



**Melton
Borough
Council**

Narrative Statement

Helping People. Shaping Places.

Subject to Audit



2024/2025

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1. Introduction to the 2024/25 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 2025. 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 in 2020 which continues to have an impact on the Council's finances, primarily the ongoing loss of income in key areas. The intended review and resulting changes in Local Government funding further exacerbate the Council's future financial position. The year-end financial position for 2024/25 has been particularly challenging due to the continuing inflationary impacts on the Council's finances, pressures on housing services and fluctuating income levels with sizeable planning fees received towards the end of the financial year due to large planning applications.

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

The preparation of the 2024/25 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 2025/26 and later years will bring. Challenges in external audit resources have meant that the last four years 2020/21 to 2023/24 audit opinions have all been disclaimed with only a light touch value for money opinion provided.

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

- Understand the overarching financial position of the Council and the outturn for 2024/25;
- 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.

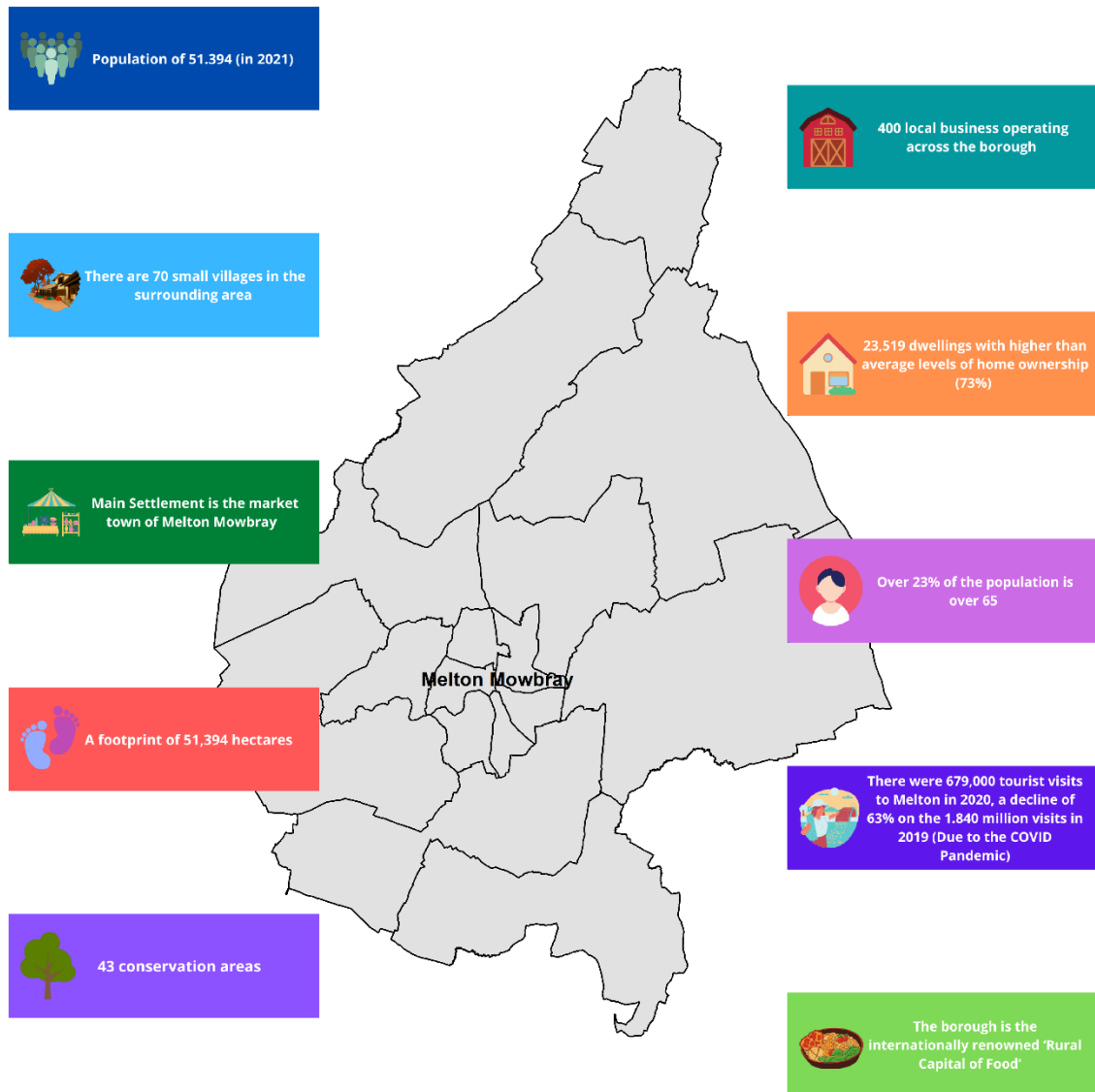
The style and format of the accounts complies with the CIPFA standards and is similar to previous years. The Narrative Report provides information about Melton, including the key issues affecting the accounts. It also provides a summary of the financial position as at 31 March 2025.

I would like to thank all my team and other officers who have supported the process and worked so hard to publish the Statement of Accounts within the required deadline. In addition, my thanks also go to the team and services who have managed budgets throughout the year resulting in an underspend transferred to reserve after taking account of a significant amount of unspent budget carried forward to 2025/26 to support specific issues and projects.

Dawn Garton FCPFA

Director for Corporate Services

2. About Melton



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

2.1 About the Council

Melton is a Borough Council serving the people, communities and businesses of Melton located in North East 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.

As at the 2 May 2025, the Labour Group have 6 Councillors, the Conservative Group has 11 Councillors, and there are 8 Independents as well as two non-aligned Members and 1 Liberal Democrat.

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 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.

To ensure 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 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.

Edward Argar is the Conservative MP for [Melton and Syston](#), and has been since 12 July 2024.

