

Our Ref: 30/CAP

16th October 2013

Dear Councillor

You are summoned to a meeting of the **Finance and General Purposes Committee of Felixstowe Town Council** to be held at the **Town Hall, Felixstowe** on **Wednesday 23rd October 2013 at 7.30 pm** for the transaction of the following business:

A G E N D A

- 1. Apologies.**
- 2. Declarations of Interest**
Members and officers are invited to make any declarations of interests that they may have in relation to items on the agenda and are reminded to make any declarations at any stage during the meeting if it then becomes apparent that this may be required when a particular item or issue is considered.
- 3. To consider requests for dispensations for Councillors with a Pecuniary Interest.**
Any Councillor with a pecuniary interest in a matter who wishes to be granted a dispensation to remain and speak during, or vote on, that matter, may apply for a dispensation in writing to the proper officer of the Town Council as soon as possible before the meeting which the dispensation is required. Applications may also be made at the meeting itself.
- 4. To Approve the Minutes of the meeting held on 18th September 2013.**
- 5. To Receive the Accounts to 30th September and note the Current Financial Position (attached).**
- 6. To Note the Requirement to Publish Details of All Expenditure in Excess of £500 and other Key Information and to note the Action Taken (Attached)**
To note the requirement to publish details of all expenditure in excess of £500 and other key information and to note the action taken.
- 7. To Receive the Internal Audit Report for the period 1st April 2013 – 30th June 2013 (attached).**
- 8. To Approve the Purchase of Additional User Licences for the Finance, Allotments and Cemetery I.T. Packages (attached)**
To approve the purchase of additional user licences for the finance, allotments and cemetery I.T. packages
- 9. To Agree to Rationalise the Council's Bank Accounts (attached)**
To agree to rationalise the Council's bank accounts
- 10. To Agree an Investment Strategy (attached)**
To agree an Investment Strategy
- 11. To Review and Agree to Amend Earmarked Reserves (attached)**
To review earmarked reserves and agree to amend the levels

12. To Agree to Adopt Revised Model Standing Orders (attached)

To agree to adopt revised Model Standing Orders including amendments as proposed

13. Consultation on a proposal to designate specific roads as Quiet Lanes

To respond to the consultation

14. Closure

Yours sincerely

A handwritten signature in black ink, appearing to read "Gordon" followed by a stylized flourish.

TOWN CLERK

ITEM 5**Financial Information to 30th September 2013****Financial Budget Comparison**

Comparison between 01/09/13 and 30/09/13 inclusive.

Excludes transactions with an invoice date prior to 01/04/13

		2013/2014	Actual Net	Actual Net (year to date)	Balance
INCOME					
CEMETERY					
210	War Graves Commission	£0.00	£0.00	£0.00	£0.00
220	O2 Mast	£5,300.00	£0.00	£0.00	-£5,300.00
	Total CEMETERY	£5,300.00	£0.00	£0.00	-£5,300.00
ALLOTMENTS					
300	ALLOTMENTS				
300/1	Allotment Rents	£9,700.00	£0.00	£650.42	-£9,049.58
300/2	Allotment Subsidy	£0.00	£0.00	£0.00	£0.00
300	Total	£9,700.00	£0.00	£650.42	-£9,049.58
	Total ALLOTMENTS	£9,700.00	£0.00	£650.42	-£9,049.58
TOWN COUNCIL					
100	PRECEPT	£508,420.00	£286,661.80	£540,871.80	£32,451.80
118	ESTABLISHMENT - Agency Fees	£1,500.00	£0.00	£750.00	-£750.00
119	ESTABLISHMENT - Jute Bags	£0.00	£0.00	£0.00	£0.00
120	RECYCLING CREDITS	£0.00	£0.00	£0.00	£0.00
121	ESTABLISHMENT - Interest	£240.00	£0.00	£83.75	-£156.25
122	TOWN HALL				
122/1	Registrar's lease	£2,750.00	£0.00	£1,653.00	-£1,097.00
122/2	Hirings	£2,000.00	£624.99	£1,512.45	-£487.55
122/3	Weddings	£3,750.00	£714.58	£1,414.59	-£2,335.41
122/4	Committee room	£3,250.00	£0.00	£0.00	-£3,250.00
122	Total	£11,750.00	£1,339.57	£4,580.04	-£7,169.96
123	FELIXSTOWE IN FLOWER	£4,500.00	£0.00	£3,954.09	-£545.91
130	BROADWAY HOUSE				
130/1	Licence Fee	£1,260.00	£0.00	£0.00	-£1,260.00
130	Total	£1,260.00	£0.00	£0.00	-£1,260.00
140	WALTON COMMUNITY HALL Hiring Fees		£9,600.00	£529.85	£2,649.93
200	BURIAL FEES				
200/1	Annual Contribution - Trimley St Martin		£750.00	£0.00	£0.00
200/2	Interments	£61,000.00	£804.00	£16,754.00	-£44,246.00
200/3	Memorials	£12,000.00	£937.00	£4,987.00	-£7,013.00
200/4	Purchase of grave/urn spaces	£9,000.00	£1,018.00	£3,948.00	-£5,052.00
200/5	Upkeep of grave spaces	£250.00	£0.00	£316.00	£66.00
200/6	Genealogical Research & Transfer of Grant		£0.00	£0.00	£206.00
200	Total	£83,000.00	£2,759.00	£26,211.00	-£56,789.00
	Total INCOME TOWN COUNCIL	£620,270.00	£291,290.22	£579,100.61	-£41,169.39

EXPENDITURE

Financial Budget Comparison

Comparison between 01/09/13 and 30/09/13 inclusive.

