



Public Document Pack
Boston Borough Council

**Chief Executive
Rob Barlow**

Municipal Buildings
Boston
Lincolnshire PE21 8QR
Tel: 01205 314200

Friday, 6 September 2024

Notice of meeting of the Full Council

Dear Councillor

You are invited to attend a meeting of the Full Council
on **Monday, 16th September, 2024 at 6.30 pm**
in the Council Chamber - Municipal Buildings, West Street, Boston, PE21 8QR

**Rob Barlow
Chief Executive**

Members of the public are welcome to attend the committee meeting as observers except during the consideration of exempt or confidential items.

This meeting may be subject to being recorded.

Agenda

Part I - Preliminaries

A. Apologies for Absence

To receive apologies for absence.

B. Declarations of Interest

C. Minutes

(Pages 1 - 8)

To agree the minutes of the Annual Meeting of Full Council held on 15th July 2024.

D. Communications

E. Deputations and Petitions

F. Questions from Elected Members

G. Questions from Members of the Public

Part II - Agenda Items

- 1 **Audit & Governance Committee Minutes** (Pages 9 - 18)
To receive the draft Minutes from the meeting held on 8th July 2024.
- 2 **2023/24 Outturn Report & 2022/23 Abbreviated Outturn** (Pages 19 - 50)
(A report by Christine Marshall, Deputy Chief Executive – Corporate Development & Section 151 Officer)
- 3 **Annual Treasury Report 2023/24** (Pages 51 - 76)
(A report by Christine Marshall, Deputy Chief Executive & S151)
- 4 **South & East Councils Partnership Performance Report** (Pages 77 - 88)
(A report by James Gilbert, Assistant Director - Corporate)

Part III - Motions on Notice

To consider the following motions in accordance with procedure rule 14:

1. *We the undersigned hereby request that the following Motion be submitted to the meeting of the Council on the 16th of September in accordance with Council Procedure Rule 14:-*

Rural Strategy

- *Boston Borough Council approved the Boston Town Centre Strategy and Action Plan 2023-2027.*
- *The population of Boston Borough in 2021, according to the census, was 70,500.*
- *On November the 13th 2023 at Full Council Councillor Cantwell asked the Portfolio Holder for Parish Councils that he 'looks forward to new policies, initiatives and strategies on the matter appearing'.*
- *That criticism from Parish Councils and Rural Residents about Boston Borough Council's support for Rural Communities is increasing.*

Council believes:

- *Areas outside the BTAC remit are entitled to as much support and engagement from Boston Borough Council as the Town is.*
- *Parish Council's want Boston Borough Council to do more, and it is important we continue to engage with them on issues.*
- *That a bold undertaking should be started by the council to support our Rural Communities.*

Council resolves to:

- **Bring forward a Council-led Rural Strategy, similar in format to the Boston Town Centre Strategy and Action Plan 2023-2027 within 1 year of the 16th of September 2024.**
- **Boston Borough Council create this strategy in consultation with Borough Councillors, Parish Council's, relevant Rural Voluntary/Residents' Groups, and Rural Residents on issues/action points in these communities.**

Proposer: Councillor James Cantwell Seconder: Councillor Claire Rylott

2. We the undersigned hereby request that the following Motion be submitted to the meeting of the Council on the 16th of September in accordance with Council Procedure Rule 14:-

Changes to the Winter Fuel Allowance and Protecting Pensioners from Fuel Poverty

Council Notes:

- **The Labour Government's recent decision to restrict the Winter Fuel Payment to only pensioners in receipt of means-tested benefits like Pension Credit, as announced by Chancellor Rachel Reeves.**
- **The estimated impact of this decision, which Age UK says will mean 2 million pensioners who badly need the money to stay warm this winter will not receive it.**
- **The significant role that Winter Fuel Payments play in helping older residents of Boston Borough and across the UK afford heating during the coldest months, thereby preventing 'heat or eat' dilemmas and safeguarding health.**
- **The criticism from Age UK, the Countryside Alliance and other charities, highlighting the social injustice and potential health risks posed by this sudden policy change.**
- **The additional strain this decision will place on vulnerable pensioners, many of whom do not claim Pension Credit despite being eligible, further exacerbating their financial hardship.**

Council believes:

- **That the Winter Fuel Payment has been a lifeline for many older people across the UK and that restricting its availability solely to those on Pension Credit risks leaving many pensioners in financial hardship.**
- **While some pensioners currently in receipt of the Winter Fuel Payment may not require it, residents across Boston Borough that sit just above the cut-off for Pension Credit and will now lose their allowance.**
- **The decision to means-test Winter Fuel Payments, especially with such short notice and without adequate compensatory measures, is deeply unfair and**

will disproportionately affect the health and well-being of our poorest older residents.

- *The government's approach fails to consider the administrative barriers and stigma that prevent eligible pensioners from claiming Pension Credit, leaving many without the support they desperately need.*

Council resolves to:

- *Bring forward a Council-led local awareness campaign to alert those eligible of Pension Credit which in some respects will help access to the Winter Fuel Payment for those most in need.*
- *Request that the Council Leader write to the Chancellor of the Exchequer, urging a review of the decision to means-test the Winter Fuel Payment and asking the government to ensure that vulnerable pensioners, particularly those who do not claim Pension Credit, are protected from fuel poverty.*
- *Commit the Council to signing the 'Save the Winter Fuel Payment for Struggling Pensioners' petition being run by Age UK and write to all members offering them the opportunity to sign the petition themselves.*
- *Encourage local efforts to promote Pension Credit uptake through partnerships with local charities and community organisations to that all eligible pensioners in Boston Borough are supported in claiming their entitlement.*

Proposer: Councillor James Cantwell Seconder: Councillor Stuart Evans

Questions from Members of the Council and the public must be received by 5 p.m. two clear working days prior to the day of the meeting – the deadline for this meeting is 5 p.m. on Wednesday 11th September 2024.

Notes:

Please contact Democratic Services (demservices@boston.gov.uk) if you have any queries about the agenda and documents for this meeting.

Council Members who are not able to attend the meeting should notify Democratic Services as soon as possible.

Alternative Versions

Should you wish to have the agenda or report in an alternative format such as larger text, Braille or a specific language, please telephone 07591 352534.

Boston Borough Council

Minutes of a meeting of the **Full Council** held in the Council Chamber - Municipal Buildings, West Street, Boston, PE21 8QR on Monday, 15th July, 2024 at 6.30 pm.

Present:

The Mayor, Councillor Helen Staples, in the Chair.

Councillors Suzanne Welberry (Deputy Mayor), Jyothi Arayambath, Alison Austin, Richard Austin BEM, John Baxter, Peter Bedford, David Brown, Dale Broughton, Callum Butler, James Cantwell, Emma Cresswell, Anton Dani, Anne Dorrian, Stuart Evans, Sandeep Ghosh, Mike Gilbert, Paul Gleeson, Andy Izzard, Patricia Marson, David Middleton, Chris Mountain, Barrie Pierpoint, Ralph Pryke, David Scoot, Sarah Sharpe and Stephen Woodliffe.

Officers:

Chief Executive, Assistant Director - Governance and Monitoring Officer, Democratic Services Manager and Democratic Services Team Leader.

13 Apologies for Absence

Apologies for absence were received from Councillors Neil Drayton, Lina Savickiene and Claire Rylott.

14 Declarations of Interest

No declarations of interest were received.

15 Minutes

The Minutes of the Annual meeting of Full Council held on 20th May 2024 were agreed and signed by the Mayor.

16 Communications

The Chief Executive confirmed there were no communications.

17 Deputations and Petitions

The Chief Executive confirmed there were no deputations or petitions received.

18 Questions from Elected Members

The Chief Executive advised that the following questions had been received

Question to Councillor Anne Dorrian from Councillor Stephen Woodliffe

In 2018, it was decided to reduce the Mayoral budget and, as a consequence, its public image and that of our Borough was diminished. Up to 2018, the Mayoral Chains of Office were collected from the Municipal Buildings by an Officer who would drive the Mayoral car to the residence of the Mayor, correctly adorn the Mayor with the Chains of Office, drive the Mayor to the Mayoral event and escort the Mayor at the event, providing both safety

and security, and then return both the Mayor and the Mayoral regalia to their respective residences. At all times, the security of the Mayor and the valuable regalia worn by the Mayor were safely preserved.

Given the fact that Boston needs to use every means it has to promote itself, and our Mayoralty is an historical asset envied by many other Councils, do you agree with me that now is the time to restore the status of the Mayoralty by reinstating full Officer support, including the provision of a Mayoral car?

Response from Councillor Anne Dorrian

I would like to thank Councillor Woodliffe for notice of his question. I wasn't a part of the council when it took the decision to make the Mayor's Officer role redundant and to remove the provision of a mayoral car.

I don't think that I would have supported such a move if I'd been given a vote. Having had the honour of serving as the Mayor myself now, I would agree with you that there were occasions where it was extremely difficult to attend functions and events on my own, or even when I was accompanied by my consort. For example, I can recall standing in a windy & rainy, outdoor public car park, trying to put the chains on early in my tenure, and I felt quite vulnerable and a tad uncomfortable.

Having said that, the world has moved on, mostly due to the huge reduction in public finances awarded to local government, and the majority of councils who have civic mayors, have also reduced the peripheral niceties such as cars and attendant officers. I am mindful too, of the lack of 'social trust' which exists amongst local residents, and I think if we were to overturn this particular decision, it would be highly unpopular with the community we serve, so on this occasion, in answer to your question I would like to point out that the Mayor is fully supported by the Civic Officer, the Mace Bearer and the wider Democratic Services Team. I do not agree that this is the time to reinstate the mayoral car and mayor's officer role.

Supplementary question from Councillor Stephen Woodliffe to Councillor Anne Dorrian

Under Boston Borough Council's unaudited financial statements 2023/24 (Appendix A, page 11) Audit and Governance Committee report dated 8th July, the full out turn delivered an under budget spend of £458,000. This budget surface has been transferred to Council reserves, so surely you agree that there is sufficient cash available both to restore the mayoralty to its former standard and still leave some cash available to add to our burgeoning reserves.

Response from Councillor Anne Dorrian

Thank you, Councillor Woodliffe. Whilst you raise a valid point around everything to do with the Mayor, the esteemed role that they have in the Borough, I stand by my answer. The finances, while they may seem flourished to you, looking down the tracks towards 25/26 and 26/27, things start to really grip and bite, and I know that my colleague Councillor Ghosh is having to think very seriously about how we manage our budget going forward. So any spare money that's been put into reserves, I can assure you will be allocated to a very good home and on this occasion, it won't be the home of the Mayor's budget.

Question to Councillor Anne Dorrian from Councillor Stephen Woodliffe

As a result of the recent General Election, Boston now has a new Member of Parliament. Have you had an opportunity to quiz our new MP on how he intends to represent the interests of both residents and businesses in our Borough, with the Local Government Association Special Interest Group - Internal Drainage Board levies particularly in mind?

Response from Councillor Anne Dorrian

I would like to thank Councillor Woodliffe for notice of his question. After the results of the general election were announced, I wrote to our new MP, Mr Richard Tice on behalf of all the residents of the Borough to congratulate him on his success. My first meeting with him is scheduled for tomorrow morning and I have prepared a thorough briefing note on what I consider to be the most important topics facing our residents and this council. I am hopeful that he will be an active, busy constituency MP and in order that he can keep himself in touch with local issues, I will offer to meet with him on a regular basis – just as I did with Matt Warman.

Supplementary question from Councillor Stephen Woodliffe to Councillor Anne Dorrian

The ongoing impact of the IDB precepts on the Borough's overall income is a major source of concern, given that the IDB's precept account for more than half of the Borough Council's tax income. In January, the previous Government awarded an additional £3 million funding for this current year to be given to the Council's most impacted by the levies. Have you received confirmation of the funding allocation for Boston Borough Council?

Response from Councillor Anne Dorrian

You will be pleased to know that the IDB levy is the first item on my briefing note with Mr Tice tomorrow. I think it's hugely important and, in fact, it's one of the most important issues that we have to deal with as a Council. I know that officers have already been in touch with all the other member councils of the Special Interest Group. They have arranged a letter to go to all the new MP's that have been elected or re-elected, and I know they are planning an event at the House of Commons to strike while the iron's hot, while all those first time MP's are still bright eyed and bushy tailed and willing to get involved in local matters such as this.

So it is top of the agenda. It's very important and we will continue lobbying until we get a satisfactory result. To the £3 million that was awarded, sadly this Council hasn't been notified of its allocation, and that goes along with a number of funding streams that the last Conservative Government announced. They got all the kudos for announcing millions of pounds here and millions of pounds over there, but actually didn't ever deliver the funds. We are particularly concerned about the levelling up partnership funding that was awarded and that is a priority for us taking that forward. So we have got a lot of work to do.

Question to Councillor Anne Dorrian from Councillor Stephen Woodliffe

Referencing the Corporate Peer Challenge Report and the Action Plan, it appears that a significant proportion of our workforce feel less-valued and informed, with fewer opportunities for development. It also notes that sickness, and mental health issues in

particular, have increased across the Partnership. The Report identifies that Boston Borough Council should agree an action plan to address organizational health performances issues. It is not clear within the Action Plan at the end of the report where these issues of organizational health performances are to be tackled.

What is that action plan?

Response from Councillor Anne Dorrian (provided as a written response at the meeting)

I would like to thank Councillor Woodliffe for notice of his question. The Staff Poll questions are posed to all staff across the Partnership. A variance in response rates is not unusual nor unexpected across the year. When the data is reviewed per Council, a variance up to 10% in results can be an outcome of a change in response rates of 20 people or less between reporting quarters. It's also not unusual for a small dip to occur in Q4 response rates owing to the reporting period being a peak annual leave period.

Sickness Absence is closely monitored and reported absence levels, particularly mental health related absence is comparable to the national picture on mental health absence. Poor mental health currently accounts for more than half of the UK's work-related illnesses, with an estimated 51% of long-term sick leave due to stress, depression, or anxiety. With 1 in 4 adults likely to experience a mental health issue, the statistics highlights the importance of addressing mental health in the workplace and creating supportive environment for employees.

Several interventions are already in place to keep colleagues informed, provide development opportunities as well as interventions to support mental health. These include fortnightly newsletters, monthly service managers meetings, staff forum, annual senior managers conference, corporate inductions, staff Facebook group, All staff Chief Executive briefings, and an Annual Review (Appraisal) process. We have a single annual training plan across the Partnership and all requested development for 24/25 was supported by the Senior Leadership Team include Corporate, Leadership & Management, Professional and Technical specific training.

We have trained Mental Health First Aiders across our workforce who work together to promote the internal support available such as Occupational Health, Employee Assistance programme, Maximus (Mental Health Support service - up to 9 months support) as well as signposting to external support such as MIND, SHINE, Steps2Change etc. A Health & Wellbeing site has been developed within our staff intranet site covering a 'whole self' approach sharing available support for Mental, Physical, Financial, Legal, and family wellbeing as well as personal development. Wellbeing Support/Mental Health First Aider posters are also displayed throughout our depots and satellite offices.

Managing Sickness Absence workshops have been delivered to managers. Additional guidance has also been developed by HR to support managers to effectively manage sickness absence. An incident support package has also been developed and piloted to ensure 'wrap around' support is provided to colleagues following a serious incident at work. Return to work interviews are an integral part of the managing sickness absence process and these are regularly reviewed by HR. HR run a daily report for early interventions of absence attributed to mental health including reaching out to the manager ensuring they have guidance on contact and available support as well as instigating an employee relations case to provide support to the manager and employee.

It should be noted that with the various interventions around mental health in place, stigmatisation around mental health will be reducing, which may encourage more open sharing and reporting of such absences. In addition to the above, the Senior Leadership team recently considered a report on mental health absence and have instructed HR to progress procurement of Mental Health Therapist support as a six month trial.

Supplementary question from Councillor Stephen Woodliffe to Councillor Anne Dorrian

I detect a weariness among some of our key workers who nevertheless continue to deliver a first class service to our borough residents. There seems to be feeling that the partnership has ripped the heart out of Boston Borough Council that it works for those at the top but less so for those at the bottom. The message seems to indicate that benefits, if there are any, are not widely shared across the partnership. The report recognises the issue. Do you recognize it, and what are your solutions to resolve it? A written answer would probably be the best thing.

Response from Councillor Anne Dorrian

I will provide a written response post meeting.

[A copy of the written response is appended to the Minutes.]

Question to Councillor Sandeep Ghosh from Councillor Stephen Woodliffe

Referencing the Corporate Peer Challenge Report and the Action Plan, it appears that Boston Borough Council is facing a budget gap of £990K in this financial year, rising over the next four years to £2.1m. Given the impact of the IDB levies on budgets (and the likelihood of further increases), continuing restrictions on Council Tax, and a flat-lining economy, do you foresee that the reserves will have to be used to bridge the budgetary gap in funds?

Response from Councillor Sandeep Ghosh

I would like to thank Councillor Woodliffe for notice of his question. I can confirm there are no plans to use reserves on an ongoing basis to support the revenue position for the Council into the medium term.

I think we would agree that the use of reserves to support revenue is not a sustainable solution and we need to manage within the context of a balanced budget with savings and efficiency plans as required.

Where appropriate we will consider the use of reserves to manage timing issues for efficiencies or to support invest to save opportunities. On a positive we are seeking to replenish our reserves where possible following the significant use of reserves by the previous administration. We of course continue our extensive lobbying of the new government with regards to the financing of the significant IDB levy increases we have seen over the past few years and potentially into the future.

However, I can confirm that we are considering what a worst case position might look like if this funding is not forthcoming although I think we all accept this will be incredibly challenging.

Supplementary question from Councillor Stephen Woodliffe to Councillor Sandeep Ghosh

The report identifies that Boston Borough Council would have to accelerate its service review program. It was able to address the long term budget gap. Given that the widening funding gap, do you consider that finding alternative funding streams is the only viable alternative to a service review, which will inevitably result in reductions of staff?