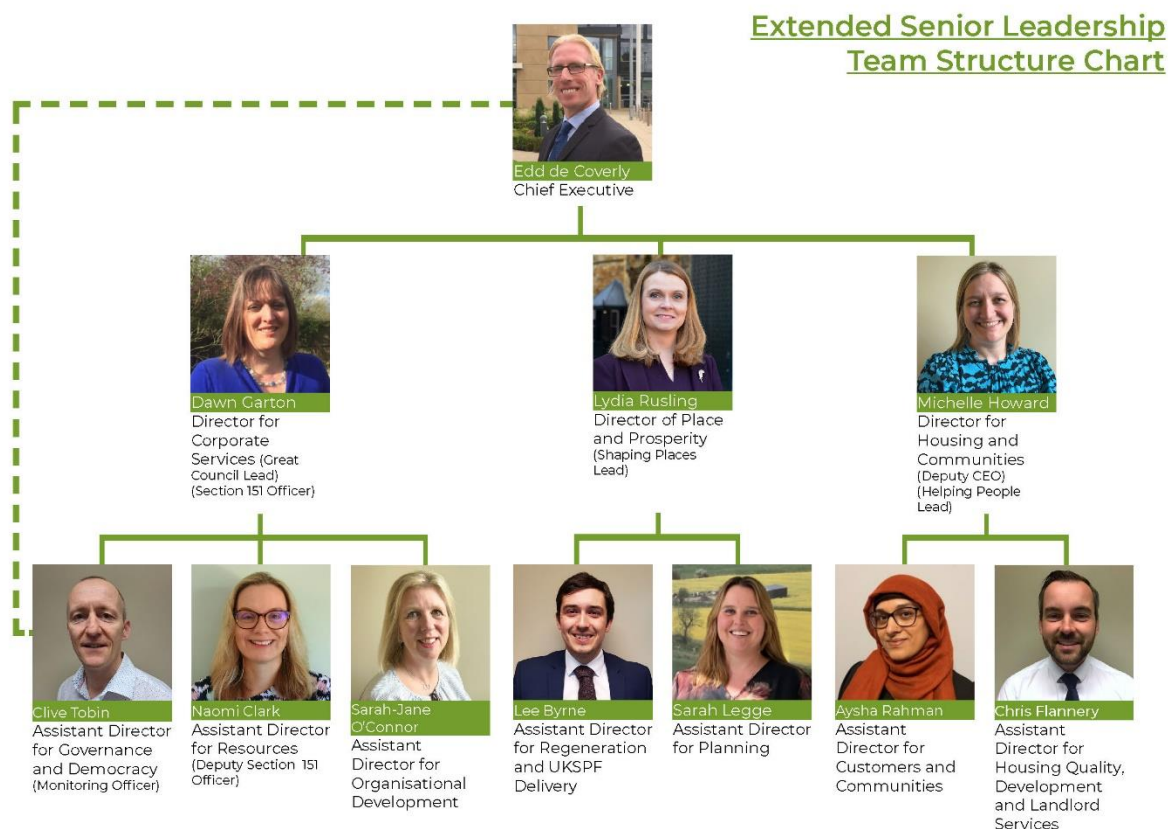
The Council employs approximately 200 full-time and part-time staff.

The Council delivers a full range of services and works in partnership with Leicestershire County Council and many other agencies, including the National Health Service, Leicestershire Police, and Leicestershire Fire and Rescue 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
- Prosperity and Place
- 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
- Emergency & Business Continuity Planning

Prosperity and Place

The services delivered by our teams in Prosperity and Place 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,' 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 advice)
- 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:

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

2.3 Our Corporate Priorities

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

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

2.4 Policy Framework

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

Regional and Sub Regional Strategy

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

Our Corporate Strategies

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

Our Corporate Priority Strategies

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

- **Partnership Plans**

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

2.5 Trade Union Time

Item	Details
1. Total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives)	➤ 2 staff (2.0 FTE) 2.5 days / 18.5 hours union activity per year
2. Percentage of working hours spent on facility time	➤ 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	➤ UNISON
4. Total pay bill and facility time costs	See items below
• Total pay bill:	➤ £9,123,970.13
• 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	• £213
• 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	• 0.009

2.6 Equalities

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

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

2.7 Local Government Reorganisation

The English Devolution White Paper (published on 16 December 2024) set out the government's vision for simpler local government structures. Alongside the publication of the English Devolution White Paper on the 16 December, the Minister of State for Local Government and English Devolution wrote to all Councils in remaining two-tier areas and neighbouring small Unitary Councils to set out plans for a joint programme of devolution and local government reorganisation.

On the 5 February 2025 the Minister of State for Local Government and English Devolution issued a statutory invitation to all Councils in 2-tier areas and small neighbouring Unitary Authorities to develop proposals for unitary local government. These will bring together lower and upper tier local government services in new Unitary Councils to deliver local government reorganisation. This invitation requested that Councils produce interim plans and submit these to government by Friday 21 March 2025, setting out their progress on developing proposals in line with the criteria and guidance.

Three interim plans have been submitted in proposals to Government:

- one by Leicestershire County Council;
- a north/south (Rutland) approach – with Northwest Leicestershire, Charnwood and Melton in the north, Hinckley and Bosworth, Blaby, Oadby and Wigston, Harborough and Rutland in the south; and
- a third by Leicester City Council.

The Government decision on which proposal goes forward will not be until after the full plans have been submitted later in 2025. The table below gives the expected timeline.

LGR full plan submission deadline	Friday 28 November 2025
Elections to shadow authorities	April/May 2027
Vesting day for new authorities	April 2028

This would mean that Melton Borough Council would cease to be a Council on 31 March 2028, and would be merged into a new Unitary Council as from 1 April 2028, referred to as the vesting day. Up until then Melton Borough Council will continue to deliver services as normal.

3. Key Factors that have influenced the financial position of the Council in 2024/25

The overriding factor the Council has faced over the course of 2024/25 has been the ongoing spending pressures on the Council's finances to maintain a balanced budget in year. Housing pressures have increased with temporary accommodation costs increasing significantly above budget. Property related spend against budgets has been variable, with historic service charges causing variations between expectations and underspends due to delayed delivery of planned repairs and maintenance. Significant shortfalls in planning income were forecast until the very end of the financial year, causing services to look for savings in year to offset this potential shortfall. A number of large planning applications were received in the final months creating a significant over achievement against budget. Coupled with interest rates remaining high, resulting in higher investment income than forecast, this has created a sizeable underspend on general expenses, a large proportion of which is being requested to be carried forward to 2025/26 to maintain service delivery. These underspends are in the main non-recurring and mean the current economic climate continues to prove challenging for the Council in terms of financial management and future financial sustainability is currently in a period of great uncertainty.

