

Present: Councillor Peter Watson (Chairman), Councillor George Cornah (Vice-Chairman), Councillors Richard Austin BEM, Anton Dani, Paul Goodale, Frank Pickett, Stephen Woodliffe and Mr Alan Pickering

In attendance: Councillor Jonathan Noble, Portfolio Holder for Finance

Officers –

Insights & Transformation Manager, Manager – Public Sector, Mazars, Assistant Director - Finance (Deputy S151 Officer), Section 151 Officer, Deputy Chief Finance Officer (Corporate) and Interim Treasury Manager, Financial Services

49 MINUTES

The minutes of the last meeting, held 18th July, were agreed.

50 APOLOGIES

Apologies of absence were received from Councillor Tom Ashton.

51 DECLARATION OF INTERESTS

None.

52 PUBLIC QUESTIONS

None.

53 GENERAL FUND REVENUE AND CAPITAL OUTTURN 2021/22

At the meeting of Full Council held on 26 September 2022 consideration had been given to a report setting out the draft financial position for the Council at the end of the 2021/22 financial year, and seeking approval for the transfer and drawdown of reserve funds and carry forward of capital budget in the sum of £3.55m.

During debate a request was made for the report to be considered by the Audit and Governance Committee prior to Council decision. The amendment at Council was not agreed, however after the substantive motion to approve the recommendations was lost, the Leader agreed to refer the report to the meeting of the Audit and Governance Committee as an urgent item, which the Chairman agreed to accept.

Throughout the year, quarterly monitoring reports were completed forecasting the expected year end outturn against the budget. The report provided a summary on the provisional full year outturn at 31st March 2022 for the following areas;

- The General Fund Revenue Budget
- The General Fund Reserves Position
- The Capital Outturn for 2021/22
- High level Treasury Management Performance for the year

The report set out the draft financial position for Boston Borough Council for 2021/22.

The Chairman explained the reason he requested this report come to scrutiny was because Full Council doesn't offer question and answer sessions.

Following Member questions the Deputy Chief Executive (Corporate Development) & S151 outlined the following;

- Any interest made on grant money goes back into the Council's general fund reserve.
- The surplus of £165,000 will be used to top up the transformation reserve

RESOLVED: That the Committee support the report being send through the relevant decision making bodies.

(Mr Pickering agreed with the decision)

54 ANNUAL TREASURY MANAGEMENT REPORT 2022/23

The Interim Treasury & Investments Manager PSPS advised that the title of the report should have read Quarter 1 Treasury Management Report 2022/23 before presenting the report. The report covered the following areas;

- An economic update for the first quarter of the 2022/23 financial year;
- The outlook for the remainder of the financial year along with interest rate forecasts;
- A review of the Council's investment portfolio for 2022/23;
- A review of the Council's borrowing strategy for 2022/23;
- Debt rescheduling;
- Compliance with Treasury and Prudential indicators.

Following Members questions the Interim Treasury & Investments Manager PSPS confirmed that the borrowing rates for the Public Works Loan Board were fixed.

RESOLVED:

That the Committee approve the contents of the report.

(Mr Pickering agreed with the decision)

55 UNAUDITED FINANCIAL STATEMENTS 2021/22

The Deputy Chief Finance Officer presented a report which contained the unaudited Financial Statements including Annual Governance Statements to the Committee.

Attached at Appendix A of the report was the unaudited Financial Statements for 2021/22, the appendix also included the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, and Balance Sheet as at 31 March 2022.

The Accounts and Audit Regulations 2015 require that;

- The Responsible Finance Officer (Section 151 Officer) signs the unaudited Financial Statements no later than 31 May each year; and
- The Financial Statements be considered and approved by a Committee of the Council no later than 31 July each year.

Due to the Coronavirus Pandemic the regulations for the period 2021/22 have been amended as follows;

- The Responsible Financial Officer (Section 151 Officer) signs the unaudited Financial Statements no later than 31 July 2022;
- The Financial Statements including the Annual Governance Statement be considered and approved by a Committee of the Council no later than 30 September 2022.

The Deputy Chief Finance Officer reported that the net worth of the Council had increased by £13.646m, and this was also reflected in the Comprehensive Income and Expenditure Statement. Other major changes include;

- An increase of £2.8m in Long Term Investments, due to an increase in the value of property funds in the year.
- A decrease of £1.4m in Short-term Debtors, partly due to the accounting entries associated with the resulting deficits on the Council Tax and Business Rates Collection Fund at 31 March 2022.
- A net increase of £9.3m in Cash and Cash Equivalents due to increase cash received in 2021/22 relating to government grants to be utilised in 2022/23. This was also included in the net increase of Short-term creditors of £4.7m as the monies were owing back to Central Government at 31 March 2022.
- The Actuary's assessment of the Council's net pension liability decreased by £9.2m, as a result of changes in demographic and financial assumptions, but had only reduced on the Balance Sheet by £6.2m as the 2021/22 position includes Boston's share of PSPS' pension liability.