Excludes transactions with an invoice date prior to 01/04/13

		2013/2014	Actual Net	Actual Net (year to date)	Balance
CEMETERY					
2000	CEMETERY				
2000/1	Other Expenses	£15,000.00	£1,007.36	£8,291.08	£6,708.92
2000/2	Gravemaster Digger	£3,300.00	£0.00	£308.27	£2,991.73
2000/3	Vehicle Maintenance	£750.00	£210.43	£218.58	£531.42
2000/4	Vehicle Contribution	£800.00	£0.00	£0.00	£800.00
2000	Total	£19,850.00	£1,217.79	£8,817.93	£11,032.07
2010	CEMETERY - STAFF				
2010/1	Employees (inc Nat insurance)	£64,250.00	£5,145.96	£27,911.64	£36,338.36
2010/2	Employer's Pension Contribution	£11,700.00	£723.28	£2,840.57	£8,859.43
2010	Total	£75,950.00	£5,869.24	£30,752.21	£45,197.79
2020	CEMETERY EXTENSION	£4,000.00	£0.00	£0.00	£4,000.00
2030	MEMORIAL WALL	£500.00	£0.00	£0.00	£500.00
2040	LANGLEY AVENUE	£500.00	£0.00	£0.00	£500.00
	Total CEMETERY	£100,800.00	£7,087.03	£39,570.14	-£61,229.86
ALLOTMENTS					
3000	ALLOTMENTS				
3000/1	General Expenses	£5,000.00	£681.30	£2,183.46	£2,816.54
3000/2	Vehicle Contribution	£400.00	£64.16	£64.16	£335.84
3000/3	Vehicle Maintenance	£750.00	£146.28	£154.42	£595.58
3000	Total	£6,150.00	£891.74	£2,402.04	£3,747.96
3010	ALLOTMENTS - STAFF				
3010/1	Employees (excl Establishment Expenses)		£7,000.00	£46.77	£1,907.00
3010/2	Employer's Pension Contributions	£1,500.00	£5.73	£152.02	£1,347.98
3010	Total	£8,500.00	£52.50	£2,059.02	£6,440.98
	Total ALLOTMENTS	£14,650.00	£944.24	£4,461.06	-£10,188.94
TOWN COUNCIL					
1010	QUALITY DEVELOPMENT	£200.00	£0.00	£0.00	£200.00
1020	TOWN COUNCIL NEWSLETTER	£3,900.00	£647.50	£1,942.50	£1,957.50
1030	GRANTS ANNUAL				
1030/2	Felixstowe Wesel Committee	£200.00	£0.00	£200.00	£0.00
1030/3	Felixstowe Salzwedel Association	£200.00	£0.00	£200.00	£0.00
1030/5	Felixstowe Council for Sport & Recreation		£200.00	£0.00	£200.00
1030/6	Christmas Illuminations (including electricity)		£7,000.00	£0.00	£5,500.00
1030/7	Landguard Partnership	£700.00	£0.00	£700.00	£0.00
1030/8	Felixstowe Citizen Advice Bureau	£1,500.00	£0.00	£1,500.00	£0.00
1030/9	Felixstowe Inshore Patrol	£1,500.00	£0.00	£1,500.00	£0.00
1030/10	Felixstowe Carnival Association	£500.00	£0.00	£500.00	£0.00
1030/11	Level 2	£1,000.00	£0.00	£1,000.00	£0.00
1030/12	Felixstowe/Bawdsey Foot Ferry	£200.00	£0.00	£200.00	£0.00
1030/13	Art on the Prom	£500.00	£0.00	£500.00	£0.00
1030/14	Orwell District Scouts	£150.00	£0.00	£150.00	£0.00
1030	Total	£13,650.00	£0.00	£12,150.00	£1,500.00

Financial Budget Comparison

Comparison between 01/09/13 and 30/09/13 inclusive.