The Government's review of local government funding is now expected for 2026/27 with a technical consultation underway on business rates. These proposals could see significant changes in how resources are distributed across the country and different classes of authority. This creates great uncertainty for the Council's finances.

Reserves, financial performance and financial position

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

The Council's medium term financial strategy approved in February 2025 when the budget for 2025-26 was approved provides forward forecasts for the next 3 financial years. These indicate increasing deficits over the MTFS period as a result of inflationary pressures, demand, cessation of time limited funding streams and service changes. There is also considerable uncertainty regarding the nature and level of government funding in the future for local authorities and the risk of changes to the business rates retention formula which could see significant sums of retained business rates being lost by the Council. The increase to the general fund reserves over that forecast helps provide more resilience but the position remains challenging due to the

Council's relatively low level of unallocated reserves overall. Allocations from the business rates pool have helped by increasing the level of reserves. It is not clear if business rates pools will be retained under any new business rates retention system or if they are whether the Leicester and Leicestershire business rates pool will remain viable. The allocation formula for the pool is not agreed post 2025/26. This could see a significant income source which has supported the Council's reserves during the past few challenging years ceasing to exist or reduce.

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. However, whilst there are still opportunities for savings set out within this plan the main areas are more medium term solutions that are difficult to quantify until plans are further developed. Whilst these plans will continue to be developed, there is the risk that in view of the projected budget deficits in future years more radical solutions may need to be implemented that could see an impact on service delivery.

Capital remains low although the asset development programme is aimed at addressing this. There are proposed asset sales in progress but the receipts from these are required to support existing capital plans. The Council's minimum reserve - the Working Balance has remained at 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 some underspends, mainly due to the delay on the affordable housing new build scheme. A number of schemes were delayed on the general fund. Funding has been carried forward into 2025/26 to complete any ongoing schemes.

Cash flow management

The Council has in place an annual cashflow forecast that covers both weekly and monthly incomings and outgoings during the financial year. This has been closely monitored 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. Each maturity is assessed 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 approved Treasury Management Strategy 2024/25.

Additional investment income returns have been achieved in excess of the budgeted amount during 2024/25. Whilst investment income has reduced marginally in comparison to the previous financial year, the Monetary Policy Committee have not reduced the bank rate as much as anticipated when the budget was set. Also, many of the fixed rate investments were placed earlier in the financial year or in the prior year, when rates were significantly higher.

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 considering 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 2025-26 it is budgeted to be £3.821m which is £2.821m above the minimum level taking into account the balance on the Corporate Priorities Reserve, Regeneration and Innovation Reserve and Working Balance. Additionally, the Council's cash flow forecasts anticipate that cash balances will remain in a positive position for at least 12 months following approval of these financials statements and do not forecast a need to borrow. The Council has undertaken cash flow modelling through to March 2026 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 2024/25 Revenue Budget Process

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

The budget for 2024/25 was prepared based on maintaining services at their agreed levels except where the Council has already agreed to a change in which case any change in cost has been incorporated into the base budget. The proposed budget aligns with and continues to focus on enabling delivery of aspirations set out in the Corporate Strategy.

The growth and savings proposals were discussed at the Scrutiny Committee held in January 2024, with the formal budget proposals taking into account Member feedback being recommended to Council by Cabinet at their meeting on 7 February 2024. At the meeting of Full Council held on 22 February 2024 the 2024/25 budget was formally approved.

After taking into account the proposed savings and growth proposals, the budget for 2024/25 was balanced with the use of a contribution from the Corporate Priorities Reserve to meet the deficit. Given volatility both in the economy, the general uncertainty regarding public finances, and late notice of the finance settlement, this is considered a reasonable approach, to avoid hastily introducing savings proposals without time to properly consider or consult on implications.

HRA rent setting and budget proposals for 2024/25 were presented to Council and approved at the same meeting including a 7.70% rental increase in line with the government's rent formula. The budget was based on the HRA 30-year Business Plan which was presented to Cabinet in July 2022 and the Asset Management Plan presented to Cabinet in January 2024. Both of these evidence-based plans provide for robust budget setting and clear plans to invest in council homes.

5. Council Tax

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

This was formally approved by the Council at their meeting on 22 February 2024. 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 2023/24 and 2024/25 is shown below:

Organisation	2023/24 £	2024/25 £	Increase %
Melton Borough Council (average for whole area excluding Parish Councils)	224.14	230.85	2.99
Leicestershire County Council	1,525.46	1,601.58	4.99
Police & Crime Commissioner for Leicestershire	273.23	286.23	4.76
Leicestershire Combined Fire Authority	79.29	81.65	2.98
Parish Councils (average for whole area)	72.36	77.69	7.37
Average for whole area (including precepts)	2,140.31	2,241.29	4.72

5.1 Council Tax Base

The revision to the 2024/25 Tax base, resulting in an increase of 413 to the number of Band D equivalents to 20,111 in total (as shown in the table below), produced an increase in Council tax income of £227k when taking into account the Council Tax increase of 2.99% on an average band D property to £230.85 the Borough as a whole (excluding Parish Councils).

Council Tax Base	2022/23	2023/24	2024/25
Number of Band D Equivalent dwellings	19,358	19,698	20,111

5.2 Collection Fund

The payments out of the Collection Fund for the in-year Council Tax (excluding prior year surpluses/deficits) from 2022/23 to 2024/25 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.

