



**Melton
Borough
Council**

Narrative Statement

Helping People. Shaping Places.



2022/2023

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1. Introduction to the 2022/23 Statement of Accounts by Dawn Garton, Director for Corporate Services (Section 151)

I am pleased to present Melton Borough Council's Statement of Accounts for the financial year ended 31 March 2023. The published accounts are an important element of the overall arrangements for demonstrating the Council's financial stewardship of public money. Whilst by their very nature the accounts are backward-looking they provide the context for the challenging financial position, exacerbated by the pandemic that continues to have, an impact on the Council's finances, primarily the ongoing loss of income in key areas. The year-end financial position for 2022/23 has been particularly challenging due to the cost-of-living inflationary impacts on the council's finances.

The current economic climate continues to prove challenging for the Council in terms of financial management and is currently in a period of great uncertainty due to the long promised funding review and ongoing impacts of the cost of living and inflationary increases. We hope that government will recognise the valuable contribution districts make to local communities, economic and housing growth and support us accordingly, particularly given the outstanding response provided by district councils during the pandemic and now the cost-of-living crisis.

The preparation of the 2022/23 accounts in a timely manner enables the Council to finalise its consideration of the financial position for the year and to move on to address the challenges that 2023/24 and later years will bring. Challenges in external audit resources have meant that the finalisation of the 2020/21 accounts are much delayed alongside the audit of the 2021/22 accounts which has yet to start and with no definitive timeline in place at present.

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

- Understand the overarching financial position of the Council and the outlook for 2022/23;
- Have confidence that public money has been used and accounted for in an appropriate manner; and
- That the financial position of the Council is sound and secure.

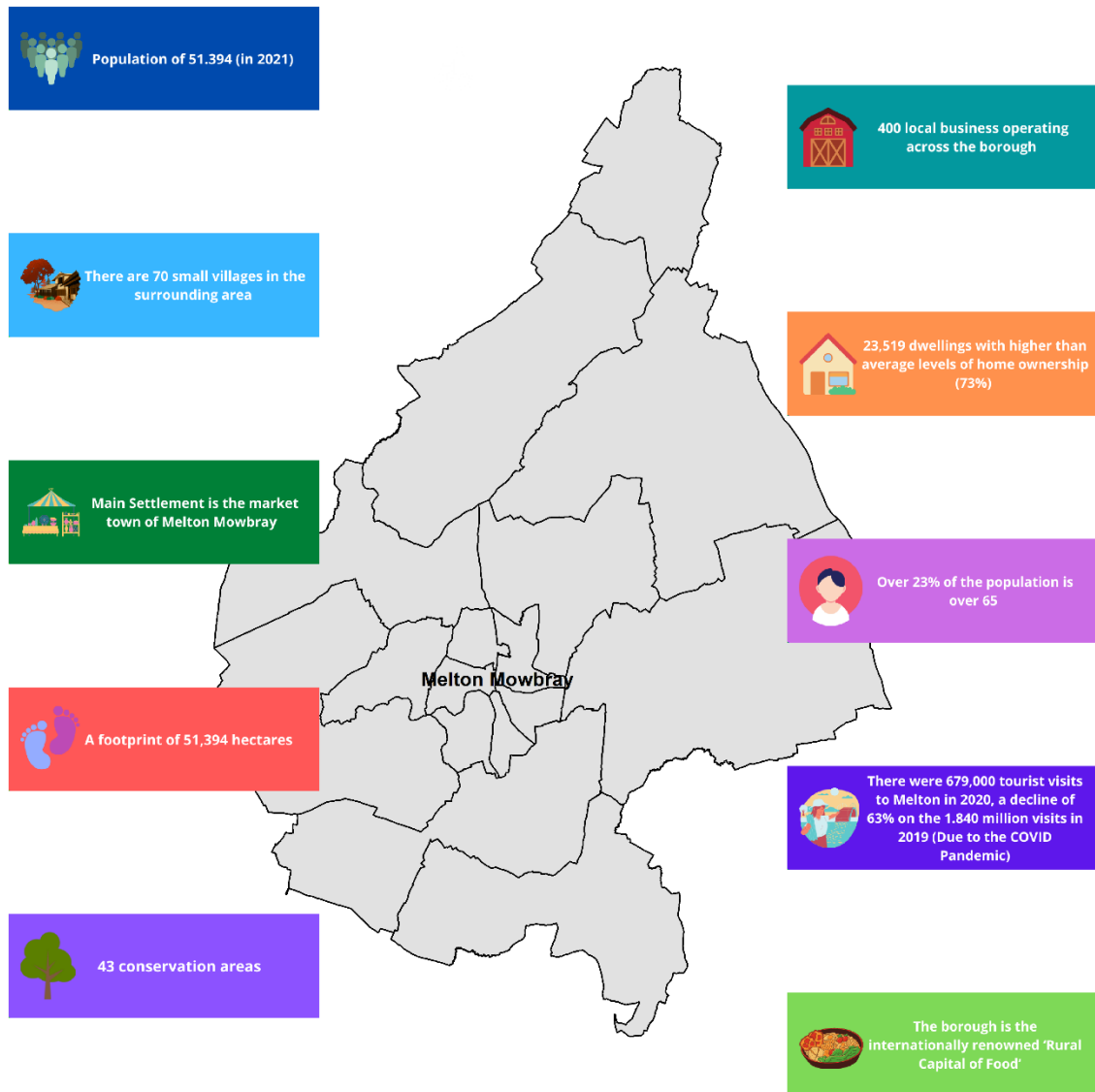
The style and format of the accounts complies with the CIPFA standards and is similar to previous years. The narrative report provides information about Melton, including the key issues affecting the accounts. It also provides a summary of the financial position at 31 March 2023. I would like to thank all of my team and other officers who

have supported the process and have worked so hard to meet this challenging target. In addition, my thanks also go to the team and services who have managed the budgets throughout the year in order to bring actual expenditure in at the year-end under budget whilst delivering on service promises.

Dawn Garton CPFA

Director for Corporate Services

2. About Melton



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

2.1 About the Council

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

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

Following the local elections on May 4, 2023, the Labour Group have 5 Councillors, the Conservative Group has 11 Councillors, and there are 10 Independents, 9 of whom have formed an Independent Group, as well as single Green Party and Liberal Democrat members.

