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9 am to 4 pm Mondays to Fridays



TOWN HALL  
FELIXSTOWE  
SUFFOLK  
IP11 2AG

**TO ALL MEMBERS OF THE FINANCE & GOVERNANCE COMMITTEE**

Cllr M Richardson (Chairman)  
Cllr T Green (Vice Chairman)  
Cllr S Bennett  
Cllr S Bird  
Cllr M Deacon

Cllr S Harkin  
Cllr A Smith  
Cllr S Wiles  
Cllr K Williams

You are hereby summoned to attend a meeting of the **FINANCE & GOVERNANCE COMMITTEE** to be held online on **Wednesday 20 January 2021** at **7.30pm** for the transaction of the following business:

**Public Attendance**

*Online meetings of the Town Council and its Committees are open to the press and public who are welcome to attend via Zoom. Members of the public are invited to make representations or put questions to the Committee during the public session.*

**To join the meeting please follow this link:**

<https://us02web.zoom.us/j/83090518311>

Alternatively, you may join via the meeting ID 830 9051 8311 or over the telephone by calling 0131 460 1196.

Our online meeting guidance can be found here: <https://www.felixstowe.gov.uk/wp-content/uploads/2020/05/Remote-Meeting-Guidelines.pdf>

*Council has a duty to pay due regard to preventing crime and disorder and to conserve biodiversity in its decision-making and Members are reminded to consider the Council's commitment to climate action.*

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**Ash Tadjrishi**  
**Town Clerk**  
**15 January 2021**

For information (via email):

All Town Councillors  
Local Press



## **A G E N D A**

- 1. Public Question Time**  
Up to 15 minutes is set aside to allow members of the public (up to one minute each) to make representations or put questions to the Committee on any relevant matters.
- 2. Apologies for Absence**  
To receive any apologies for absence.
- 3. Declarations of Interest**  
To receive any declarations of interest and to consider requests for dispensations from Members for matters in which they have a disclosable pecuniary interest.
- 4. Confirmation of Minutes**  
To confirm the Minutes of the Finance & General Purposes Committee meeting held on 9 December 2020 as a true record. **(Pages 3-6)**
- 5. Budget Monitoring to 31 December 2020**  
To receive budget monitoring report to 31 December 2020 and consider any actions deemed necessary. **(Pages 7-11 & Appendix A)**
- 6. Earmarked Reserves Report**  
To note a report on Council's Earmarked Reserves. **(Pages 12-13)**
- 7. Investment Policy and Strategy**  
To review the Investment Policy & Strategy and make any recommendations to Council. **(Pages 14-15 & Appendix B)**
- 8. Insurance Adequacy Review**  
To review the adequacy of the Council's insurance provision and make any recommendations to Council. **(Page 16)**
- 9. Ill-Health Liability Insurance Consultation**  
To consider the Suffolk Pension Fund Committee consultation on the criteria for small employers in the scheme to have mandatory ill-health liability insurance. **(Pages 17-18)**
- 10. Members' IT**  
To approve provision of IT equipment and software for Members in order to support council business and ongoing access to online meetings. **(Pages 19-20)**
- 11. Closure**  
To close proceedings and confirm the date of the next meeting scheduled for Wednesday 24 March 2021 at 7.30pm.



low due to the effects of the COVID-19 pandemic. The Deputy Town Clerk reported that bank interest rates had recently decreased from 0.3% to 0.01%, which will result in significantly lesser income (from approximately £100 per month interest to just £3 month). Next year's budget estimates had been adjusted accordingly.

**It was RESOLVED that the budget monitoring report to 30 November 2020 be approved, with no other action required at this time.**

### **374. BUDGET ESTIMATES 2021/22**

Committee considered the papers showing a first draft full budget, including earmarked reserves requirements for 2021/22. Members also considered comparisons against the current year budget, actual expenditure and projected outturn for the full year 2020/21.