Excludes transactions with an invoice date prior to 01/04/13

		2013/2014	Actual Net	Actual Net (year to date)	Balance
1040	GRANTS OCCASIONAL	£1,600.00	£0.00	£0.00	£1,600.00
1050	Landguard Fort Trust	£1,000.00	£0.00	£1,000.00	£0.00
1060	ENHANCEMENT AND PROMOTIONAL SCHEMES		£5,000.00	£0.00	£5,000.00
1070	PREMISES	£1,000.00	£0.00	£1,000.00	£0.00
1080	CONTINGENCY FUND	£5,000.00	£626.30	£626.30	£4,373.70
1090	CCTV MAINTENANCE	£6,980.00	£0.00	£6,980.00	£0.00
1100	GRIT/LITTER BIN PROVISION	£700.00	£0.00	£400.00	£300.00
1110	SAFER NEIGHBOURHOOD TEAM		£250.00	£0.00	£0.00
1120	COMMUNITY RAIL PARTNERSHIP		£0.00	£0.00	£0.00
1130	REPAIRS & RENEWALS FUND	£500.00	£0.00	£500.00	£0.00
1140	BUS SHELTER CLEANING	£1,250.00	£61.67	£370.02	£879.98
1150	PLAY EQUIPMENT	£1,500.00	£0.00	£0.00	£1,500.00
1160	ELECTION EXPENSES	£3,000.00	£0.00	£0.00	£3,000.00
1170	RESERVES	£4,000.00	£0.00	£0.00	£4,000.00
1180	COMMUNITY FUND	£69,050.00	£1,796.50	£11,985.05	£57,064.95
1190	PEEWIT HILL - GENERAL EXPENSES		£200.00	£0.00	£0.00
1195	PEEWIT HILL - STAFF				
1195/1	Employees (inc Nat Insurance)	£150.00	£6.67	£28.74	£121.26
1195/2	Employer's Pension Contributions	£30.00	£0.00	£2.29	£27.71
1195	Total	£180.00	£6.67	£31.03	£148.97
1200	ESTABLISHMENT				
1200/1	Travelling Expenses	£600.00	£0.00	£0.00	£600.00
1200/2	Transport Liaison Officer (Honorarium)		£250.00	£0.00	£250.00
1200/4	Professional Advice	£3,500.00	£1,465.90	£1,604.15	£1,895.85
1200/5	Mayor's Official Allowance	£7,000.00	£0.00	£7,000.00	£0.00
1200/6	General Establishment Expenses	£43,500.00	£1,461.20	£24,183.98	£19,316.02
1200/7	Training & Development	£3,500.00	£912.00	£962.00	£2,538.00
1200/8	Computer System - Maintenance/replacement		£9,960.00	£588.25	£4,153.60
1200/9	Web Site	£1,200.00	£0.00	£1,195.00	£5.00
1200/10	Wesel Twinning Expenses	£3,300.00	£0.00	£1,879.67	£1,420.33
1200/11	Salzwedel Twinning Expenses	£1,100.00	£20.32	£1,120.32	-£20.32
1200	Total	£73,910.00	£4,447.67	£42,348.72	£31,561.28
1210	ESTABLISHMENT - STAFF				
1210/1	Salaries of Clerk & Staff (inc Nat Insurance)		£177,000.00	£14,019.36	£78,973.35
1210/2	Employer's Pension Contributions	£34,500.00	£2,740.13	£13,087.25	£21,412.75
1210	Total	£211,500.00	£16,759.49	£92,060.60	£119,439.40
1219	TOWN HALL - LOAN				
1219/1	Loan Interest	£35,000.00	£17,365.97	£17,365.97	£17,634.03
1219	Total	£35,000.00	£17,365.97	£17,365.97	£17,634.03

Financial Budget Comparison

Comparison between 01/09/13 and 30/09/13 inclusive.

Excludes transactions with an invoice date prior to 01/04/13

		2013/2014	Actual Net	Actual Net (year to date)	Balance
1220	TOWN HALL				
1220/2	Runnng Costs	£25,000.00	£1,693.61	£10,708.57	£14,291.43
1220/3	Cyclical Maintenance	£5,000.00	£0.00	£0.00	£5,000.00
1220	Total	£30,000.00	£1,693.61	£10,708.57	£19,291.43
1230	FELIXSTOWE IN FLOWER				
1230/1	General Expenses	£7,000.00	£1,538.37	£7,369.90	-£369.90
1230/2	Vehicle Contribution	£800.00	£0.00	£0.00	£800.00
1230/3	Watering for Hanging Baskets	£3,500.00	£3,456.00	£3,456.00	£44.00
1230	Total	£11,300.00	£4,994.37	£10,825.90	£474.10
1240	FELIXSTOWE IN FLOWER - STAFF				
1240/1	Employees (Inc Nat Insurance)	£6,100.00	£835.79	£4,132.80	£1,967.20
1240/2	Employers Pension Contributions	£1,200.00	£77.69	£391.96	£808.04
1240	Total	£7,300.00	£913.48	£4,524.76	£2,775.24
1300	BROADWAY HOUSE				
1300/2	Cyclical Maintenance	£1,000.00	£0.00	£0.00	£1,000.00
1300/3	General Expenses	£1,000.00	£0.00	£0.00	£1,000.00
1300	Total	£2,000.00	£0.00	£0.00	£2,000.00
1310	BROADWAY HOUSE STAFF				
1310/1	Employees (inc Nat insurance)	£9,000.00	£843.81	£3,858.28	£5,141.72
1310/2	Employer's Pension Contribution	£1,700.00	£134.90	£544.74	£1,155.26
1310	Total	£10,700.00	£978.71	£4,403.02	£6,296.98
1400	WALTON COMMUNITY HALL				
1400/1	General Expenses	£3,700.00	£125.00	£632.65	£3,067.35
1400/2	Cyclical Maintenance	£3,000.00	£3,000.00	£3,000.00	£0.00
1400	Total	£6,700.00	£3,125.00	£3,632.65	£3,067.35
1500	WALTON COMMUNITY HALL STAFF				
1500/1	Employees (Inc Nat Insurance)	£2,000.00	£176.06	£981.08	£1,018.92
1500/2	Employers Pension Contributions	£450.00	£41.53	£137.54	£312.46
1500	Total	£2,450.00	£217.59	£1,118.62	£1,331.38
	Total TOWN COUNCIL	£509,820.00	£53,634.53	£228,973.71	-£280,846.29

ITEM 6

To Note the Requirement to Publish All Expenditure in Excess of £500 and the Action Taken

The Code of Recommended Practice for Local Authorities on Data Transparency, published in 2011 imposed a legal duty on local councils with income or expenditure transactions exceeding £200,000 per annum to publish, each month, a schedule of those transactions in excess of £500 on the Council's website.

