



## TO ALL MEMBERS OF THE FINANCE & GENERAL PURPOSES COMMITTEE

Cllr G Newman (Chairman)  
Cllr S Bird (Vice Chairman)  
Cllr N Barber  
Cllr M Deacon  
Cllr S Gallant

Cllr Jan Garfield  
Cllr D Savage  
Cllr A Smith  
Cllr S Wiles  
Cllr K Williams

You are hereby summoned to attend a meeting of the **FINANCE & GENERAL PURPOSES COMMITTEE** to be held at the **Town Hall, Felixstowe** on **Wednesday 23 November 2016** at **7.30pm** for the transaction of the following business preceded by:

- i. **Public Question Time.** A maximum of 15 minutes will be set aside to enable members of the public to make representation or put questions to the Committee on any Finance & General Purposes matters.

## A G E N D A

### 1. Apologies

To receive apologies for absence.

### 2. Declarations of Interest

Members and officers are invited to make any declarations of Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the meeting if it becomes apparent that this may be required when a particular item or issue is considered.

### 3. Requests for Dispensation

Councillors with a pecuniary interest in an item on this agenda, who wish to remain, speak and/or vote during consideration of that item, may apply for a dispensation in writing to the Town Clerk prior to the meeting. Applications may also be considered at the meeting itself should the nature of the interest become apparent to a Councillor at the time of the meeting.

### 4. Confirmation of Minutes

To confirm the Minutes of the Finance & General Purposes Committee meeting held on 28 September 2016 as a true record.

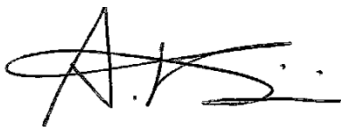
**(Pages 3-5)**

### 5. Budget Monitoring to 31 October 2016

To receive the budget monitoring report to 31 October 2016 and consider any actions deemed necessary.

**(Pages 6-9 & Appendix A)**

- 6. Internal Audit – Quarter Two Report**  
To receive the report of the Internal Auditor and agree appropriate action in respect of any matters raised. **(Page 10 & Appendix B)**
- 7. Mayoral Allowance 2017/18**  
To consider any recommendations to Council with regards to the setting of the Mayor's Allowance for 2017/18. **(Pages 10-11)**
- 8. Budget 2016/17 (First Draft)**  
To consider first draft budget proposals for 2016/17 following recommendations from Council's Assets & Services, Civic & Community and Personnel Committees and make any recommendation to Council. **(Page 12 & Appendices C-F)**
- 9. Proposed Merger of Suffolk Coastal & Waveney District Councils**  
To consider any response to the attached proposal summary. **(Appendix G)**
- 10. Suffolk Local Policing Review (SLPR) – Request for Feedback**  
In response to a request of the Police and Crime Commissioner, to consider any feedback to the SLPR from the Town Council by 23<sup>rd</sup> December 2016. **(Appendix H)**
- 11. Closure**  
To close proceedings and confirm the date of the next meeting scheduled for Wednesday 25 January 2016 at 7.30pm.



**Ash Tadjrishi**  
**Town Clerk**  
**18 November 2016**

For information (via email): All Town Councillors  
Local Press

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***Meetings of the Town Council and its Committees are open to the press and public who are welcome to attend.***



**249. BUSINESS BANKING CHARGES**

Committee noted the report on Business Banking Charges. Although some savings could be made by transferring Council's current account to another provider, Members agreed that Barclays provided a secure and efficient on-line banking service, with a local branch for Council's weekly banking of receipts. It was noted that the introduction of electronic payments last year would reduce the impact of banking charges, however, receipts of cash and cheques would incur higher fees. Members advised that encouragement should be given towards payments being received via online banking as this could considerably reduce bank charges. It was considered that a review in 12 months' time year would give a Committee a clearer understanding of the impact of the new charges and give a chance to reduce monthly charges in-house by encouraging payments online.