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

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

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

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

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

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

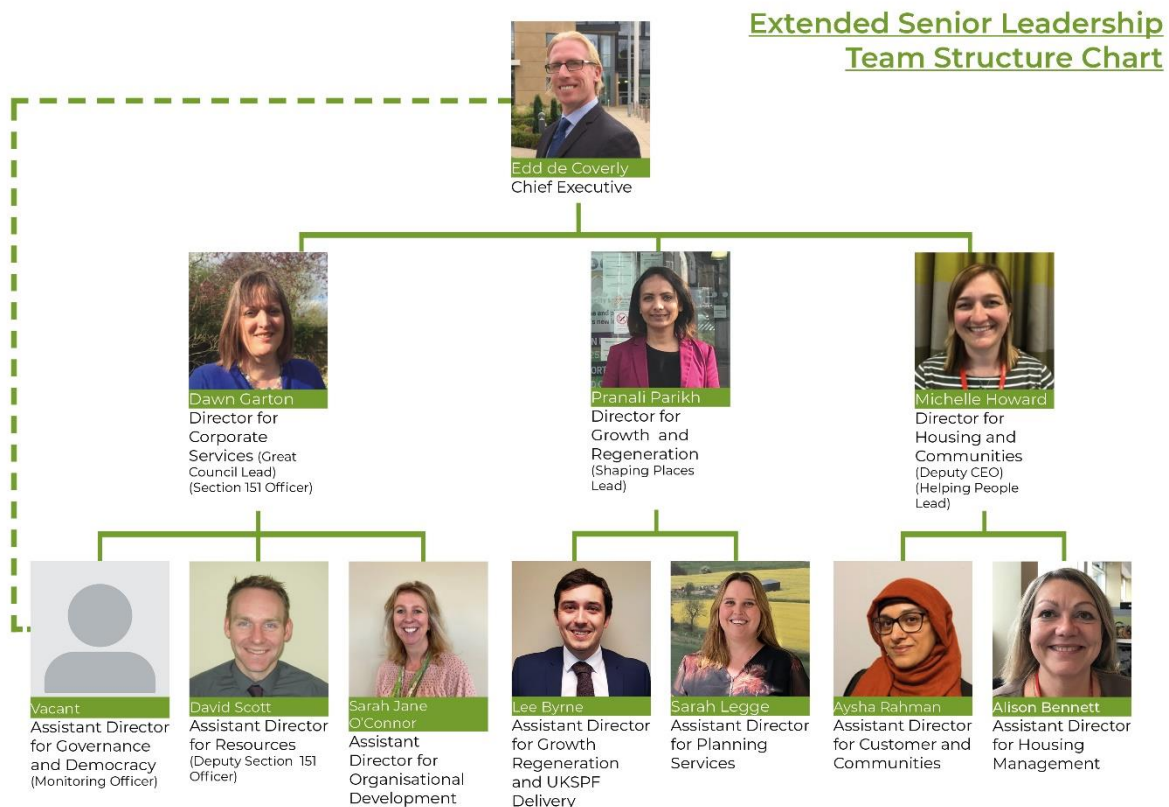
The Council employs approximately 200 full-time and part-time staff.

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

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

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

2.2 How the Council delivers services.



The Council is divided into three directorates namely:

- Corporate Services
- Growth and Regeneration
- Housing and Communities

Corporate Services

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

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

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

Growth and Regeneration

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

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

Housing and Communities

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

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

2.3 Our Corporate Priorities

The [Council's Corporate Strategy 2020-24](#) sets out our Mission, Vision and Values.



Our Mission

Helping People, Shaping Places

Our Vision

We want to be a first-class council: on the side of our communities and providing great services, where the customer comes first. We want to help people reach their potential, support the most vulnerable, and protect our rural environment. We want to provide more and better homes, create better jobs and regenerate the town. We want to ensure Melton prospers, benefitting those who live here and attracting others to visit and invest.

Our Values

We Care
Valuing others and developing ourselves; committed and passionate about what we do.

We Innovate
Ambitious, creative and resourceful; responding positively to challenges.

We Achieve
Taking responsibility and seeking excellence; always proud to serve.

Our [Corporate Strategy](#) presents a clear focus for the council during this time and is separated into six priority areas:



Priority Themes

To deliver our vision, these are our six priority themes:

Helping People

1. Service excellence in all we do
2. Providing high quality council homes and landlord services

Shaping Places

3. Delivering sustainable and inclusive growth in Melton
4. Protect our climate and enhance our rural, natural environment

Great Council

5. Ensuring the right conditions to support delivery
6. Connected with and led by our community

2.4 Policy Framework

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

Regional and Sub Regional Strategy
Leicestershire Sustainable Community Strategy
Levelling Up Fund with Rutland County Council
Leicester and Leicestershire Economic Growth Strategy 2021-2030
Leicester and Leicestershire Strategic Growth Plan 2050
Helping People Partnership Board
Place Board
Midlands Engine
Our Corporate Strategies
Corporate Strategy 2020 – 2024
Medium Term Financial Strategy 2021 – 2025
Treasury Management Strategy
Capital Strategy
Way We Work Strategy
Local Plan
Single Equality Scheme
Commercial Strategy
Our Corporate Priority Strategies
Key Strategies
Melton Community Strategy 2015-2025
Integrated People Offer
Economic Development Strategy
Risk Management Strategy
Service Specific
Housing Revenue Account Business Plan
Housing Revenue Account Asset Management Plan
Housing Strategy
Asset Management Plan
Customer Feedback and Complaints Policy
UK Shared Prosperity Fund Investment Plan
Under Development
Communications and Engagement Strategy
Partnership Plans
Leicestershire Joint Strategic Needs Assessment 2022-2025
Melton BID Business Plan 2021-2026

2.5 Trade Union Time

1. Total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)	<ul style="list-style-type: none"> ➤ 2 staff (2.0 FTE) 10 days union activity per year
2. Percentage of working hours spent on facility time	<ul style="list-style-type: none"> ➤ 0% of working hours: 0 representatives ➤ 1 to 50% of working hours: 2 representatives ➤ 51 to 99% of working hours: 0 representatives ➤ 100% of working hours: 0 representatives
3. The names of all trade unions represented in the local authority	<ul style="list-style-type: none"> ➤ UNISON
4. Total pay bill and facility time costs	
<ul style="list-style-type: none"> • Total pay bill: 	<ul style="list-style-type: none"> ➤ £7,954,373.32
<ul style="list-style-type: none"> • Total cost of facility time - A basic estimate of spending on unions (calculated as the number of full-time equivalent days spent on union duties multiplied by the average salary), and 	<ul style="list-style-type: none"> • £735
<ul style="list-style-type: none"> • Percentage of pay spent on facility time - A basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full-time equivalent days spent on union activities multiplied by the average salary divided by the total pay bill) 	<ul style="list-style-type: none"> • 0.03

2.6 Equalities

The Council publishes a Single Equality Scheme (SES) which covers all our legal duties as required by The Equality Act 2010. The current scheme was approved by Council in December 2019 and covers the period 2020-2024. An annual report is presented to full Council to update members with our progress against the action plan.

3. Key Factors that have influenced the financial position of the Council in 2022/23

The overriding factor the council has faced over the course of 2022/23 has been the emerging cost of living crisis which has put pressure on the councils' finances to maintain a balanced budget in year. The current economic climate continues to prove challenging for the Council in terms of financial management and future financial sustainability is currently in a period of great uncertainty due to the outstanding funding review and even more pressing, the legacy impact of Covid and cost of living crisis.

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

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

Reserves, financial performance and financial position

Taking into account the in-year pressures the close monitoring of the budget and proactive action taken as a result has resulted in a better position overall for general expenses with an increase to the corporate priorities reserve over that forecast. For Special Expenses Melton Mowbray the position remains challenging with a forecast overspend being realised which has reduced the Special Expenses Reserve further over the original budget. With the need to consider future cemetery provision this makes the position on this fund extremely challenging.

The Council's medium term financial strategy approved in February 2023 when the budget for 2022-24 was approved provides forward forecasts for the next 3 financial year. These indicate potential deficits in later years as a result of inflationary pressures, demand and service changes. There is also considerable uncertainty regarding the nature and level of government funding in the future for local authorities and the risk of changes to the business rates retention formula which could see significant sums of retained business rates being lost. The increase to the general fund reserves over that forecast helps provide more resilience but the position remains challenging due to the council's relatively low level of unallocated reserves overall.