Response from Councillor Sandeep Ghosh

Thank you Councillor Woodliffe for this further question. We have a variety of options available to us which we are exploring; better shared procurement, sharing of services and IT, reducing costs through insourcing and outsourcing. For example, GMLC. Providing services differently and more efficiently using IT to the best of our ability, continuing to carefully look at our fees and charges and opportunities to drive income. Service reviews do not mean reductions in staff, as in some cases we cannot recruit in specialist areas such as planning, and we need to look at how we can deliver services in more efficient ways within the constraints of what is still a very challenging recruitment environment.

19 Questions from Members of the Public

The Chief Executive confirmed that no questions had been received from members of the public.

20 Audit & Governance Committee

Councillor Barrie Pierpoint, Chairman of the Audit and Governance Committee, presented the Audit and Governance minutes from the meetings held on 29th January 2024 and 18th March 2024 which were for councillors to note.

21 Hackney Carriage and Private Hire Licensing Policy

The Deputy Leader presented a report by the Assistant Director – Regulatory, which sought adoption of the amended Hackney Carriage and Private Hire Licensing Policy.

Members noted that the Council's policy document in respect of all aspects of the taxi licensing regime had recently been reviewed. The proposed policy had been presented to the Regulatory and Appeals Committee on 12th December 2023 which had been followed by a 5-week consultation period with stakeholders. Comments from the consultation were considered by the Committee on 12th March 2024 and the policy had been appropriately amended as a result.

The Deputy Leader pointed out that previously there had been two separate policy documents, one relating to Private Hire Licensing and the other relating to Hackney Carriage Licensing. Much of the information contained within those documents was duplicated and the proposed policy had combined those documents into one robust policy covering all aspects of the taxi licensing regime. Sections had also been added to provide information on matters such as legislation, the Council's principles, the objectives which the policy seeks to promote, and the stakeholders that would be consulted with over any policy reform. New information had also been added to provide a clear structure on how the Council will determine applications.

Members noted that there were several new requirements which would have an impact, including:

- The adoption of a vehicle age restriction.
- The introduction of a penalty point scheme.
- A mandatory requirement for applicants to evidence registration on the DBS update service prior to a licence being granted or renewed.

The proposed policy set out a clear framework to aid the Council in determining applications and regulating taxi licensing. It also included clear information for applicants and licensees on how to obtain and comply with licences.

Councillor Stuart Evans referred to the Regulatory and Appeals Committee meetings, where the policy had been discussed, and queried whether or not the point system would be reviewed after 12 months in order to ensure that the offenses were neither too lenient or too severe.

Councillor Mountain gave his thanks to the Senior Licencing Officer and her Team for their work on the policy.

The Deputy Leader referred to the policy and explained that to enable license holders to familiarize with the scheme, any points awarded during the first six months from adoption would have a maximum of 12 month retention period. Any points awarded at the end of those six months would be subject to the standard retention period of 36 months. He confirmed that they would continue with that process.

The recommendations were moved by Councillor Dale Broughton and seconded by Councillor Chris Mountain.

RESOLVED

That the Hackney Carriage and Private Hire Licensing Policy, attached at Appendix 1 within the report, be adopted.

22 Appointment to Outside Body

The Mayor requested nominations for the vacancy on the Black Sluice Drainage Board.

Councillor Stuart Evans was nominated by Councillor James Cantwell and seconded by Councillor David Brown.

Councillor Anne Dorrian was nominated by Councillor Dale Broughton and seconded by Councillor Barrie Pierpoint.

RESOLVED:

That Councillor Anne Dorrian be appointed onto the Black Sluice Drainage Board.

23 Interim Report of the Independent Remuneration Panel

The Assistant Director – Governance and Monitoring Officer presented an interim report by the Independent Remuneration Panel which contained their recommendations in respect of the Co-opted Independent Members' Allowance. He reminded members that at the previous Full Council meeting two new members had been appointed on to the Independent Remuneration Panel, and since that time the Panel had commenced their work reviewing the Members' Allowance Scheme. Members noted that a questionnaire had recently been circulated, from the Panel, which they were encouraged to complete before 31st July 2024.

The Assistant Director – Governance and Monitoring Officer advised that there were vacancies on the Audit and Governance Committees across the Partnership which were due to be advertised shortly. The allowance for Co-opted Independent Members' at Boston was slightly lower than South Holland and East Lindsey District Councils and as a result the Independent Remuneration Panel had recommended an increase to that figure.

The recommendations were moved by Councillor Barrie Pierpoint and seconded by Councillor Anne Dorrian.

RESOLVED:

- 1. That the published Members' Allowance Scheme be updated to include the Co-opted Independent Members' Allowance; and**
- 2. That the allowance for the Co-opted Independent Members of the Audit and Governance Committee be increased to £650 p/a with immediate effect.**

The Meeting ended at 7.05 pm.

Agenda Item 1

Boston Borough Council

Minutes of a meeting of the **Audit & Governance Committee** held in the Committee Room - Municipal Buildings, West Street, Boston, PE21 8QR on Monday, 8th July, 2024 at 6.30 pm.

Present:

Councillor Barrie Pierpoint, in the Chair.

Councillors Richard Austin BEM, James Cantwell, Mike Gilbert, Paul Gleeson, Patricia Marson, David Middleton, Chris Mountain and David Scoot.

In attendance:

Councillor Andy Izard and Councillor Stephen Woodliffe.

Officers:

Deputy Chief Executive (Corporate Development) and S151 Officer, Assistant Director - Governance and Monitoring Officer, Deputy Chief Finance Officer (Corporate), Finance Manager – Corporate, Interim Treasury Manager, Financial Services, Insights & Transformation Manager, Scrutiny & Policy Officer, Internal Audit Team Manager, Engagement Director, KPMG and Democratic Services Team Leader.

1 Apologies for Absence

Apologies for absence were received from Councillor Lina Savickiene.

2 Declarations of Interest

No declarations of interest were received.

3 Minutes

The Minutes of the previous meeting held 18th March 2024 were agreed and signed by the Chairman.

4 Public Questions

No questions were received.

The Chairman announced that Jo Brigham had resigned from the Committee as the co-opted independent person as she was now a Non-Executive Director of Public Sector Partnership Services Ltd (PSPS) and the Chairman of the Boston Town Deal Board. He advised that a new independent person would be recruited in due course.

The Committee gave thanks for the work and support that Jo had given.

5 Draft External Audit Plan & Strategy Report

The External Auditor Manager, KPMG, presented the Draft External Audit Plan and Strategy report, which provided details of the indicative external audit strategy and audit plan and memorandum for the financial year end as at 31st March 2024. The aim of the report was to lay out the nature, scope and timing of planned external audit activities for

the financial year and also to provide some mandatory communications that were required to be made to the Audit and Governance Committee in line with audit and standards.

The Engagement Director, KPMG highlighted the following areas:

- Materiality figure
- Significant risks to the financial statements that were deemed to be the most significant or greatest possibility of material misstatement within the financial statements, whether due to error or fraud:
 - Valuation of land and buildings
 - Management override of controls
 - Valuation of post retirement benefit obligations
- Mandatory communications
- Value for money
- Summary of risk assessment
- Value for money arrangements
- Recommendations raised and followed up

Members noted that three performance improvement observations had been identified, which management had responded to, in respect of:

- Group performance
- Risk management reporting
- Formalisation of review of budget monitoring action plans

Councillor David Middleton suggested that an executive summary be added to future reports to highlight the key areas. He referred to page 19 of the report and requested clarification as to whether any fraud had been identified in respect of management override of controls. The Engagement Director, KPMG advised that nothing had been identified to date.

Councillor Middleton referred to page 20 of the report in respect of Valuation of post retirement benefit obligations and queried whether any benchmarking had been done against the market and other Councils. The Engagement Director, KPMG advised that there was a specific risk related to error in terms of the assumptions that will be used within the valuation of those liabilities. As part of their work KPMG had engaged someone specifically to look at the key assumptions. As part of that KPMG assessment within a range of terms of whether they were prudent, optimistic or neutral. As part of that they also considered the assumptions used by all other pension funds in order to determine appropriateness. All that information enabled them to provide assurance to the Committee.

Councillor Middleton queried whether the auditors were of the opinion that the pensions were moving into surplus. The Engagement Director, KPMG confirmed that yes that was their opinion. The majority of risks that they had seen over the past two years had moved on to the surplus position. The sensitivity of those assumptions that were used required careful consideration in terms of what effect that has on the surplus or deficit position.

Councillor Middleton referred to page 41 of the report and queried whether the authority was getting value for money in respect of PSPS. He queried how the performance of services was monitored and actions identified in response to areas of poor performance and the monitoring of outsourced services. The Engagement Director, KPMG advised that

the auditors were required to understand the arrangements in place for the Council to monitor whether value for money was being achieved. He added that at this stage they were assured that through the consideration of engaging an independent experts to provide a commentary on those arrangements and the fact that it was constantly a point of consideration and assurance being gained by the Committee. From their role as external audit it was to understand the arrangements in place to consider and constantly challenge and apply management scepticism over value for money arrangements. The current arrangements were deemed to be appropriate. The External Auditor confirmed that it would not be for them to determine whether value for money was being achieved in the arrangements and this was for the Council to consider.

Councillor Middleton also queried whether the Council should have a customer supplier relationship with PSPS or not. The Engagement Director, KPMG stated that it was their role as external auditors to remain independent. He advised that internal audit may be better placed to answer that query. The Deputy Chief Executive – Corporate Development and S151 advised that South Holland District Council and East Lindsey District Council had commissioned Grant Thornton to review the PSPS arrangements and to test that it was providing value for money, back around 2017. As a result, those organisations had decided to extend the arrangement in that it was providing value for money. She added that PSPS did undertake its own benchmarking on a regular basis, which compared favourably to other delivery options from what she had seen. Members noted that the majority of the staffing costs within PSPS were not linked to NJC and therefore savings were being made as a result of that.

Councillor Gleeson declared that he was a Director of PSPSL. He referred to the complexity of the report and suggested that an executive summary at the beginning of the report would be useful to both members and the public. The Chairman agreed and requested that an overview be included within all future reports to the Committee, to include the key bullet points highlighting the key issues and referring to the relevant page numbers within the report documents.

Councillor Cantwell referred to pages 6 and 7 of the report and queried the dates of the planned responses to identify when the actions would be carried out. The Engagement Director, KPMG referred to page 34 of the report which contained the audit cycle and timetable. He explained that it was expected that the work would take place when undertaking the final financial statements audit visit which was due to be done throughout July, August and September. He added that a more detailed timeline would be provided in future.

Councillor Middleton referred to the audit procedure for PSPS and the Deputy Chief Executive – Corporate Development and S151 advised that PSPS did have its own external auditors as well, Duncan and Toplis.

The Chairman thanked KPMG for their report.

RESOLVED:**That the report be noted.**

6 Internal Audit Annual Report and Opinion 2023-24

The Internal Audit Manager presented the Internal Audit Progress report, which detailed the work that Internal Audit had carried out within 2023/24.

The Internal Audit Manager highlighted the following areas:

- Internal Audit Coverage
- Internal Audit Opinion
- Key Observations on Governance, Risk & Control
- Additional Observations
- Quality Assurance, Improvement & Performance

Members noted that 95% of the plan had been delivered by the end of March which was actually unheard of.

Councillor Cantwell referred to page 11 of the report and queried whether the initial fraud risk registers were considered to be of a more strategic or operational nature. The Internal Audit Manager advised that they were quite detailed and operational.

The Chairman queried the follow up progress of the P-Cards and the Payroll. The Internal Audit Manager advised that Internal Audit were in the process of agreeing to carry out that work which should start over the next few weeks. It was expected for Payroll to be dealt with in Quarter 3. The Deputy Chief Executive – Corporate Development and S151 added that all of the actions regarding the P-Cards had been implemented and that the new system was very robust.

The Chairman thanked Internal Audit for their report.

RESOLVED:

That the report be noted.

7 Q4 Risk Report 2023/24

The Group Manager – Insights and Transformation presented a report by the Assistant Director – Governance which provided the Committee with an update on Risk Management as at the end of March 2024 (Quarter 4). A summary of the risks, scores and changes since the last report were set out at paragraph 2.2, with full details in Appendix A. The strategic risks to the partnership had also been reviewed. The partnership risks and scores were set out at paragraph 2.3, with full details in Appendix B.

Members noted that three new risks had been identified around business continuity, health and safety and information. The high operational risks had been reviewed and that mitigation and monitoring was in place. The fraud risks that had been identified had been reviewed with assistance from Internal Audit colleagues. Fraud risk was now part of the regular quarterly monitoring and reporting. The Group Manager – Insights and Transformation advised that the Quarter 1 risks were being updated up to the end of June. Risk leads were being requested to review their action wording, in particular, and to confirm action dates.

The Chairman queried how the three new risks had been identified. The Group Manager – Insights and Transformation advised that risks were reviewed by Assistant Directors and Managers on a quarterly basis. The two risks relating to business continuity and health and safety were from other parts of the partnership, but had been added as they were also relevant to Boston. She added that the information risk had been identified by the Data Protection Officer.

The Chairman queried who was monitoring the risks on an ongoing basis. The Group Manager – Insights and Transformation explained that at the end of each quarter an email is circulated to the Assistant Directors and Managers to request that they review their current risks and report back, and at the end of each year everyone would meet to discuss those risks together. She added that a corporate governance clinic was held at the end of each quarter, where officers would get together to review the risks. The information was then fed back to the Audit and Governance Committee.

Councillor Mike Gilbert referred to the various levelling up projects which were ongoing in Boston and queried whether they were picked up within the risk reports. The Group Manager – Insights and Transformation advised that each project would have its own project risk register, the information for which could be fed into the Committee.

Councillor James Cantwell advised that he was pleased to see that the high operational risks had been added into the reporting, as well as the fraud risk register. He referred to the tables which contained wording such as ‘tolerate’ and requested that more information be given to ensure that members of the public fully understood its meaning.

The Vice-Chairman queried how the risks to local businesses were measured as he had concerns regarding the number of closures within the area. The Manager – Insights and Transformation explained that risks to the local businesses themselves was not measured, but the impact to the Council regarding what happened to them. She agreed to feed back the concerns raised to the Lead Officer.

RESOLVED:**That the report be noted.****8 Annual Governance Statement - Action Plan Update**

The Deputy Chief Executive – Corporate Development & S151 provided the Committee with an action plan update in respect of the Annual Governance Statement. She reported that there were some key actions outstanding and advised that these updates would be provided more regularly, as part of the reporting.

Members noted that in terms of financial capacity and capability, a review had been undertaken by CIPFA for PSPS and significant progress had been made since that time in terms of resourcing, skills and expertise within the finance service. All of the quarterly reports were being achieved to the required timescales, and the statement of accounts had been in completed in accordance with statutory requirements.

The Deputy Chief Executive – Corporate Development & S151 advised that she attended monthly SLT meetings specifically to look at governance related issues, along with the Internal Audit Manager, the Chief Executive and the Monitoring Officer. She also referred

to the housing benefit performance, where there had been some issues, and advised that the issues were in the process of being resolved.

Councillor James Cantwell queried whether the External Auditors also attended the monthly SLT meeting to review governance. The Deputy Chief Executive – Corporate Development & S151 advised that they did not currently attend those meetings, but they were more than welcome to do so.

RESOLVED:

That the report be noted.

9 Audit & Governance Committee Self-Assessment Action Plan

The Scrutiny and Policy Officer presented a report by the Assistant Director – Governance which provided details on the outcomes of the Audit and Governance Committees' evaluation of its own impact and effectiveness.

Members noted that the purpose of the Self-Assessment Action Plan, attached at Appendix A within the report, was to support the committee in ensuring continuous effective audit and governance practice for the Committee and across the Council. The results of the anonymous questionnaire were attached at Appendix B within the report, which led to the creation of the Action Plan. The self-assessment had been undertaken as a result of CIPFA best practice where "the committee should evaluate its impact and identify areas for improvement".

The Chairman thanked the Scrutiny and Policy Officer for her work, and the Committee Members for taking part in the process. He was reassured that the Committee was operating effectively but added that there was a need for further training ongoing with regards to all the different aspects of the Audit and Governance Committee work.

RESOLVED:

That the report be noted.

10 Annual Treasury Report 2023/24

The Interim Treasury & Investments Manager, PSPSL presented a report by the Deputy Chief Executive – Corporate Development & S151 which provided details of the Annual Treasury Report 2023/24, attached at Appendix A within the report, for the Committee to provide comments on prior to consideration by Full Council on 16th September 2024.

The report covered the following areas;

- An economic update for the 2023/24 financial year;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24;
- Debt position; and
- Compliance with Treasury and Prudential indicators.

The Council approved its Treasury Management Strategy for 2023/24 on 6th March 2023.

The Chairman referred to the liquidation of the M&G fund and queried when it was going to happen. The Interim Treasury & Investments Manager, PSPSL advised that it was already happening as M&G had already sold the majority of those assets and were expecting the finalisation to be in the next financial year 2025/26.

Councillor James Cantwell referred to page 116 within the report and queried why there was a difference between the unfinanced capital expenditure estimate and actual. The Interim Treasury & Investments Manager, PSPSL explained that the actual figures had been included in the financial statements; and the audited financial statements for 2022/23 and the 31st March 2024 estimate had been based at a time prior to the end of the financial year when the budgets were produced. Members noted that the M&G receipts had impacted on these figures and there was a discussion regarding property funds in general.

RESOLVED:

That the report be noted.

11 Unaudited Financial Statements 2023/24 including Narrative Report and Annual Governance Statement

The Senior Finance Business Partner (Corporate), PSPSL presented a report by the Deputy Chief Executive – Corporate Development & S151 which provided details of the unaudited Financial Statements, the narrative report and the Draft Annual Governance Statement, attached at Appendix A within the report, for the Committee's review in line with best practice.

Members noted that the statements had been produced by the statutory deadline of 31st May 2024 and had been prepared in accordance with the Code of practice and the Council's accounting policies, which had been brought to the Committee for consideration in March. The external audit was due to commence on 29th July 2024, by KPMG, and this was the first year of the new contract.