It was confirmed that the Council's net worth had increased as at end of March 2021 due Government Grants being received this elevated the figure at the end of the year.

RESOLVED: That the Committee considered the report.

(Mr Pickering agreed with the decision)

56 RISK MANAGEMENT REPORT

The Insights & Transformation Manager presented a report which set out the Q1 (end of June 2022) Risk report.

Following Member comments at the previous meeting the four following items were addressed;

- Infrastructure – a new infrastructure risk has been added to the Strategic Risk, which covers road, rail, waste management, water supply, energy and digital connectivity. It was a medium risk at that time and the mitigation was across the sub-region, which was widened following Member suggestion
- Environmental Crime in the waterways, a response was circulated to the Committee ahead of the meeting.
- Recruitment & Retention – this was raised at the last clinic and was noted, there had been no change since the previous meeting.
- Impact of Ukraine conflict – this was discussed at the clinic and it was agreed that as it does not affect one single risk, it will affect a number of risks both strategic and operational and across the three Councils. As such, the Partnership Risk Register will be following up.

Members were concerned with the current economic climate; specifically the Housing and Health Risk. Members were in agreement that those should be marked higher on the Risk register.

RESOLVED: That the Committee note the report.

(Mr Pickering agreed with the decision)

**57 BOSTON BOROUGH COUNCIL & EAST LINDSEY DISTRICT COUNCIL -
JOINT REGULATION OF INVESTIGATORY POWERS (RIPA) POLICY
UPDATE**

The Assistant Director – Regulatory and Senior Responsible Officer (SRO) for RIPA presented a report which provided Members with an update relating to the Council's Policy and Procedures on the Regulation of Investigatory Powers Act 2000 (RIPA Policy), its use and to provide assurance and information. This was a joint Policy with East Lindsey District Council and followed a successful inspection by the Investigatory Powers Commissioner (IPCO) who reviewed both Councils use of the Policy under the strategic partnership agreement. The Policy remained in use and relevant across ELDC and BBC.

The most recent inspection by IPCO took place in 23rd March 2021, following that the Policy was reviewed and updated.

The Assistant Director – Regulatory and SRO for RIPA then confirmed the following;

- The Council had not authorised any applications for direct surveillance or CHIS over the past year.
- Five named Officers in the policy with specific roles have undertaken or updated relevant training thereby ensuring knowledge was up to date across the two Councils.
- Sixty-one other members of staff in roles such as Community Safety, CCTV, Enforcement and Environmental Health had also completed a short awareness course on the basics of RIPA in order to be able to deal with queries directly or raise to the SRO if necessary.
- Data security assurances were in place and with no applications in the last year, no data security issues had arisen.
- The Policy is due to be renewed in 2024 by the SRO, who also acts as the RIPA Co-ordinator.
- There is sufficient staff to effectively carry out RIPA.

Following comments from Members regarding the use of surveillance and fly-tipping the Assistant Director and SRO confirmed that the surveillance under RIPA is covert, and that fly-tipping is an overt-surveillance issue, which was not covered by RIPA.

RESOLVED: The Committee note the report.

(Mr Pickering agreed with the decision)

58 INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager presented the Internal Audit Progress Report which provided Members with an update on the previous Internal Audit Progress report.

The Internal Audit Manager updated Members on the following areas;

- There were audits around IT and Key control work around the Council's financial controls, income and the Towns Fund, which had been a major investment for Boston at that time.
- That there was a lot of substantial assurance throughout the Audit.
- The one limited was the Housing Benefit Subsidy work, this work was carried out every year for the previous year, meaning this year was looking at the 2021 year which resulting in limited assurance. The details which lead to this was attached at appendix 1 of the report pack.
- PSPS had agreed to share their most recent audit as the audit was based around client management with the partnering councils which ended with a high level of assurance, summary was attached with the report.
- The overdue audit recommendations showed that there was 1 high and 7 medium recommendations that are overdue, it was confirmed that this was a very small amount and none of those recommendations apply to a limited or low assurance review.

Members made comments relating to an external review that stated there should be at least two Lay Members in a Committee – the Internal Audit Manager confirmed that while it is considered good practice to have two Lay members, he understood they are difficult to find.

RESOLVED: The report be noted by the Committee.

(Mr Pickering agreed with the decision)

59 MONITORING OFFICER UPDATE

The Monitoring Officer informed Members that work is being carried out looking into Local Code of Corporate Governance across the partnership.

He was also working with the Section 151 and Deputy Section 151 officers to look at the Constitution, following comments across the partnership authorities. Areas such as Contract Procedure Rules are being looked at for amendments with the view to add value to the organisation.

Following Member comments the Monitoring Officer confirmed that the intention was not to have one Constitution for all three Council's but to further align specific areas.

60 WORK PROGRAMME

The Work Programme was noted.

The Meeting ended at 8.32 pm