Members discussed the budget proposal and agreed that Council should use existing funds to ensure a 0% increase to its portion of the council tax to help the community during this difficult period due to COVID-19. Members noted that to enable this to happen £97,416 was being proposed to be transferred from Council's General Fund to balance the budget. However, the Town Clerk advised that most of this transfer, £81,500, would be a contribution toward Earmarked Reserves. It was noted that the tax base was still to be confirmed by East Suffolk Council, but on the figures provisionally supplied, the required precept would be £591,140.84. Using the expected tax base of 8,341.20, this would equate to £70.87 per Council Tax Band D equivalent ratepayer, and a nil increase.

The Town Clerk highlighted that this was a comprehensive budget, enabling the Council to meet additional aspirations for new parks and play equipment, two new apprenticeships, as well as a fund for further community support to aid the recovery from covid-19. By using some of its reserves to mitigate the impact of the coronavirus on the tax base, these were able to be achieved with a 0% change to the Town Council's element of council tax for 2021/22.

**It was RESOLVED that a recommendation be made to Council that, subject to updating the budget once the final tax base for Felixstowe had been confirmed by East Suffolk Council; and any further adjustments to deemed appropriate by the Town Clerk which would not cause the total requirement to change, the draft budget 2021/22 proposals be approved as presented.**

### **375. INTERIM INTERNAL AUDIT REPORT**

The Deputy Town Clerk reported that the half-year audit had been completed virtually. Committee noted the recommendation that minuting the budget approved by Full Council would remove any doubt as to what budget was approved, and this will be carried out after the budget is approved by Full Council each January.

**It was RESOLVED that:**

- i. the Interim Internal Audit Report for the period 1 April 2020 - 30 September 2020 be noted; and,**
- ii. the Clerk will minute the budget approved by Full Council in the minutes each January upon Council approving the budget as detailed in the agenda.**

### **376. COMMUNITY INFRASTRUCTURE LEVY (CIL)**

Committee considered the report on the Community Infrastructure Levy and the CIL Annual Report for 2019/20.

It was noted that the CIL Annual Report would be published on the Council's website and sent to East Suffolk Council by the 31<sup>st</sup> December 2020 deadline.

Committee noted that a separate Earmarked Reserve fund was now being used to hold CIL, linking the funding to the year received.

Members agreed that a Working Group, consisting Cllrs M Richardson, S Bennett and A Smith, should be formed to facilitate consideration, by all Town Councillors, of projects that could be achieved with CIL funding.

**It was RESOLVED that:**

- i. the Community Infrastructure Levy Annual Report for 2019/20 be approved as presented and published on the Council's website before 31<sup>st</sup> December 2020 and sent to East Suffolk Council, and;**
- ii. a Working Group, consisting Cllrs M Richardson, S Bennett and A Smith, should be formed to facilitate consideration, by all Town Councillors, of projects that could be achieved with CIL funding, reporting back to Committee in due course.**

### **377. DATA PROTECTION OFFICER**

Committee noted that Council had been accurately complying with GDPR regulations with the help of a Data Protection Officer (DPO), however, the DPO had now relocated and was no longer offering the service. As Section 7(3) of the DPA 2018 infers that Parish/Town Council do not need to appoint a DPO, members agreed that a DPO will not be reinstated. It was agreed that Town Hall staff will continue this duty in house as many now have a very good knowledge of GDPR and very few of Council's operations pose a significant risk of data breach.

**It was RESOLVED that:**

- i. a Data Protection Officer is no longer required, data protection audits will continue to be carried out inhouse by Town Hall staff; and,**

- ii. **The DPO details will be removed from the ICO website and from Council's Data Protection Policy and Privacy Notice.**

### **378. WICKER FAMILY**

Committee considered the reinstatement of the Victorian Wicker Family at the Felixstowe Seafront Gardens, costing £2,500 and funded from the New Community Projects budget under the auspices of the Civic & Community Committee. Committee warmly welcomed the reinstatement of the Wicker Family, believing it brought character and life to the Seafront Gardens.