Felixstowe Town Council would appear not to have been doing so, and therefore measures have been taken to publish this information monthly, backdated to 1st April 2013. Although there is an expectation that the data will be available in a common data format, an expectation which no local council currently meets, the published information will be in Excel format. Should a request be made for it to be supplied in another format (e.g csv) this can be managed easily.

The same Code also introduced a requirement to publish other non-financial information, including the Council's organisational chart, including salary bands, the "pay multiplier" (defined as the ratio between the highest paid salary and the median average salary of the whole of the workforce), Councillor allowances and expenses, a schedule of grants to the community and social enterprise sector, policies, performance, external audits and key indicators of the Council's financial position and a building and land asset register.

This information will be published and contained in a new section of the website entitled "Freedom of Information" and will be reviewed annually.

This item is for information only.

ITEM 7

Internal Audit Report



President: Sir Edward Greenwell, Bart

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C Barrett
Felixstowe Town Council
Town Hall
Undercliff Road West
Felixstowe
Suffolk, IP11 2AG

12th September 2013

Dear Caroline,

Internal Audit: Felixstowe Town Council

Please find enclosed the internal audit report for Felixstowe Town Council for the period 1st April 2013 to 30th June 2013.

If you have any questions, do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink that reads "Diane Jimpson". The signature is written in a cursive, flowing style.

Diane Jimpson
Finance Manager
Suffolk Association of Local Councils



Internal Audit Report
Quarter ending:

Name of Council:	Felixstowe Town Council
Quarter:	1 st Quarter 2013 (1 st April 2013 to 30 th June 2013)
Precept figure:	£ 573,324.00



Internal Audit Objectives and Responsibilities

The primary objective of Internal Audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council, and to achieve this will adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with particular reference to:

- The effectiveness of operations
- The economic and efficient use of resources
- Compliance with applicable policies, procedures, laws and regulations
- The safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity and corruption
- The integrity and reliability of information, accounts and data

Accordingly, in the conduct of planned audits Internal Audit may:

- Carry out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete Section 4 (Annual internal audit report) of the Annual Return
- Review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- Review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- Appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- Review the established systems to ensure compliance with those policies, procedures, laws and regulations which could have a significant impact on operations, and determine whether the council is in compliance
- Review the operations and activities to ascertain whether results are consistent with objectives and whether they are being carried out as planned

Subject	Requirements	Comments/Recommendations
<p>1. Proper Book-keeping</p>	<p>Cash book updated regularly.</p> <p>S137 separately recorded and minuted.</p> <p>Correct arithmetic and balancing.</p>	<p>The council uses the Edge accounting package. Balances are reconciled on a monthly basis.</p> <p>All were found to be in order.</p> <p>Spot checks were made and were found to be correct.</p>
<p>2. Financial regulations, standing orders, payment controls</p>	<p>Evidence that standing orders and financial regulations have been adopted.</p> <p>VAT is identified and reclaimed.</p> <p>Supporting paperwork for payments, invoices, and appropriate authorisation</p>	<p>Standing orders and financial regulations were last reviewed and adopted in December 2008. The council's finance sub-committee will consider revisions.</p> <p>Recommendation: That standing orders and financial regulations are reviewed/adopted and minuted before the end of this financial year.</p> <p>VAT is identified in the cash book and is reclaimed on a quarterly basis. Several items were cross checked against invoice, cash book and VAT listing and VAT reclaim. All were found to be in order.</p> <p>Fourteen payments were selected for the period April to June 2013, these were cross checked against cash book, cheque book, bank statement, invoice and minutes. All were found to be in order.</p> <p>A list of income and expenditure is generated from the Edge system and presented to council.</p>
<p>3. Risk management</p>	<p>Evidence that risks are being identified and managed.</p>	<p>The council's Risk assessments were adopted at finance and general purpose meeting 20 March 2013.</p>

<p>The council should consider updating/adopting the following policies to ensure appropriate procedures are in place for any potential risks in these areas:</p> <ul style="list-style-type: none"> Health & Safety Complaints Policy Equal Opportunities Policy Electronic Communications Policy Anti-harassment and bullying Policy Sickness Absence Policy Stress Policy <p>(Model policies can be provided by SALC if required)</p>	<p>It was noted that @ 30/6/13 the council had £721,856.57 in a business rate tracker account earning 0.05% interest.</p> <p>Recommendation: The internal auditor has previously provided the council with a model investment strategy. The council should adopt an investment policy and consider making short term investments (6-12months) to maximise income from cash balances held.</p> <p>Fidelity guarantee insurance cover is £1million Public liability cover is £10million Employers liability cover is £10million</p>	<p>A budget report is received by the council at each meeting of the full council and the finance and general purposes committee. This report states budget figure against actual figures.</p> <p>See above.</p>
<p>4. Budgetary controls</p>	<p>Verifying that the budget has been properly prepared, and agreed.</p> <p>Regular reporting of expenditure and variances from budget.</p>	