Organisation	2022/23 £'000	2023/24 £'000	2024/25 £'000
Leicestershire County Council	28,127	30,049	32,209
Police & Crime Commissioner for Leicestershire	4,999	5,382	5,756
Leicestershire Combined Fire Authority	1,438	1,562	1,642

6. Medium Term Financial Strategy for 2025/26 to 2028/29

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

- That an overall increase in council tax of 2.99% will be set in future years;
- Varying assumptions made regarding the future of fixed term posts currently funded from reserves and grant income;
- That various time limited funding streams cease at the end of their initial period;
- The expected position is based on the current level of service provision with assumptions incorporated regarding general inflation changes to prices and pay, pension costs and income streams and estimated changes in demand. No allowance is made as part of the projections for the delivery of any financial sustainability savings or income generation which would require a change to service levels/policy. This is to enable the true surplus/deficit to be identified that will require management intervention in order to address the position;
- Growth projections for Council Tax growth have been based on historical trends;
- An allowance has been made for the transfer of part of the land charges service to the Land Registry in 2025/26;
- No revenue allowance has been made for the potential introduction of mandatory food waste collection with the assumption that any additional costs will be covered by new burdens grant. The Leicestershire Waste and Resources Strategy 2022-2050 caveats a proposal relating to food collection, noting that implementation would be subject to total and ongoing government funding. The Council has received notification of a capital funding allowance to

support implementation but the sufficiency of this is still being assessed. As well as any ongoing revenue implications there will be a need to cover the one-off costs of implementation and project management. The Council currently has a shared service arrangement with Harborough District Council for waste management senior officer support. Harborough District Council has signalled their intention to end this arrangement which will leave a gap in resources at this level. A delegation is included to utilise reserves until such time as the ongoing costs are known and grant funding notified;

- No allowance has been made for any Extended Producer Responsibility Grant due to the lack of information on both the value and likely distribution of this and any associated burdens.

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

Item	2025/26	2026/27	2027/28
Potential Surplus (-)/Deficit	£000	£000	£000
General Fund	438	758	1,001
Special Expenses	14	17	18

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

Allocations have been made from the Business Rates Pool for years before 2024/25 which has boosted reserves and balanced budgets. Melton Borough Council is one of 9 councils in the pool and this allows for significant additional funds, in the medium term, however there are multiple calls on this money. The current pool agreement expires at the end of 2025/26 and there is no guarantee of the pool continuing. If the future financial position as forecast is not addressed then a process to review discretionary services would need to be undertaken to enable identification of potential services areas where reductions and savings could be agreed.

7. Projected Level of Balances

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

In relation to the non-earmarked general reserves, they are available to support a range of projects which may be required for the Council to deliver, as well as being available to support capital expenditure should that be necessary due to a low level of capital receipts being held. The reserves have in recent years been utilised to support non-recurring expenditure in support of structural changes, and to balance the budget proposed for 2024/25. The reserves had stabilised in recent years and been boosted from the business rates pool but it is clear that the financial challenges are now increasing, and this is putting significant pressure on these moving forward. The Council clearly has a structural ongoing deficit that needs to be addressed through the financial sustainability programme and the actions required to address this shortfall will have a lead time to implement and in some cases a cost of implementation which will continue to put pressure on the reserves and is likely to cause further reductions in their levels.

CIPFA (the Chartered Institute of Public Finance and Accountancy) issue 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. The key messages for Melton are as follows:

- The Council is deemed at higher risk due to its level of reserves in comparison to net revenue expenditure and the relative level of earmarked reserves. This was a key concern which led to the increase to the working balance in 2023/24. This is a key resilience indicator as it affects the Council's ability to respond to unexpected events and manage the financial impacts of any changes needed to become more efficient;
- Compared to other district councils, and particularly similar district councils classed as being our "nearest neighbours" in terms of comparability, Melton has a high level of debt and interest payable to net revenue expenditure. This is because the indicators include HRA debt. Not all councils have a HRA and therefore it is difficult to draw comparisons in this area, particularly given MBC has no general fund debt currently;
- Melton is shown as being at a medium risk compared to similar authorities and other districts as a result of the proportion of income from fees and charges it generates. This is because this places less reliance on central government for funding with fees and charges being within the authority's control. However, when events such as the pandemic occur such income can become a significant risk;
- Melton is at a lower risk compared to similar authorities and other districts as a result of having lower business rates growth. The implications being that with this

source of funding being at risk of the baseline being reset, above which a portion of growth is retained, Melton has comparatively less to lose than other councils.

The relative low level of the Council's reserves compared to other similar authorities is also highlighted in the new Office for Local Government (Oflog) corporate indicator set. This is an issue for small councils due to their comparative size. The Council needs to be mindful of this when considering its budget position and future financial resilience.

Whilst the Council's reserves have stabilised, and increased in recent years, the need to draw on reserves to balance the 2024/25 budget due to what is a structural deficit will mean that future year's indices will be negatively affected. It does need to be recognised that as reserves above the minimum level deplete further, the ability to support the financial implications of change and transformation from reserves – e.g. costs arising from changes to staffing structure - will be more difficult and such costs could have to be met from within the annual revenue budget. This would therefore require sufficient savings to be made in year or income generated to meet these costs. Should reduced funding from central government result in further savings and efficiencies having to be made then there is a high risk that reserves would need to be drawn on to support the associated one-off costs of achieving these. Further gains from the business rates pool will mitigate this and support resilience but if used to support savings plans will not then be available to support other non-recurring direct service delivery expenditure. 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 Asset Management Plan identifies assets for sale but there is insufficient information to put a potential value to what this could generate and therefore there is not sufficient evidence to make any assumptions with regard to potential capital receipts and what this could fund. 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 22 February 2024 the total reserves as at 31 March 2024 was predicted to be £16.486m and were expected to decrease to £13.439m as at 31 March 2025 as result of financing the capital programme in the main. The Statement of Accounts revises the level of balances at the end of 2024/25 to £15.262m mainly as a result of in year underspends resulting in a reduced need to use reserves, capital programme underspend, business rate pool allocations and additional one-off monies received in year.

8. Budget Monitoring

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

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

The categorisation of the various services is 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 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 take 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 22 February 2024 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 2024/25 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 2024/25 was £5.011m (before any carry forward were approved at year end), which included £4.268m 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 2024/25 progressed, the initial plans were revised to incorporate expenditure carried forward from the previous year, approvals and scheme updates as information became available.