**It was RESOLVED that the replacement of the Wicker People be approved and funding be made via the Civic & Community Committee's New Community Projects budget.**

### **379. IT AND CONFERENCING**

The Town Clerk reported updates on Town Council's IT and Conferencing developments, including a proposed migration to a dedicated Council Cloud Server. This will streamline many functions and facilitate telecommunications via VOIP software, the annual costs of which will be offset by the existing telecommunications contract ending in early March 2021.

Upgrade of equipment will be funded by the sum previously agreed by Council of £40,000 which has been transferred from the General Fund Reserves to the IT Earmarked Reserve. The Clerk had also been discussing with Members the type of hardware, software and support that would be required to assist them in their roles.

Members agreed that the project should be progressed in accordance with the costs reported.

It was suggested that the cost of full Adobe Acrobat software, which allows PDF documents to be edited and marked up, also be investigated.

**It was RESOLVED that the report on IT and Conferencing be noted and the migration to cloud computing and telecommunications be approved in accordance with the costs provided in the report, with further updates to be brought to Committee on the upgrading of conferencing facilities and hardware, plus the potential use of Adobe Acrobat, in due course.**

### **380. CLOSURE**

The meeting was closed at 8.52 pm. The next meeting was noted as being scheduled for Wednesday 20 January 2021 at 7.30pm.

## AGENDA ITEM 8: BUDGET MONITORING TO 31 DECEMBER 2020

A summary Income & Expenditure Report to 31 December 2020 is shown below with a detailed report provided at **Appendix B**.

08/01/2021 14:24	Felixstowe Town Council	Page 1								
<b>Month No: 10</b>	<b>Summary Income &amp; Expenditure by Budget Heading 08/01/2021</b>									
	<b>Committee Report</b>									
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 10%;">Actual Last Year</th> <th style="width: 10%;">Actual Year To Date</th> <th style="width: 10%;">Current Annual Bud</th> <th style="width: 10%;">Variance Annual Total</th> <th style="width: 10%;">Committed Expenditure</th> <th style="width: 10%;">Funds Available</th> <th style="width: 10%;">% Spent</th> </tr> </thead> </table>		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	
	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent			
<b><u>Finance &amp; Governance</u></b>										
Income	616,585	624,962	608,570	(16,392)			102.7%			
Expenditure	276,388	209,114	285,099	75,985	0	75,985	73.3%			
Net Income over Expenditure	<u>340,198</u>	<u>415,848</u>	<u>323,471</u>	<u>(92,376)</u>						
less Transfer to EMR	30,245	0								
Movement to/(from) Gen Reserve	<u>309,953</u>	<u>415,848</u>								
<b><u>Assets &amp; Services</u></b>										
Income	152,557	89,369	125,478	36,109			71.2%			
Expenditure	262,821	193,516	274,982	81,466	0	81,466	70.4%			
Net Income over Expenditure	<u>(110,264)</u>	<u>(104,147)</u>								
plus Transfer from EMR	0	0								
Movement to/(from) Gen Reserve	<u>(110,264)</u>	<u>(104,147)</u>								
<b><u>Civic &amp; Community</u></b>										
Income	27,119	8,802	28,942	20,140			30.4%			
Expenditure	164,891	99,940	180,876	80,936	0	80,936	55.3%			
Net Income over Expenditure	<u>(137,772)</u>	<u>(91,138)</u>								
plus Transfer from EMR	1,513	0								
Movement to/(from) Gen Reserve	<u>(136,260)</u>	<u>(91,138)</u>								
<hr/>										
Grand Totals:- Income	796,261	723,133	762,990	39,857			94.8%			
Expenditure	704,100	502,571	740,957	238,386	0	238,386	67.8%			
Net Income over Expenditure	<u>92,161</u>	<u>220,562</u>	<u>22,033</u>	<u>(198,529)</u>						
plus Transfer from EMR	1,513	0								
less Transfer to EMR	30,245	0								
Movement to/(from) Gen Reserve	<u>63,429</u>	<u>220,562</u>								