<p>5. Income controls</p>	<p>Monitoring of precept and any other Income.</p>	<p>The precept for 2013/14 was agreed at £508,420 a rise of £10,000 increase of 2%. The council were offered the grant of £64,904 to address the impact of a reduction in the council tax base. The council agreed to keep the base budget figure wishing to receive £508,420 (including grant) however the completion of the precept request form resulted in the council receiving £573,324 (£508,420 plus £64,904). The council agreed to keep the additional £64,904 in a council tax reduction localisation reserve and £10,000 in Council Tax localisation reserve. Random receipts were selected and cross checked against paying in book, cash book and bank statement.</p>
<p>6. Petty cash/expenses procedure</p>	<p>Established system in place, and associated supporting documents</p>	<p>The petty cash float is £250. Receipts are required for expenditure. All were found to be in order.</p>
<p>7. Payroll controls</p>	<p>PAYE/ NIC system in place.</p>	<p>The council operates a payroll system for it's employees using the 'Moneysoft' package. Four salary payments using payflow were checked against Edge. All were found to be in order.</p>
<p>8. Asset control</p>	<p>Inspection of Asset register. Cross checking of Insurance cover.</p>	<p>The council have reviewed their insurance arrangements and in the process have listed all items insured and have made a saving on the overall insurance cost.</p>
<p>9. Bank reconciliation</p>	<p>Regularly completed, reconcile with cash book.</p>	<p>Bank reconciliations are completed on a monthly basis. All were found to be in order. Bank balances at 30 June 2013: Town Council Tracker projects: £7460.73 Town Council Tracker: £721856.57 Imprest: £50790.80 Felixstowe in Flower: £10582.01</p>

10. Review of the system of Internal control	Date review completed	Internal controls were reviewed and adopted 20 March 2013 finance and general purposes meeting.
11. Additional comments		Total Income to date: £305,048.16 Total Expenditure to date: £138,049.84

Signed *A. Timman*.....
Date *12/10/2013*.....

On behalf of Suffolk Association of Local Councils

ITEM 8

To approve the purchase of additional user licences for the finance, allotments and cemetery I.T. packages

The Council has previously taken the decision to computerise its finance, allotments and cemetery records (although the final decision on how to computerise the latter will be the subject of a further report). At the time of purchase of the finance package it was considered that the number of user licences would be two concurrent users. The allotments package increased this by one to three concurrent users. However, in practice the Council needs to invest in additional licences in order that more users can access the components simultaneously. The annual additional cost will be £95.00.

Recommended: That one additional licence is purchased, bringing to four the maximum simultaneous users on each system.

ITEM 9

To Agree to Rationalise the Council's Bank Accounts

The Council has five different bank accounts, as follows:-

- Business Tracker Account – balance at 30/9/13 - £908,607.19
- Town Hall Project Account– balance at 30/9/13 - £7,461.66
- Felixstowe Town Council Account– balance at 30/9/13 - £46,083.13
- Clerk's Imprest Account– balance at 30/9/13 - £8,000.00
- Felixstowe in Flower Account– balance at 30/9/13 - £10,472.04

The reason for some of these is historical, and no longer appropriate to the Council's needs. The proposal is that the number of accounts be rationalised to three as follows:-

- I. A current account with an overnight "sweep" to a low interest-bearing account; the "sweep" to be triggered at £2,000.
- II. A low interest-bearing account; maximum holding not to exceed £50,000 at any one time
- III. A high interest-bearing account

The next item for this Committee to agree is an investment policy. Once adopted a procedure for utilising a mix of deposits to maximise the Council's investment income can be introduced. This will be based upon historic cash flow records to identify how much readily available (i.e. without loss of interest) money is needed for each month. This will enable the Council to maintain a number of higher-interest fixed-term deposits, with a range of expiry dates timed to release the monies as needed, which attract a higher rate of interest than bank accounts.

Recommended: That the Council rationalise its Bank Accounts as outlined above

ITEM 10

To Agree an Investment Policy

The Council must have a policy in place so as to protect its investments. Guidance on local council investments was issued by the government in 2004 and updated in 2012. Given the likely total level of investments to be made (in excess of £500,000 within any one year) the guidance will apply in full. A copy of the guidance is shown below.

Department for Communities and Local Government

GUIDANCE ON LOCAL GOVERNMENT INVESTMENTS

**Issued under section 15(1)(a) of the *Local Government Act 2003*
and effective from 1 April 2010**

(1) POWER UNDER WHICH THE GUIDANCE IS ISSUED

1.1 The following guidance is issued by the Secretary of State under section 15(1)(a) of the *Local Government Act 2003*.

(2) DEFINITIONS OF TERMS

2.1. In this guidance, **2003 Act** means the *Local Government Act 2003*.

2.2. **Local authority** (except in paragraph 5.1(d) below) has the meaning given in section 23 of the 2003 Act (and in regulations made under that section). To the extent that this guidance applies to parish councils and charter trustees (see paragraph 3.3), a reference to a "local authority" includes those councils and trustees.

2.3. An **investment** is a transaction which relies upon the power in section 12 of the 2003 Act and is recorded in the balance sheet under the heading of investments within current assets or long-term investments. The term does not include *pension fund and trust fund investments*, which are subject to separate regulatory regimes and are therefore not covered by this guidance.