**It was RESOLVED that a review of banking charges be carried out in the autumn of 2017.**

**250. DEBT RECOVERY PROCESS**

Committee noted that an outstanding debt had not been paid and considered approving a Warrant of Control in order to recover the outstanding debt.

**It was RESOLVED that Council approve a Warrant of Control in order to recover an outstanding debt.**

**251. LOCAL COUNCIL AWARD SCHEME WORKING GROUP**

Committee received an update from the Local Council Award Scheme Working Group and reviewed five draft supporting statements which had been prepared and the qualifying evidence list. Members agreed that the required documentation for the Gold Award should be referred to the November Council Meeting for approval. The Clerk advised that the supporting statements may require further modifying in the interim period and Committee agreed that these should be amended as the Clerk and the Finance Administration Officer thought necessary. It was understood that once the application had been submitted it would be considered by the Local Council Award Scheme Panel. Council would be given constructive feedback and suggestions to support development towards an accreditation. There were no resubmission fees.

**RESOLVED that all qualifying evidence and documentation for the Local Council Gold Award be referred to Council in November and recommended for submission.**

## **252. CONSULTATION: AUTOMATIC PRECEPT REFERENDUMS**

Members considered the report regarding a technical consultation containing proposals for automatic referendums if certain criteria were met during the raising of the precept. Following a debate, Committee agreed that although the proposals as they stood were unlikely to affect Felixstowe Town Council in the short-term – as the Band D was not likely to increase higher than that of the lowest charging district council for 2016/17 (£75.46) – parish and town councils should be rightfully expected to engage fully with their local communities before considering significant precept increases. On the basis of the proposals as written, Committee were pleased to endorse the principle of limiting council tax increases for the town and parish sector to 2% for those councils with a Band D rate above that of the lowest charging district council for 2016/17.

However, Committee felt that the cost of official referendums would be disproportionately burdensome for town and parish councils and it was hoped that an appropriately robust local consultation arrangement could be employed instead, which would not cost as much to local tax payers.

**It was RESOLVED that the Town Clerk responds to the consultation on proposed technical changes to the 2017/18 local government finance settlement on the above basis.**

## **253. SALC SURVEY**

Committee considered the SALC Survey. Some Members reported as having completed the survey online already. Committee generally agreed that the themes and issues were worthy of focus by SALC but felt that the format of the survey had not been designed in such a way that was suitable for a corporate response. It was agreed that the Town Clerk would advise SALC of Committee's concerns about the survey style and to also email all Councillors to encourage them to complete the SALC survey online individually.

**It was RESOLVED that the Town Clerk email all Councillors to invite them to complete the SALC survey online and to refer Committee's concerns about the survey style to SALC directly.**

## **254. CLOSURE**

The meeting was closed at 8.38pm. The next meeting was noted as being scheduled for 23 November 2016 at 7.30pm.

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Date: \_\_\_\_\_

Chairman: \_\_\_\_\_

## AGENDA ITEM 5: BUDGET MONITORING TO 31 OCTOBER 2016

A summary Income & Expenditure Report to 31 October 2016 is shown below with a detailed report provided at **Appendix A**.

02/11/2016	<b>Felixstowe Town Council</b>						Page No 1
13:43	<b>Summary Income &amp; Expenditure by Budget Heading 01/11/2016</b>						
<b>Month No : 7</b>	<b>Committee Report</b>						
	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Of Budget
<b><u>Finance &amp; General Purposes</u></b>							
Expenditure	246,186	148,723	254,788	106,065	0	106,065	58.4 %
Income	560,478	561,427	560,711	716			100.1 %
Net Expenditure over Income	<b>-314,292</b>	<b>-412,704</b>	<b>-305,923</b>	<b>106,780</b>			
<b><u>Assets &amp; Services</u></b>							
Expenditure	235,089	130,445	260,452	130,007	0	130,007	50.1 %
Income	127,881	74,528	100,638	-26,110			74.1 %
Net Expenditure over Income	<b>107,208</b>	<b>55,917</b>	<b>159,814</b>	<b>103,897</b>			
<b><u>Civic &amp; Community</u></b>							
Expenditure	105,499	84,341	111,481	27,140	0	27,140	75.7 %
Income	11,833	12,710	7,990	4,720			159.1 %
Net Expenditure over Income	<b>93,665</b>	<b>71,631</b>	<b>103,491</b>	<b>31,860</b>			
<b><u>INCOME - EXPENDITURE TOTALS</u></b>							
Expenditure	586,774	363,509	626,721	263,212	0	263,212	58.0 %
Income	700,192	648,666	669,339	-20,674			96.9 %
Net Expenditure over Income	<b>-113,418</b>	<b>-285,156</b>	<b>-42,618</b>	<b>242,538</b>			