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

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

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

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

10. Revenue Outturn Position 2024/25

General Expenses

A balanced budget was set for 2024-25 with some utilisation of reserves and the forecast for the year end presented to the Council in February 2025 increased this draw to an estimated £481k as a result of forecast increased spending and income shortfalls against the original budget. The table below shows the impact of the provisional year end position against this forecast position:

Item	Forecast Position £'000	Provisional Year End Position £'000	Variance to Forecast Budget (Underspend) / overspend £'000
Net Expenditure	6,422	5,551	(871)
Total funding	(5,619)	(5,823)	(204)
Net Surplus (-) / Deficit for year	803	(272)	(1,075)
Funded by			
Carried Forward Reserve	(297)	(297)	-
Regeneration & Innovation Reserve	(25)	(68)	(43)
Specific transfer to Corporate Priorities Reserve	(481)	(187)	231
Net position	0	(824)	(824)
Contributions to/From (-) Corporate Priorities Reserves			
Corporate Priorities Reserve	(481)	824	1,305
Overall Impact on The Corporate Priorities Reserve	0	0	0
Less c/fwds into 2025/26	0	(979)	(979)
Net Change in Corporate Priorities Reserve	(481)	(155)	(326)

The original net expenditure budget in respect of General Expenses for 2024/25 prior to council tax and grant funding was set at £5.867m, which was subsequently updated to a forecast budget of £6.530m. The increase takes into account the budgets brought forward from the previous financial year (£297k), supplementary estimates agreed in year (£123k) as well as forecast increases in expenditure and reduced income at the point the budget for 2025/26 was set in February 2025.

Following the approval of the supplementary estimates and carry forwards the reported forecast net budget for 2024-25 provided for a balanced budget with a draw on the Corporate Priorities Reserves of £481k as shown from the overall net position in the table above.

The provisional year end position shows a net underspend compared to the forecast. After, allowing for the carry forwards (£979k), and other approved movements in 2025/26, this has resulted in an improved position on the Corporate Priority Reserve of £326k.

KEY VARIANCES

General Fund – Underspends

- **Human Resources (£44k)** – Software maintenance costs have been reduced and a recharge of officer time for work undertaken for another authority have generated savings. The saving has been carried forward to 2025/26 to provide staff training in preparation for public sector reforms.
- **Corporate Property and Asset Management (£234k)** – Expected procurement of PPM contractor of £50k was not undertaken in 2024/25. Planned maintenance works were delayed and have been rescheduled to 2025/26. In addition, the team has had a staff vacancy. This amount is to be carried forward to 2025/26.
- **Licensing (£64k)** – System role supporting Planning, Environmental Health and Licensing services not recruited to during 2024/25.
- **Miscellaneous Finance (£110k)** – Expected cost of ill health retirement of £55k not required in 2024/25. Unused grant funding of £55k returned to General Fund balance.
- **Parkside (£82k)** - A provision for repayment of overcharged income was identified as not required in 2024/25. £20k to introduce archival scanning was not achieved and has been carried forward to 2025/26. There were also minimal savings relating to utility costs at the site.
- **Development Control (£303k)** - During 2024/25, unexpected income was received late in the year from large planning applications for solar farms,

which was partly offset by extra spending on agency staff owing to recruitment difficulties.

- **NNDR Collection (£55k)** – Additional S31 grant income to offset the loss of Business Rates income arising from central government-imposed reliefs.~
- **Employment Cost and Member Allowances (£213k)** - During 2024/25, there was one less Portfolio Holder than expected in the Cabinet and some Members carried dual roles which reduced Special Responsibility Allowances. There were also underspends relating to a number of staff vacancies and associated costs in the year.
- **Interest (£263k)** – significant level of additional investment income returns in excess of budgeted amount due to base rate reductions not as severe as expected. In addition, some investments were placed at fixed rate in advance of base rate reductions.
- **Income Streams (£97k)** - Parking fee income exceeded budget by £42k, partly offset by increased pay by phone cost of £7k. The Cattle Market trading account generated an additional surplus of £33k and adjustments to service charges exceeded income budget by £30k.

General Fund – Overspends

Homelessness (£166k) - Higher bed and breakfast costs than anticipated resulting from increased demand for service. Increased costs were not covered by grant income.

SPECIAL EXPENSES MELTON MOWBRAY

A balanced budget was set for 2024/25 utilising reserves and the table below shows the impact of the provisional year end position against the forecast position reported to council in February 2025 when the budget for 2025/26 was set.:

Item	Forecast Position £'000	Provisional Year End Position £'000	Variance to Budget (Underspend) / overspend £'000
Net Expenditure	731	698	(33)
Non-service related costs	(147)	(140)	7

Item	Forecast Position £'000	Provisional Year End Position £'000	Variance to Budget (Underspend) / overspend £'000
Net Expenditure	584	558	(26)
Total Funding	(540)	(540)	0
Net Surplus (-) / Deficit for year	44	18	(26)
Funded by			
C/fwd Reserve	(0)	0	0
Special Expense Reserve	(44)	(18)	26
Overall net position	0	0	0
plus c/fwds into 2025/26	0	50	50
Net Change in the Special Expenses Reserve	0	50	24

The net revenue expenditure in respect of Special Expenses (MM) for 2024/25 was originally estimated at £681k, which was subsequently updated to an approved budget of £731k. Increased investment income was also forecast due to the level of balances held. The increase took into account budgets brought forward from the previous financial year (£50k). These carry forwards have been subsequently carried forward again into 2025/26. The provisional outturn results in a reduced draw on the reserve of £26k and after taking into account a further budgeted draw on the reserve in 2025/26 results in an improved position in the Special Expenses Melton Mowbray reserve of £33k bringing the forecast balance at 31.3.26 to £95k compared to that forecast in February 2025 of £62k.

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

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

Housing Revenue Account (HRA)

The provisional year end position shows an actual deficit of income over expenditure of £524,745 at "Total Expenditure" level, being an overspend of £489,085 against the approved budget deficit of £35,660 as outlined in the table below:

Item	Approved Budget	Estimated Year End Position (2023-24)	Variance
	£	£	£
Expenditure	8,594,890	9,290,471	695,581
Income	-9,406,660	-9,494,116	-87,456
Net Interest Charges	822,960	728,390	-94,570
Revenue Contribution to Capital	24,470	0	-24,470
Total Net Expenditure	35,660	524,745	489,085
Contribution to/from (-) Reserves	-35,660	-524,745	-489,085
In Year Surplus (-)/Deficit	0	0	0

There are a number of budget variances that make up this overspend. The main ones to note are:

General Management £16k overspend:

Reduced staffing costs due to the vacant posts and the lower than budgeted pay award have been partially offset by agency staff leaving a £18k underspend of which £18k has been approved under delegation for carry forward into 2025-26.

Higher numbers of voids incurring Council Tax and the higher insurance charges following a number of fires at our properties have resulted in overspend of £20k and £28k respectively.

Special Services £263k underspend

The planned contract works and asbestos budgets were underspent for which no carry forwards have been requested (39k).