2.4. A **long-term investment** is any investment other than (a) one which is due to be repaid within 12 months of the date on which the investment was made or (b) one which the local authority may require to be repaid within that period.

2.5. A **credit rating agency** is one of the following three companies: *Standard and Poor's; Moody's Investors Service Ltd; Fitch Ratings Ltd*.

(3) APPLICATION

Effective date

3.1 This guidance applies with effect from 1 April 2010 and supersedes the guidance issued on 12 March 2004.

Local authorities

3.2 This guidance applies to all local authorities in England.

Parish councils and charter trustees

3.3 This guidance applies to parish councils and charter trustees, subject to the following:

(a) Where the parish council or charter trustee expects its investments at any time during a financial year to exceed £500,000, the guidance should apply in relation to that year.

(b) Where the parish council or charter trustee expects its investments at any time during a financial year to exceed £10,000 but not £500,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the guidance in relation to that year.

(c) Where the parish council or charter trustee expects its investments at any time during a financial year not to exceed £10,000, no part of this guidance need be treated as applying in relation to that year.

(4) INVESTMENT STRATEGY

Preparation

4.1 The Secretary of State recommends that for each financial year a local authority should prepare at least one investment Strategy (“the Strategy”) in accordance with the timetable in paragraphs 4.5 and 4.6.

4.2 The Strategy should set out the authority's policies for the prudent management of its investments and for giving priority, firstly, to the security of those investments and, secondly, to their liquidity. It should therefore identify the procedures for monitoring, assessing and mitigating the risk of loss of invested sums and for ensuring that such sums are readily accessible for expenditure whenever needed.

4.3 The detailed contents of Strategy should be in accordance with paragraphs 5.1 to 7.1, but may include other matters considered relevant.

Approval

4.4 The Strategy should be approved by the full council. For authorities without a full council, the Strategy should be approved at the closest equivalent level.

Timing

4.5 The Secretary of State recommends that for any financial year an investment Strategy (“the initial Strategy”) should be prepared and approved before the start of that year.

4.6 The initial Strategy may be replaced by another Strategy (“the revised Strategy”) at any time during the year, on one or more occasions, subject to the same process of approval. The initial Strategy should specify circumstances in which a revised Strategy is to be prepared, but a revised Strategy may be prepared in other circumstances, if at any time it is considered appropriate.

Publication

4.7 The Secretary of State recommends that the initial Strategy and any revised Strategy should, when approved, be made available to the public free of charge, in print or online.

(5) INVESTMENT SECURITY

Specified investments

5.1 An investment is a **specified investment** if all of the following apply:

(a) the investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling;

(b) the investment is not a *long-term investment* (as defined in paragraph 2.4);

(c) the making of the investment is not defined as *capital expenditure* by virtue of regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146 as amended]*;

(d) the investment is made with a body or in an investment scheme of *high credit quality* (see paragraph 5.2); or with one of the following public-sector bodies:

(i) the United Kingdom Government

(ii) a local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland

(iii) a parish council or community council.

5.2 For the purposes of paragraph 5.1(d), the Secretary of State recommends that the Strategy should define *high credit quality* (and where this definition refers to *credit ratings*, paragraph 6.1 is relevant).

Non-specified investments

5.3 With regard to *non-specified investments* (ie those not meeting the definition in paragraph 5.1), the Secretary of State recommends that the Strategy should:

(a) set out procedures for determining which categories of such investments may prudently be used (and where these procedures involves the use of *credit ratings*, paragraph 6.1 is relevant);

(b) identify which categories of such investments have so far been identified as prudent for use during the financial year; and

(c) state the upper limits for the amounts which, at any time during the financial year, may be held in each identified category and for the overall amount which may be held in non-specified investments (the limits being defined by reference to a sum of money or a percentage of the authority's overall investments or both).

(6) INVESTMENT RISK

Risk assessment

6.1 The Secretary of State recommends that the Strategy should state the authority's approach to assessing the risk of loss of investments, making clear in particular:

(a) to what extent, if any, risk assessment is based upon credit ratings issued by one or more credit rating agencies;

(b) where credit ratings are used, how frequently credit ratings are monitored and what action is to be taken when ratings change; and

(c) what other sources of information on credit risk are used, additional to or instead of credit ratings.

Treasury management advisers

6.2 The Secretary of State recommends that the Strategy should state:

(a) whether and, if so, how the authority uses external advisers offering information, advice or assistance relating to investment; and

(b) how the authority monitors and maintains the quality of any such service.

Investment training

6.3 The Secretary of State recommends that the Strategy should state what process is adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.

Investment of money borrowed in advance of need

6.4 The Secretary of State recommends that the Strategy should state the authority's policies on investing money borrowed in advance of spending needs. This statement should identify any measures to manage the amount of such investments, including any limits on (a) amounts borrowed and (b) periods between borrowing and expenditure. The statement should also comment on the management of the risks involved, including balancing the risk of investment loss against the risk of higher interest rates if borrowing is deferred.

(7) INVESTMENT LIQUIDITY

7.1 The Secretary of State recommends that the Strategy should set out procedures for determining the maximum periods for which funds may prudently be committed

Based on this guidance, the following Investment Strategy has been prepared and **members are recommended** to adopt the strategy as presented.