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. As the Council's budgets are not produced on a phased basis, the expectation is, being nine months in to the year, for overall expenditure to be around 75%, with an explanation for any items overspent by £500 or 10% or over this level (i.e. 82.5%). Total expenditure for the first nine months stood at 67.8%. Explanatory notes and any recommended action for individual qualifying items in **Appendix A** are as follows:

<b>Cost Centre 101 - Administration</b>
<p><b>4460 Subscriptions (101.9%)</b> All annual subscriptions for 2020/21 now paid. <b>Recommendation: No action.</b></p>
<p><b>4461 External Audit (100%)</b> Audit for 2019/20 complete <b>Recommendation: No action.</b></p>
<p><b>4464 Insurance (100%)</b> Full year payment up front. <b>Recommendation: No action.</b></p>
<p><b>4481 IT Maintenance and Software (118.9%)</b> Front loaded annual IT support, mail boxes, Defence 360, Office 365, RBS &amp; cemetery software paid. Unexpected cost this year for Zoom subscription and Survey Monkey (50% paid by ESC), some headsets, Bluetooth mice and keyboards for homeworking. <b>Recommendation: Review at budget setting to ensure ongoing annual costs can be met.</b></p>
<b>Cost Centre 201 - Town Hall</b>
<p><b>4110 Rates (87.4%)</b> Rates are paid over 10 months only. <b>Recommendation: No action.</b></p>
<p><b>4180 Licences (100%)</b> Paid in full for 2020-21 <b>Recommendation: No action.</b></p>
<p><b>1000 Hirings (15.2%)</b> £40 (1.6%) invoiced awaiting payment. No bookings prior to September due to COVID-19, or for the second or third lockdown, and currently none for this third lockdown. One hirer returned for 6 weeks plus 2 sessions in December. <b>Recommendation: Continue to monitor on a monthly basis.</b></p>
<p><b>1001 Weddings (42.7%)</b> Due to many postponements re COVID-19, wedding income is only moving to this budget when it has been confirmed that it is going ahead. <b>Recommendation: Continue to monitor on a monthly basis.</b></p>



<b>Cost Centre 202 – Walton Community Hall</b>
<p><b>4110 Rates (90.2%)</b> Rates are paid over 10 months only. There will be an overspend on Walton Rates but underspend on Town Hall &amp; Cemetery will ensure rates will be under budget as a whole. <b>Recommendation: No further action</b></p>
<p><b>1000 Hirings (4.5%)</b> £67.50 ( 1%) invoiced awaiting payment. No bookings prior to September due to COVID-19, or for the second or third lockdown. Total 4 hirers returned for 6 weeks. <b>Recommendation: Continue to monitor on a monthly basis.</b></p>
<b>Cost Centre 203 – Broadway House</b>
<p><b>1030 Leases, Rent &amp; Licenses (0%)</b> Broadway House is currently closed due to COVID-19 Lease amount due will be pro-rata on re-opening. <b>Recommendation: Continue to monitor on a monthly basis.</b></p>
<b>Cost Centre 204 – Cemetery</b>
<p><b>4030 Training (96.7%)</b> Chainsaw course completed. <b>Recommendation: Continue to monitor on a monthly basis</b></p>
<p><b>4110 Rates (88.4%)</b> Rates are paid over 10 months only. <b>Recommendation: No further action</b></p>
<p><b>4122 Electricity (89.7%)</b> Monthly payments made in advance of billing, monthly payment now reduced, due to credit on account £147.72. <b>Recommendation: Continue to monitor on a monthly basis</b></p>
<p><b>4300 Vehicle Running Costs (89.8%)</b> Front loaded costs such as MOT, Truck Tax paid, also work to trailer, safety screen to protect against COVID-19. <b>Recommendation: Continue to monitor on a monthly basis</b></p>
<p><b>4320 Vehicle/Tool Hire (100.8%)</b> To cover Digger and Skip hire. Costs shared with allotment. There is £690 on the allotment Vehicle/Tool Hire budget still to use, however, there is likely to be an overspend on these two budgets which can be taken from surplus fuel budget which is expected to be approx. £800. <b>Recommendation: Continue to monitor on a monthly basis</b></p>
<p><b>1100 Interment Fees (68%)</b> Further £9,464 (23.6%) invoiced awaiting payment and £2,064 (5.1%) awaiting invoicing</p>