Councillor Chris Mountain referred to page 144 within the Appendix, specifically the political structure, and queried whether the date was correct as it reflected two independent members in addition to the other groups. The Senior Finance Business Partner (Corporate), PSPSL explained that the figures related to the 2023/24 financial year. She advised that she would check the details and report back.

Councillor James Cantwell referred to page 148 within the Appendix and queried the variance for economic growth. The Deputy Chief Executive – Corporate Development & S151 explained that the statement was to note and a report that would be going to Cabinet would set out the detail in respect of variances. She advised that the officers would check and report back.

RESOLVED:

That the report be noted.

12 Combined Assurance Status Report 2023/24

The Assistant Director, Governance & Monitoring Officer presented the Combined Assurance Status report 2023/24, attached at Appendix A within the report, which provided a record of assurance against the Council's critical services, key risks, partnerships and projects. It supported the Council's commitment to achieving good corporate governance. The report had been supported by the Internal Auditors.

Members noted that the report provided an overview of assurance across the Council which made it possible to identify where assurances were present, their source and where there were potential 'unknowns or gaps.' It offered a triangulated view of assurance with opinion provided by management, corporate and/or third party assurance and Internal Audit.

The Assistant Director, Governance & Monitoring Officer explained that there had been a reduction in overall red RAG (Red, Amber, Green) rated assurance levels, a slight reduction in the amber and a slight increase in the green, which was a positive direction of travel for the organisation.

The Chairman requested that future reports contain the names of the responsible individuals in addition to the posts referred to.

The Vice-Chairman referred to page 248 in respect of internal communications and queried why the risk rating was high. The Assistant Director, Governance & Monitoring Officer explained that the information was taken directly from the risk register. He advised that he would check the details and report back to the next meeting.

Councillor Paul Gleeson noted that comparative information against the previous year was provided for overall assurance levels but not for the other breakdowns within the report. It was confirmed that officers would look at including further comparison information in future years assurance reports. He also referred to one of the charts which contained a red RAG rating and queried why it was referred to as zero elsewhere within the report. The Assistant Director, Governance & Monitoring Officer explained that it was a rounding matter due to the number of critical activities.

RESOLVED:

That the report be noted.

13 Work Programme

The Chairman presented the annual Audit and Governance Work Programme 2024/25 and asked members if they wished to add any additional items into the programme.

The Deputy Chief Executive – Corporate Development & S151 advised that the current work programme was quite fulsome. She added that a Fund Manager Briefing and Pensions training would be organised in due course.

Councillor James Cantwell referred to the actions listed within the minutes of the previous meeting and queried whether an item for actions from the previous meeting could be added to future agendas.

RESOLVED:

- 1. That the work programme be noted; and**
- 2. That 'actions' be included within future meeting Agendas.**

The Meeting ended at 8.07 pm.

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Report To:	Council
Date:	16 th September 2024
Subject:	2023/24 Outturn Report & 2022/23 Abbreviated Outturn
Purpose:	To report the Financial Performance of the Council
Key Decision:	N/A
Portfolio Holder:	Councillor Ghosh
Report Of:	Christine Marshall, Deputy Chief Executive – Corporate Development & Section 151 Officer
Report Author:	Jenny Mackin (Strategic Finance Manager PSPS) and Carl Holland, (Head of Finance, Client PSPS)
Ward(s) Affected:	All
Exempt Report:	No

Summary

This report sets out recommendations from Cabinet to Full Council in order to amend the capital programme budget for 2024/2025, approve the reserves transactions and balances as set out in Appendix A the 2023/24 Outturn Report and approve the reserve transactions and balances for 2022/2023, as set out in Appendix B..

Recommendations

It is recommended that Council:

1. Approve the reserve transactions and balances as set out in Appendix A – Table 4 for 2023/24 and approve the transfer of the revenue surplus to reserves.
2. Amend the Capital Programme to take into account the changes set out in Appendix A – Table 5b.
3. Approve the reserve transactions and balances for 2022/23 as set out in Appendix B – Table 3.

Reasons for Recommendations

The year end revenue outturn for 23/24 is a surplus position of £458,000.

To ensure the Council's forecast financial position for 2023/24 is considered and related decisions approved. It is important that the Council are aware of the Capital Programme and the changes required to ensure that they can make informed decisions that are affordable and financially sustainable for the Council

Other Options Considered

To not approve the changes to the capital programme and movement to reserves.

1. Background

- 1.1 Throughout the year quarterly monitoring reports are completed forecasting the expected year end outturn compared to the approved budget. The 2023/2024 outturn report provides information on the forecast full year financial performance.

2. General Fund

2.1 Outturn 2023/2024

As set out in Appendix A the Councils year end revenue outturn is a surplus position of £458,000. This report seeks approval to the transfer of this balance to reserves.

2.2 Reserves

As at 31st March 2024, the General Fund Specific Reserves stand at £13.208 million. The General Fund Reserve Balance remains stable at £2 million. Council is requested to approve the reserve transactions and balances as set out in Appendix A.

2.3 Capital

The Capital Programme for 2023/2024 delivered actual capital expenditure of £5.939 million against a revised budget of £8.602 million. It is proposed that unspent budget of £2.549 million is rolled forward to the 2024/25 programme as detailed in Appendix A - Table 5b.

2.4 Outturn 2022/2023

Appendix B provides a summary of the 2022/2023 outturn. The revenue outturn was an underspend of £156,000.

2.5 Reserves

As of 31st March 2023 the specific and general reserves stood at £14.111million and approval is sought for the reserve transactions and balances for 2022/23 as set out in Appendix B – Table 3.

3. Conclusion

The outturn data is reported for 2023/2024 and a summary for 2022/2023 provides detail of the Councils financial performance.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

None

Staffing

None

Workforce Capacity Implications

None

Constitutional and Legal Implications

None

Data Protection

None

Financial

Performance of General Fund and Capital Programme Budget as reported above.

Risk Management

None

Stakeholder / Consultation / Timescales

None

Reputation

None

Contracts

None

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

None

Acronyms

None

Appendices

Appendix A	Q4 Outturn Report for 2023/24
Appendix B	Q4 (Abbreviated) Finance Report 2022/23

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

Name of Body	Date
Cabinet	24 th July 2024

Report Approval

Report author:	Jenny Mackin, Strategic Finance Manager, PSPS and Carl Holland, Head of Finance (Client), PSPS jennifer.mackin@pspsl.co.uk and carl.holland@pspsl.co.uk
Signed off by:	Christine Marshall, Deputy Chief Executive (Corporate Development) and S151 christine.marshall@sholland.gov.uk
Approved for publication:	Councillor Sandeep Ghosh, Portfolio Holder for Finance

Boston Borough Council – Q4 Outturn Report for 2023/24

Finance Summary

- The year end revenue outturn is a surplus position of £458k (at Q3 - a surplus of £162k).
- Specific and general reserves for the Council are £13.208m as at 31 March 2024.
- Capital expenditure for the year totalled £5.939m, against a full-year budget of £8.602m (at Q3, Capital spending was £3.099m).
- The budgets for 2023/24 included an efficiency target of £664k, and we achieved £575k against that target (87%)
- At the year end the Council held investments of £33.65m (Q3 - £33.65m).
- The investment income budget for the year was £1.492m. The Council achieved £2.858m of income which resulted favourable variance of £1.396m (Q3 - £1.055k).
- The Council repaid its £15.449m of external borrowing with the PWLB on 9 October 2023.

Section 2 – Finance

Section 2.1	Key Financial Issues in Quarter 4 of 2023/24
Section 2.2	Revenue Budget
Section 2.3	Capital Budget
Section 2.4	Treasury Update
Section 2.5	Insurance
Section 2.6	Debt Collection
Section 2.7	Business Rates and Council Tax Collection

Section 2.1 – Key Financial Issues in Quarter 4 of 2023/24

- The identification of in-year efficiencies has taken place throughout the year, with emphasis placed on this during the quarterly review meetings.
- Additional MRP charges of £570k resulting from the M&G sales distribution of £520k and a provision for the Property fund of £50k.
- There have also been liquidation proceeds received from the M&G property funds, with £550k received for the liquidation proceeds which offsets the MRP-related charge mentioned above.
- Investment income of £1.3m is due to higher than expected levels of investments resulting from capital programme slippage and higher interest rates.
- Due to early loan repayments, the Council benefitted from a discount that will be released over the life of the original loans, resulting in a benefit of £642k for 2023/24.
- New car parking machines have now been installed as planned. This income will continue to be monitored during the coming months.
- External audit increased costs, resulting in an overspend of £127k.
- The PSPS Contract price was in excess of budget by £114k.
- On 1 December 2023, the NJC local government pay award for 2023/24 was agreed. The final pay award rose to 9.42% for the lowest paid and 3.88% for those in the highest bands. The budgets for Salary, NI and Pension costs were uplifted by 5% for the 2023/24. The impact of the pay award pressure over this budgeted value was £119k. It should be noted that vacancies within the services offset these costs for most areas.
- It should be noted that a sundry bad debt provision of £299k has been included in the costs of the services. Council tax court costs of £68,000 have been provided for at outturn.

Inflation	January (%)	February (%)	March (%)
CPI	4	3.4	3.2
RPI	4.9	4.5	4.3

Section 2.2 – Revenue Budget

Table 1 details the outturn by Service Area. This shows an underspend position of (£458k).

Table 1 – Net Spend by Assistant Director					
Assistant Director Area	Revised Budget 2023/24 at Q4 £'000	Outturn 2023/24 at Q4 £'000	Variance (underspend)/overspend at Q4 £'000	Comments on main variances at Q4	Variance (underspend)/overspend at Q3 £'000
Corporate	1,922	1,704	(218)	(£99k) ICT savings against software & hardware budgets due to the improvement in procurement processes and the buying power of the SELCP partnership, (£38k) net income of unbudgeted S113 recharges, £6k increased PSPS contract base cost, (£40k) staffing underspend, £12k central training overspends net again underspends across council.	(60)
Economic Growth	258	223	(35)	(£37k) salary & oncosts savings due to vacant posts, £2k other small areas.	(39)
Finance	2,057	2,708	651	Bad debt impairment of Council Tax £112k - 24/25 Budget for provision of £130k has been included. HB Overpayment of HB (£115k), £127k External audit increased costs, £354k staffing efficiency target within Finance when savings are cross Council, £114k PSPS Contract price in excess of budget, £70k CTS grant budgeted in error as now included within settlement amount, £13k banking charges, (£16k) Rent rebate overspend has	471

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2023/24 at Q4 £'000	Outturn 2023/24 at Q4 £'000	Variance (underspend)/overspend at Q4 £'000	Comments on main variances at Q4	Variance (underspend)/overspend at Q3 £'000
				been partially offset with HB subsidy underspend that arose as a result of the provision for the error rate adjustment not required, (£8k)	
Governance and Monitoring	829	896	67	£6k civil functions (freedom of Boston), £39k members allowances. Estimated increase added to 24/25 budget based on the budgeted increase for staff. (£25k) Election underspend, (£9k) net income of unbudgeted S113 recharges, £34k mainly due to less than budgeted income recovered from legal cases/actions, £42k additional staffing costs to support service delivery, (£20k) settlement of previous years PCC Election.	80
General Fund Assets	(827)	(647)	180	£216k reduced Parking income, but an improvement on Q3, permit income and fines income. £178k increased Building Maintenance costs (£75k) additional rental income mainly relating to Boston Enterprise Centre, (£33k) staffing savings, (£28k) additional Municipal Building income, (£18k) additional office cleaning income, (£26k) reduced Business rates costs, (£33k) reduced Grounds maintenance charge.	310

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2023/24 at Q4 £'000	Outturn 2023/24 at Q4 £'000	Variance (underspend)/overspend at Q4 £'000	Comments on main variances at Q4	Variance (underspend)/overspend at Q3 £'000
Leisure and Culture	1,020	1,060	40	£84k additional project and shared management costs, £10k Mayfair, £18k reduced Markets income, £30k net charge of unbudgeted S113 recharges (is this the impact of S113 charges not going through until the year end, £18k Christmas event funded from Earmarked reserves, (£42k) saving against budget for business rates, (£73k) staffing savings, (£5k) other small variances	(56)
Neighbourhoods	1,856	2,070	214	Bad debt impairment of £65k charged to service re maintenance contract dispute, £70k additional Hire vehicles (including cleaning, fuel and hire), £40k additional driver, £33k additional wheelie bin requests above budget (£62k) additional ELDC rounds income, £32k additional tree management costs, £31k additional vehicle maintenance costs, £5k additional insurance costs.	116
Planning and Strategic Infrastructure	272	160	(112)	Local planning policy savings mainly made up of local plan review work not undertaken offset by extra S106 income (£11k)	18
Regulatory	1,092	1,235	143	Bad debt provision - impairment of £157k charged to service area, £40k building control fees income reduced, (£52k) Licensing additional	(1)

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2023/24 at Q4 £'000	Outturn 2023/24 at Q4 £'000	Variance (underspend)/overspend at Q4 £'000	Comments on main variances at Q4	Variance (underspend)/overspend at Q3 £'000
				income and vacant post, (£22k) reduced land charges income off set with new burdens income and vacant post, £29k Climate change S113 recharges, will be corrected in 24/25, (£9k) other minor variances.	
Strategic Growth and Development	19	19	0		0
Strategic Projects	(80)	(80)	0		0
Wellbeing and Community Leadership	1,566	1,564	(2)	Debt impairment of £9k – Housing Standards enforcement, (£51k) salary savings from vacant admin post, S113 recharges and increased capitalised salaries post restructure, (£18k) HSF admin income, £73k reduced Housing Standards income (including reduced invoices from previous year), £12K reduction in HMO licence income, £33k increased Bed and Breakfast and Temp accommodation costs, (£36k) rough sleeper service balance will net off support cost recharges, (£24k) net income of unbudgeted S113 recharges.	12
BTAC	798	798	0		10
Sub Total – Assistant Director – net costs	10,782	11,710	928		861
Internal Drainage Boards/Parish Precepts	3,004	3,009	5		0
DRF	476	253	(223)		0
MRP	15	65	50	Property funds (exc. M&G) annual MRP	0

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2023/24 at Q4 £'000	Outturn 2023/24 at Q4 £'000	Variance (underspend)/overspend at Q4 £'000	Comments on main variances at Q4	Variance (underspend)/overspend at Q3 £'000
				charge £50k and State Street £15k.	
Interest Payments Received / Return on Property Funds	(1,462)	(2,307)	(845)	£845k is due to higher levels of investments. There have also been liquidation proceeds received from the M&G property funds.	(896)
M&G Property Fund Liquidation Distributions	0	(551)	(551)	M&G liquidation distributions received in year.	(159)
MRP in respect of reduced M&G Property Fund valuation	0	520	520	Funded from liquidation proceeds. Balance of £31k transferred to property fund earmarked reserve.	
Borrowing Costs	494	311	(183)	Due to lower interest costs because of premature repayment of loans.	(183)
Borrowing Discount Allocated to Revenue	0	(642)	(642)	Discount being applied to revenue.	
Reserves	(1,801)	(1,477)	324		0
Efficiencies Required	(409)	(320)	89	See table 2	85
Court costs for council tax	0	68	68	Court costs for council tax.	130
Non-Service Expenditure	317	(1,071)	(1,388)		(1,023)
Total Expenditure	11,099	10,639	(460)		(162)
Council Tax	(5,504)	(5,476)	28		0
Business Rates	(4,208)	(4,226)	(18)		0
Non Ring Fenced Government Grant	(1,387)	(1,395)	(8)		0
Total Funding	(11,099)	(11,097)	2		0
Total Budget – (Surplus)/Deficit	0	(458)	(458)		(162)

The 2023/24 budget included an efficiency target of £664k, below are efficiencies achieved at outturn:

Table 2 – Efficiency Description	Amount £'000	Comments
DLUHC IDB Levies Grant	(319)	
Regulatory	(6)	BR RELIEFS NEW BURDENS & LICENCES
General Fund Assets – Electricity & Gas	(122)	Budget in excess of requirements
Leisure and Culture – Electricity & Gas	(2)	Budget in excess of requirements
Neighbourhoods – Fuel	(21)	Budget in excess of requirements
Neighbourhoods – Electricity & Gas	(6)	Budget in excess of requirements
Finance	(21)	Procurement service now provided by PSPS
Leisure and Culture – GMLC	(46)	Budget in excess of requirement
Wellbeing and Community Leadership – Accessible Homes	(19)	Savings created from DFG restructure
Corporate	(2)	Efficiencies identified as part monitoring meetings
Planning and Strategic Infrastructure	(2)	Efficiencies identified as part monitoring meetings
Leisure and Culture	(9)	Efficiencies identified as part monitoring meetings
Total	(575)	
Target	(664)	

Income

The Council has a number of demand-led budget areas which are reliant on income for services provided.

Table 3 – Trading Income Budgets				
Income Area	Revised Budget to 31 March 2024 £'000	Actual Income to 31 March 2024 £'000	Variance (above)/ below budget £'000	Comments
GF – Car Parking, Bereavement, and Property, Office Cleaning	(2,043)	(1,847)	196	Income has not yet returned to pre-covid levels & permit income is also down by £37k. This is partially offset by above budget office cleaning income £26k.
Leisure Pool, and Markets	(936)	(703)	233	£224k loss of leisure income as a result of GMLC transfer to Parkwood in December 2023, £13k markets income down on budget
Neighbourhoods – Office Cleaning, Recycling	(987)	(983)	4	

Table 3 – Trading Income Budgets

Income Area	Revised Budget to 31 March 2024 £'000	Actual Income to 31 March 2024 £'000	Variance (above)/ below budget £'000	Comments
Development Management	(645)	(442)	203	£203k planning application fees. Applications have generally been smaller, low value applications and free submissions. Rising costs, a slowdown in the housing market and interest rate rises have all been contributing factors. This has impacted on larger/speculative developments.
Regulatory – Land Charges, Licences	(405)	(401)	4	
Bed & Breakfast	(30)	(50)	(20)	
Property Asset Income	(1,104)	(1,046)	58	£61k rent income PRSA (offset by reduction of gas & electric expenditure), offset by (£22k) Municipal buildings rent and (£34k) additional income (share of turnover)
Total	(6,150)	(5,472)	678	

Reserves

At 31 March 2024 specific reserves were £13.208m, after a net transfer from reserves of £961k to cover revenue and capital expenditure. **Table 4** reflects the outturn position.