In 2023 all utility bills for the schemes increased by up to 400%, subsequently the 2024-25 budgets were increased substantially to ensure further overspends did not

occur, these budgets were increased over and above the amount needed and bills reduced so an underspend of £222k has resulted in year. This will result in lower service charges to tenants in future years.

Repairs & Maintenance £883k overspend

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

Asbestos surveying was below the levels budgeted and a carry forward approved under delegation of £35k for 2025-26.

Planned maintenance works were underspent (£133k) especially for fencing following the change of policy, electrical work required less remedials than budgeted for and some minor works have been charged elsewhere, contributing to some of this overspend.

In the year the Council's main contractor demanded payment for a large number of legacy applications for works out-side the PPP contract which had not been processed over the previous year with demand for the service in 2024-25 rising incurring extra cost. In addition, it was found that voids works carried out in 2023-24 had not be adequately accrued for and the continuing level of voids for 2024-25 has resulted in this significant overspend. Responsive repairs works were also affected by higher demand and the inability of the main contractor to complete works has also affected the overspend.

Work is to be completed within the repairs service to both analyse trends in demand to further refine budget setting processes and to carry out a value for money review into the main contractor following the volume of works which are falling outside the PPP contract.

Income excess of £87k

Of this £63k is attributable to additional income from dwelling rent as average voids turn-around time reduced

There were a large number of write-offs completed in the year, but the reduction in arrears balances and the ages of these balances has meant a reduction in the provision for non-payment of arrears resulting in an underspend of £161k in this area.

High void numbers in the schemes have resulted in a shortfall of income on meals (£8k) and property charges (£16k) and incorrect rent letters resulted in a shortfall on the wellbeing charge (£53k).

The repairs recharge policy was not implemented in the year so the budgeted £50k recharges were not forthcoming.

The new burdens grant for tenant satisfaction measures has not been budgeted for in the year, so this is additional income.

Investment Income increase of £97k

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

Basis of Preparation and Accounting Policies

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

The Council follows parameters set 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. The parameters for the 2024/25 accounts have been notified for these financial statements for Melton of £798k based on 2.5% of gross revenue expenditure for prior year. Audit will then communicate uncorrected audit misstatements greater than £40k to the Audit and Standards Committee.

Long Term Borrowing – Public Works Loans Board (PWLb)

During the year, £0.098m of borrowing was repaid, and none raised leaving the outstanding loan debt at 31 March 2025 at £31.315m. The maturity profile of the outstanding loan debt at 31 March 2024 and 2025 is shown below:

Balance	Analysis of Loans by maturity	Balance
31 March 2024		31 March 2025
£'000		£000
98	Maturing in less than 1 year	2,000
4,000	Maturing in 1-5 years	2,300
600	Maturing in 5-10 years	300
26,715	Over 10 years	26,715
31,413		31,315

Accounting practice requires that local authorities disclose the fair value, i.e. (the settlement value), of their portfolio. The fair value at 31 March 2025 was £25.697m (£28.445m at 31 March 2024).

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

Investments

During the year investments decreased by £0.820m and stood at £18.160m at 31 March 2025.

Capital Expenditure

Capital expenditure in 2024/25 was £7.279m, against the latest approved budget of £13.197m, resulting in an underspend on the programme of £5.918m. £5.788m will be carried forward into 2025-26.

The major items of capital expenditure in 2024-25 were Disabled Facilities Grants £0.289m, Stockyard LUF £0.982m, Leisure Improvements and Energy Efficiency £2.121m, Environmental Maintenance Team replacement vehicles £0.133m, Community Grants £0.153m, Inward Investment £0.180m and various works to Council owned dwellings £3.717m.

The programme was funded by the following sources:

Funding Source	£'000
Capital receipts	932
Major repairs reserve	1,938
Development & Regeneration Reserve	250
Third party contributions	1
Government Grants	3,971
Use of reserves	187
Total	7,279

Other than the expenditure on capital projects set out above and income received from capital receipts in the sum of £0.932m 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 £2.913m, which is primarily due the annual valuation exercise showing an increase in asset values across the Council. In addition, the changes resulting from the adoption of IFRS16 increased the asset value on the balance sheet by £0.832m.

Reserves

Overall revenue reserves and revenue account balances have increased by £0.363m and at 31 March 2025 totalled £15.262m. These are analysed below:

Item	31 March 2024 £'000	31 March 2025 £'000
Special reserves	10,286	10,448
Other reserves	2,563	2,764

Item	31 March 2024 £'000	31 March 2025 £'000
General Expenses working balance	1,000	1,000
Special Expenses working balance	50	50
Housing Revenue Account working balance	1,000	1,000
Total	14,899	15,262

Pensions Liability/Asset

Since 2003-04 Local Authorities have had to account for retirement benefits when they are committed to give them, even if the actual payment will be many years into the future. At the end of 2023/24 the pension fund had become a net asset of £1.928m. At the end of 2024/25, the asset was £11.088m. This result was due to continued favourable financial assumptions during 2024/25. Full information is available in note 34 to the Core Financial Statements.

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

Based on the required calculation looking at future time horizons and additional secondary contributions the council has to make the revised final pension position moves back to being a liability which stands at £5.314m on the balance sheet.

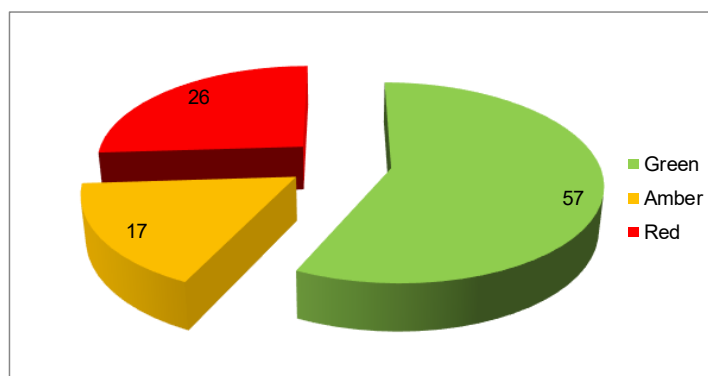
11. Non-Financial Performance of the Council 2024/25

11.1 Performance against Corporate Objectives

The overall performance against each of the 6 Corporate Priorities. This is a snapshot relating to the position as at the end of quarter 4 (31 March 2025) of the financial year 2024-25.