In accordance with Council's Financial Regulations, Committee is to receive explanations of Material Variances for expenditure in excess of the estimated budget of 10% or £500, whichever is the lesser. Council's budgets are not produced on a phased basis but the expectation is, being seven months in to the year, for overall expenditure to be around 58.33%, with an explanation for any items overspent by £500 or 10% or over this level (i.e. 64.17%). Total expenditure for this period stood at 58.0%. Employee costs are apportioned across Council's cost centres and are shown to be over in some areas and under in others. However the total employee costs are at £206,483 to date against an agreed budget of £356,123 which is within the 58% threshold.

Explanatory notes and any recommended action for other individual qualifying items in **Appendix A** are as follows:

<b>Cost Centre 101 - Administration</b>
<p><b>4270 Printer/Photocopier (67.4%)</b> 3 quarter payments of lease have been paid. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<p><b>4446 Mobile Phones (115.7% £19 overspend)</b> Cost of running two mobile phones at £10 per month. Budget estimate originally based on £5 per month. <b>Recommendation: Review/increase budget provision for 2017-18</b></p>
<p><b>4460 Subscriptions (81.8%)</b> Front loaded – 4 annual subscriptions paid to date. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<p><b>4461 External Audit (100.0%)</b> Complete <b>Recommendation: No action.</b></p>
<p><b>4464 Insurance (98.9%)</b> Full year payment up front, including recent increase due to revaluation of buildings. <b>Recommendation: No action.</b></p>
<b>Cost Centre 201 - Town Hall</b>
<p><b>4110 Rates (69.2%)</b> On target. Rates are paid over 10 months only. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<p><b>4180 Licences (100%)</b> Paid in full for 2016-17. <b>Recommendation: No action.</b></p>
<p><b>4260 Equipment Purchases (71.0%)</b> Step ladder, 4 Coffee Pumps, wheelchair ramp, bathroom shelves purchased. <b>Recommendation: Continue to monitor.</b></p>
<b>Cost Centre 202 – Walton Community Hall</b>
<p><b>4110 Rates (69.2%)</b> On target. Rates are paid over 10 months only. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<p><b>1000 Hirings (51.3%)</b> Further £507.50 (6.7%) invoiced, awaiting payment + £1,667.75 (22%) for year 2015/16 subject to debt-recovery action. Some long-term regular hirers are invoiced monthly in arrears. <b>Recommendation: A&amp;S Committee to monitor.</b></p>