Table 4 – Specific and General Reserves Balance

Reserve	Balances at 1 April 2023 £'000	Contributions into Reserves £'000	Use of Reserves £'000	Balances at 31 March 2024 £'000
Capital Funding	5,643	344	(54)	5,933
Transformation	1,547	538	(1,104)	981
Repairs and Renewals	667	16	(70)	613
ICT	50	0	(17)	33
Housing	1,453	77	(80)	1,450
Controlling Migration Fund	14	0	0	14
Insurance	250	0	(42)	208
Risk Mitigation Reserve	1,116	0	0	1,116
Funding Volatility	2,566	0	(674)	1,892

Table 4 – Specific and General Reserves Balance				
Reserve	Balances at 1 April 2023 £'000	Contributions into Reserves £'000	Use of Reserves £'000	Balances at 31 March 2024 £'000
Contingency Reserve	578	0	(196)	382
Climate Change Reserve	84	18	(1)	101
Planning Reserve	86	273	(20)	339
Property Funds Reserve	115	31	0	146
Specific Reserves Total	14,169	1,297	(2,258)	13,208
General Fund	2,000	0	0	2,000
S106 & Commuted Sums	157	0	(29)	128
BTAC	328	0	(121)	207
TOTAL	16,654	1,297	(2,408)	15,543

- Notes the report outlining the current year end underspend of £458,000 for 2023/24 and the detail set out in Appendix A and approve the transfer of the surplus to reserves.
- That Cabinet recommends to Full Council to approve the reserves transactions and balances as set out in Appendix A - Table 4 for 2023/24.

Section 2.3 – Capital Budget

This section covers:

- Revisions to the Capital Programme
- Progress against the 2023/24 approved capital programme and the anticipated outturn
- Funding of the Capital Programme

Table 5a – 2023/24 Capital Programme and Q4 Forecast Outturn					
Scheme	Approved Budget 2023/24 £000	Changes to approved budget £000	Revised Budget 23/24 £000	Actual 23/24 £000	Variance (under)/over £000
Disabled Facilities Grant	480	-	480	582	102
Housing Stock Modelling Condition Survey	33	-	33	-	(33)
Multi Use Games Area (Controlling Migration Funding)	17	-	17	-	(17)
Resurfacing & footpath improvements	28	-	28	-	(28)
Changing Places	212	-	212	212	-
Town Centre Heritage Scheme	1,161	-	1,161	188	(973)
Information Technology Infrastructure Refresh	65	-	65	85	20

Table 5a – 2023/24 Capital Programme and Q4 Forecast Outturn

Scheme	Approved Budget 2023/24	Changes to approved budget	Revised Budget 23/24	Actual 23/24	Variance (under)/over
	£000	£000	£000	£000	£000
IT Refresh	44	-	44	47	3
Telephony	49	-	49	49	-
Car Park Machines	200	-	200	167	(33)
Local Authority Housing Fund	2,797	-	2,797	2,554	(243)
Christmas Decorations	-	65	65	65	-
Total Projects (Excl Towns Funds, UKSPF & LUF)	5,086	65	5,151	3,949	(1,202)
Towns Fund - Leisure	350	-	350	322	(28)
Towns Fund - Mayflower	1,110	-	1,110	12	(1,098)
Towns Fund - St Botolph's Library	124	-	124	55	(69)
Towns Fund - Centre for Food & Fresh Produce Logistics	510	-	510	702	192
Towns Fund - Healing the High St (incl. Shodfriars)	344	-	344	231	(113)
Towns Fund - Boston Station	120	-	120	126	6
Total Towns Fund Projects	2,558	-	2,558	1,448	(1,110)
UKSPF (Capacity building projects for local groups)	160	-	160	116	(44)
UKSPF Rural (Community projects aimed at reducing the cost of living)	200	(50)	150	150	-
Total UKSPF Projects	360	(50)	310	266	(44)
LUF - Civic Hub	200	-	200	3	(197)
LUF - Crown House	263	-	263	265	2
LUF - Public Realm	120	-	120	8	(112)
Total LUF Projects	583	-	583	276	(307)
Grand Total	8,587	15	8,602	5,939	(2,663)

The revised capital budget as at Q4 is £8.602m, derived from the combination of the 2023/24 approved budget of £8.587m and new in-year approved spend. The overall expenditure as at Q4 is £5.939m.

Changes to approved capital budget

The changes to the approved budget of £0.015m are detailed below:

Project Description	Amount £'000	Approval
Christmas Decorations	15	Approval via proforma and portfolio holder, financed by UKSPF and revenue.
Total	15	

Capital Scheme Outturns

- Disabled Facilities Grants – Progress across schemes improved in comparison to the Q3 position, slippage previously approved from 2023/24 into 2024/25 to be reduced in line with increased spend.

- Leisure - Planning permission secured in July 2023 for the revised 1500m2 extension scheme. Construction tenders closed in Dec 2023.
- Mayflower - Works have now started on site, completion expected within 2024/25.
- Centre for Food & Fresh Produce Logistics – Project forecast to complete by January 2025 with minimum further capital spend.
- Healing the High Street - Major works ongoing with Shodfriars project, expected movement on this between Q1-2 2024/25.
- Boston Station - Works now moving forward with temporary ticket office, hall and envoy room forecast to be completed within Q1 of 2024/25. Next phase of works will see the refurbishment of the existing ticket office and hall.
- Housing Strategy Costs-Waterloo Housing, 80 new affordable homes – This is top-up funding for Housing Assoc (Registered Providers) to encourage them to build new affordable homes.
- Car Park Machines – All works now completed.
- LUF – Delayed start to both Crown House and Public Realm projects. Crown House is an externally managed project that will be subject to a grant agreement. Public Realm project has a design team appointed.

Capital Outturn and Slippage Adjustments required in 2024/25

As a result of the variances shown in **Table 5a**, changes are required to the 2024/25 Capital Programme. These are reflected in the revised Capital Programme shown in **Table 5b**. The slippage of expenditure into 2024/25 will be funded in line with the approvals already obtained for the relevant projects.

Table 5b – Capital Programme Revised 2024/25			
Scheme	Current Budget 2024/25 £'000	Budget c/f 2023/24 £'000	Revised Budget 2024/25 £'000
Disabled Facilities Grants	1,036	(102)	934
Multi Use Games Area (Controlling Migration Funding)	-	17	17
Resurfacing & footpath improvements	-	28	28
Town Centre Heritage Scheme	-	973	973
Vehicle Replacements	311	-	311
Housing Strategy	57	-	57
Information Technology Infrastructure Refresh	367	(20)	347
Neighbourhood Vehicle Replacements	56	-	56
Total Projects (Excl Towns Funds, UKSPF & LUF)	1,827	896	2,723
Towns Fund – Leisure	4,000	28	4,028
Towns Fund – Mayflower	8,150	1,098	9,248
Towns Fund – St Botolph’s Library	-	69	69
Towns Fund - Healing the High St (incl. Shodfriars)	1,600	113	1,713
Towns Fund - Boston Station	2,274	(6)	2,268
Total Towns Fund	16,024	1,302	17,326
UKSPF (Capacity building projects for local groups)	279	44	323
UKSPF Rural (Community projects aimed at reducing the cost of living)	203	-	203
Total UKSPF	482	44	526
LUF – Civic Hub	690	197	887
LUF – Crown House	7,160	(2)	7,158
LUF – Public Realm	6,413	112	6,526
Total Towns Fund	14,263	307	14,571
Total (including new items)	32,596	2,549	35,146
Internal Borrowing	(423)	20	(403)
External Grants	(30,001)	(2,294)	(32,294)
Capital Reserve	(2,115)	(269)	(2,384)

Other Reserve – Housing	(57)	-	(57)
Other Reserve – Repairs and Renewals	-	(7)	(7)
Total Financing	(32,596)	(2,549)	(35,145)

That Cabinet recommends to Full Council to amend the Capital Programme to take into account the changes set out at Appendix A – Table 5b.

2023/24 Capital Programme Funding

All Projects	Approved Budget 2023/24	Revised Budget Plus Slippage/ accelerated spend (-) 2023/24	Actual 23/24	Variance
	£'000	£'000	£'000	£'000
Capital Grants	(6,287)	(6,287)	(3,924)	2,363
Capital Reserve	(269)	(269)	(54)	215
Transformation Reserve	(200)	(200)	(167)	33
RR Reserve	(7)	(7)	-	7
Internal Borrowing	(158)	(158)	(181)	(23)
Internal Borrowing - Housing	(1,633)	(1,633)	(1,598)	35
External Grants	(33)	(33)	-	33
Revenue	-	(15)	(15)	-
Totals	(8,587)	(8,602)	(5,939)	2,663

The current Capital Programme is financed from reserves and external borrowing in line with the Capital Strategy.

Table 6 indicates the actual capital resources available to the Council at the end of 2023/24. The estimated position for the following year is also provided.

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Capital Resources* available at start of each year	6,358	5,918	6,193
Capital Investment (estimate in future years)	(3,747)	(5,939)	(35,145)
Additional Sources of Finance			
New Capital Receipts (estimate in future years)	(456)	-	-
Funding from other reserves	58	167	64
External Grants	3,352	3,924	32,294
Revenue Contributions	35	-	-
Internal borrowing	-	1,779	403
Budgeted contributions to capital reserve	333	344	-
Minimum Revenue Provision	(15)	-	-

Transfer from Capital Reserve to support ongoing projects	-	-	-
Estimated Capital Resources* at end of each year	5,918	6,193	3,809

* Capital Reserve and Capital Receipts

Section 2.4 – Treasury Management

Investments at 31 March 2024

During the financial year the Council has made investments in line with the agreed Treasury Management Strategy.

Detailed in **Table 7** are the investments held by the Council on 31 March 2024 excluding accrued interest. Note this represents the position at year end. The peaks and troughs in cash flow are managed on a daily basis. Because the Council collects money on behalf of other organisations which are paid out at future dates (e.g., Council Tax and Business Rates) the value of investments held at any point in time does not represent the value of Boston's own resources.

Table 7 – Cash Investments on 31 March 2024

Financial Institution	Country	Amount (£)	Start Date	Maturity Date	Fixed/Variable	Yield %
HSBC Bank	UK	630,000	N/A	Instant Access	Variable	0.50%
CCLA Money Market Fund	Various	5,000,000	N/A	Instant Access	Various	5.26%
Toronto Dominion Bank	Canada	2,000,000	06/04/23	05/04/24	Fixed	5.10%
Skandinaviska Enskilda Banken AB	Sweden	3,000,000	05/05/23	03/05/24	Fixed	5.23%
National Australia Bank	Australia	3,000,000	27/06/23	24/05/24	Fixed	6.35%
UBS Bank	Switzerland	3,000,000	13/07/23	12/07/24	Fixed	6.69%
Police & Crime Commissioner for Humberside	UK	2,000,000	29/01/24	29/07/24	Fixed	5.70%
Blackpool Borough Council	UK	2,000,000	09/02/24	09/08/24	Fixed	5.90%
DNB Bank	Norway	2,000,000	31/08/23	30/08/24	Fixed	6.18%
Leeds City Council	UK	2,000,000	08/03/24	09/09/24	Fixed	6.10%
DNB Bank	Norway	1,000,000	06/11/23	04/11/24	Fixed	5.72%
Wrexham County Borough Council	UK	3,000,000	25/01/24	24/01/25	Fixed	5.70%
TOTAL		28,630,000				

The Council has purchased property fund units and the table below provides a breakdown in relation to the purchase of these units:

Fund	Date of Purchase	Net Asset Value at Date of Purchase (£)	Premium/ (Discount) on Purchase (£)	Premium/ (Discount) on Purchase (%)	Total Cost (£)
Black Rock UK Property Fund	05/08/16	255,085	(5,102)	(2.00)	249,983
	30/12/16	255,085	(5,103)	(2.00)	249,982
	28/09/18	<u>3,945,592</u>	<u>54,449</u>	<u>1.38</u>	<u>4,000,041</u>
	TOTAL	4,455,762	44,244	0.99	4,500,006
Schroder UK Real Estate Fund	05/08/16	250,000	-	-	250,000
	03/09/18	<u>4,020,006</u>	<u>(20,000)</u>	<u>(0.50)</u>	<u>4,000,006</u>
	TOTAL	4,270,006	(20,000)	(0.47)	4,250,006
Threadneedle Property Unit Trust	31/08/16	263,549	(13,177)	(5.00)	250,372
	31/08/18	2,902,441	86,572	2.98	2,989,013
	28/09/18	483,966	16,116	3.33	500,082
	31/10/18	<u>483,930</u>	<u>16,357</u>	<u>3.38</u>	<u>500,287</u>

	TOTAL	4,133,886	105,868	2.56	4,239,754
M&G Investments UK Property Fund (after distributions)	14/09/18	248,257	88,020	2.25	336,277
AEW UK Core Property Fund	31/10/18	3,745,319	254,681	6.80	4,000,000
TOTAL		16,853,230	472,813	2.30	17,326,043

Property Fund Investments (Capital Expenditure) as at 31 March 2024

Financial Institution	Purchase Cost (£)	Estimated Net Revenue Received 2023/24 (£)	Projected Annualised Distribution Yield 2023/24 (%)	Net Asset Value (£)	Total Gain/(Loss) Since Purchase (£)	Total Gain/(Loss) Since Purchase (%)	2023/24 Capital Gain/(Loss) Since 31/3/23 (£)	2023/24 Capital Gain/(Loss) Since 31/3/23 (%)	2023/24 Combined Annual Return (%)
BlackRock UK Property Fund	4,500,006	145,567	3.18%	3,991,720	(508,286)	(11.30%)	(266,927)	(6.27%)	(3.09%)
Schroder UK Real Estate Fund	4,250,006	167,915	3.98%	3,592,904	(657,102)	(15.46%)	(366,028)	(9.25%)	(5.27%)
Threadneedle Property Unit Trust	4,239,754	205,425	4.72%	3,519,024	(720,730)	(17.00%)	(178,816)	(4.84%)	(0.12%)
M&G Investments UK Property Fund (After Distribution Payments)	336,277	45,502	N/A	482,476	146,199	N/A	31,278	N/K	N/K
AEW UK Core Property Fund	4,000,000	168,683	4.36%	3,432,264	(567,736)	(14.19%)	(28,969)	(0.84%)	3.52%
TOTAL	17,326,043	732,092		15,018,388	(2,307,655)		(809,462)		

The overall change in the combined Net Asset Values for all funds in Quarter 4 was a reduction of £101,422 compared with the Q3 reduction of £411,044.

The movement in fair value of the funds gets charged to the revenue account and reversed out through the MIRS to the capital adjustment account each year end so there is no bottom-line impact.

Property Fund Dividends

An analysis of dividend distributions received since the purchase of the property funds to 31 March 2024 can be found in **Table 8** below.

Table 8 – Property Fund Dividend Information

Financial Institution	Actual Net Dividend Distributions Received Pre 2023/24	Original Budgeted Net Distribution 2023/24	Net Dividend Distributions Received 2023/24	Total Net Distributions Received Since Purchase
BlackRock UK Property Fund	664,402	162,000	145,567	809,969
Schroder UK Real Estate Fund	641,271	153,000	167,915	809,186
Threadneedle Property Unit Trust	810,274	153,000	205,425	1,015,699
M&G Investments UK Property Fund	489,440	32,000	45,502	534,942
AEW UK Core Property Fund	737,521	144,000	167,683	905,204
Total Revenue	3,342,908	644,000	732,092	4,075,000

The M&G UK Property fund is liquidating its assets and therefore their fund valuation is reducing as repayments are made. Of the £4m originally invested, M&G have now paid Boston BC distribution payments totalling £3,663,724 as of 31 March 2024, from the asset sale proceeds leaving a balance of £336,276.

Maturity Structure of Investments

An analysis of the maturity structure of investments on 31 March 2024 can be found in Table 9 below.

Table 9 - Maturity Structure of Investments on 31 March 2024.

Period to Maturity	Amount (£)	% of Portfolio
Less than one week	7,630,000	17%
Less than one month	0	0%
One to three months	6,000,000	13%
Three to six months	11,000,000	24%
Six to nine months	1,000,000	2%
Nine months to a year	3,000,000	6%
>12 Months	17,326,043	38%
TOTAL	45,956,043	100%

Summary of Investment Income Received Against Budget and Forecast Outturn

Table 10 below provides a comparison of interest received and the outturn position for the year.

Table 10 - Int Received Against Budget and Forecast Outturn

Investment Type	2023/24 Annual Budget	2023/24 Outturn	2023/24 Variance
Treasury Investments & Other Interest	(818,000)	(1,574,663)	(756,663)
<u>Property Funds</u>			
Gross Distributions	(814,000)	(913,867)	(99,867)
Less Management Fees	<u>170,000</u>	<u>181,775</u>	<u>11,775</u>
Net Distributions	(644,000)	(732,092)	(88,092)
M&G Property Fund Liquidation Distributions <i>(to be used for Minimum Revenue Provision Contributions as the original capital purchase was unfinanced capital expenditure)</i>	0	(551,465)	(551,465)
Total Net Income	(1,462,000)	(2,858,220)	(1,396,220)

Treasury investments achieved an average rate of 5.20% (previously 5.09%) compared to the benchmark average 3-month Sterling Overnight Index Average (SONIA) rate of 5.12% (previously 5.10%) and property fund investments achieved an average rate of 4.13% (previously 3.99%). The combined rate achieved on all investments was 4.81% (previously 4.68%).

The outturn for net investment income was £2,311,982 which was £849,982 above budget.

The higher levels of investment income overall compared to the original budget is due to increased balances available for investment resulting from additional grant money being received and rises in interest rates on new investments.

External Borrowing

The Council repaid its £15.449m of external borrowing with the PWLB on 9 October 2023 at a discount of £6.417m.

The Council has a £1m Lender Option Borrower Option (LOBO) loan with State Street Nominees at a rate of 11.125% which is due to mature in 2051.