Corporate Measures

Live measures	%	
Total	100	42
Green	57	24
Amber	17	7
Red	26	11



During 2024/25 we delivered the following outcomes:

- 100% of our housing stock with a current gas safety check.
- We collected 97.82% of our Council Tax payments.
- We collected 99.44% of our National Non-Domestic Rates payments.
- We pay over 95% of our undisputed invoices within 30 days.
- We had over 2,000,000 visitors in Melton Mowbray Town Centre
- We had over 409,000 visits at Council Leisure Facilities.
- We dealt with 831 planning applications
- 96% of food businesses that are broadly compliant at inspection.

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

What is next for the Council?

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

Helping People

Theme 1: Healthy Communities and Neighbourhoods

Focus Area	Key Actions
High Quality and Accessible Public Services	<ul style="list-style-type: none"> • Review of Customer Journey, including for out of hours response • Accessibility Audits in Town Centre and Country Park • Establish System Admin role in Regulatory Services

Focus Area	Key Actions
Making the Borough Cleaner, Safer and Greener	<ul style="list-style-type: none"> • Respond to Waste Reforms – Introduce Food Waste collections • Develop programme of environmental community clean up days • Develop and implement Country Park Masterplan & secure Green Flag Award • Following extension to current cemetery, develop business case for future long-term provision • Establish 'Pride in Place' group to improve environmental quality
Healthy and Active Communities	<ul style="list-style-type: none"> • Develop and Implement Play Park Strategy • Mobilise new 10-year Leisure contract inc. £1.75m investment • Finalise business case for new leisure provision and pursue funding opportunities
Connected with our Communities	<ul style="list-style-type: none"> • Develop Patch Walk programme • Develop and maintain effective refugee resettlement support • Increase engagement with Voluntary and Community Sector and explore opportunities for closer working • Adopt Care Experience as a protected characteristic • Develop a Young Persons' Strategy

Theme 2: High Quality Homes and Landlord Services

Focus Areas	Key Actions
Housing Quality and Development	<ul style="list-style-type: none"> • Ensure the Council is prepared for new housing regulations and achieves a positive outcome through inspection • Deliver the HRA Business Plan • Deliver the Housing Management Asset Plan to improve the condition of the Council homes • Establish private rented sector capacity to support improved quality of homes and bringing empty properties into use • Improve customer journey for housing repairs

Focus Areas	Key Actions
Tenancy Support and Engagement	<ul style="list-style-type: none"> • Ensure the Council is prepared for new housing regulations and achieves a positive outcome through inspection • Develop and enhance the approach to tenant involvement, scrutiny and engagement • Complete review of housing support and implement revised arrangements that support independent living • Stabilise and continue to improve income recovery arrangements

Shaping Places

Theme 3: Tourism & Town Centre Regeneration and Vitality

Focus Areas	Key Actions
Improving the Town Centre	<ul style="list-style-type: none"> • Explore feasibility of establishing partnership-funded Town Centre Co-ordinator role • Undertake car parking review and evaluate new technology • Implement Levelling Up Fund projects including the Stockyard and resolve position regarding the theatre • Develop and implement a design guide to improve the design, aesthetics and environment of the town centre
Attracting more visitors to the Borough	<ul style="list-style-type: none"> • Strategic liaison with the Place Marketing Organisation and wider partners to raise Melton's profile • Continued development of Discover Melton to increase visibility of tourism offer and content • Co-ordination and delivery of a year-round events programme to bring in visitors to the borough
Economic Development	<ul style="list-style-type: none"> • Continue to implement and deliver the UKSPF Investment Plan • Undertake activities to ensure occupation of employment sites, commercial units and support inward investment • Supporting local businesses to meet their regulatory requirements

Theme 4: Sustainable growth and infrastructure

Focus Areas	Key Actions
Maximising the value of our assets	<ul style="list-style-type: none"> • Development of a business case to establish feasibility for use of Parkside as a second GP practice • Delivery of a wider asset development programme to reduce costs, secure income and facilitate homes and jobs

	<ul style="list-style-type: none"> • Adopting and delivering the Asset Management Plan
Securing the right infrastructure to enable sustainable growth	<ul style="list-style-type: none"> • Explore opportunities with partners to support investment in waterways and green infrastructure • Lobby utility partners to develop infrastructure solutions to support the planned growth • Deliver demand responsive transport project in partnership with Rutland, through the Levelling Up Funding
Ensuring Planning Policy and Development support sustainable growth	<ul style="list-style-type: none"> • Complete Local Plan Review and respond to updated NPPF • Ensure planning development is effectively resourced to manage demand and deliver good quality outcomes • Implement Planning Enforcement Policy and take action where required to address local concerns
Delivering a net zero borough	<ul style="list-style-type: none"> • Adopt Climate Change Strategy • Prepare and deliver an action plan to reduce council's carbon emissions through service delivery

