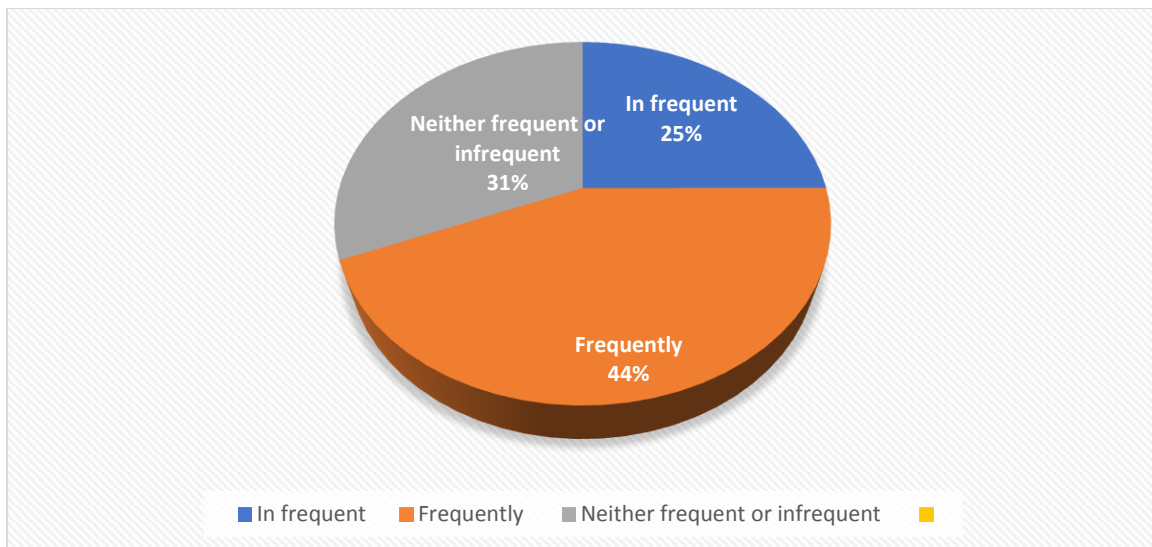
Councillor Pip Allnatt
Leader of Melton Borough Council

Councillor Margaret Glancy
Deputy Leader of Melton Borough Council

SHOP SURVEY OUTCOMES

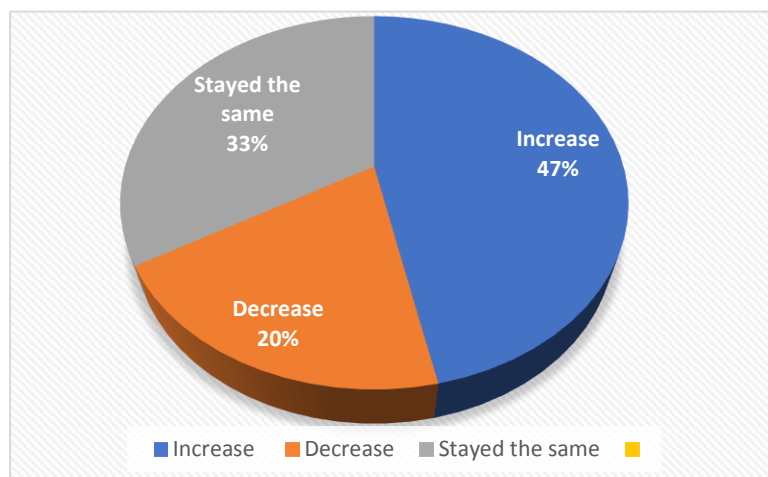
1. On a scale of 1-10 1 being extremely infrequent and 10 being extremely frequent, how often does your store experience retail crime or ASB?

- **4 Businesses scored this under 5**
- **7 Businesses scored this over 5**
- **4 Businesses scored this 5**