In recent years, the council has successfully managed any potential deficits in its budget through the development and utilisation of a Financial Sustainability Plan, which has set out a range of options for efficiencies, savings or additional income. This has facilitated the stability of the council's reserves. In view of the projected budget

deficit for 2023/24, it is proposed to continue development of options and ideas within the Financial Sustainability Programme, such that they can be brought forward in-year, enabling the deficit, and subsequent draw on reserves to be reduced from the current projection.

Capital remains low although the asset development programme is aimed at addressing this. The Council's minimum reserve - the Working Balance has previously been increased to £850k and the budget proposals for 2023/24 include provision for this to increase further to the £1m level recommended by the LGA following their review of the council's financial sustainability.

With regard to the impact on capital, the Council has a modest programme in respect of the general fund and the HRA did have large underspends, but this was mainly due to the delay on the affordable housing new build scheme and the majority of works linked to decent homes standard in the HRA business plan were delivered. Funding has been carried forward into 2023/24 to complete any ongoing schemes.

Cash flow management

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

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

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

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

Major risks to the Authority

The Council's Chief Financial Officer has a duty under the Local Government Act 2003 in setting the budget to comment on the robustness of the estimates and the adequacy of the reserves. This requires that effective budget monitoring procedures are set in place to monitor expenditure and income against the budget and careful consideration is given to determining the level of reserves.

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

In terms of any going concern assessment, the main mitigating factor is that the authority continues to have available general fund balances above the current recommended minimum working balance. At the end of 2023-24 it is budgeted to be £2.278m which is £1.278m above the minimum level taking into account the balance on the Corporate Priorities Reserve, Regeneration and Innovation Reserve and Working Balance. Additionally, the Council's cash flow forecasts anticipate that cash balances will remain in a positive position for at least 12 months following approval of these financials statements and do not forecast a need to borrow. The Council has undertaken cash flow modelling through to May 2024 which demonstrates the Council's ability to work within its Capital Financing Requirement and Cash management framework, with sufficient cash balances forecast at the end of the period. We are therefore confident that the going concern basis of accounting will continue to be applicable for a period of 12 months from the date of approval of these financial statements.

4. The 2022/23 Revenue Budget Process

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

The budget for 2022/23 has been prepared on the basis of maintaining services at their agreed levels except where the Council has already agreed to a change in which case any change in cost has been incorporated into the base budget. The proposed budget was aligned with the draft Corporate Strategy. A balanced budget was proposed in 2022/23 representing a positive response to challenges in previous years and in particular given some non-recurring expenditure being funded from the revenue budget had enabled some headroom for meeting deficits in future financial years.

The growth and savings proposals were discussed at the scrutiny committee held in January 2022, with the formal budget proposals taking into account member feedback being recommended to Council by Cabinet at their meeting on 9 February 2022. At the meeting of Full Council held on 24 February 2022 the 2022/23 budget was formally

approved which after taking into account the proposed savings and growth proposals resulted in a balanced budget for 2022/23.

The HRA rent setting and budget proposals for 2022/23 were presented to Council and approved at the same meeting.

5. Council Tax

As part of the Cabinet recommendations to Council, council tax was recommended to be set at a £5 overall council tax increase. General Expenses was set at 2.35%, while Sproxtton, Gaddesby and Frisby Special Expenses were set at the level required to balance the budget, Special Expenses Melton Mowbray remained unchanged in order to bring the overall level to £5.

This was formally approved by the Council at their meeting on 24 February 2022. During this period the other major preceptors of Leicestershire County Council, Police & Crime Commissioner for Leicestershire and Leicestershire Combined Fire Authority also set their precepts and charges along with the Parish Councils.

The comparison of Council Tax levels for 2021/22 and 2022/23 is shown below:

	2021/22 £	2022/23 £	Increase %
Melton Borough Council (average for whole area excluding Parish Councils)	212.64	217.64	2.35
Leicestershire County Council	1,410.78	1,452.96	2.99
Police & Crime Commissioner for Leicestershire	248.23	258.23	4.03
Leicestershire Combined Fire Authority	69.29	74.29	7.22
Parish Councils (average for whole area)	67.45	69.66	3.28
Average for whole area (including precepts)	1,976.52	2,040.05	3.21

5.1 Council Tax Base

The revision to the 2022/23 Tax base, resulting in an increase of 270 to the number of Band D equivalents (as shown in the table below), produced an increase in Council tax income of £154k when taking into account the council tax increase of 2.35% on an average band D property.

	2020/21	2021/22	2022/23
Number of Band D Equivalent dwellings	18,937	19,088	19,358

5.2 Collection Fund

The payments out of the Collection Fund for the in-year Council Tax (excluding prior year surpluses/deficits) from 2020/21 to 2022/23 are set out in the table below and show a year-on-year increase in funding available for the Precepting Bodies reflecting the increase in Council Tax Base and any general increases on the Council Tax charge.

	2020/21 £'000	2021/22 £'000	2022/23 £'000
Leicestershire County Council	25,446	26,930	28,127
Police & Crime Commissioner for Leicestershire	4,417	4,738	4,999
Leicestershire Combined Fire Authority	1,287	1,322	1,438

6. Medium Term Financial Strategy for 2022/23 to 2025/26

In drawing up the forward projections in the MTFs a number of assumptions have been made regarding service expenditure and income following discussions with budget holders, and scrutiny by the Senior Leadership Team. Some of the key assumptions that have been made in preparing these forward projections as follows:

- That an overall increase in council tax of £5 will be set in 2022/23 followed by further overall increases of £5 to 2025/26;
- The expected position is based on the current level of service provision with assumptions incorporated regarding general inflation changes to prices and pay, pension costs and income streams and estimated changes in demand. No allowance is made as part of the projections for the delivery of savings or income generation which would require a change to service levels/policy. This is to enable the true surplus/deficit to be identified that will require management intervention in order to address the position;
- Growth projections for council tax growth have been based on the housing growth figures provided by the local plans team;
- It has also been assumed Rural Services Delivery Grant will continue at its current level with no adjustment made to what may arise from the fair funding review and any potential acknowledgement of rurality as a spending pressure;
- No allowance has been made for future NHB payments or any replacement housing incentive growth in the absence of any information.
- The scenarios provide for different assumptions regarding other forms of government funding from business rates retention and the lower tier services grant which range from being retained at their current level to their complete removal with the expected level being an average of the two extremes.
- No adjustment has been made post 2022/23 for Covid related expenditure with income from leisure provision estimated to be restored by the end of 2023/24 and car parking income remaining in a reduced position based on 2022/23 estimates of a 23% reduction.
- Specific allowances have been made for the transfer of the land charges service to the Land Registry in 2024/25, the potential introduction of mandatory food waste collection from 2023/24 and the recovery of the management fee for leisure which has been affected by Covid. No allowance has been made for any new burdens payment in respect of the introduction of food waste collection due to the level and method of distribution not being know.