**Recommendation: Continue to monitor.**

**1130 Memorials (63.7%)**

£1,980 (15.2%) invoiced awaiting payment and £292 (2.2%) awaiting invoicing

**Recommendation: Continue to monitor on a monthly basis.**

**1140 Upkeep of Grave Spaces (68.8%)**

Reduced renewal of annual upkeep of grave spaces.

**Recommendation: 2021/22 Budget adjusted accordingly.**

**1160 Admin Fees (31.1%)**

Further £54 (5.4%) invoiced awaiting payment. Demand to change of owner decreased – possibly due to COVID-19.

**Recommendation: Continue to monitor on a monthly basis.**

**Cost Centre 205 - Allotments**

**4115 Water and Sewerage (106.2%)**

High Water bill at Cowpasture – Allotment Association have been informed, water now turned off for winter, staff monitoring usage on a weekly basis when water on.

**Recommendation: Continue to monitor.**

**Cost Centre 301 – Civic & Community**

**4512 Engraving/Sign Writing (85%)**

Engraving of Mayoral Board.

**Recommendation: Complete for 2020/21. No further action**

**4531 Remembrance (101.6%)**

Overspend of £16. Two repairs to both Tommys were required this year at the cost of £65 each. This budget also covered the marking of VJ day to include a livestream, also for Remembrance.

**Recommendation: No further action**

**4600 CCTV (100%)**

Paid in full June 2020.

**Recommendation: No further action**

**4645 Christmas Lights (100%)**

Paid in full June 2020.

**Recommendation: No further action**

**1800 Donations & Sponsorship (0%)**

No donations or sponsorship for Ice Rink as in previous years due to COVID-19.

**Recommendation: No further action.**

<b>Cost Centre 302 – Grants</b>
<p><b>4620 Annual Grants (100.0%)</b>  All annual grants have been paid.  <b>Recommendation: No further action.</b></p>
<b>Cost Centre 303 – Felixstowe in Flower</b>
<p><b>1810 Donations &amp; Sponsorship (6.1%)</b>  Donation received from Trinity College. All other sponsorship has been rolled over to next year 2021/22 and is held in 'Receipts in Advance'  (Min #516 xiii 2019/20 refers)  <b>Recommendation: No further action.</b></p>
<b>Cost Centre 304 – Communication</b>
<p><b>1810 Donations &amp; Sponsorship (33.2%)</b>  Magazine advertisements. £370 (2.8%) invoiced awaiting payment.  <b>Recommendation: Continue to monitor on a quarterly basis.</b></p>
<p><b>4421 Magazine Distribution (94.5%)</b>  Overspend due to Coronavirus bulletin delivered in November (Min #225 2020/21 refers)  <b>Recommendation: Continue to monitor on a quarterly basis.</b></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.  <b>Recommendation: No further action.</b></p>
<p><b>4630 Level Two (100.0%)</b>  Paid over at start of Financial Year.  <b>Recommendation: No further action.</b></p>
<p><b>4670 Felixstowe Forward (100.0%)</b>  Paid over at start of Financial Year.  <b>Recommendation: No further action.</b></p>
<p><b>4625 Landguard Partnership (100.0%)</b>  Paid over at start of Financial Year.  <b>Recommendation: No further action.</b></p>

**Committee is requested to consider the budget monitoring report to 31 December 2020 and decide on any action it deems necessary.**