The following table provides a comparison of budgeted borrowing costs and the outturn position for the year.

Table 11 – Summary of Borrowing Costs Against Budget and Forecast Outturn

Borrowing Type	2023/24 Annual Budget	2023/24 Outturn	2023/24 Variance
Public Works Loan Board	382,390	200,137	(182,253)
State Street LOBO	111,250	111,250	-
Total Borrowing Costs	493,640	311,387	(182,253)

Following the decision to prematurely repay the PWLB borrowing, the outturn for interest paid on all borrowing for 2023/24 is £311,387 compared to the original budget of £493,640. This is a budget saving of £182,253.

Summary of the Net Position Against Budget and Forecast Outturn

The table below provides an analysis of the net position following the decision to repay the PWLB borrowing and takes account the discount which must be allocated to revenue over a ten year period in accordance with proper accounting practice.

Table 12 - Summary of the Net Position Against Budget and Outturn

	2023/24 Annual Budget	2023/24 Outturn	2023/24 Variance
Net Investment Income (Table 10)	(1,462,000)	(2,858,220)	(1,396,220)
Premature Repayment of Borrowing Discount Allocated to Revenue	0	(641,743)	(641,743)
Less: Total Borrowing Costs (Table 11)	493,640	311,387	(182,253)
Overall Net Position	(968,360)	(3,188,576)	(2,220,216)

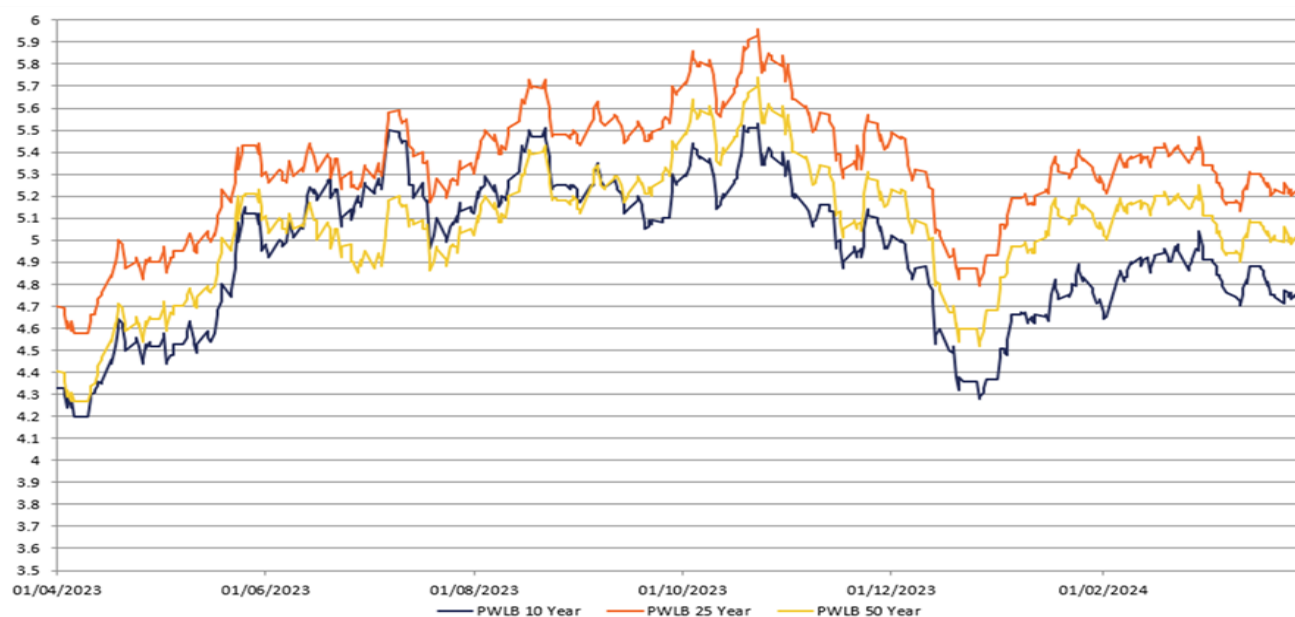
On 31 March 2024 it can be seen from the table that the overall net treasury position after borrowing costs is a favourable £2,220,216 above budget. A full one tenth of the premature repayment of borrowing discount can be allocated to 2023/24.

Public Works Loan Board (PWLB) Borrowing Rates

During the financial year PWLB borrowing rates had been on a gradual rising trend due to stubborn inflation levels and expectations for further base rate rises. These rates stabilised during June and July 2023 when inflation levels slowly started falling and increased again during September and October 2023 due to concerns over the US economy. These concerns abated and with the market expectation that base rates were likely to fall the PWLB rates saw a sharp fall in November and December however some of these reductions have reversed during the final quarter of the financial year.

The 50-year PWLB certainty rate was 5.01% on 31 March 2024 (4.68% as at Quarter 3).

Graph 1 – PWLB Borrowing Rates



Section 2.5 – Insurance

2023/24 Claims Statistics

Table 7 details the number of formal insurance claims for Quarter 4 of 2023/24 (figures in brackets are comparable figures for 2022/23).

Table 8 – Insurance Claims					
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Public Liability	1(0)	0(1)	(1)	(2)	(4)
Employers Liability	0(0)	0(0)	(1)	(1)	(2)
Motor	4(1)	2(2)	(2)	(5)	(10)
Property	0(0)	0(0)	(0)	(0)	(0)
Officers Indemnity	0(0)	0(0)	(0)	(0)	(0)
Total	5(1)	2(3)	(4)	(8)	(16)

Insurance Reserves

The Council maintains an insurance reserve for smaller value insurance claims where the losses are below the principal deductible of £25,000.

At 31 March 2024 the balance on the reserve was £208k, and this balance is monitored on a regular basis to ensure that the value of the reserve is sufficient to meet future liabilities.

Section 2.6 – Debt Collection

A review of debts is undertaken every month, and monitoring is reported against targets. In line with the new financial procedure limits there are no debts in excess of £5,000 requiring Cabinet approval for write off.

An analysis of the sundry debts the Council held as at 31 March 2024 is show in **Table 8**.

Table 8 – Sundry Debt Analysis							
0-30 days	31-60 days	61-90 days	91-120 days	121-183 days	184-365 days	Over 365 days	Total
£	£	£	£	£	£	£	£
809,789	55,593	79,596	88,291	23,211	268,546	381,145	1,706,171

Note: This does not include details of invoice amounts (£87,818) that are not yet due

Section 2.7 – Council Tax and Business Rates

There is uncertainty over the ongoing impact on collection and recovery as a result of the knock-on effect of the pandemic, and now the cost of living and energy cost crises. In recognition, we continue to remain prudent in setting the bad debt provision in this area.

A programme of statutory recovery activity has been in place throughout the year.

Council Tax Support Scheme (CTS)

Following the statutory annual review during 2022/23, the 2023/24 scheme remained unchanged from the previous year, allowing for national up-ratings.

Council Tax – 2023/24 In-Year Collection

The annual collectable debit at 31 March 2024 was £42.4m with a net collection rate of 93.37% (93.72% at 31 March 2023).

Business Rates – 2023/24 In-Year Collection

The annual collectable debit at 31 March 2024 was £19m with a net collection rate of 93.75% (92.43% at 31 March 2023). It should be noted that comparison between years is not reliable due to the differences between financial years, including revaluation and rate relief schemes.

Boston Borough Council – Q4 (Abbreviated) Finance Report 2022/23

Finance Summary

This is a shortened report as many aspects of the 22/23 outturn have already been dealt with through previous financial reporting processes as set out in the detail below. This final report on 22/23 with 23/24 means that the Councils Financial reporting is now fully caught up and all backlogs have been dealt with.

In summary:

- The revenue outturn was an underspend of £156k
- Specific and general reserves of the Council were £14.111m at 31 March 2023.
- Capital spend at the end of Quarter 4 was £3.747m against a full year budget of £6.440m
- After funding the 2022/23 Capital Programme the capital resources were:
 - Capital Reserve - £5.643m
 - Capital Receipts - £0.275m
- The Council held treasury investments of £20.5m including accrued interest as at 31 March 2023.

Section 2 – Finance

Section 2.1	Revenue Budget
Section 2.2	Capital Budget
Section 2.3	Treasury Update
Section 2.4	Insurance
Section 2.5	Debt Collection
Section 2.6	Business Rates and Council Tax Collection

Inflation	January (%)	February (%)	March (%)
CPI	10.1	10.4	10.1
RPI	13.4	13.8	13.5

Section 2.2 – Revenue Budget

Table 1 details the outturn by Assistant Director. This shows an underspend position of £156k.

Table 1 – Net Spend by Assistant Director				
Assistant Director Area	Revised Budget 2022/23 £'000	Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Corporate	2,192	2,075	(117)	(£147k) IT software due to savings against budget, (£16k) salary & oncost savings due to actual costs lower than budgeted & secondment savings, (£22k) internal communications savings, offset by £74k vacancy efficiency target

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2022/23 £'000	Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
Economic Growth	126	207	81	£119k salary and oncosts due to service review taking place after original budgets were set offset by (£35k) additional S113 income received
Finance	2,284	2,495	211	£377k rent allowances offset by (£50k) saving on license costs and (£116k) saving on miscellaneous non-distributed costs
Governance	662	638	(24)	£12k legal services income, (£14k) salary and oncosts offset by income received for S113s posts, (£14k) savings against postages, (£4k) overachievement of other income on other areas combined
General Fund Assets	(1,297)	(1,203)	94	(£36k) Bereavement Income due to increased volumes compared to budget, (£2k) gas savings, (£9k) water savings offset by £45k reduction in parking income and £99k electricity overspend against budget.
Leisure and Culture	472	482	10	(£30k) salary and oncosts savings due to vacant posts offset by £18k overspend against electricity, £2k small overspends across other areas
Neighbourhoods	1,752	1,808	56	£80k fuel, £14k washing contract, £46k vehicle hire, £99k materials & consumables, £47k agency, £9k contractor, offset by (£99k) staffing & oncosts and (£146k) additional income
Planning & Strategic Infrastructure	220	134	(86)	(£17k) salary & oncosts savings, (£142k) S113 reduction in expenditure, offset by £72k movement to reserves
Regulatory	486	515	28	£39k income underachievement against budget (of which £23k building control fees, £44k land charges offset by H&S Enforcement (£13k) and Hackney Carriage Licences (£15k)) offset by (£11k) salary & oncosts & S113s posts savings
Wellbeing and Community Leadership	1,320	1,208	(112)	(£104k) Income overachievement on demand for payment (service of notice) - this was a new income stream added to the 2022/23 budget and it difficult to predict the level of income this would generate when setting the

Table 1 – Net Spend by Assistant Director

Assistant Director Area	Revised Budget 2022/23 £'000	Outturn 2022/23 £'000	Variance (underspend)/overspend £'000	Comments on main variances
				budget, (£8k) other small savings across all other service areas
BTAC	733	733	(0)	
Sub Total – Assistant Director – net costs	8,950	9,090	141	
Internal Drainage Boards/Parish Precepts	2,660	2,627	(33)	IDB actuals less than budgeted for
DRF	1,888	360	(1,528)	(£1.5m) Towns Fund - Leisure, (£280k) amongst other areas
MRP	15	50	35	
Interest Payments Received / Return on Property Funds	(466)	(830)	(364)	(£364k) Additional investment income due to better than anticipated interest rates & higher volumes invested than budgeted for.
Reserves	(5,182)	(2,532)	2,649	See reserves tab
Efficiencies Requirement	(282)	(118)	164	PSPS Contract savings
Impairment Allowance	0	(173)	(173)	(£294k) decrease in Housing benefit overpayment provision offset by £110k court costs and £11k sundry bad debtors
Non Service Expenditure	(1,367)	(618)	750	
Total Expenditure	7,583	8,473	890	
Council Tax	(5,396)	(5,397)	(1)	
Business Rates	1,249	756	(492)	(£519k) reduction in NNDR deficit, (£26k) Business rates levy surplus offset by £50k increase in pooling levy charge
Non Ring Fenced Government Grant	(3,436)	(3,988)	(553)	(£563K) additional CARF received, £10k reduction in other S31 grants
Total Funding	(7,583)	(8,629)	(1,046)	

Table 1 – Net Spend by Assistant Director				
Assistant Director Area	Revised Budget 2022/23	Outturn 2022/23	Variance (underspend)/overspend	Comments on main variances
	£'000	£'000	£'000	
Total Budget - (Surplus)/Deficit	(0)	(156)	(156)	

Income

The Council has a number of demand-led budget areas which are reliant on income for services provided.

Table 2 – Trading Income Budgets				
Income Area	Revised Budget 2022/23	Actual Income 2022/23	Variance (above)/below budget	Comments
	£'000	£'000	£'000	
GF - Car Parking, Bereavement, and Property	(1,938)	(1,949)	(12)	£36k Car Parking, (£36k) Bereavement Income, (£12k) other income
Leisure Pool, and Markets	(1,035)	(1,015)	20	Market income
Neighbourhoods – Office Cleaning, Recycling	(978)	(919)	59	Green waste collection fees less than budgeted for
Development Management	(633)	(585)	48	Planning application fees
Regulatory – Land Charges, Licences	(391)	(394)	(3)	
Bed & Breakfast	(44)	(168)	(125)	Higher income received than budgeted for but offset by higher expenditure within the service
Property Asset Income	(808)	(833)	(24)	Rent reviews resulted in higher than budgeted for income
Total	(5,825)	(5,863)	(38)	

Reserves

At 31 March 2023 specific reserves were £16.11m, after a net transfer from reserves of £2.938k to cover revenue and capital expenditure. **Table 3** reflects the outturn position.

Table 3 – Specific and General Reserves Balance				
Reserve	Balances at 1 April 2022 £'000	Contributions into Reserves £'000	Use of Reserves £'000	Balances at 31 March 2023 £'000
Capital Funding	5,627	333	(317)	5,643
Transformation	1,622	37	(268)	1,391
Repairs and Renewals	698	52	(83)	667
ICT	87	-	(36)	50
Housing	1,514	42	(161)	1,395
Controlling Migration Fund	14	-	0	14
Insurance	260	-	(10)	250
Risk Mitigation Reserve	1,116	-	0	1,116
Funding Volatility*	4,990	563	(2,987)	2,566
Covid 19	852	65	(339)	578
Climate Change Reserve	-	84	0	84
Planning Reserve	-	102	(17)	86
NEW S106 & Commuted Sums Reserve	-	157	0	157
Property Funds Reserve	271	-	(156)	115
Specific Reserves Total	17,049	1,435	(4,373)	14,111
General Fund	2,000			2,000
Total	19,049	1,435	(4,373)	16,111
BTAC	303	26	-	328
TOTAL	19,351	1,461	(4,373)	16,439

* Funding Volatility– this reserve was used to fund business rates deficit (£2.982m) and Economic Development Expenditure (£4.5k).

Section 2.3 – Capital Budget

Revised 2023/24 Capital Programmes

General Fund 2023/24 capital programmes were affected by slippage/re-profiling from 2022/23. The revised programmes were approved as part of Quarter 1 Finance Report to Cabinet on 20 September 2023.

Table 5 indicates the actual capital resources that were available to the Council at the end of 2022/23. The position for 2023/2024 is also provided.

Table 5 – Capital Resources			
	2021/22 £'000	2022/23 £'000	2023/24 £'000
Capital Resources* available at start of each year	5,616	6,358	5,918
Capital Investment (estimate in future years)	(2,047)	(3,747)	(35,715)
Additional Sources of Finance			
- New Capital Receipts (estimate in future years)	456	(456)	-
- Funding from other reserves	249	58	259
- External Grants	1,214	3,352	30,214
- Revenue Contributions	-	35	-
- Internal borrowing	-	-	959
- Budgeted contributions to capital reserve	995	333	344
- Minimum Revenue Contribution	(15)	(15)	(15)
- Transfer from Capital Reserve to support ongoing projects	(110)	-	-
Estimated Capital Resources* at end of each year	6,358	5,918	1,964

* Capital Reserve and Capital Receipts

Section 2.4 – Treasury Management

The Annual Treasury Management Review 2022/23 was approved by Governance and Audit Committee on 19 September 2023 and Full Council on 27 September 2023.

Section 2.6 – Debt Collection

A review of debts is undertaken every month and monitoring is reported against targets. In line with the financial procedure limits debts below £5,000 require sign off by the Chief Finance Officer with all debts for this amount or over requiring Cabinet approval.

An analysis of the sundry debts the Council held as at 31 March 2023 is show in **Table 9**.

Table 9 – Sundry Debt Analysis							
0-30 days £	31-60 days £	61-90 days £	91-120 days £	121-183 days £	184-365 days £	Over 365 days £	Total £
237,022	37,708	17,912	37,577	101,268	288,369	287,783	1,007,639

Note: This did not include details of invoice amounts (£718,229) that were not yet due at that point.

Section 2.7 – Council Tax and Business Rates

Table 10 – 2022/23 Business Rates Retention

	Base Estimate included in 2022/23 budget £	Forecast position at 31 March 2023 £	(Surplus)/Deficit in 2022/23 – will impact next year's budget £
Non Domestic rating income for the year	(18,566,309)	(16,797,661)	1,768,648
Less: LCC share (10% for 22/23)	1,856,631	1,679,766	(176,865)
Less: Government Share (50% for 22/23)	9,283,155	8,398,831	(884,324)
Boston Borough Council's income (excluding renewables) (40% for 22/23)	(7,426,524)	(6,719,064)	707,459

Business Rates – 2022/23 In-Year Collection

The collectable debit for 2022/23 was £19.5m with an in-year collection rate of 92.45% at 31 March 2023 (94.08% at 31 March 2022). The annual collectable debit remains below pre-covid levels as a result of ongoing retail rate relief.

The Covid Additional Relief Fund (CARF) scheme provided rate relief support against 2021/22 financial year for businesses impacted by covid but who had not been supported through other relief schemes. This relief was awarded in 2022/23.