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

	2023/24	2024/25	2025/26
Potential Surplus (-)/Deficit	£000	£000	£000
General Fund	491	726	795
Special Expenses	20	20	20

7. Projected Level of Balances

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

In relation to the non-earmarked general reserves, they are available to support a range of projects which may be required for the Council to deliver, as well as being available to support capital expenditure should that be necessary due to a low level of capital receipts being held. The reserves have in recent years been utilised to support non-recurring expenditure in support of structural changes; though the Corporate Priorities Reserve level has stabilised. If the council's financial position should worsen and further savings in net expenditure are required which have a lead time to achieve it will be necessary to draw on these again until alternative savings or income are identified and delivered. In 2022/23 the budget follows the principle set of balancing the budget without utilising these reserves to protect the Council's future financial sustainability.

CIPFA (the Chartered Institute of Public Sector Finance and Accountancy) have issued a Financial Resilience index for all councils which is available publicly. This is in response to concerns regarding the viability of councils. It is suggested that Chief Finance Officers should comment on the results as part of their statement on the adequacy of the reserves as part of their budget reports. COVID-19 has had an impact on the 2022 resilience index, and CIPFA state it should therefore be viewed in the context of this having been a transitional year. The index continues to illustrate the financial resilience of authorities during the pandemic but figures on reserves have been affected by a series of coronavirus-related payments at the very end of the financial year. The key messages for Melton are as follows:

- Compared to other district councils, and particularly similar district councils classed as being our "nearest neighbours" in terms of comparability, Melton has improved its financial sustainability measure and is shown as being of a lower risk than previously years due to an improvement in the level of reserves held and the ratio of these in comparison to the Council's net budget. Some of this improvement was due to the Council's approach to address the previous reduction in reserves by reducing reliance on them, but also the increase in reserves due to the temporary increase as a result of covid payments made at the end of 2020/21 this was highlighted by CIPFA and affected most authorities. It is likely that this has a disproportionate impact on this Council due to the relatively low level of reserves compared to other councils in the comparator group.
- Melton was previously shown as being at a lower risk compared to similar authorities and other districts as a result of generating a high proportion of income from fees and charges and low level of interest payable compared to net expenditure. high levels of interest received compared to interest payable. Melton's position compared to other councils in this group has worsened and is now at a higher risk. This is due to income from fees and charges reducing significantly in 2020/21, due to covid, by a greater proportion to net revenue expenditure than other comparable councils. In addition, the additional grants received due to covid and the way these were prescribed to be accounted for has reduced net expenditure thereby increasing the proportion of interest paid in comparison. So

previously the lower risk presented by less reliance on government grants due to income from independent sources being a high proportion of net revenue expenditure shows the risk this presents when these income streams are reduced. The change in risk resulting from interest payable in proportion to net expenditure is primarily due to the impact of covid and reduces the value of the comparison of this indicator.

- Melton is at a lower risk compared to similar authorities and other districts as a result of having lower business rates growth. The implications being that with this source of funding being at risk of the baseline being reset, above which a portion of growth is retained, Melton has comparatively less to lose than other councils.

In terms of what this means for Melton with regard to its financial strategy it confirms the progress made in reducing the requirement to draw on the reserves is the right one and has reduced the council's risk in comparison to other similar councils. The impact of Covid on year end balances across all councils has reduced the reliance that can be placed on the resilience indicators in this regard. However, the council has certainly made progress and the budget for 2022/23 made considerable progress in this area. The increases to the working balance puts the council's reserves in a much healthier position. This demonstrates the Council is addressing the concerns raised in previous years. The budget also responded to the need as recommended by the LGA financial resilience review to increase the general fund working balance to circa £1m to provide a higher financial contingency due to the risk posed by the relatively low level of reserves. It does though also need to be recognised that should these reserves deplete further, the ability to support the financial implications of change and transformation from reserves – e.g. costs arising from changes to staffing structure - will be more difficult and such costs will have to be met from within the annual revenue budget. This would therefore require sufficient savings to be made in year or income generated to meet these costs. Should reduced funding from central government result in savings and efficiencies having to be made then there is a high risk that reserves would need to be drawn on to support the associated one-off costs of achieving these. As is already recognised the council has limited reserves both allocated and unallocated and therefore investment in capital and revenue projects that reduce net revenue spend though reducing costs or generating income should be the greater priority. Whilst not covered by the resilience index, as set out in the capital strategy, the Council is vulnerable due to its low level of capital receipts and the ongoing need to invest in existing assets that have needs identified through stock condition surveys. If assets are not identified for sale that will generate additional receipts that can be invested elsewhere -opportunities for which are limited - then the council will need to identify revenue it can use to fund such capital expenditure directly or to fund the costs of borrowing. The council has an asset development programme which is progressing and this should lead to the realisation of capital receipts which would be available for asset improvements or investment elsewhere for a revenue return.

At the meeting of Full Council on the 24 February 2022 the total reserves as at 31 March 2022 was predicted to be £17.394m and were expected to decrease to £13.786m as at 31 March 2023 as result of financing the capital programme in the main. The Statement of Accounts revises the level of balances at the end of 2022/23 to £15.574m mainly as a result of capital programme underspend.

8. Budget Monitoring

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

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

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

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

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

9. Capital Strategy and Capital Programme

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

The Capital Programme and Capital Strategy was approved at the Council meeting on 24 February 2022 and provided the framework within which the Council's capital investment plans will be delivered.

It is good financial practice to incorporate the financial effects of capital spending plans into revenue budgets prior to the consideration and approval of the revenue budgets. As such Members of the scrutiny committee reviewed the projects for both General and Special Expenses for the capital programme in 2022/23 prior to the formal cabinet recommendations. These proposals were incorporated into the revenue budget and prudential indicators as part of the Treasury Management Strategy presented to Council.

In total the original capital programme in 2022/23 was £6.761m including £4.146m spend on the HRA. The majority of funding comes from Capital Receipts and third party contributions with respect to the general fund and for the HRA the Major Repairs Reserve and cash backed depreciation. As 2022/23 progressed, the initial plans were revised to incorporate expenditure carried forward from the previous year, approvals and scheme updates as information became available.

As part of the updated Prudential Code for Capital Finance in Local Authorities which was published in late December 2017 there is a requirement to produce a Capital Strategy which links into the Treasury Management Strategy. The purpose of the capital strategy is to tell a story that gives a clear and concise view of how a local authority determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite. It need not duplicate other documents but should include cross references where relevant. It should provide enough detail to ensure that all members understand how the authority is delivering stewardship of the authority's resources, prudence and sustainability and meeting the authority's reporting requirements. The strategy links to the priorities as set out in the Corporate Strategy.

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

An updated HRA business plan was presented to members during the year which included updated capital investment numbers. These were fed into the capital strategy which should be seen as a living document to be updated as required during the year.