<b>Cost Centre 203 – Broadway House</b>
<p><b>1030 Leases, Rents &amp; Licences (0.0%)</b> Annual receipt on invoice in December. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<b>Cost Centre 204 – Cemetery</b>
<p><b>4110 Rates (69.0%)</b> On target. Rates are paid over 10 months only. <b>Recommendation: No further action. Expected to meet budget at year end.</b></p>
<p><b>1120 Purchase of Graves (56.6%)</b> No invoices outstanding currently. <b>Recommendation: A&amp;S Committee to monitor.</b></p>
<p><b>1160 Admin Fees (52.9%)</b> £102 (14.5%) invoiced, awaiting payment. <b>Recommendation: No further action. Expected to meet budget at year end.</b></p>
<b>Cost Centre 205 – Allotments</b>
<p><b>4115 Water and Sewerage (74.8%)</b> Summer usage invoices have been paid. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<b>Cost Centre 301 – Civic &amp; Community</b>
<p><b>4505 Mayoral Allowance (100%)</b> Transferred to the Mayor. <b>Recommendation: No further action.</b></p>
<p><b>4513 Civic Awards (102.3%)</b> Event has been held. Certificate frames for next year ordered. <b>Recommendation: No further expenditure expected in 2016-17.</b></p>
<p><b>4530 Civic Events (68.5%)</b> Two key events (Civic Service and Queen’s birthday celebration) already complete. <b>Recommendation: Continue to monitor.</b></p>
<p><b>4600 CCTV (100%)</b> Full year contract fee paid. <b>Recommendation: No further action</b></p>
<p><b>4605 Litter/Dog Bins (80.4%)</b> 3 bins installed and 1 re-sited. <b>Recommendation: No further action. Expected to be within budget at year end.</b></p>
<p><b>4645 Christmas Lights (100%)</b> Funding advanced to Lions Club for 2016/17. Complete. <b>Recommendation: No further action</b></p>



<b>Cost Centre 302 – Section 137 Expenditure</b>
<p><b>4620 Annual Grants (77.9%)</b>  All but one annual grant paid.  <i><b>Recommendation: No further action. Expected to be within budget at year end.</b></i></p>
<b>Cost Centre 303 – Felixstowe in Flower</b>
<p><b>4290 Flowers &amp; Containers (76.5%)</b>  Front loaded cost of providing the flowers and containers for Felixstowe in Flower.  <i><b>Recommendation: No further action. Expected to be within budget at year end.</b></i></p>
<p><b>4512 Engraving/Sign Writing (64.7%)</b>  Engraving now complete for 2016/17.  <i><b>Recommendation: No action.</b></i></p>
<b>Cost Centre 305 – Community Fund Projects</b>
<p><b>4625 Felixstowe Harwich Ferry (100.0%)</b>  Paid over at start of Financial Year.  <i><b>Recommendation: No further action.</b></i></p>
<p><b>4630 Level 2 (100.0%)</b>  Paid over at start of Financial Year.  <i><b>Recommendation: No further action.</b></i></p>
<p><b>4670 Felixstowe Forward (100.0%)</b>  Complete.  <i><b>Recommendation: No further action.</b></i></p>

**Committee is requested to consider the Accounts to 31 October 2016 and decide on any action it deems necessary.**

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## **AGENDA ITEM 6: INTERNAL AUDIT – QUARTER TWO REPORT**

The Internal Audit Report for the Quarter ending 30 September 2016 is attached at **Appendix B**.

The Auditor found no issues to report and has commented that the financial arrangements remain very sound. As Council is commended for the way it is governed and managed, in the next review of its internal financial controls (January 2017) Committee may wish to consider recommending a reduction in the frequency of its internal audits from quarterly to biannual.

**Committee is requested to consider the attached quarterly Internal Audit Report for the period 1 July 2016 - 30 September 2016 and make recommendations to Council for any action it deems necessary.**

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## **AGENDA ITEM 7: MAYORAL ALLOWANCE 2017/18**

Section 15(5) of the Local Government Act 1972 provides that Parish and Town Councils may pay its Mayor “*for the purpose of enabling him to meet the expenses of his office such allowance as the council think reasonable.*” Felixstowe Town Council provides an allowance to the Mayor as a contribution towards total expenses to defray the costs associated with the office of Mayor of Felixstowe such as:

- Travelling to functions that the Mayor has been invited to in his/her capacity as Mayor
- Making monetary contributions to local charity and community organisations
- Supporting the Mayor’s chosen charity/charities
- To cover other costs of attending functions (e.g. purchase of raffle tickets, poppy collections)
- To provide suitable outfits to wear to official functions
- Hospitality costs
- One off events held by the Mayor

The Mayor’s Allowance for 2017/18 has been provisionally set at £7,000 - the same level since at least 2011/12. Payment of the allowance is made following formal resolution by the Town Council at its Annual Meeting in May.