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Report To:	Full Council
Date:	16 th September 2024
Subject:	Annual Treasury Report 2023/24
Purpose:	To provide Members with a review of Treasury Management performance and activity during 2023/24 to ensure best practice is maintained.
Key Decision:	No
Portfolio Holder:	Councillor Sandeep Ghosh, Portfolio Holder - Finance
Report Of:	Christine Marshall, Deputy Chief Executive - Corporate & S151
Report Author:	Sean Howsam, Interim Treasury Manager, PSPSL
Ward(s) Affected:	None directly.
Exempt Report:	No.

Summary

Attached at **Appendix A** is the Annual Treasury Report detailing the Council's activities and actual prudential and treasury indicators for 2023/24. It covers the following areas;

- An economic update for the 2023/24 financial year;
- A review of the Council's investment portfolio for 2023/24;
- A review of the Council's borrowing strategy for 2023/24;
- Debt position;
- Compliance with Treasury and Prudential indicators.

This Report refers to a key element of the Council's Governance Framework and represents an important contribution to the evidence trail in support of the Annual Governance Statement 2023/24.

Recommendations

That Council receives and approves the Annual Treasury Management Review 2023/24 at **Appendix A** as required by the Local Government Act 2003 following scrutiny by the Audit and Governance Committee at their meeting on 8 July 2024.

Reasons for Recommendations

The Council is required to produce an Annual Treasury report after the end of each financial year in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management.

Other Options Considered

As this is an update report there are no further options for consideration.

1. Background

1.1 The Council approved its Treasury Management Strategy for 2023/24 on 6 March 2023. This report now provides the Annual Treasury Report 2023/24 (**Appendix A**) for approval following review and scrutiny by the Audit and Governance Committee at their meeting on 8 July 2024.

2. Report

2.1 Capital expenditure for 2023/24 was £5.939m of which £4.16m was financed by grants and internal resources. The remaining £1.779m was unfinanced and increased the Council's capital Financing Requirement.

2.2 As at 31 March 2024, treasury investment balances were £29.4m compared with £20.5m the previous year and non-treasury investment balances were £15.1m compared with £16.5m the previous year. All treasury investments will mature in less than one year and the non treasury investments are long term investments in property funds.

2.3 On 9 October 2023 the Council repaid its £15.449m borrowing with PWLB. Based on market rates at the time the Council received a discount of £6.417m resulting in an actual payment of £9.032m. Under accounting regulations this discount is allocated to revenue over a 10 year period.

2.4 The following table provides an analysis of the net treasury position for 2023/24 following the decision to repay the PWLB borrowing and takes account of the discount which must be allocated to revenue over a ten year period in accordance with proper accounting practice.

	2023/24 Annual Budget	2023/24 Outturn	2023/24 Variance
Treasury Investment Income	(818,000)	(1,574,663)	(756,663)
<u>Property Funds Income</u>			
Gross Distributions	(814,000)	(913,867)	(99,867)
Less Management Fees	<u>170,000</u>	<u>181,775</u>	<u>11,775</u>
Net Distributions	(644,000)	(732,092)	(88,092)
M&G Property Fund Liquidation Distributions (<i>Used for Minimum Revenue Provision Contributions as the original capital purchase was unfinanced capital expenditure</i>)	0	(551,465)	(551,465)
Premature Repayment of Borrowing Discount Allocated to Revenue	0	(641,743)	(641,743)
Less: Total Borrowing Costs	493,640	311,387	(182,253)
Overall Net Position	(968,360)	(3,188,576)	(2,220,216)

It can be seen from the above table that the overall net treasury position for 2023/24 was net income of £3,188,576 compared to a budget of £968,360 resulting in a net surplus of £2,220,216 for the year.

- 2.5 The rate of return on the Council's treasury investments averaged 5.20% for the 2023/24 financial year. Property funds achieved a net rate of 4.13%. This gave a combined rate of 4.81% for the year.
- 2.6 A full analysis of the Council's property fund investments can be found in Section 9 of **Appendix 'A'**.
- 2.7 A full review of the economy and interest rates is detailed in Section 8 of **Appendix 'A'**.
- 2.8 The Council's Investment Policy and Strategy is kept under constant review with the aim of balancing risk and reward. The investment criteria agreed for 2023/24 permitted investments with banks whose parent bank originates from a country with a sovereign rating of A+ or higher and meets Link Groups counterparty investment criteria.
- 2.9 The Council's 2023/24 accounts are subject to external audit which may result in some amendments to the figures being reported in this Annual Report.

3 Conclusion

- 3.1 This report provides a review of treasury management performance for the financial year 2023/24, to Members to ensure best practice is maintained as required by the CIPFA Code of Practice for Treasury Management.

Implications

South and East Lincolnshire Councils Partnership

None

Corporate Priorities

None

Staffing

None

Workforce Capacity Implications

None

Constitutional and Legal Implications

The General Power of Competence in the Localism Act 2011 allows Councils a broad freedom in their operations.

Councils have the general power to borrow under Section 1 of the Local Government Act 2003.

The power to invest is set out in the Local Government Act 2003, Section 12, which gives the Council the power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs.

The power that allows councils to spend for capital purposes is included in the Local Government Act 2003.

The council is required to produce an Annual Treasury Report after the end of each financial year in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management.

Data Protection

None

Financial

The financial implications are covered in detail in **Appendix A** to this report and in section 2 above.

By making the investment criteria relating to financial institutions stringent, the Council receives lower rates of return. The Council therefore aims to strike a balance between risk and reward when considering its portfolio of investments. Treasury Management is a key financial consideration for the Authority especially in respect of its investment returns and Capital Programme.

Risk Management

The Code of Practice sets out the framework for controlling the risks associated with treasury management decisions for borrowing and investing. Ultimately investment and borrowing decisions are made in accordance with the Council's Treasury Management

Strategy. The overriding priority is that the security of a deposit takes precedence over a return on investment.

The Prudential and Treasury Indicators control the limits for investing and borrowing, to ensure that any borrowing is affordable and sustainable and long term borrowing is for capital purposes only.

The Council's priority is the security of its investments.

Stakeholder / Consultation / Timescales

The Portfolio Holder for Finance is briefed on treasury performance on a regular basis.

Reputation

The security of investments is the Council's main priority when investing surplus cash.

Contracts

None

Crime and Disorder

None

Equality and Diversity / Human Rights / Safeguarding

None

Health and Wellbeing

None

Climate Change and Environmental Implications

None

Acronyms

bps – basis points

CFR – Capital Financing Requirement

CIPFA - Chartered Institute of Public Finance and Accountancy

CPI - Consumer Price Index

DLUHC - Department for Levelling Up, Housing and Communities

ECB – European Central Bank

EU – European Union

EZ - Eurozone

FOMC - Federal Open Market Committee

GDP – Gross Domestic Product

LUF – Levelling Up Fund

MPC - Monetary Policy Committee

MRP – Minimum Revenue Provision

PWLB - Public Works Loan Board

q/q - quarter on quarter

SONIA - Sterling Overnight Index Average

UKSPF – UK Shared Prosperity Fund

VRP – Voluntary Revenue Provision

y/y – Year on Year

Appendices

Appendices are listed below and attached to the back of the report:

Appendix 1 Annual Treasury Management Review 2023/24

Background Papers

Background papers used in the production of this report are listed below: -

Document title.

Where the document can be viewed.

Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.	CIPFA Website
BBC Treasury Management Strategy Statement for 2023/24	<u>(Public Pack)Agenda Document for Full Council, 06/03/2023 18:30 (boston.gov.uk)</u>

Chronological History of this Report

This report was considered by the Audit and Governance Committee on 8 July 2024 prior to its submission to Council.

Report Approval

Report author: Sean Howsam – Interim Treasury Manager (PSPSL)
Sean.Howsam@pspsl.co.uk

Signed off by: Christine Marshall – Deputy Chief Executive (Corporate Development) & S151 christine.marshall@sholland.gov.uk

Approved for publication: Councillor Sandeep Ghosh - Portfolio Holder for Finance



Annual Treasury Management Review 2023/24

For approval by Council on 16 September 2024 following
scrutiny by Audit and Governance Committee
on 8 July 2024

ANNUAL TREASURY MANAGEMENT REVIEW 2023/24

1. INTRODUCTION

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

During 2023/24 the following reports have been submitted:

- an annual treasury strategy in advance of the year (Council 6 March 2023)
- a mid year treasury update report (Audit and Governance 20 November 2023 and Council 15 January 2024)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

In addition, this Council has received quarterly treasury management update reports on 25 September 2023 and 18 March 2024 which were received by the Audit and Governance Committee.

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

This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Audit and Governance Committee. Member training on treasury management has been undertaken during the year and further external training will be provided in the 2024/25 financial year.

The Treasury Management function is administered by Public Sector Partnership Services Ltd on behalf of the Council.

2. THE COUNCIL'S CAPITAL EXPENDITURE AND FINANCING 2023/24

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

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

The actual capital expenditure forms one of the required prudential indicators.

The following table summarises actual capital expenditure and how this was financed. Full details of the 2023/24 expenditure can be found at **Appendix 'A1'**.

£'000 General Fund	2022/23 Actual	2023/24 Approved Budget	2023/24 Actual
Capital expenditure	3,747	8,602	5,939
Financed in year	(3,747)	(1,791)	(4,160)
Unfinanced capital expenditure	0	6,811	1,779

3. THE COUNCIL'S OVERALL BORROWING NEED

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

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

Reducing the CFR – the Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

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

The Council's 2023/24 MRP Policy, (as required by Department for Levelling Up, Housing and Communities (DLUHC) Guidance), was approved as part of the Treasury Management Strategy Report for 2023/24 on 6 March 2023.

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

CFR (£'000)	31 March 2023 Actual	31 March 2024 Estimate	31 March 2024 Actual
Opening CFR Balance	20,088	20,243	17,211
Add Unfinanced Capital Expenditure	0	959	1,779
Minimum Revenue Provision	(2,877)	(30)	(585)
Total CFR	17,211	21,172	18,405

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

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2022/23) plus the estimates of any additional capital financing requirement for the current (2023/24) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2023 Actual £000's	31 March 2024 Estimate £000's	31 March 2024 Actual £000's
Gross Borrowing Position	16,449	16,449	1,000
CFR	17,211	21,172	18,405

The authorised limit - the authorised limit is the "affordable borrowing limit" required by S3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2023/24 the Council has maintained gross borrowing within its authorised limit.

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

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

	2023/24
Authorised limit	£28m
Maximum gross borrowing position	£16.4m
Operational boundary	£25m
Average gross borrowing position	£9.1m
Financing costs as a proportion of net revenue stream	-23.46%

4. TREASURY POSITION AS AT 31 MARCH 2024

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

	31/3/23 Principal & Accrued Interest £000's	Rate/ Return %	Average Life In Years	31/3/24 Principal & Accrued Interest £000's	Rate/ Return %	Average Life In Years
Fixed Rate External & PWLB borrowing	16,449	3.92	44.67	1,000	11.125	26.87
CFR	17,211			18,405		
Over/(under) borrowing	(762)			(17,405)		
Total investments (including Cash and Cash Equivalents)	(37,021)	3.75	0.65	(44,495)	5.12	0.52
Net investments	(20,572)			(43,495)		

Investments and Cash and Cash Equivalents held as at 31 March 2024 including accrued interest were as follows:

INVESTMENT PORTFOLIO	Actual 31/03/23 £000's	Actual 31/03/23 %	Actual 31/03/24 £000's	Actual 31/03/24 %
Treasury Investments				
Banks	14,625	71	15,264	52
Local Authorities	-	-	9,076	31
Total managed in house	14,625	71	24,340	83
Money Market Funds	5,912	29	5,026	17
Total managed externally	5,912	29	5,026	17
Total Treasury Investments	20,537	100	29,366	100
Non Treasury Investments				
Property Funds	16,484	100	15,129	100
Total Non Treasury Investments	16,484	100	15,129	100

The value of property fund investments have decreased during the financial year and a detailed analysis is provided at **paragraph 9.2**.

SUMMARY	Actual 31/03/23 £000's	Actual 31/03/23 %	Actual 31/03/24 £000's	Actual 31/03/24 %
Total Treasury Investments	20,537	55	29,366	66
Total Non Treasury Investments	16,484	45	15,129	34
Total of all Investments	37,021	100	44,495	100

The maturity structure of the investment portfolio was as follows:

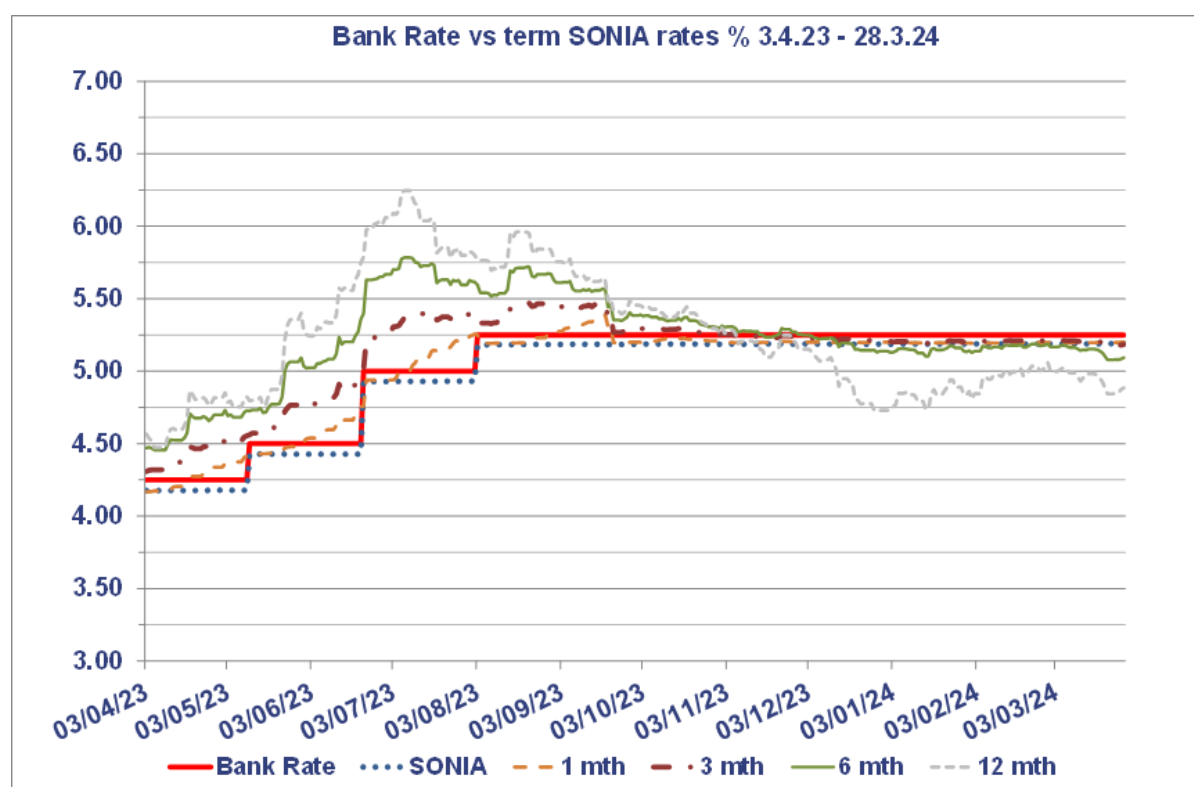
	2022/23 Actual £'000	2023/24 Actual £'000
Investments		
Longer than 1 year	16,484	15,129
Under 1 year	<u>20,537</u>	<u>29,366</u>
Total	<u>37,021</u>	<u>44,495</u>

The exposure to fixed and variable rates on investments was as follows:

	31/3/23 Actual £'000	31/3/24 Actual £'000
Fixed rate	14,220 (38%)	23,705 (53%)
Variable rate	22,801 (62%)	20,790 (47%)

5. **THE STRATEGY FOR 2023/24**

5.1 **Investment strategy and control of interest rate risk (commentary provided by Link Group)**



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

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

The upward sloping yield curve that prevailed throughout 2023/24 meant that local authorities continued to be faced with the challenge of proactive investment of surplus cash, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and "laddering" deposits on a rolling basis to lock in the increase

in investment rates as duration was extended, became an on-going feature of the investment landscape.

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

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

5.2 Borrowing strategy and control of interest rate risk

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

Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Section 151 Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

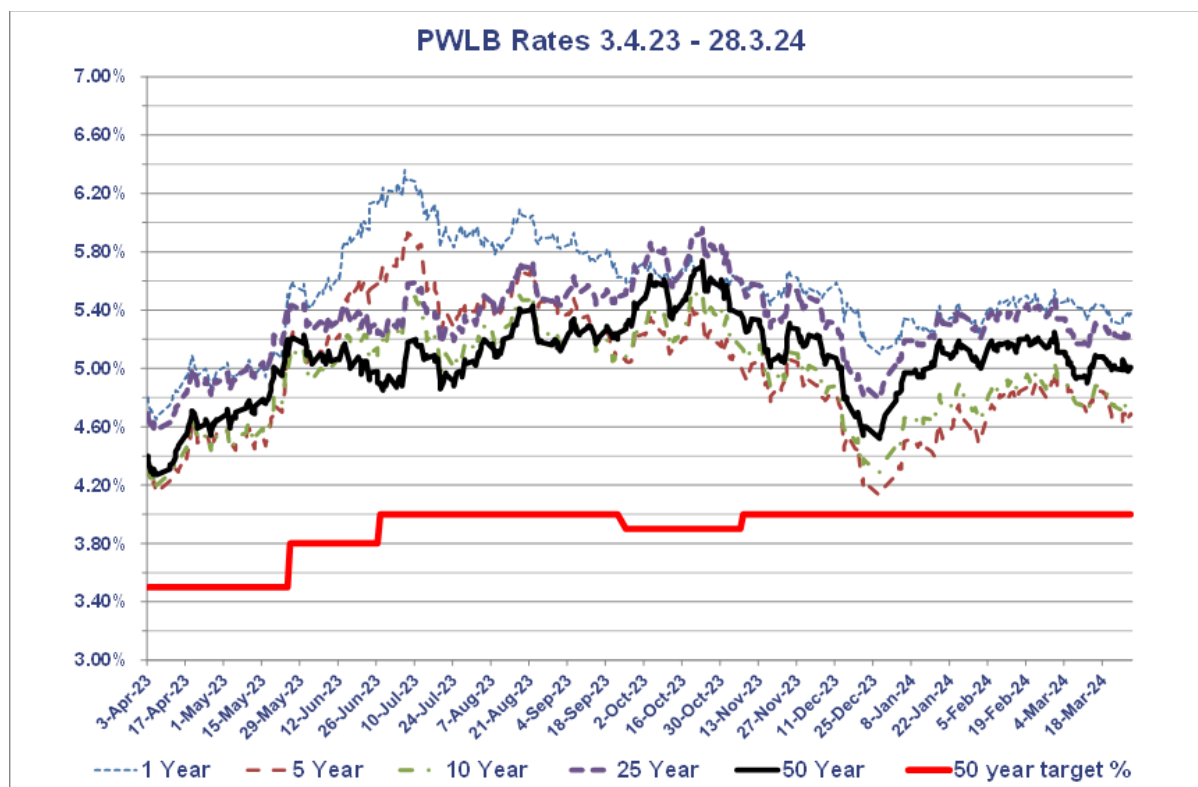
- if it had been felt that there was a significant risk of a sharp FALL in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings would have been postponed, and potential rescheduling from fixed rate funding into short term borrowing would have been considered.
- if it had been felt that there was a significant risk of a much sharper RISE in long and short term rates than initially expected, perhaps arising from the stickiness of inflation in the major developed economies, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

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

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

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

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



PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen

considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the European Union (EU) would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

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

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

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

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

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

There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the CPI measure) moves below the Bank of England's 2% target.