With the limited capital resources at the Council's disposal it is highly likely that future funding needs may need to be met from borrowing which will impact on the council's revenue budget unless investment is met by savings in expenditure or additional income being generated. Revenue Outturn Position 2022/23

General Expenses

A balanced budget was set for 2022-23 and the table below shows the impact of the provisional year end against the latest approved budget:

	Approved Budget	Provisional Year End Position	Variance to Budget (Underspend) / overspend
	£'000	£'000	£'000
Original Net Budget	4,756	-	-
Approved c/fwds 2021/22	263	-	-
Supplementary Estimates	109	-	-
Revised Budget	5,128	5,149	21
Total funding	(5,114)	(5,640)	(526)

Net Surplus (-) / Deficit for year	14	(491)	(505)
Funded by			
C/fwd Reserve	(263)	(263)	0
Corporate Priorities Reserve	(98)	0	98
Net position	(347)	(754)	(407)
Contributions to reserves			
Regeneration & Innovation Reserve	347	328	(19)
Working Balance	0	116	116
Overall net position	0	(310)	(310)
Less c/fwds into 2023/24	0	263	263
Overall Surplus (-) / Deficit	0	(58)	(58)

The original net expenditure budget in respect of General Expenses for 2022-23 prior to council tax and grant funding was set at £4.756m, which was subsequently updated to an approved budget of £5.128m. The increase takes into account the budgets brought forward from the previous financial year (£263k) and supplementary estimates agreed in year (£109k). The budget reductions were funded through the use of the Corporate Priorities Reserve and the Regeneration and Innovation Reserve.

Following the approval of the supplementary estimates and carry forwards the approved net budget for 2022-23 provided for a balanced budget with a net transfer to the Regeneration and Innovation Reserve of £347k and a draw on the Corporate Priorities Reserves of £98k as shown from the overall net position in the table above.

The provisional year end position shows a net position of £491k which is an underspend of £505k when compared to the latest approved budget. After taking into account the previously approved reserve movements to fund expenditure and the restoration of the working balance to its target level at 31.3.23 of £850k as approved by Council the overall provisional net position for 2022-23 is an underspend of £310k.

After, allowing for the approved carry forward amounts into 2023-24 of £252k the overall surplus for the 2022-23 financial year is £58k. This compares to the forecast overspend of £37k which was reported to Council in February when the budget for 2023/24 was set.

The key reasons for the underspend against the net income and expenditure budget of £505k can be categorised as follow:

- Additional business rates income due to the identification of a number of renewable energy sites for which the Council retains 100% of business rates and these have been backdated to the date they came onto the rating list creating a windfall in 2022/23 - £307k
- Budget reductions identified and applied during the financial year as a response to the ongoing funding cost of living pressures - £117k
- Increase in support charges to the HRA and Special Expenses in recognition of the significant pay and inflation pressures - £85k

During the course of the year and as part of the Councils ongoing response to funding pressures, specifically as a result of the cost-of-living inflationary impacts a full review of budgets was undertaken to identify savings to help mitigate the financial impact and ensure the immediate risk to the Council's finances was addressed. This resulted in a number of budget reductions which were ringfenced to help meet funding pressures.

The remaining movements, both over and underspends, relate to those budgets which are controlled by budget holders within service areas. There are a number of over and under spends across the services which broadly balance each other out which shows the proactive approach the council took in year to manage the challenging budget position. This includes identifying a number of budget reductions to earmark funding to help with overspends in year which has helped the Council achieve an overall underspend.

As part of the Council's flexible budget monitoring processes budgets are updated throughout the year to take into account supplementary estimates, virements and budget reductions creating an approved budget for budget holders to work within. As part of the budget monitoring and review process all budget holders have been requested to provide an explanation of significant variations against their approved budget on individual services. Brief comments summarising the reasons for any budget variations for items which are within the budget holder's control have been included against the relevant service line. Only those in excess of £10k have been commented on as these are considered significant variances. There are some key variances we would draw members attention to which are outlined below.

Also, included for information is the level of carry forwards previously approved by the Portfolio Holder for Corporate Finance, Governance and Resources which totalled £252,370 and remains unchanged following the completion of provisional accounts.

KEY VARIANCES

General Fund – Underspends

- **Council Tax Collection (£67k)** – This mainly relates to a Ministry of Justice refund for summons costs in relation to prior years for council tax liability orders (£45k) plus additional income and savings within the service.
- **Miscellaneous Finance (£45k)** – Reduction in doubtful debt provision of £75k following year end calculation due to lower debt levels and in year write off of legacy debt. This has been partly offset by property fund provision contribution (£30k) as previously approved to mitigate the risk caused by potential fluctuations on this investment. The funding for this is adjusted elsewhere so no overall effect.
- **ICT (£80k)** - Various capital purchases in year have meant less requirement for maintenance and minor purchases of equipment, including fire walls and data centre. Professional services lower than anticipated due to staff resources and therefore delay in projects. £27k of this underspend is proposed to be carry forward.
- **Organisational Development (£29k)** - Saving from new e-learning portal. Also career graded post saving and part year vacancies for Customer Insight Officer and Admin Posts.
- **Car Parks (£33k)** – Income received in February and March from parking fees higher than anticipated.
- **Parkside (£115k)** – the majority of this underspend related to back dated income recovered for prior year invoices due from DWP. In addition to this there were also savings on annual maintenance costs.
- **Interest (£240k)** – additional investment income returns in excess of budgeted amount due to a significant and unexpected upturn up in interest rates over the past year.

General Fund – Overspends

- **Waterfield Leisure Centre (£83k)** – When the budget was set half the previous contracted management fee was expected in 2022-23 (£125k) however, the final agreement was for £20k plus profit share arrangement. Based on the latest open book accounts, and the significant and ongoing challenge facing the leisure sector due to covid and inflation, the contract is running at a deficit and therefore no profit share will be received. This has been partly offset by underspend on the leisure procurement project, but this is being carry forward into 2023-24 due to delay in timing of when costs will be incurred.
- **Melton Lifeline (£24k)** – Overspend relates to additional equipment purchase, pay award impact and reduced income which is partly offset by unused Ukraine grant funding which is being carry forward to fund the continuation of the Community Support Officer post in 2023-24.

- **Revenues and Benefits (£50k)** – Impact of pay award and anticipated £36k support from DWP re benefits software updates which is no longer received.
- **Corporate Property (£24k)** – Additional professional fees for undertaking condition survey work due to vacancies in year meaning this work needed to be outsourced. There was an underspend in reactive repairs which has been transferred to the repairs and maintenance reserve to help with future requirements.
- **Environmental Health (£71k)** – Additional costs were incurred as a result animal welfare enforcement case which the council was ultimately successful in. This has been partly offset by savings elsewhere in service relating to capitalisation of salaries which the Council has been able to apply against the LAD2 schemes and legacy Covid grants.
- **Development Control (£367k)** – there has been a number of financial impacts within the service including a £17k pay award impact and additional cost incurred on a professional fees for additional work on a viability study (£41k – it is hoped some of this cost can be recouped from developers but due to the uncertain nature this hasn't been allowed and will be a windfall in year). The majority of the overspend relates to unachieved planning application fees (£317k) against the budget. In relation to the planning income, in depth analysis has been undertaken by the service and established this trend is likely to continue for the foreseeable future. Following the outturn being at similar levels in the previous financial year, prudently the budget has already been set at a reduced level for 2023-24.