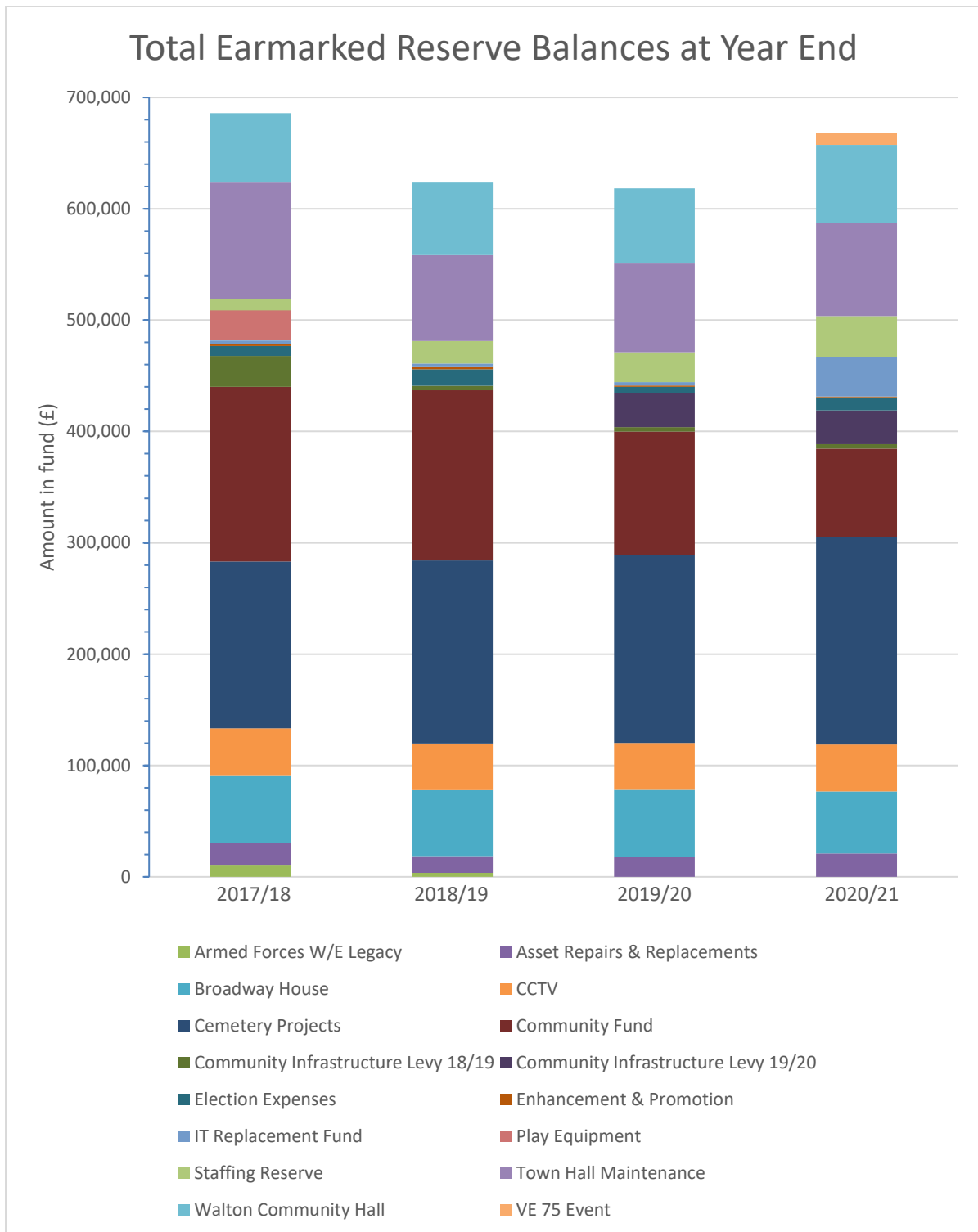
## AGENDA ITEM 6: EARMARKED RESERVES REPORT