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

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

6. **BORROWING OUTTURN**

Treasury borrowing – The Council has not undertaken any new Treasury borrowing during the 2023/24 financial year.

The Council has a £1m loan from State Street Nominees Ltd at a rate of 11.125% which matures in 2061. Interest on this loan was £111,250.

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

Rescheduling – On 9 October 2023 the Council repaid its £15.449m borrowing with PWLB. Based on market rates at the time the Council received a discount of £6.417m resulting in an actual payment of £9.032m. Under accounting regulations this discount is allocated to revenue over a 10 year period.

Following the decision to prematurely repay the PWLB borrowing, the outturn for interest paid on all borrowing for 2023/24 was £311,387 compared to the original budget of £493,640. This is a budget saving of £182,253.

7. **INVESTMENT OUTTURN FOR 2023/24**

Investment Policy – the Council's investment policy is governed by DHLUC investment guidance, which was been implemented in the annual investment strategy approved by the Council on 6 March 2023. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.

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

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

Balance Sheet Resources (£'000)	31 March 2023	31 March 2024
General Fund Balance	2,000	2,000
Earmarked reserves	14,325	13,794
Usable capital receipts	275	275
Capital Grants Unapplied	5,597	15,516
Boston Town Area Committee	328	207
Total	22,525	31,792

The Council held average treasury investment balances of £30.3m which were internally managed, achieving an average rate of return of 5.20% compared with the average 3 Month Sterling Overnight Index Average (SONIA) rate of 5.12%.

The Council also held average non-treasury investment balances of £17.7m at cost which were externally managed. These balances were held in property funds and achieved estimated net average returns of 4.13%.

The combined rate of return on all investments averaged 4.81%.

The table below provides an analysis of the net treasury position following the decision to repay the PWLB borrowing and takes account of the discount which must be allocated to revenue over a ten year period in accordance with proper accounting practice.

	2023/24 Annual Budget	2023/24 Outturn	2023/24 Variance
Treasury Investment Income	(818,000)	(1,574,663)	(756,663)
<u>Property Funds Income</u>			
Gross Distributions	(814,000)	(913,867)	(99,867)
Less Management Fees	<u>170,000</u>	<u>181,775</u>	<u>11,775</u>
Net Distributions	(644,000)	(732,092)	(88,092)
M&G Property Fund Liquidation Distributions (<i>Used for Minimum Revenue Provision Contributions as the original capital purchase was unfinanced capital expenditure</i>)	0	(551,465)	(551,465)
Premature Repayment of Borrowing Discount Allocated to Revenue	0	(641,743)	(641,743)
Less: Total Borrowing Costs	493,640	311,387	(182,253)
Overall Net Position	(968,360)	(3,188,576)	(2,220,216)

Further details of property fund investments held by the Council and the 2023/24 performance is shown in **Paragraph 9.2** of this report.

8. THE ECONOMY AND INTEREST RATES (Commentary provided by Link Group)

UK. Economy.

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

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

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

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.50%
GDP	-0.3%q/q Q4 (-0.2%y/y Feb)	+0.0%q/q Q4 (0.1%y/y)	2.0% Q1 Annualised
Inflation	3.4%y/y (Feb)	2.4%y/y (Mar)	3.2%y/y (Feb)
Unemployment Rate	3.9% (Jan)	6.4% (Feb)	3.9% (Feb)

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

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

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

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

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in

2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

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

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

USA Economy.

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

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

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

EZ Economy

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

9. OTHER ISSUES

- 9.1 IFRS 9 fair value of investments** – When producing the 2023/24 financial statements the Council has adhered to this accounting standard. This standard prescribes the way financial instruments are valued in the accounts and also how risk is measured and accounted for.

9.2. Non Treasury Investments : Property Funds – The Council owns investments in commercial property funds and a breakdown of the initial purchase cost is shown in the following table:

Fund	Date of Purchase	Net Asset Value at Date of Purchase £	Premium/ (Discount) on Purchase £	Premium/ (Discount) on Purchase %	Total Cost £
Black Rock UK Property Fund	05/08/16	255,085	(5,102)	(2.00)	249,983
	30/12/16	255,085	(5,103)	(2.00)	249,982
	28/09/18	<u>3,945,592</u>	<u>54,449</u>	<u>1.38</u>	<u>4,000,041</u>
	TOTAL	4,455,762	44,244	0.99	4,500,006
Schroder UK Real Estate Fund	05/08/16	250,000	-	-	250,000
	03/09/18	<u>4,020,006</u>	<u>(20,000)</u>	<u>(0.50)</u>	<u>4,000,006</u>
	TOTAL	4,270,006	(20,000)	(0.47)	4,250,006
Threadneedle Property Unit Trust	31/08/16	263,549	(13,177)	(5.00)	250,372
	31/08/18	2,902,441	86,572	2.98	2,989,013
	28/09/18	483,966	16,116	3.33	500,082
	31/10/18	<u>483,930</u>	<u>16,357</u>	<u>3.38</u>	<u>500,287</u>
	TOTAL	4,133,886	105,868	2.56	4,239,754
M&G Investments UK Property Fund (less distributions)	14/09/18	248,257	88,020	2.25	336,277
AEW UK Core Property Fund	31/10/18	3,745,319	254,681	6.80	4,000,000
TOTAL		16,853,230	472,813	2.30	17,326,043

The table below provides an analysis of the revenue returns (dividend distributions) received during the financial year and an analysis of the change in the Net Asset Values of each fund since purchase and also during the 2023/24 financial year.

Financial Institution	Purchase Cost (£)	Net Revenue Received 2023/24 (£)	Annualised Distribution Yield 2023/24 (%)	Net Asset Value (£)	Total Gain/ (Loss) Since Purchase (£)	Total Gain/ (Loss) Since Purchase (%)	Annual Capital Gain/ (Loss) (£)	Annual Capital Gain/ (Loss) (%)	Annual 2023/24 Combined Return
BlackRock UK Property Fund	4,500,006	145,567	3.18%	3,978,526	(521,480)	(11.59%)	(280,121)	(6.58%)	(3.40%)
Schroder UK Real Estate Fund	4,250,006	167,915	3.98%	3,592,904	(657,102)	(15.46%)	(366,028)	(9.25%)	(5.27%)
Threadneedle Property Unit Trust	4,239,754	205,425	4.72%	3,519,024	(720,730)	(17.00%)	(178,816)	(4.84%)	(0.12%)
M&G Investments UK Property Fund (Less Distributions)	336,277	45,502	N/K	482,476	146,199	N/K	31,278	N/K	N/K
AEW UK Core Property Fund	4,000,000	167,683	4.36%	3,432,263	(567,737)	(14.19%)	(28,969)	(0.84%)	3.52%
TOTAL	17,326,043	732,092		15,005,193	(2,320,850)		(822,656)		

The total net unrealised losses on the capital property funds during 2023/24 was £822,656. The total cumulative net unrealised losses on the capital property funds now stands at £2,320,850.

The M&G property fund has now paid a cumulative total of £3,663,724 in respect of property sales. This receipt has been used to finance the minimum revenue provision charge which reduces the historic unfinanced capital expenditure.

A cumulative minimum revenue provision of £215k has been made in respect of the Council's remaining property fund investments.

The table below provides details of the 2023/24 budget for property fund distributions and borrowing costs along with the returns received for the year. The final column shows the total distributions since the property funds were purchased.

Financial Institution	Actual Net Dividend Distribution Received Pre 2023/24	Net Dividend Distribution Budget 2023/24	Net Dividend Distribution Received 2023/24	Total Net Distribution Received Since Purchase
Schroder UK Real Estate Fund	641,271	153,000	167,915	809,186
Threadneedle Property Unit Trust	810,274	153,000	205,425	1,015,699
BlackRock UK Property Fund	664,402	162,000	145,567	809,969
M&G Investments UK Property Fund	489,440	32,000	45,502*	534,942
AEW UK Core Property Fund	737,521	144,000	167,683	905,204
Total Revenue	3,342,908	644,000	732,092	4,075,000
Borrowing Costs	1,668,550	382,389	200,137	1,868,687
Net Revenue Position	1,674,358	261,611	531,955	2,206,313

* Excludes revenue distributions relating to the sale of fund assets as part of the liquidation process.

It can be seen from the table above that the net revenue distribution received by the Council during 2023/24 was £261,611. The cumulative net distribution since purchase has now increased to £2,206,313.

The statutory guidance in relation to Minimum Revenue Provision on unfinanced capital expenditure has recently changed. The Council's property fund investments will be reviewed in light of this amended guidance and be subject to a separate report. The effective date of the new guidance is 1 April 2025.

9.3. Changes in Risk Appetite

There has been no change to the Council's risk appetite during the 2023/24 financial year and investments have been made throughout the year in accordance with the Council's agreed investment criteria approved by Council.

2023/24 Capital Programme, Outturn Expenditure and Funding

Capital Programme 2023/24				Funding of the Capital Programme					
Scheme	Revised Budget 23/24	Actual 23/24	Variance (under)/over	External Grants	Revenue Funding	Internal Borrowing	Other Reserves	Capital Reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Disabled Facilities Grant	480	582	102	582					582
Housing Stock Modelling Condition Survey	33	-	(33)						-
Multi Use Games Area (Controlling Migration Funding)	17	-	(17)						-
Resurfacing & footpath improvements	28	-	(28)						-
Changing Places	212	212	-	158				54	212
Town Centre Heritage Scheme	1,161	188	(973)	188					188
Information Technology Infrastructure Refresh	65	85	20			85			85
IT Refresh	44	47	3			47			47
Telephony	49	49	-			49			49
Car Park Machines	200	167	(33)				167		167
Local Authority Housing Fund	2,797	2,554	(243)	956		1,598			2,554
Christmas Decorations	65	65	-	50	15				65
Total Projects (Excl Towns Funds, UKSPF & LUF)	5,151	3,949	(1,202)	1,934	15	1,779	167	54	3,949
Towns Fund - Leisure	350	322	(28)	322					322
Towns Fund - Mayflower	1,110	12	(1,098)	12					12
Towns Fund - St Botolph's Library	124	55	(69)	55					55
Towns Fund - Centre for Food & Fresh Produce Logistics	510	702	192	702					702
Towns Fund - Healing the High St (incl. Shodfriars)	344	231	(113)	231					231
Towns Fund - Boston Station	120	126	6	126					126
Total Towns Fund Projects	2,558	1,448	(1,110)	1,448	-	-	-	-	1,448

Capital Programme 2023/24				Funding of the Capital Programme					
Scheme	Revised Budget 23/24	Actual 23/24	Variance (under)/over	External Grants	Revenue Funding	Internal Borrowing	Other Reserves	Capital Reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
UKSPF (Capacity building projects for local groups)	160	116	(44)	116					116
UKSPF Rural (Community projects aimed at reducing the cost of living)	150	150	-	150					150
Total UKSPF Projects	310	266	(44)	266	-	-	-	-	266
LUF - Civic Hub	200	3	(197)	3					3
LUF - Crown House	263	265	2	265					265
LUF - Public Realm	120	8	(112)	8					8
Total LUF Projects	583	276	(307)	276	-	-	-	-	276
Grand Total	8,602	5,939	(2,663)	3,924	15	1,779	167	54	5,939



Report To:	Council
Date:	16 th September 2024
Subject:	South & East Lincolnshire Councils Partnership Performance Report
Purpose:	Six monthly update on Partnership performance
Key Decision:	No
Portfolio Holder:	Councillor Anne Dorrian, Leader of the Council
Report Of:	James Gilbert, Assistant Director - Corporate
Report Author:	Suzanne Rolfe, Group Manager - Insights & Transformation
Ward(s) Affected:	All
Exempt Report:	No

Summary

This report sets out the progress of the South & East Lincolnshire Councils Partnership since the last update on 4th March 2024.

Recommendations

- To note progress of the Alignment and Delivery Plan 2024/25 (section 2)
- To note the Peer Challenge update (section 3)
- To note the updates from the Priority Partnerships (section 4)
- To note the Partnership Scrutiny update (section 5)

Reasons for Recommendations

To monitor and report on the progress of the Partnership as previously agreed.

Other Options Considered

None as this is the approach previously agreed.

1. Background

- 1.1 The South & East Lincolnshire Councils Partnership (Boston Borough Council, East Lindsey District Council and South Holland District Council) launched on 1st October 2021.
- 1.2 This report sets out the progress of the Partnership since the last update in March 2024.

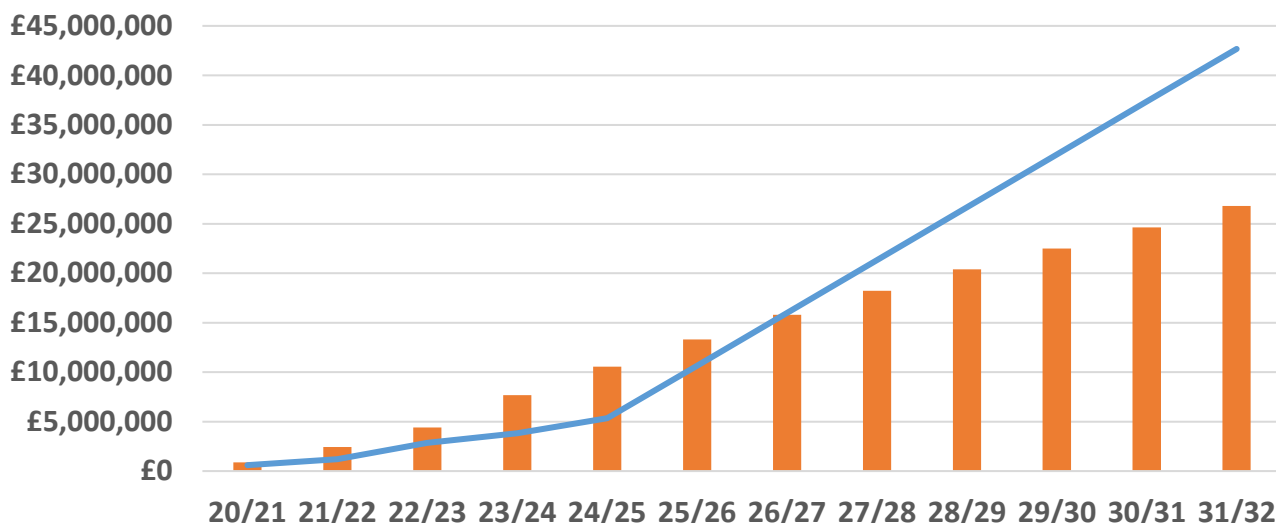
2. Alignment and Delivery Plan (ADP)

- 2.1 Progress of Alignment and Delivery Plan activity is being monitored by Joint Strategy Board to support the Partnership in delivering on its priorities, as well as sovereign Council ambitions.
- 2.2 Of the 122 activities in the ADP for the year, 74% are already complete or on plan. Delivery is being managed and reported by Assistant Directors. Where an action is off-plan in terms of delivery, mitigations are put in place. Work is underway to draft the plan for 2025/26.
- 2.3 A key element of the plan is securing external funding. The table below sets out external funding secured since August 2020 by sovereign Council and in total for the Partnership.

Funding secured since August 2020	BBC	ELDC	SHDC	COMBINED
2020/21	£22,200,000	£48,718,578	£8,300,000	£79,218,578
2021/22	£3,395,318	£5,068,169	£2,397,892	£10,861,379
2022/23	£17,653,782	£13,766,960	£22,234,304	£53,655,046
2023/24	£7,386,953	£24,368,636	£13,455,393	£45,210,982
2024/25	£7,960,404	£2,872,658	£1,121,638	£11,954,700
TOTAL	£58,596,456	£94,795,001	£47,509,228	£200,900,685

- 2.4 The Partnership Business Case identified that £42m in financial efficiencies could be derived from the 3 Councils working together. The graph shows the financial efficiencies - both cashable and non-cashable - that have been identified so far (to August 2024).

S&ELCP £42m Savings Tracker - cashable and non-cashable



SAVINGS PROFILE – CASHABLE AND NON-CASHABLE			
		TARGET	TOTAL
ALLIANCE	20/21	£600,000	£872,415
SOUTH & EAST LINCOLNSHIRE COUNCILS PARTNERSHIP	21/22	£1,200,000	£2,440,787
	22/23	£2,838,000	£4,420,112
	23/24	£3,833,000	£7,659,198
	24/25	£5,334,000	£10,547,928
	25/26	£10,668,000	£13,305,461
	26/27	£16,002,000	£15,805,640
	27/28	£21,335,000	£18,231,310
	28/29	£26,669,000	£20,394,230
	29/30	£32,003,000	£22,488,897
	30/31	£37,337,000	£24,638,724
	31/32	£42,671,000	£26,788,551

- 2.5 The blue line on the graph shows the target in the Partnership’s Business Case. The orange bars show where the Partnership is against that target. This shows that the Partnership is already on track to achieve the efficiency savings up to 2025/26. Additional efficiencies for future years will be added as they are identified through matters such as contract reviews and service reviews.
- 2.6 Council is being asked to note the progress of the Alignment and Delivery Plan 2024/25 as well as the progress in securing external funding and achieving the efficiency target for the Partnership.