SPECIAL EXPENSES

A balanced budget was set for 2022-23 and the table below shows the impact of the provisional year end against the latest approved budget for Special Expenses (Melton Mowbray):

	Budget	Provisional Year End Position	Variance to Budget (Underspend) / overspend
	£'000	£'000	£'000
Original Budget	619	-	-
Approved c/fwds 2021/22	17	-	-
Revised Budget	636	657	21
Non-service related costs	(86)	(74)	12
Net Expenditure	550	583	33

Total Funding	(478)	(478)	0
Net Surplus (-) / Deficit for year	72	105	33
Funded by			
C/fwd Reserve	(17)	(17)	0
Special Expense Reserve	(55)	(55)	0
Overall net position	0	33	33
plus c/fwds into 2023/24	0	20	20
Overall Surplus (-) / Deficit for year	0	53	53

The net revenue expenditure in respect of Special Expenses (MM) for 2022-23 was originally estimated at £619k, which was subsequently updated to an approved budget of £636k. The increase took into account budgets brought forward from the previous financial year (£17k). After taking into account the use of reserves to fund carry forwards from 2021-22 there is a variance against the approved budget of a £33k deficit plus £20k which is being carried forward into 2023-24, resulting in an overall £53k deficit in year which will be funded from the Special Expenses Reserve, an increase over the approved budget. The original budget already provided for £55k being funded from reserves so the overall movement on the Special Expense Reserve is £108k reduction.

The main reason for the overspend relates to cemeteries due to a full year loss of rental income for the Cemetery Lodge and associated costs including building compliance and utilities. In addition to this only £10k of the initial £30k growth bid for 2022/23 was spent and therefore the remaining £20k is being carried forward into 2023/24 relating to the feasibility work around provision for a new cemetery.

The net position on the closed Churchyards of Sproxton, Frisby and Gaddesby are summarised in outturn report to Cabinet. There are some variances to additional works undertaken in Frisby and reduced spend at Gaddesby and Sproxton. No reserves are held for each churchyard due to the levels involved and any surplus or deficit is carried forward and adjusted for when setting council tax in the following year.

Housing Revenue Account (HRA)

The provisional year end position shows an overspend of £953,999 at “Total Net Expenditure” level, being an underspend of £430,689 against the approved budget deficit of £523,310 as outlined in the table below:

	2022-23		
	Approved Budget	Estimated Year End Position	Variance
	£	£	£
Expenditure	7,211,180	7,607,632	396,452
Income	-8,043,500	-7,752,981	290,519
Net Interest Charges	1,092,960	913,590	-179,370
Revenue Contribution to Capital	262,670	185,758	-76,912
Total Net Expenditure	523,310	953,999	430,689
Contribution to/from(-) Reserves	-523,310	-953,999	-430,689
In Year Surplus(-)/Deficit	0	0	0

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

- **General Management £12k underspend**

Whilst we rebuild and strengthen the service some of our vacancies and roles have been challenging to fill. Offset by higher and longer voids incurring Council Tax and the new insurance contract. Internal re-charges were re-apportioned in-year to ensure that the Intensive Housing Management Service was charged their share.

- **Special Services £19k underspend**

Due to budgeting for the full establishment whilst vacancies were being filled for key roles and a continued reduced requirement for food supplies following the pandemic, as lunch clubs for non-residents slowly recover, as well as the continuing high voids at Gretton Court for the resident’s lunches.

The contract works and asbestos budgets were also underspent, and the budgets will be better informed as part of the continuous re-assessment of the Asset management plan. Boiler and stair lift contracts are not currently in place; however any required maintenance is being completed so these budgets can also be re-assessed in future.

- **Repairs & Maintenance £356k overspend**

As the Council rebuilds and strengthens the service any underspends arising from vacant posts early in the year have been more than offset by agency costs.

Asbestos surveying was below the levels budgeted and a carry forward is requested for this budget of £50k for 2023-24.

The aim to clear the backlog of historic voids in the year, more major voids works done, higher voids levels, contractor cost up-lifts, inflation and the use of more expensive contractors have all contributed to the voids overspend.

For the overspend on the schedule of rates works contributing factors include high inflation, contractor cost uplifts, including for the backlog of payable invoices, and the increased focus nationally of damp and mould cases. Repairs budgets have been assessed for 2023-24 with regard to the asset management plan and its annual re-assessment will include these lines. Settlements regarding legacy dis-repair claims have also been paid above the annual budget in year.

- **Income shortfall of £291k**

Of this shortfall, the write-offs completed, the increase in arrears balances and the ages of these balances has meant an increase in the provision for non-payment of arrears resulting in an overspend of £210k on this line. Voids performance though is improving, and we are continuing to actively relet properties at Gretton Court to reduce future rent loss.

The actual contribution from reserves against the budgeted contribution reflects the over and underspends noted above and as approved in February 2022 the HRA working balance remains at £750k. This has resulted in an increased need to draw on the reserves by £431k in line with the overspend. When the £50k carry forward is taken into account this results in an increased draw on the reserves of £481k.

Basis of Preparation and Accounting Policies

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

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

Long Term Borrowing – Public Works Loans Board (PWLB)

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

Balance	Analysis of Loans by maturity	Balance
31 March 2022		31 March 2023
£'000		£'000
0	Maturing in less than 1 year	0
4,098	Maturing in 1-5 years	4,098
600	Maturing in 5-10 years	600
26,715	Over 10 years	26,715
<hr/> 31,413 <hr/>		<hr/> 31,413 <hr/>

Accounting practice requires that local authorities disclose the fair value, i.e. (the settlement value), of their portfolio. The fair value at 31 March 2023 was £30.837m (44.188m at 31 March 2022).

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

Investments

During the year investments decreased by £6.880m and stood at £17.958m at 31 March 2023.

Capital Expenditure

Capital expenditure amounted to £4.314m, against a latest approved budget of £8.510m, resulting in an underspend on the programme of £4.196m of which £3.517m will be carried forward into 2023-24.

The major items of capital expenditure in 2022-23 were Disabled Facilities Grants £0.278m, LAD Energy Efficiency £0.177m and various works to Council owned dwellings £3.267m

The programme was funded by the following sources:

	£'000
Capital receipts	1,315
Major repairs reserve	1,943
Development & Regeneration	8

Reserve	
Third party contributions	73
Government Grants	828
Use of reserves	147
	4,314

Other than the expenditure on capital projects set out above and income received from capital receipts in the sum of £0.859m the other material change to assets and liabilities follows the revaluation of a number of assets. In the year the revaluation reserve has increased by £11.924m, which is primarily due the annual valuation exercise showing an increase in asset values across the Council.

Reserves

Overall revenue reserves and revenue account surpluses decreased by £0.118m and at 31 March 2023 totalled £15,574m. These are analysed below:

	31 March 2022	31 March 2023
	£'000	£'000
Special reserves	12,647	12,469
Other reserves	1,503	1,454
General Expenses working balance	734	850
Special Expenses working balance	58	51
Housing Revenue Account working balance	750	750
	15,692	15,574

Pensions Liability

Since 2003-04 Local Authorities have had to account for retirement benefits when they are committed to give them, even if the actual payment will be many years into the future. As a result, a total liability of £2.251m has been included in the balance sheet, thereby increasing the net worth of the Council. This is a decrease on the liability of £20.547m at 31 March 2022. This is principally because financial assumptions at 31 March 2023 are more favourable than they were at 31 March 2022 due to in part to the reduction in the pension increase rate derived from CPI inflation, which has reduced over the review period plus the salary increase assumption has also been lowered. However, the main reason for the significant reduction is the discount rate has increased due to the corporate bond yield increasing by over 2% which is linked to the increase in interest rates and inflation.