Members requested to see how the Council's Earmarked Reserve funds have changed over time. The table below shows the year end position of each of the Council's Earmarked Reserves, net of transfers in/out during those years:

Earmarked Reserve Fund	Year End Balances			
	31-Mar-18 (£)	31-Mar-19 (£)	31-Mar -20 (£)	31/03/2021 (£ projected)
Armed Forces W/E Legacy	10,796	3,680	0	0
Asset Repairs & Replacements	19,532	15,032	18,032	21,032
Broadway House	61,020	59,106	60,107	55,800
CCTV	42,000	42,000	42,000	42,000
Cemetery Projects	149,922	164,436	169,060	186,475
Community Fund	156,821	152,672	110,699	79,301
Community Infrastructure Levy 18/19	27,808	4,057	4,057	4,057
Community Infrastructure Levy 19/20	-	-	30,245	30,245
Election Expenses	8,862	14,862	5,862	11,862
Enhancement & Promotion	1,941	1,941	1,142	692
IT Replacement Fund	3,117	3,117	3,117	35,215.88*
Play Equipment	27,000	0	0	0
Staffing Reserve	10,375	20,375	26,874	36,874
Town Hall Maintenance	104,242	77,187	79,639	83,793
Walton Community Hall	62,500	65,000	67,500	70,000
VE 75 Event	0	0	0	9,996
<b>TOTAL EARMARKED RESERVES</b>	<b>685,936</b>	<b>623,465</b>	<b>618,334</b>	<b>667,343</b>

*\*The IT fund balance will reduce prior to yearend pending approval of expenditure to support Members' IT by this Committee.*

The graph on the following page shows a visual representation of the total holdings.



**Committee is requested to note the report on Council’s Earmarked Reserves.**

## **AGENDA ITEM 7: INVESTMENT POLICY AND STRATEGY 2021-22**

Council is required to review its Investment Policy & Strategy annually. The existing policy reflects the statutory guidance on local Government Investments (3<sup>rd</sup> Edition) issued under section 15(1)(a) of the Local Government Act 2003.

Council currently holds a £500,000 one-year fixed investment @ 0.9% with Close Brothers Treasury, which matures on 20 July 2021.

The remainder of Council's funds are administered through business banking accounts with Barclays.

Credit ratings for the institutions holding Council funds have been monitored and the latest reported ratings were (a credit ratings guide is on the next page):

Institution	Agency	Long term	Short term
Close Brothers Ltd.	Fitch (at 31 July 2020)	A-	F2
	Moody's (at 26 June 2020)	Aa3	P1
Barclays Bank UK PLC	Fitch (at 12 December 2020)	A+	F1
	Moody's (at 29 October 2020)	A1	P1

In accordance with Councils' Climate Emergency Declaration, Members are asked to consider the environmental impact of its investments.

Though the market is growing in this area, ethical banks tend to be either unrated, or below the acceptable risk level. For example, Charity Bank, Triodos Bank and the Ecology Building Society are all unrated. The Co-operative Bank is the only high street bank in the UK with an explicit ethical policy, however they also do not satisfy the credit-rating test (rated B by both Fitch and Moody's). Investment in such banks would contravene statutory guidance as security is Council's primary consideration.

The Nationwide Building Society rates quite well ethically and are expected to launch a business current account in the near future, with a local high-street branch and an A rating for Fitch and Moody, this may be a possible option for Council's banking in the future.

In the latter part of last year investigations were made with other banks, including Unity Bank following a recommendation from Lowestoft Town Council. However, with no high street presence, a separate bank account would need to be created with the Post Office to deposit cheques and cash. As this does not offer any real saving on charges, the review as to whether a change of bank should be considered is still ongoing and will be brought to Committee as a separate item in due course.

An updated Investment Policy & Strategy is presented at **Appendix B**.