INVESTMENT STRATEGY, POLICY AND RISK MANAGEMENT

1. Strategy

To invest for the best income return having regard both to the requirements of the Local Authorities (Capital Finance) (Approved Investments) Regulations 1990 as amended Guidance issued by DCLG 2003 (as amended), the Local Government Act 2003 s15 and the absolute requirement to avoid capital loss.

2. Policy

(i) To retain not less than one month's average working capital requirement in current and deposit accounts giving immediate access;

(ii) Amounts representing the balance on Capital Receipts Reserve at the beginning of the financial year to be placed on deposit of up to one year's duration depending on the prevailing interest rates;

iii) Any other funds may be placed on deposit of up to one year's duration, depending on the prevailing interest rates and forecast cash flow requirements.

3. The Risk Management

Not more than 40% of the funds to be placed with any one borrower unless a proposal is made to and accepted by the Finance & General Purposes Committee to increase that proportion to 50%. Funds only to be deposited or invested with:-

- a. UK clearing banks or their subsidiaries, together with those former major building societies now banks
- b. The Treasury Departments of Building Societies which are members of BSA with assets of over £2bn
- c. UK Government stocks
- d. UK local authority stocks or bonds

ITEM 11**Earmarked Reserves****Earmarked Reserves**

At the beginning of this financial year the Town Council had a total of just over £300,000 in earmarked reserves, as follows:-

Election Expenses	£3,463
Felixstowe Enhancement & Promotional Schemes	£19,444
Felixstowe in Flower	£8,427
Repairs & Renewals Fund	£2,904
Vehicle Replacement Fund	£2,181
I.T. Computer Replacement Fund	£3,117
Recycling Credits (Environmental Fund)	£5,533
Cemetery Extension	£8,000
Premises	£34,696
Web Site Redesign	£973
Broadway House	£4,950
Walton Community Hall	£14,490
Town Hall Project – Refurbishment- Capital	£7,819
Town Hall Maintenance	£20,000
Play Equipment	£2,727
Community Fund	£88,100
Council Tax Localisation Reserve	£74,904
Wings on Waves	£250
TOTAL	£301,978.00

In addition the Town Council had £16,108 in a “contingency fund” and £391,354 in “general” (i.e. un-earmarked reserves). Whilst the auditors will have a comment on “excessive” levels of reserves, earmarked reserves are normally exempt from such comments as they usually demonstrate good practice.

Normally transfers to/from reserves are agreed by Full Council towards the end of the financial year, when the impact of new initiatives, delays on projects, and significant over/underspends on accounts are known. However the longstanding practice in Felixstowe Town Council would appear to be that either:-

- a) The earmarked reserve is depleted regularly to avoid an “overspend” in any one account line; or
- b) It is supplemented with the budget and then depleted as and when expenditure is incurred

It is entirely appropriate for the Town Council’s accounts to demonstrate variations from budgets, either positive or negative, provided that members fully understand the reasons for the variations. Depleting earmarked reserves to “hide” overspends does not give a true reflection on the actual financial status of the accounts at any one time.

Recommended: That transfers to/from earmarked reserves be made only after Council approval; such authority to be agreed in March of each financial year.

Turning to the actual number, and level, of earmarked reserves there are a number of omissions, and in addition, some amendments that need to be made. The following earmarked reserves need to be added:-

- a) Staffing reserve – to cover long-term staff absence, maternity/paternity leave, redundancy costs, early and ill-health retirement costs

This figure should be a minimum of £25,000 and revised upwards annually in line with pay awards and increased length of service.

- b) CCTV renewals and replacement – to cover unexpected repairs to the equipment and future replacement/enhancement of the system

This figure should be a minimum of £40,000 (as the system is some years old) and revised upwards annually in line with inflation

The following reserves need to be amended as follows:-

- a) Elections – to provide for two by-elections per annum and one full election every four years

Based on previous costs the current level of reserves should therefore be increased to £7,500.

- b) Cemetery Extension – to fund the next extension of the cemetery (including possible relocation of allotment plots) in 2025

Based on estimated road construction costs and costs of relocating allotments the current level of reserves should be increased to £100,000 with an on-going annual increase of 5%.

- c) Equipment renewals and replacement

The existing repairs and renewals fund and the vehicle replacement fund should be merged and a new fund created to cover all items of equipment other than I.T. Based on previous levels of expenditure and likely life of tools/equipment (much of which is in use at the cemetery) this fund should be increased to a minimum of £10,000 with an on-going annual increase in line with inflation.

- d) Town Hall Maintenance

The existing figure, and agreed annual contribution, are inadequate for a building of this age. Despite its recent renovation, window frames on the seafront frontage are in need of attention, and simply scaffolding the frontage to ensure their safe repainting is likely to account for a large proportion of the current reserves. These should be increased immediately to £80,000 and a more detailed study, based upon life expectancies and renewal costs, of key aspects of the building, should be undertaken to ensure this sum is adequate. It should be maintained at this level, or such level as the detailed study requires.