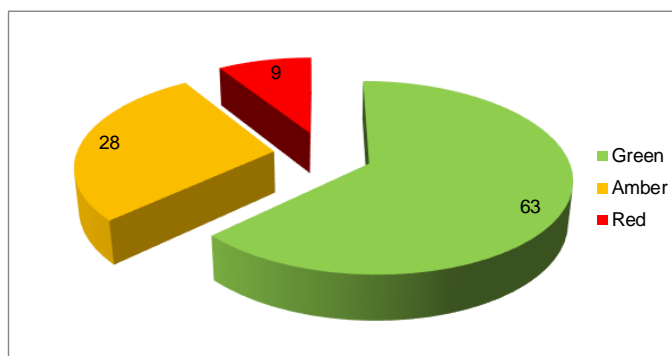
10. Non-Financial Performance of the Council 2022/23

10.1 Performance against Corporate Objectives

The overall performance against each of the 6 Corporate Priorities. This is a snapshot relating to the position as at the end of quarter 4 (31st March 2023) of the financial year 2022-23. The overall position shows impressive performance with 63% (34) of 54 measures being on track against target with 28% (15) within tolerance and 9% (5) not hitting target. This shows an improvement against previous quarters.

Corporate Measures set

Live measures	%	
Total	100	54
Green	63	34
Amber	28	15
Red	9	5



During 2022/23 we delivered the following outcomes:

- 99.68% of our housing stock with a current gas safety check.
- We collected 98.61% of our Council Tax payments.
- We collected 98.28% of our National Non-Domestic Rates payments.
- We pay 96% of our undisputed invoices within 30 days.
- Supporting 63.8% of our adult population to be active (150 minutes of physical activity) as measured by the Active People Survey.
- Over 2,300 residents accessing support through our Community Support Hub.
- Dealing with over 350 fly tips across the borough.
- It took on average 3.27 days from receipt to completion to process an application for land charges.
- Our customer services team dealt with over 69,000 customer contacts.
- We had over 336,000 visits at Council Leisure Facilities.
- Over £36,000 allocated to organisations across Melton through our Community Grants Scheme. A further £7,806 was allocated to community groups as part of the Coronation Grant Scheme.
- 368 new homes have been delivered across the borough including 125 affordable homes.
- We received just under 500 planning applications.
- 95.1% of food businesses that are broadly compliant at inspection.

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

What is next for the Council?

Looking to the year ahead, the Council will continue to deliver high quality services for the residents and place of Melton. Areas of future focus for the Council are set out below which we aim to make progress against:

Progress on these has been set out beneath each theme.

1. Affordable housing - Ensuring that the borough has the right housing in the right location with the right tenures. **Progress** - HRA Business Plan/Affordable Housing Development Strategy approved.

2. Living and ageing well/Healthy life expectancy - Developing a clear strategy and offer that supports residents to be able to feel well and enjoy later life. In doing this they can feel comfortable, safe, and secure at home, living independently for longer with opportunities to learn, join in, volunteer or work. **Progress** - Contribution to countywide health and wellbeing strategy / key themes within emerging Community Health and Wellbeing Plan for Melton.

3. Providing an offer for young people - Providing a clear and appealing offer/strategy for young people to encourage them to remain in or to return to Melton. **Progress** - Working with Action for Melton Youth (AMY), Fairmead Football Leagues and funding allocated in UK Shared Prosperity Fund Plan

4. Supporting businesses to grow - Attracting new businesses to the borough and building stronger relationships with existing ones to support their growth and development. **Progress** - Funding for inward investment and business support allocated in UK Shared Prosperity Fund Plan.

5. Promotion of the area - Promoting and marketing an appealing, attractive accessible town centre and vibrant rural areas as a destination for visitors and residents. **Progress** - Discover Melton development / Melton in Bloom / Tourism Scrutiny / UK Shared Prosperity funding.

6. Modernising the parking offer - Providing a more flexible approach to parking for residents, visitors and people who work in Melton to encourage them to stay in the borough for longer. **Progress** - Plans to commission parking needs analysis as part of Affordable Development Plan

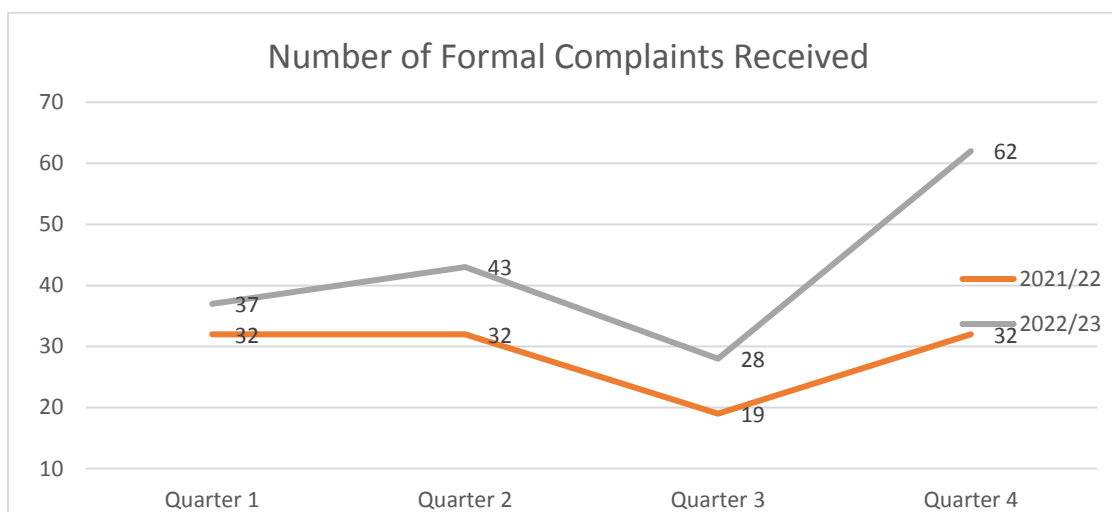
7. Climate and Environment - Undertaking consultation with key stakeholders and developing a climate change strategy for the Council. **Progress** - Baseline assessment done, Climate Change officer in place and Climate Change Working Group.