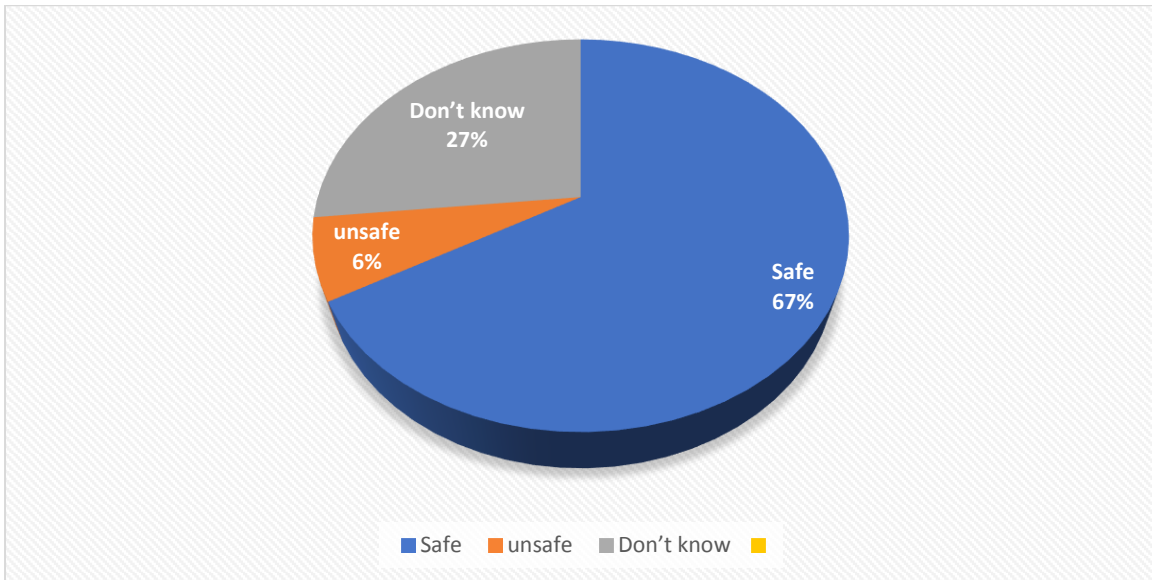
2. In the last 12 months, would you say that Retail crime and ASB has increased, decreased, or stayed the same as previous years in your store?

- **Increase = 7**
- **Decreased = 3**
- **Stayed the same = 5**



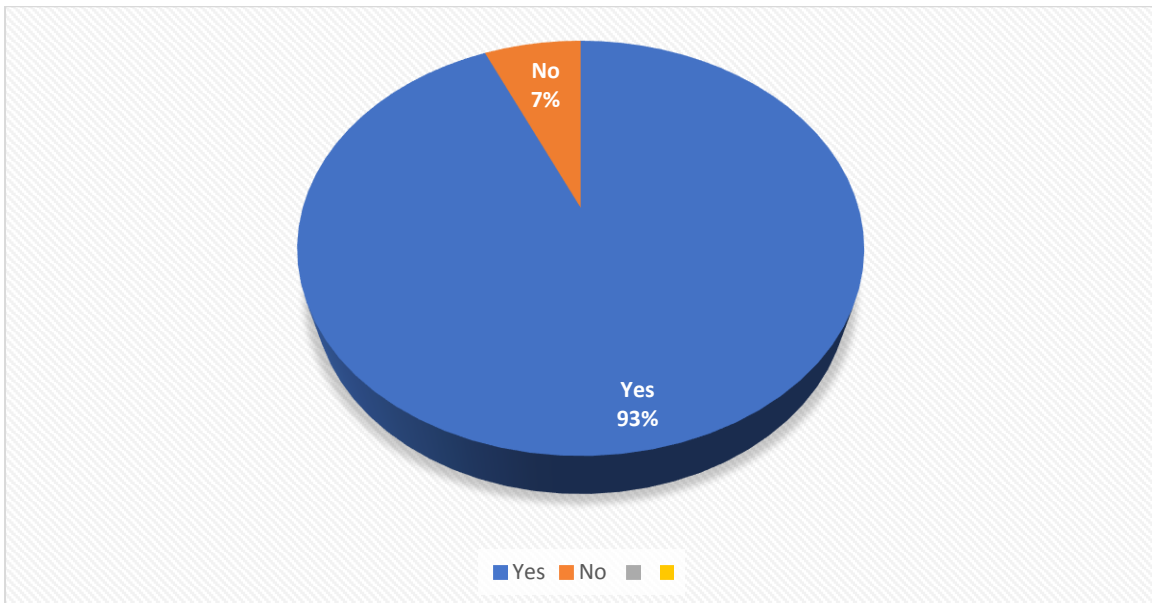
3. On a scale of 1- 10, 1 being extremely unsafe and 10 being extremely safe, how safe do staff feel whilst working store?