- e) Play Equipment

The Council currently has £38,000 of play equipment on its assets register. Given the average life of play equipment, it should be making an annual renewal provision of c£3,000 to ensure it can be replaced when life expired. The earmarked reserve should be increased to £24,000 immediately and an annual uprise of £3,000 plus inflation applied each year.

f) Broadway House

The current level of earmarked reserve is inadequate for a building valued in excess of £800,000. It should be increased immediately to £50,000 and a more detailed study, based upon life expectancies and renewal costs, of key aspects of the building, should be undertaken to ensure this sum is adequate. It should be maintained at this level, or such level as the detailed study requires.

g) Walton Community Hall

The current level of earmarked reserve is inadequate for a building valued in excess of £450,000. It should be increased immediately to £50,000 and a more detailed study, based upon life expectancies and renewal costs, of key aspects of the building, should be undertaken to ensure this sum is adequate. It should be maintained at this level, or such level as the detailed study requires.

The net effect of these proposals is as follows:-

a) Earmarked reserves

Election Expenses	£7,500
Felixstowe Enhancement & Promotional Schemes	£19,444
Felixstowe in Flower	£8,427
Repairs & Renewals Fund	£10,000
Vehicle Replacement Fund	£0
I.T. Computer Replacement Fund	£3,117
Recycling Credits (Environmental Fund)	£5,533
Cemetery Extension	£100,000
Premises	£0
Web Site Redesign	£973
Broadway House	£50,000
Walton Community Hall	£50,000
Town Hall Project – Refurbishment- Capital	£7,819
Town Hall Maintenance	£80,000
Play Equipment	£24,000
Community Fund	£88,100
Council Tax Localisation Reserve	£74,904
Wings on Waves	£250
TOTAL	£530,067.00

b) General Reserves

This is now reduced to £179,373, which represents three months expenditure.

Recommended:

That the level of earmarked reserves be amended as outlined above, and that regular contributions are made to the earmarked reserves annually from the budget to ensure their continued viability.

That a forecast of future income/expenditure covering the next three years, and including the effect on reserves, be presented as part of the budget-setting process.

ITEM 12

Model Standing Orders - See separate attachment

ITEM 13
Quiet Lanes Consultation

Your Ref:
Our Ref: DC/NG
Date: 9 October 2013
Enquiries to: David Chenery
Tel: 01728 652400
Email: east.area@suffolk.gov.uk



To Consultee

Dear Sirs,

Consultation on a proposal to designate specific roads as Quiet Lanes

Further to my previous letter Suffolk County Council, as local highway authority, is considering a request to designate Gulpher Road in Felixstowe as a quiet lane. These types of lanes do not impose any traffic restrictions but seek to inform road users of the presence of walkers, cyclists and equestrians, and to show more respect for these more vulnerable road users. Further information and a proposed route is attached.

Under The Quiet Lanes and Home Zones (England) Regulations 2006, I am required to consult with yourselves and would welcome your comments within 4 weeks of the date of this letter if that is convenient.

Based on the consultation feedback, if the County Council then proposes to designate a road it will publish its intentions in the local press and forward you a copy of the draft notice for final comments.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Chenery".

David Chenery
Assistant East Area Highways Manager
Economy, Skills & Environment



To see all the details that are visible on the screen, use the "Print" link next to the map.

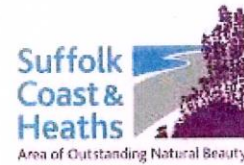
Google Maps



<https://maps.google.co.uk/>

Quiet Lanes Suffolk

A 2013 – 2014 pilot project in Suffolk Coast & Heaths Area of Outstanding Natural Beauty (AONB)



The role of the AONB is to care for the local environment and landscape and where possible conserve and improve it for all its users, supporting its tranquillity and the quality of experience, for all the members of the community including residents, visitors and local businesses.

The Suffolk Coast & Heaths Area of Outstanding Natural Beauty (AONB) is one of Britain's finest landscapes. Located on the coast of East Anglia, the AONB extends from the Stour estuary in the south to the eastern fringe of Ipswich and Kessingland in the north. It covers 155 square miles, including wildlife-rich wetlands, ancient heaths, windswept shingle beaches and historic towns and villages. The UK's 46 AONBs are part of a 'family' of protected landscapes that also includes our National Parks. All receive special protection because of their outstanding landscape, heritage and wildlife

The Quiet Lane initiative aims to benefit everyone who lives in, works in and visits and area. The AONB Management Plan for 2013 - 2018 notes that Quiet Lanes are an aspiration for better and more considerate use of the rural lanes in the AONB and hopes to see the development of an informal network across the area.

A Quiet Lane is a nationally recognised designation, requesting people to "Expect & Respect". The lane is hosted by a local, rural community, such as a parish or village group, who recognise that Quiet Lane designation can bring benefit to their local quality of life. The Quiet Lane is not owned by the AONB or Suffolk County Council Highways, who are supporting the process and the pilot, but by the community itself and it is intended to help you to improve

The pilot project is supported by grants from several organisations, including the AONB, and this funding will help to pay for signs, an awareness campaign, and specialist electronic monitoring equipment. The pilot project is due for completion in June 2014, when the funding period comes to an end, although it is recognised that changing people's behaviours is a slow process and this is but a first step.

This local area has some of the first Quiet Lanes to have been proposed – this is because your village has close links to the AONB.

For further information on the area and the Quiet Lanes pilot scheme please see:

www.suffolkcoastandheaths.org

Quiet Lane Regulation information can be found at:

http://www.legislation.gov.uk/ukxi/2006/2082/pdfs/ukxi_20062082_en.pdf

Quiet Lanes – **Expect** the lane to be used by a variety of people, animals and transport, and **Respect** each others rights to considerate road use!