3. Peer Challenge Update

- 3.1. The Partnership LGA Peer Challenge took place in October 2022. The Peers' findings and feedback were reported to Council and fed into the Partnership's delivery plans.
- 3.2. The Peers carried out a follow up visit on 28th September 2023 to explore progress to date against each of the original recommendations. In their follow up, Peers noted the significant amount of progress that had been made to deliver on their 2022 recommendations.
- 3.3. The LGA Peer Challenge is an important part of the Government's Best Value Framework, so in addition to the Partnership Challenge, it is best practice to also have Corporate Peer Challenges for each of the Councils.
- 3.4. An LGA Corporate Peer Challenge was undertaken in July 2023 at South Holland District Council. The follow-up visit is taking place in September 2024. Of the 19 recommendations, 18 are already complete or on plan. Where a recommendation is off-plan in terms of delivery, mitigations are in place.
- 3.5. An LGA Corporate Peer Challenge was undertaken in May 2024 at Boston Borough Council. Of the 28 recommendations, 26 are already complete or on plan. Where a recommendation is off-plan in terms of delivery, mitigations are in place. The follow-up visit will take place around May 2025.
- 3.6. An LGA Corporate Peer Challenge is planned at East Lindsey District Council from 12th to 15th November 2024.
- 3.7. The sovereign Council Peer Challenges also provide an opportunity for learning for the wider-Partnership Councils.
- 3.8. Council is being asked to note the Peer Challenge update.

4. Priority Partnerships Update

- 4.1. A number of key Partnerships have been established as mechanisms for delivering the strategic priorities of the Partnership are set out in the table below:

Priority Partnership	Subject areas	Potential Sub-regional partners	Initial priorities	DCX/Director lead
Growth and Prosperity Priority Partnership	Skills, Training/Education, Business Support Employment, Utilities, Economic Development, Transport Infrastructure, Flood Risk	Education providers, Lincolnshire County Council, Utility companies, Lincolnshire Chamber of Commerce, Greater Lincolnshire Enterprise Partnership, Department for Work and Pensions, Environment Agency.	Transport infrastructure; Skills Development; Inward investment	Growth

Priority Partnership	Subject areas	Potential Sub-regional partners	Initial priorities	DCX/Director lead
Healthy Lives Priority Partnership	Leisure, Culture, Wellbeing, Housing and Homelessness, Access to Health Services, Health Inequalities.	Deputy Chief Executive (Communities), Lincolnshire CCG, NHS, Mental Health Services, Leisure providers, Housing providers.	Access to health services; Obesity	Communities
Safer Communities Priority Partnership	Crime and Disorder, Anti-Social Behaviour, Licensing	Deputy Chief Executive (Communities), Lincolnshire Police, Probation Service.	Fear of crime; Anti-social behaviour; Domestic abuse	Communities
Environment Priority Partnership	Climate Change, Biodiversity, Air Quality, Open Spaces, Waste and Recycling, Environmental Crime	Deputy Chief Executive (Communities), Natural England, Lincolnshire Wildlife Trust, Lincolnshire County Council, Environment Agency.	Environmental Bill; Climate Change Agenda	Communities

4.2. Growth and Prosperity Priority Partnership:

- 4.2.1. The Growth and Prosperity Partnership has focused on the adoption of a new Growth and Prosperity Plan, which has been supported across all three Councils following consultation with officers and all members.
- 4.2.2. The strategic priorities have already been shaping delivery and include:
- 4.2.3. **Supporting Skills, Learning and Employment Opportunities:** Hosted Future FEST 2024 in July – careers event to bring together secondary schools and education and training providers with employers and businesses; Worked with our partners, TEC Partnership, to support the promotion of Colleges Week and raise the profile of the Skegness Towns Fund project – the Learning Campus – which has also commenced construction. The Mayflower – Boston Town Deal’s flagship project – also started on site, led by Boston College to facilitate lifelong learning and improved access to skills and learning. The £1.85m People and Skills theme of UK Shared Prosperity is now underway with innovative projects delivering access to training, ranging from ‘skills bootcamps’ for those with long term exclusion from the employment market, the development of niche and specialist skills relating to heritage preservation, and innovative new projects to support self-employed carers on the coast.
- 4.2.4. **Vibrant Town Centres and Regeneration:** Establishment of a new Spalding Town Board to facilitate new funding opportunities. Significant support for two Town Boards – Boston and the Connected Coast – which oversee the delivery of 20 Towns Fund projects and support additional funding and investment. The Campus for Future Living - the flagship Mablethorpe Town Deal project – attracted a visit from the NHS National AHP Lead and NHS England and ACIS was announced as partner and head lease operator. All three town boards have been supported to develop a Long Term Plan for Towns – to support funding from Government for town centre regeneration. A ‘Meet the

Professionals' event was held to promote the £8m Wolds Culture and Heritage Programme. Supported Government civil servants in the development of a package of regeneration projects announced in May. Continued delivery for Spalding Connected with support from National Lottery Heritage Funding. DCMS approval of a project variation for the Cultural Development Fund programme in Skegness. Establishment of a Business Improvement District for Spalding, following a positive ballot in favour during July. A new town centre business group for Boston has been established, with support from Boston Borough Council and the Federation of Small Businesses. Extensive work is progressing on the design and delivery of all three 'Levelling Up Fund' projects across the partnership, including the South Holland Health and Wellbeing Hub and the PE21 project.

4.2.5. **Supporting Priority Sectors:** The first S&ELCP Culture Conference was held to launch our second year NPO programme and to bring together the creative and heritage sectors together. The NPO was also featured at the University of Lincoln's Decoding Greater Lincolnshire event. The Place team have promoted the area at the Lincolnshire County Show, Heckington Show and supported Heritage Open Days. A very successful food festival was held in partnership with St Botolph's and Boston College, raising the profile of the area's food, farming and logistics sectors. New manufacturing space has been launched to market on the South Lincolnshire Food Enterprise Zone, in partnership with Stirlin Developments. UKSPF funding has supported the employment of a Partnership Manager for the FEZ, who started in May and is tasked with leading business and community engagement in the project. UKSPF funding is also supporting the further expansion of the UK Fresh Produce Network; a locally-established business network of food production and logistics companies, who are delivering sectoral development support on behalf of the agri-food and logistics cluster in across Boston and South Holland.

4.2.6. **Enabling Growth and Housing and Attracting Investment:** Our profile as the South and East Lincolnshire Councils Partnership was significantly raised through our presence and promotion at UKREiiF, the UK's real estate, investment and infrastructure forum. The Partnership showcased its investment and development opportunities and further raised the profile through speaker slots. Officers are now engaged in a number of follow-up discussions with investors who are keen to explore investment opportunities in the partnership area, ranging from retail, logistics, energy and housing. Hosted Boston 400 meeting MHCLG, Arts Council England, Heritage Lottery Fund, Community Lottery Fund, Visit England and Destination Lincolnshire to go through the opportunities for investment, funding and activity. The distribution of UK Shared Prosperity Fund is progressing well with regular promotion of businesses engaging with the support and grants available through Grants4Growth. The Lincolnshire Community Foundation's Community Grants Programme (GRASSroots) has been successfully distributing grant aid across Boston, East Lindsey and South Holland, supporting rural communities and parish and town councils. The partnership-wide Grants4Growth and Advice4Growth has supported a wide range of businesses, with 337 businesses enrolments to date (including £1.4m in grant support provided to unlock £2.7m in additional match investment to support their growth). Positive

engagement with landowners and agencies such as Homes England on a number of key housing and employment sites continues to progress positively.

4.3. Healthy Lives Priority Partnership:

4.3.1 South & East Lincolnshire Partnership Healthy Living Board (established July 2022) continues to provide a sub-regional platform for health, local government and third sector organisations to come together to reduce health inequalities and improve health outcomes. Key highlights:

4.3.3 **Age Friendly Communities:** South Holland is now part of the UK network of Age Friendly Communities and a new S&ELCP Age Friendly Communities network established to develop local baseline assessment and review barriers and needs of older residents to living long, fulfilled and healthy lives. This work has been strengthened by ELDC's strategic partnership with the national Centre of Ageing Better and resources, experience and learning can now be shared across S&ELCP.

4.3.4 **Good Homes Alliance:** pilot of new countywide service soon to go live which aims to:

- Provide advice and support to residents to help them to maintain and improve their homes;
- Liaise with relevant organisations to resolve housing condition issues for residents;
- Help residents to access any available funding; and
- Co-ordinate a holistic response to issues facing residents

4.3.5 **Cost of Living Support:** HLB continue to oversee 'cost of living' support and play key role in Lincolnshire Financial Inclusion Partnership activity to help resident manage household budgets, reduce debt and maximise income. S&ELCP have administered a further £666,063.51 Household Support Fund round 5 since May 2024 and continue to monitor changes to welfare policy and resources to help households at risk of financial hardship this winter.

4.3.6 **Digital Inclusion:** HLB are working on developing a Lincolnshire digital inclusion strategy. UKSPF funding has enabled roll out of successful community based digital inclusion sessions across S&ELCP councils, with residents able to access help to get online, access training and skills and improve the digital confidence. HLB are working with the local DWP ahead of managed migration of residents onto Universal Credit, an online only benefit and this will form part of the local offer this autumn.

4.3.7 **S&ELCP Joint Scrutiny:** following a comprehensive review of the HLB and local partnerships the panel have concluded that "although this is not a statutory area for district and borough councils, we nevertheless have an enormous amount of 'soft influence' particularly now we are a Partnership. It is important for residents of all 3 Councils that the partnership uses its influence to continue to work closely with external partners to facilitate opportunities and provision for Health and Wellbeing, focusing on the identified priorities for residents."

4.3.8 S&ELCP Joint Scrutiny panel have put forward a number of recommendations for consideration as the Healthy Living Action Plan continues to develop and evolve which have now been reviewed and accepted by scrutiny committees in each Council:

- To make better use of green spaces to maximise opportunities for residents and visitors to be active;
- To review green open space in our communities and explore ways of using it better by working in partnership;
- To develop opportunities to positively influence internal / corporate decision making;
- Community engagement at all levels to increase the trust and confidence of residents;
- To ensure equality of access for people from diverse backgrounds, for example those with disabilities, both hidden and visible, or language barriers;
- Bring together current discussions and approaches around community development, the role of leisure and culture and future collaboration;
- Further develop District Councils preventative approach;
- More active promotion of local services in each area of the Partnership;
- To review progress in 6 months with the Healthy Living Board and report back to members via an all-member briefing session.

4.4. Safer Communities Priority Partnership

4.4.1 There has been one meeting of the South & East Lincolnshire Community Safety Partnership since the last update, which was held on 13th June 2024.

4.4.2 There was a presentation by Lincolnshire Police on County Lines to raise awareness of what it is and how it is being tackled.

4.4.3 The Safer Communities Business Manager gave a summary of the Safer Lincolnshire Partnership Annual Report and Annual General Meeting. There was a discussion about the proposed formal merger of the Safer Lincolnshire Partnership. District Councils will be consulted about this in due course.

4.4.4 The current action plan (2024-25) was included on the agenda.

- An update was received in relation to scoping work undertaken to examine the evidence base for a Public Spaces Protection Order (PSPO) in Skegness in relation to alcohol restrictions. The data does not currently support this, but it was agreed to review periodically and look at what other tools and powers could be used to address the specific issues.
- There was a discussion about the Purple Flag aspirations. It has been agreed that a position statement will be presented at the next meeting in October 2024.

4.4.5 Routine information was presented to the group in relation to activity undertaken by the Community Safety Teams across the partnership area during 2023-24. Future reports will include trend data.

- 4.4.6 The group received a presentation on the Long-Term Plan for Towns, outlining the scope of the work and timeline. The Police and Crime Commissioner's Officer have been involved in this project and it presents some good opportunities for community safety initiatives across the partnership area.
- 4.4.7 The Lincolnshire Road Safety Partnership presented their annual report outlining that a lot has been achieved but there is still work to do as 48 people were killed and 378 seriously injured on Lincolnshire roads during 2023.
- 4.4.8 An additional meeting of the partnership is being planned for August 2024 to offer an opportunity for partners to be consulted on the Police and Crime Commissioner's Plan which is currently being drafted.

4.5. Environment Priority Partnership

- 4.5.1. The South and East Lincolnshire Climate Action Network (SELCAN) / Environment Priority Partnership last met in June 2024 and their next meeting is scheduled for September. SELCAN are also attending Members Day in September and have prepared a presentation to share with elected members.
- 4.5.2. The webinar series is now complete, and the webinar recordings are available to view on the website. The Communications Plan has been updated for 2024 and the Business and Marketing, Education and Community Engagement sub-groups have also developed a questionnaire with input from the wider group, which is now live. SELCAN materials including business cards and pop-up banners have also been developed for use at events.
- 4.5.3. This group are now exploring opportunities to engage with education providers as well as looking at a project that would seek to introduce a carbon charter scheme as their next priority proposal.
- 4.5.4. The Transport sub-group are moving forward with their parcel collection point proposal, having started to engage with Parish Councils to get a sense of the level of interest in the scheme, and are now starting to pin down the logistics and looking at what the next steps should be in relation to this, including finalising the provider.
- 4.5.5. The Energy & Renewables sub-group are looking at taking forward a new priority proposal around promoting and supporting innovation and uptake of new and emerging low carbon technologies. This will potentially include looking to provide small scale equipment that enables businesses to monitor and improve their energy efficiency.
- 4.5.6. The Nature Based Solutions, Water, Resilience & Adaptation, Built Environment & Agriculture and Food sub-groups recently held a joint meeting and welcomed guest speaker Hannah Dale who talked to the groups about rewilding and restoration of natural habitats, and in particular the reintroduction of beavers at Wild Wrendale from a natural flood management perspective. This was arranged with a view to the groups jointly developing a piece of work around natural flood management and good agricultural practise that supports soil health and habitats.

4.5.7. The Nature Based Solutions sub-group have completed case studies for Doddington & Boothby and the Agriculture & Food sub-group also recently attended the Boston Food Festival with a view to promoting SELCAN and community food projects.

4.6. Council is being asked to note the updates from the Priority Partnerships.

5. Partnership Scrutiny Update

5.1. On forming the Partnership, Councils committed to undertake an annual scrutiny of the Partnership's progress as identified in the approved business case.

5.2. The final report of the Joint Scrutiny of the Partnership 2023 was presented to Council and to Joint Strategy Board with four recommendations around ICT, Communication, Capacity and Alignment. All actions are complete or on plan.

5.3. In September the Partnership commenced its third Joint Scrutiny of the Partnership with a report to come forward for consideration later in the year.

6. Conclusion

6.1. Significant progress continues to be made by the South & East Lincolnshire Councils Partnership. This report sets out this progress to date as part of the six-monthly cycle of reporting.

Implications

South and East Lincolnshire Councils Partnership

This report updates on the progress of the Partnership to date.

Corporate Priorities

The formation of the South & East Lincolnshire Councils Partnership supports the corporate priorities of the sovereign Councils in the Sub-Regional Strategy. This is reflected in the agreed Delivery Plans and performance measures.

Staffing

No implications specific to staffing in this report.

Workforce Capacity Implications

No implications specific to workforce capacity in this report.

Constitutional and Legal Implications

The constitutional and legal arrangements for the successful implementation of Partnership have been approved by all three partner Councils.

Data Protection

No implications specific to data protection in this report.

Financial

No implications specific to finances in this report.

Risk Management

No implications specific to risk management in this report.

Stakeholder / Consultation / Timescales

None specific to this report.

Reputation

The South & East Lincolnshire Councils Partnership has established a positive reputation through the progress it has achieved to date as contained in the main body of the report.

Contracts

No implications specific to contracts in this report.

Crime and Disorder

Section 4 of this report sets out details of the Safer Communities Priority Partnership.

Equality and Diversity / Human Rights / Safeguarding

No implications specific to this report.

Health and Wellbeing

Section 4 of this report sets out details of the Healthy Lives Priority Partnership.

Climate Change and Environmental Implications

Section 4 of this report sets out details of the Environment Priority Partnership.

Acronyms

ADP: Alignment and Delivery Plan
AHP: Allied Health Professionals
ASB: Anti-Social Behaviour
DCMS: Department for Culture, Media and Sport
DWP: Department for Work and Pensions
EA: Environment Agency
FEZ: Food Enterprise Zone
HLB: Healthy Living Board
LCC: Lincolnshire County Council

LEP: Local Enterprise Partnership
LGA: Local Government Association
LUF: Levelling Up Fund
MHCLG: Ministry of Housing, Communities & Local Government
NPO: National Portfolio
PSPO: Public Spaces Protection Order
SELCAN: South and East Lincolnshire Climate Action Network
S&ELCP: South & East Lincolnshire Councils Partnership
SLT: Senior Leadership Team
UKREiiF: UK Real Estate, investment and infrastructure Forum
UKSPF: UK Shared Prosperity Fund

Appendices

None

Background Papers

Background papers used in the production of this report are listed below: -

Document title	Where the document can be viewed
S&ELCP Business Case	www.selcp.co.uk/ourpartnership

Chronological History of this Report

A report on this item has not been previously considered by a Council body. This is being reported directly to Council to engage all Members.

Report Approval

Report author:	Suzanne Rolfe, Group Manager – Insights & Transformation suzanne.rolfe@boston.gov.uk
Signed off by:	James Gilbert, Assistant Director – Corporate james.gilbert@e-lindsey.gov.uk
Approved for publication:	Councillor Anne Dorrian, Leader of the Council