- **Safe = 10**
- **Unsafe = 1**
- **Don't know = 4**



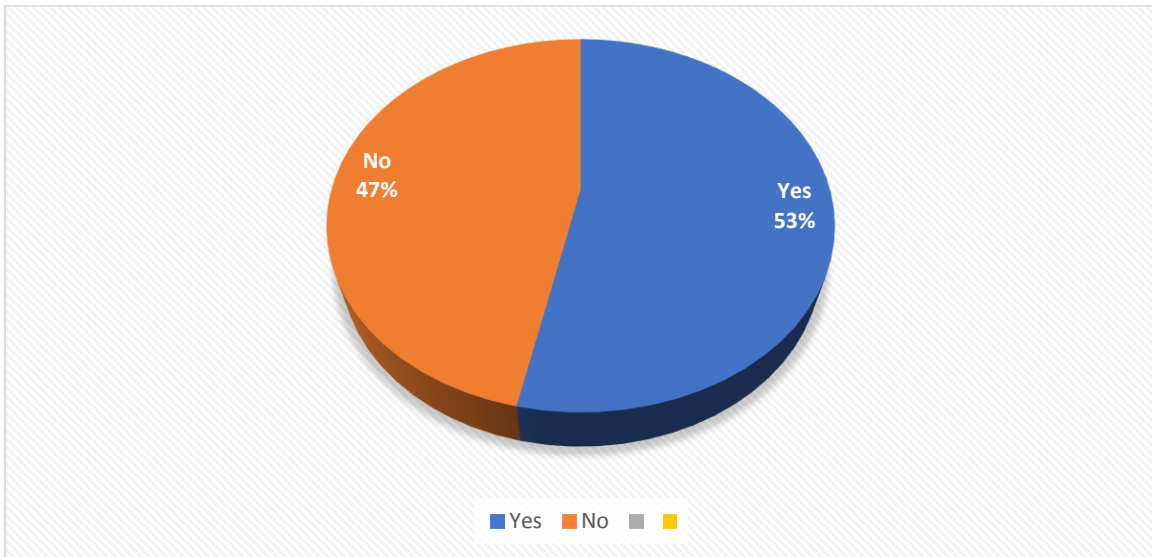
4. Do staff know when and how to report incidents of retail crime and ASB?

- **Yes = 14**
- **No = 1**



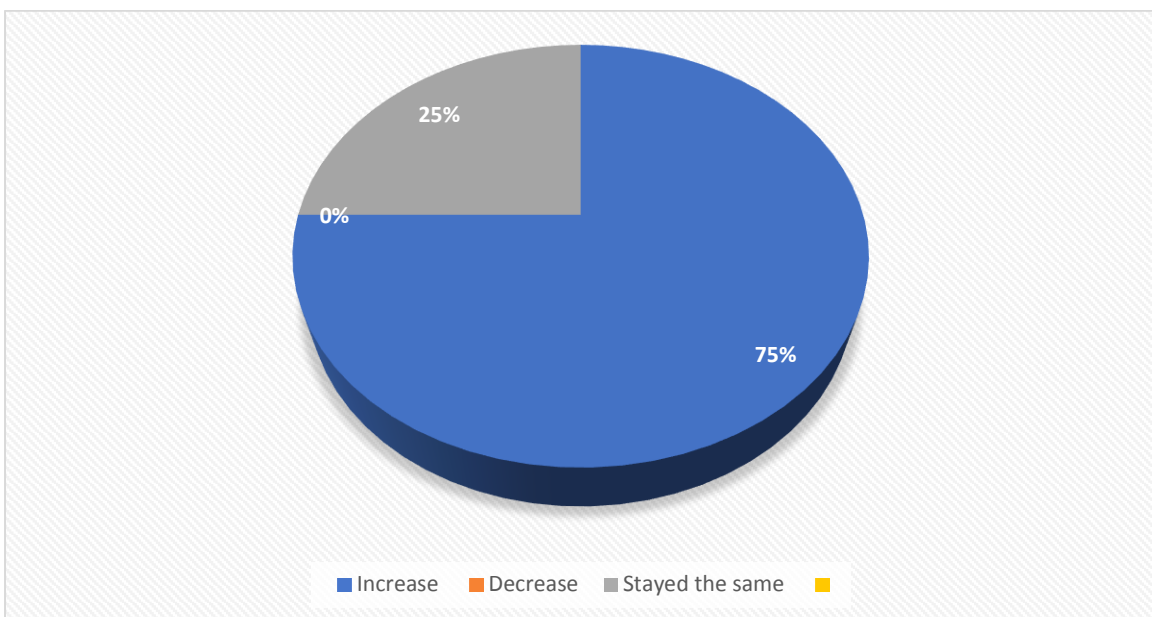
5. Does your store use the DISC app?