10.2 Complaints Analysis

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

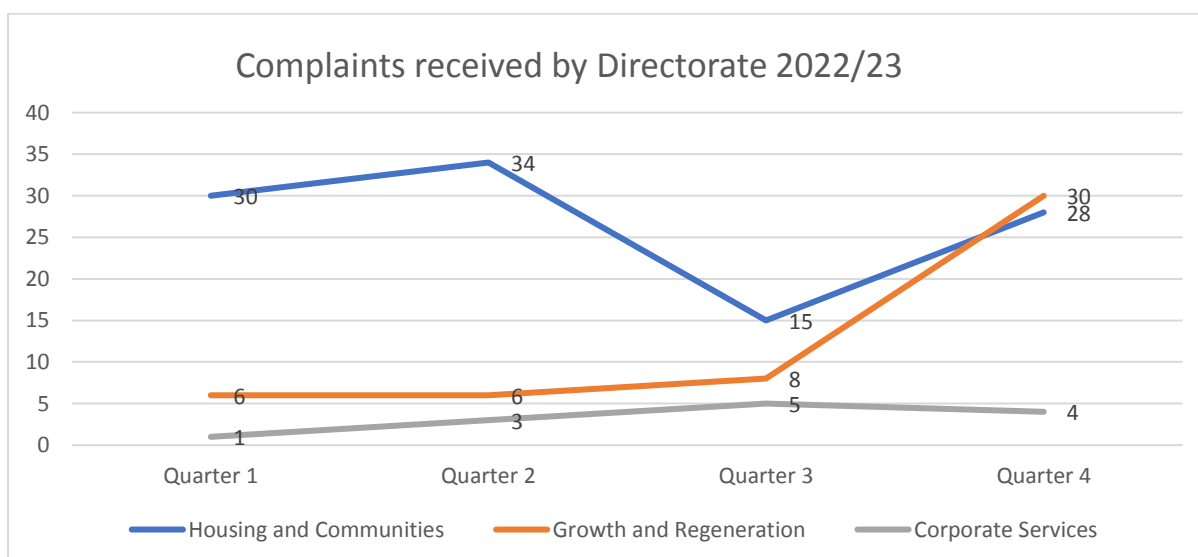
The Corporate Complaints process comprises a two-stage internal process comprising stage one complaints which are dealt with by Service Managers and stage two complaints where the stage one response is reviewed by a Director. Where a complainant remains dissatisfied with the Council’s response after this process, they can refer the matter for independent review by the Local Government and Social Care Ombudsman or Housing Ombudsman. The Council reviewed and updated its Customer Feedback and Complaints Policy during 2022/23 to ensure continued compliance with the Ombudsman’s guidance.

In 2022/23, the Council received 170 formal complaints from customers.



Complaints by Directorate.

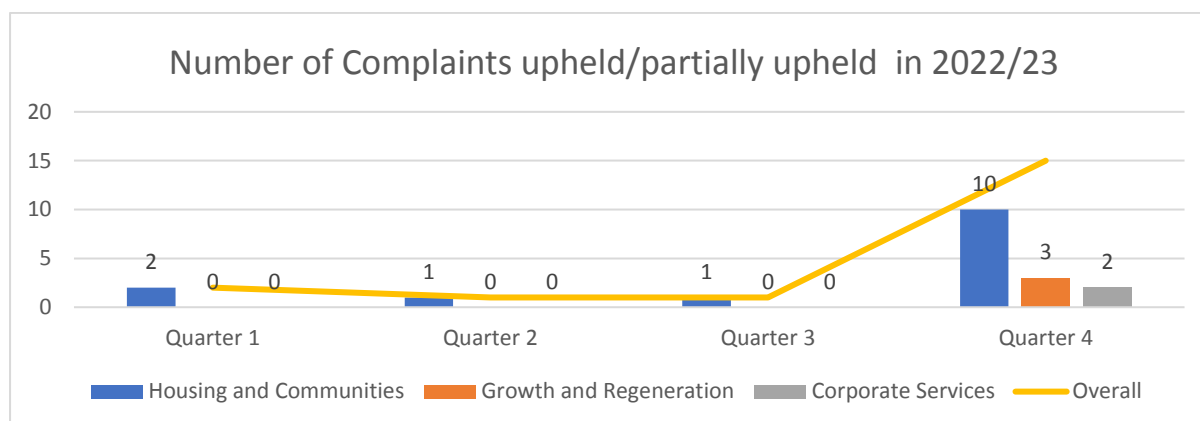
Of the 170 formal complaints received from customers, the vast majority relate to the more customer facing departments of Housing and Communities and Growth and Regeneration. The breakdown of these complaints by Directorate is shown below.



Complaints upheld or partially upheld.

Of the 170 formal complaints received in 2022/23 from customers, 19 of these have been upheld or partially upheld by the Council. The largest number of these took place in quarter 4 when 15 were upheld compared to 4 for the rest of the year. Of the 27 complaints made on Planning in quarter 4 only three were upheld or partially upheld which is a low percentage.

There was an increase to 15 complaints received on Housing Repairs in quarter 4 from four the previous quarter of which 8 were upheld or partially upheld.



Ombudsman Complaints

From 01 April 2022 to 31 March 2023, 1 case was referred to the Housing Ombudsman.

From 01 April 2022 to 31 March 2023, 2 complaints were received by the Local Government and Social Care Ombudsman in respect of Melton Borough Council.

11. Governance and Risk

11.1 Annual Governance Statement

The Council undertakes an annual review of the sufficiency and effectiveness of its governance framework. At the end of each year annual assurance statements are issued to each Member of the Senior Leadership Team to provide assurances on the identification and assessment of risks, and that sound operational arrangements exist within their service. Following their return these are considered by Senior Leadership Team to identify which of the issues raised are appropriate to be included in the Annual Governance Statement (AGS). In addition, the Council receives an annual report from the Head of Internal Audit providing details of the effectiveness of Internal Control with an annual opinion. This information is considered alongside the Council's Local Code of Corporate Governance which is consistent with the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework 2016. Progress against those items identified in the 2021/22 annual governance statement was reviewed. Consideration

was given to any issues that needed to remain an area of focus during 2023/24 along with new areas of focus identified from the 2022/23 review and are set out in the action plan in the same document. It should be recognised that due to the delay to the external audit the draft Annual Governance Statements for 2020/21 and 2021/22 remain at draft stage. The AGS for 2022/23 represents the latest position regarding governance.

11.2 Risk Management

The Council has a Strategic Risk Register which was formally reviewed and updated during the year with the Strategic Leadership Team. A formal annual review is also undertaken by the Audit and Standards Committee. A refresh of the Risk Management Strategy, Tool Kit and associated risk registers was undertaken and formally approved by the Audit and Standards Committee in November 2022. The risks contained in the updated Corporate Risk Register reviewed by members in March 2023 are:

- Inability to influence, secure and then maximise the benefit to Melton residents from Devolution, County Deal and UK Shared Prosperity Fund.
- Cost of living – impact on households and business across Melton.
- Failure to deliver MMDR (in full or in part) and the financial and legal impacts on Melton Borough Council arising from any agreement with the County Council which seeks to support delivery.
- Uncertainties regarding future leisure provision in Melton.
- Failure to Secure financial stability in the medium term.
- Stability of future provision of ICT services following new arrangements.
- Financial pressures undermining partnerships (integrated working).
- Failure of a key supplier e.g. Housing Repairs, Waste and Leisure.
- General Data Protection Regulations (GDPR) / requests for information Compliance.
- ICT security Breaches.
- Resourcing of the LUF, UKSPF, ADP and Leisure developments.

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

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

12. Summary Position

The year-end position for 2022/23 has shown that flexible budget management processes and the good working relationships and partnership between finance and budget holders has enabled increased costs to be offset by savings elsewhere in the main as well as managing the emerging cost of living crisis and inflationary pressures. This represents a tremendous achievement for the Council in such economically challenging conditions.

In 2022/23 the Council has faced a number of challenges and with the further significant changes ahead the Council will need to adapt and tackle these challenges head on. There are risks as highlighted above which will need to be managed through the Melton's robust risk management processes. Whilst the council ended the financial year in a stable and somewhat improved position the cost-of-living crisis and local government funding review will continue to provide great uncertainty and we will need to continue closely monitoring and managing this if the Council future financial sustainability is to be secured.

13. Receipt of Further Information

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

Acknowledgements

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

D K Garton CPFA

Section 151 Officer

Director for Corporate Services