The Mayor is free to administer the Mayoral Allowance as he/she considers appropriate. Once the Mayoral Allowance is paid to the Mayor, it is the Mayor’s responsibility to account for its expenditure and not the Council’s. However, the Mayor’s Secretary records all civic engagements undertaken by the Mayor, which are reported to each Council meeting; and, at the discretion of the Mayor, is able to support the administration of their allowance.

Amongst other events, it has been customary for the Mayor to directly fund the following:

- Mayor’s Civic Reception (full event cost)
- Annual Council Meeting (drinks and buffet)

- Christmas Refreshments at the Town Hall (usually held after the last Planning & Environment Committee meeting in December)
- Christmas Cards
- Mayor's Charity Ball (full event cost)

From its own budget, the Council directly finances events which are deemed to be of a civic nature and not instigated by the Mayor. E.g.:

- Annual Civic Service
- Twinning
- Remembrance Services/Wreaths
- Civic Christmas Carol Service
- Civic Awards
- One-off Council events (e.g. Queen's 90<sup>th</sup> Birthday Tea Party in June 2016)

It is recognised that, where it may be charged, VAT is not recoverable on expenditure made directly by the Mayor in the day-to-day carrying out the duties of their office. However, as some key events – such as the Mayor's Civic Reception – are annually recurring and more civic in nature, Council could consider transferring some burden of cost from the Mayor and, in so doing, may be able to recover any VAT incurred.

For example, reducing the Mayor's Allowance by £1,000 (an estimated cost of a Mayor's Civic Reception) and increasing the Civic Events budget by the same amount could save up to £167, subject to the amount of VAT charged for expenditure associated with this event.

**Committee is therefore requested to consider recommending to Council that, on the basis that the Council will cover the cost of the Mayor's Civic Reception (subject to a limit of £1,000), the Mayor's Allowance for 2017/18 be reduced to £6,000 for the purpose of defraying the costs associated with the office of Mayor of Felixstowe.**

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## **AGENDA ITEM 8: DRAFT BUDGET ESTIMATES 2017/18**

Committee is to consider draft budget estimates for the Financial Year 2017/18 and to make any recommendations to Council.

Sections of the budget have been considered and reviewed by Council's Assets & Services, Civic & Community and Personnel Committees. Pending any further amendments, a full initial draft budget for 2017/18 is presented for consideration alongside current-year expenditure and projected outturn for the full year to 31 March 2017 and a comparison against the previous year (**Appendix C**). Notes to the budget estimates are provided at **Appendix D**.

Proposals for movements, reallocations and transfers to Earmarked Reserves are shown at **Appendix E** with corresponding notes at **Appendix F**.

Suffolk Coastal District Council has confirmed that Felixstowe Town Council's taxbase for 2017/18 will be 8,162.47.

From 2017/18 there will no longer be any Local Council Tax Scheme grant received from Suffolk Coastal District Council.

Members will note that the budget estimates presented provide for the following:

	<b>Budget 2016/17</b>	<b>Budget 2017/18</b>
Total Expenditure Requirement	£624,813	£642,500
Less Estimated Income	£109,221	£122,949
Less Contribution from General Fund	£0	
Add On Contribution to Earmarked Reserves	£41,119	£30,191
Gross Requirement	<b>£556,711</b>	<b>£549,742</b>
Less Transition Grant	£19,364	0
Net Precept Required	<b>£537,347</b>	<b>£549,742</b>
Band D Equivalent Properties	7978.43	8162.47
Council Tax per Band D	<b>67.35</b>	<b>67.35</b>
% change 2016/17 to 2017/18		0.00%

**Pending any further adjustments, as a result of new information or recommendations of the Finance & General Purposes Committee – such as the outcome of the preceding item on this agenda - Committee is requested to consider draft budget estimates for the Financial Year 2017/18 and make any recommendations to Council as it considers necessary.**