- **Yes = 8**
- **No = 7**



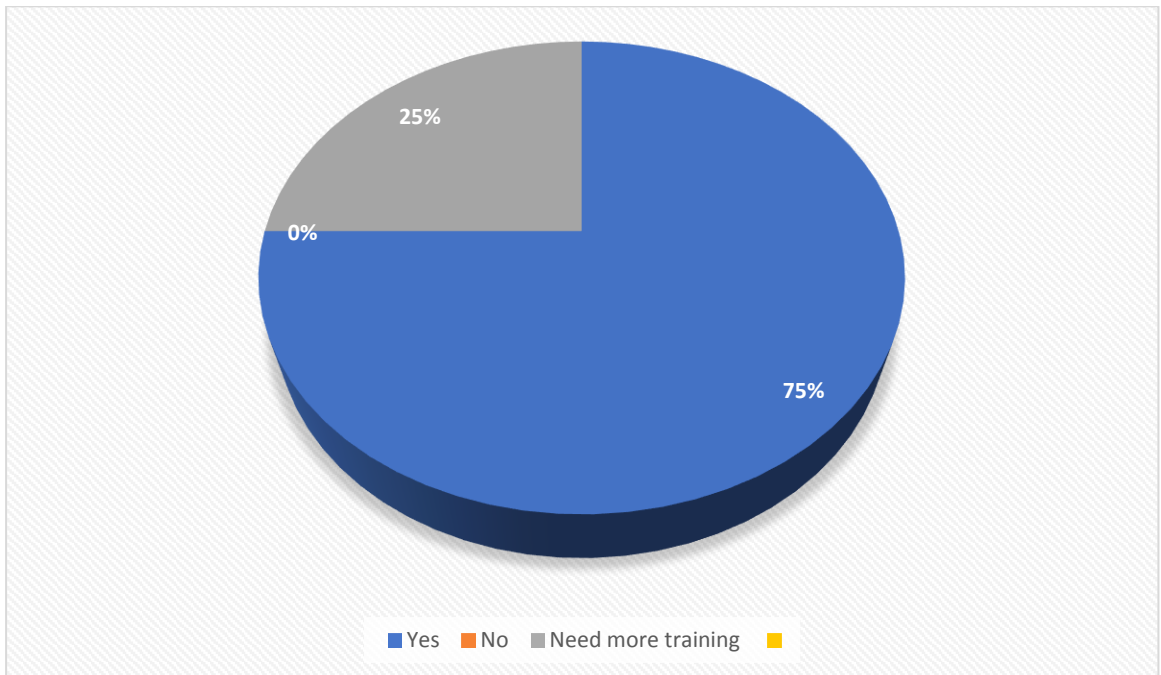
6. If yes, have you noticed increased action being taken against perpetrators of retail crime and ASB since its roll out?

- **Increase = 6**
- **Decrease = 0**
- **Stayed the same = 2**



7. If yes, are you and your staff confident on when and how you should use the Disc app?

- **Yes = 6**
- **No =**
- **Needs more training = 2**





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Retail Crime – Partnership Update

Aim – ‘To understand retail crime data and how it compares to national trends’

Silver Lead	Insp 1847 Richardson
Review Date	May 2024



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All data used is based on year-to-date (YTD) data provided through Power BI CSP Application.

Page 136

Melton Town and borough is divided into 5 separate policing areas:

- *Rural Melton South (NR30)*
- *Rural Melton North (NR34)*
- *Melton Town South (NR 33)*
- *Melton Town North (NR32)*
- *Melton Town Centre (NR31)*

The data provided will cover ALL Melton Borough policing areas but will mainly focus on the key retail area which is Melton Town Centre (NR31)



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Total retail crime data for all 5 of the Melton policing areas. The YTD parameters are 1st April 2023 to 31st March 2024:

Page 137



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Page 138



Notes:



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- The data above shows that in the Melton Borough there has been 191 reported retail thefts, this is in comparison to 201 the previous year, a -5% reduction. Melton is one of only a small volume of towns across England and Wales who have seen a reduction in retail thefts.
- Melton Town Centre has reported 71 retail thefts this is a -13.4% reduction on the previous year, again a significant buck of the national trend.