Great Council

Theme 5: Right conditions to support delivery

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

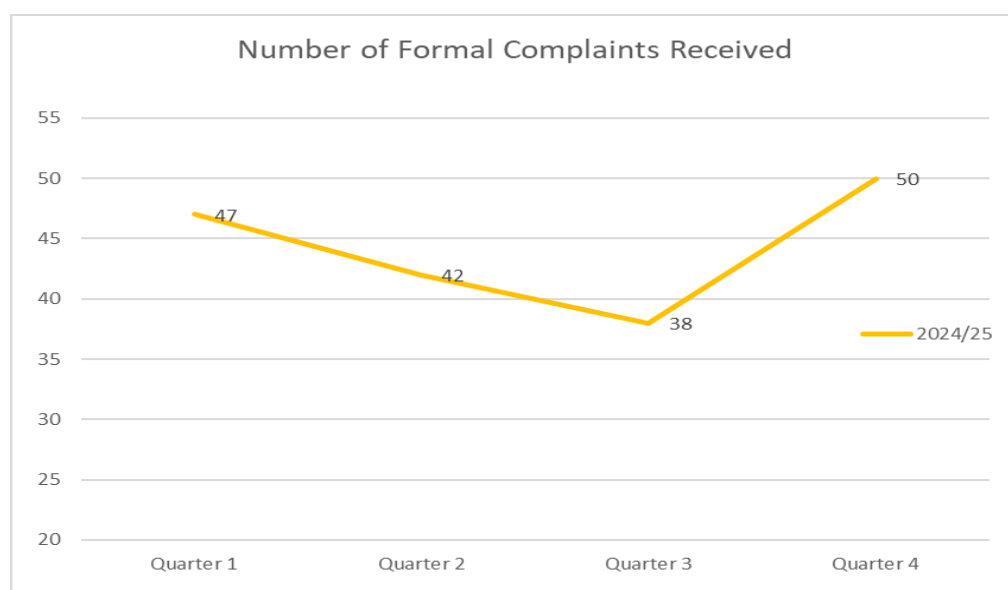
Theme 6: Engaging and Connected Council

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

11.2 Complaints Analysis

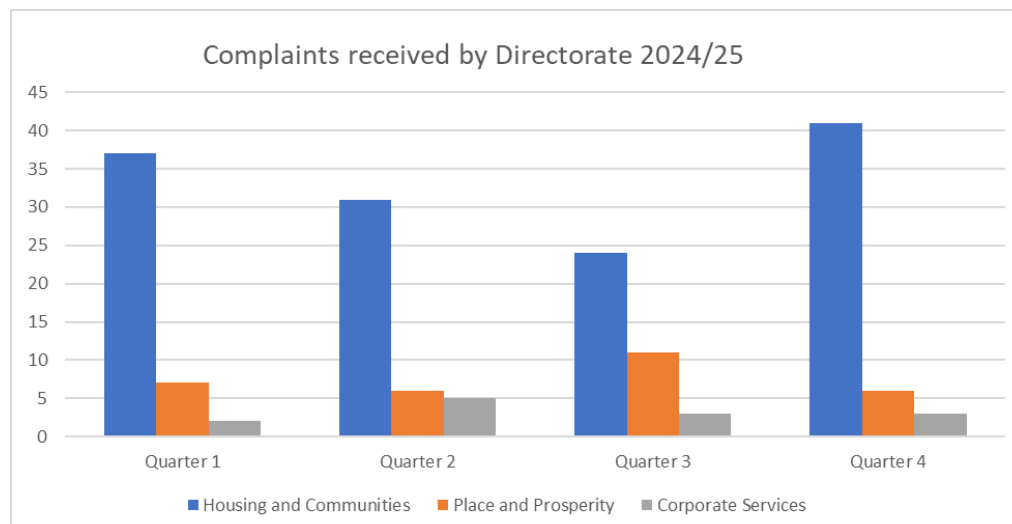
The Council recognises that complaints are a valuable opportunity to gain feedback, learn and improve services. The Council wants to provide a positive response to complaints and encourages feedback so that positive action can be taken. The Corporate Complaints process comprises a two-stage internal process comprising stage one complaints which are dealt with by Service Managers and stage two complaints where the stage one response is reviewed by a Director. Where a complainant remains dissatisfied with the Council's response after this process, they can refer the matter for independent review by the Local Government and Social Care Ombudsman or Housing Ombudsman. The Council reviewed and updated its Customer Feedback and Complaints Policy during 2024/25 to ensure continued compliance with the Ombudsman's guidance.

In 2024/25, the Council received 177 formal complaints from customers.



Complaints by Directorate.

Of the 177 formal complaints received from customers in 2024/25, the vast majority relate to the more customer facing departments of Housing and Communities. Given the outward facing nature of this directorate this is not unexpected. The breakdown of these complaints by Directorate is shown below.



Complaints upheld or partially upheld.

Of the 177 formal complaints received this year from customers, 109 of these have been upheld or partially upheld by the Council which is 61.58% and is an increase on the 54.48% upheld last year. This increase shows that the Council looks at taking responsibility for addressing issues raised through formal complaints at the earliest opportunity.

Ombudsman Complaints

From 1 April 2024 to 31 March 2025, 18 complaints were received by the Local Government and Social Care Ombudsman in respect of Melton Borough Council.

From 1 April 2023 to 31 March 2024, 2 complaints were received by the Housing Ombudsman in respect of Melton Borough Council. We have not yet received the number of complaints for the Housing Ombudsman for 1 April 2024 to 31 March 2025.

12. Governance and Risk

12.1 Annual Governance Statement

The Council undertakes an annual review of the sufficiency and effectiveness of its governance framework. At the end of each year annual assurance statements are issued to each Member of the Senior Leadership Team to provide assurances on the identification and assessment of risks, and that sound operational arrangements exist within their service. Following their return these are considered by Senior Leadership Team to identify which of the issues raised are appropriate to be included in the Annual Governance Statement (AGS). In addition, the Council receives an annual report from

the Head of Internal Audit providing details of the effectiveness of Internal Control with an annual opinion. This information is considered alongside the Council's Local Code of Corporate Governance which is consistent with the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) Framework. Consideration was given to any issues that needed to remain an area of focus during 2024/25 along with new areas of focus identified from the 2023/24 review and are set out in the action plan in the same document.

12.2 Risk Management

The Council has a Strategic Risk Register which was formally reviewed and updated during the year with the Strategic Leadership Team. A formal annual review is also undertaken by the Audit and Standards Committee. The risks contained in the updated Corporate Risk Register reviewed by members in March 2025 are:

PLACE – those areas which directly impact our communities:

- Inability to secure the best outcomes from the devolution white paper for Melton and the impact on the Council as an organisation (Revised title for Devolution Risk)
- Implementation of a food waste collection arrangement
- Capacity to Respond to a Major Incident

PRIORITIES – those commitments made in our Corporate Strategy:

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

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

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

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

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

13. Summary Position

The year-end position for 2024/25 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 as well as creating a surplus. This surplus has enabled funding to be carried forward into 2025/26 to support service delivery as well as increasing the level of the unallocated reserves which will support resilience. This represents a tremendous achievement for the Council in such economically challenging and uncertain conditions.

In 2024/25 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 Council's robust risk management processes. Whilst the council ended the financial year in a stable and improved position the inflationary pressures and local government funding review will continue to provide great uncertainty and there is an ongoing need to continue closely monitoring and managing this if the Council future financial sustainability is to be secured.

14. Receipt of Further Information

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

15. Acknowledgements

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

D K Garton FCPFA

Section 151 Officer
Director for Corporate Services