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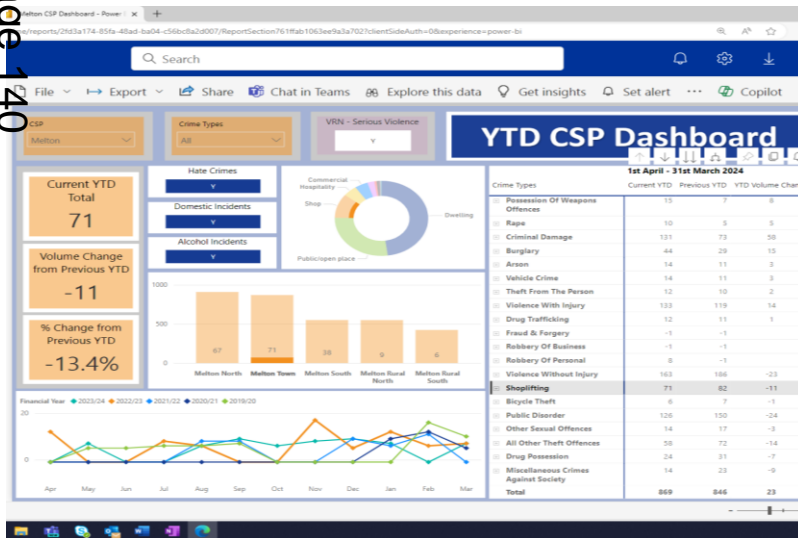
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Below is the Town Centre YTD Data:

Page 140





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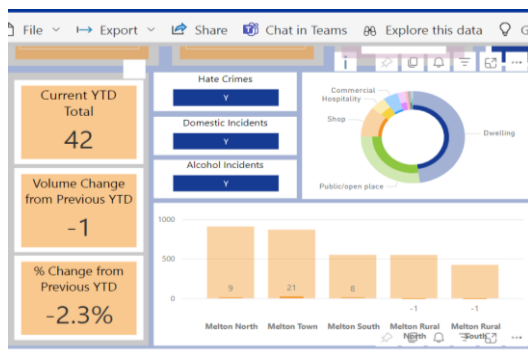
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Data sources indicate that across Melton Borough there has been 42 offences recorded where the location is in a retail store which are either recorded as Public order or violence with injury (Assault) this is a -2.3% reduction on the previous year:

Page 141





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Page 142 Melton Town Centre YTD recorded 21 offences of either public order or assault, this a reduction of -4.5% on the previous year:



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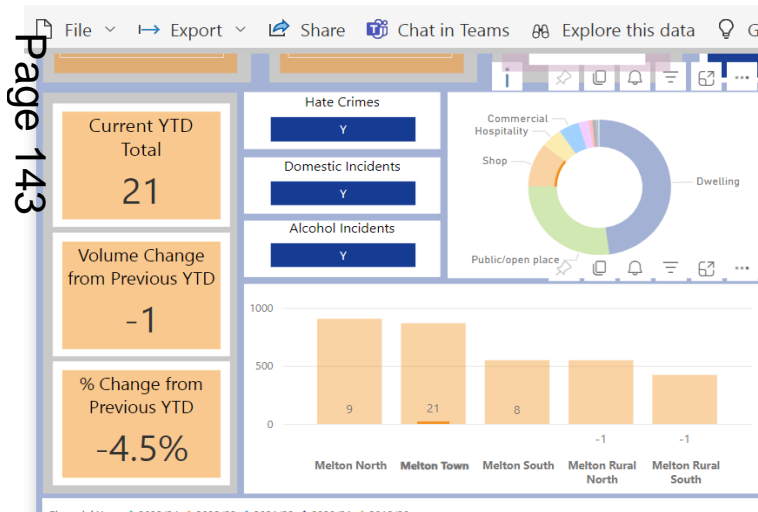


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Melton Town Centre, violence and public order offences in a retail store:





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Conclusion:

Retail crime YTD is very positive compared to the national picture, this is both in the borough of Melton and Melton Town Centre. Leicestershire Police will continue to focus on the reduction of retail offences through working within the partnership on long term crime reduction strategies but also tackling substance abuse within our communities, which has direct correlation with retail crime figures.



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