MOODY'S		STANDARD & POOR'S		FitchRatings		Rating description	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term		
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime	
Aa1		AA+		AA+		High grade	
Aa2		AA		AA			
Aa3		AA-		AA-			
A1	P-2	A+	A-1	A+	F1	Upper medium grade	
A2		A		A			
A3		A-		A-			
Baa1	P-3	BBB+	A-2	BBB+	F2	Lower medium grade	
Baa2		BBB		BBB			
Baa3		BBB-		BBB-			
Ba1	Not Prime	BB+	B	BB+	B	Non-investment grade speculative	
Ba2		BB		BB			
Ba3		BB-		BB-			
B1		B+		B+			
B2		B	B	Highly speculative			
B3		B-	B-				
Caa1		C	CCC+	C	CCC+	C	Substantial risks
Caa2			CCC		CCC		
Caa3			CCC-		CCC-		
Ca			CC		CC		Extremely speculative
	C	C	Default imminent				
C	RD	D	DDD	D	In default		
/	SD		DD				
/	D		D				

*In general, a time horizon of one year or under is considered short term, and anything above that is considered long term. In the past institutional investors preferred to consider long-term ratings.*

**Committee is requested to consider the Investment Policy & Strategy and make any recommendations to Council it deems necessary**

## **AGENDA ITEM 8: INSURANCE ADEQUACY REVIEW**

Council reviews the adequacy of its insurance arrangements on an annual basis.

On 1 April 2019, a new three-year Long-Term Agreement was taken out with Zurich with an annual premium of **£5,742.69** per annum. The policy will renew on 1 April 2021 for the final year of the LTA.

All physical assets and equipment are insured, and cover is provided in accordance with Council's Risk Management Policy, to the following levels:

Public Liability (inc. personal accident liability cover for employees, Members and volunteers under the above policy)	<b>£15 Million</b>
Employers Liability	<b>£10 Million</b>
Fidelity Guarantee	<b>£2 Million</b>
Personal Accident (up to age 90)	<b>£50,000/£200 pw</b>
Hirers Liability	<b>£2 Million</b>
Libel and Slander	<b>£500,000</b>
Legal Expenses – enhanced EPL cover	<b>£200,000</b>
Plant hire protection	<b>£500,000</b>
Money	<b>£250,000</b>
Cyber	<b>£100,000</b>
Officials Indemnity	<b>£15 Million</b>
Key Personnel Cover	<b>£100,000/£500 -£100pw</b>
Business Travel	<b>Included</b>
Motor	<b>Included</b>
Engineering - Inspection & Insurance	<b>Included</b>
Business Interruption	<b>Included</b>

### **Pensions Ill-Health Retirement Insurance**

The Pension Fund Committee (PFC) has recently reviewed the incidences of ill health early retirement pensions awarded to employees who are members of the Suffolk Pension Fund and the costs of those awards. There is usually at least one payment a year that would be prohibitive for most of the employers in the Fund who do not currently hold Ill Health Liability Insurance. To alleviate the costs to an employer if one of their employees is awarded an early pension due to being unable to work, the PFC has mandated that the smaller employers in the Pension Fund should all have Ill Health Liability Insurance.

A consultation is underway that explains the decision, asking for views on the size criteria of the employers who should be included. Committee will note that the consultation is on the agenda for this evening's meeting at the next item. Pending confirmation by the PFC, it is anticipated that the Town Council will be included within the need to have Ill Health Liability Insurance in place from 1 April 2021.

**Committee is requested to confirm the adequacy of its arrangements in respect of all insured risks and make any recommendations to Council.**

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## **AGENDA ITEM 9: ILL-HEALTH LIABILITY INSURANCE CONSULTATION**

The Suffolk Pension Fund Committee recently reviewed the incidences of ill health early retirements awarded to employees who are members of the Suffolk Pension Fund and the costs of those awards.

Currently Employers have the choice to take out Ill Health Liability Insurance to cover these costs or to be invoiced for the liability outstanding after the budgeted allowance for ill health included in the contribution rate has been taken into consideration.

Over the last five years there have been one or two liabilities a year that some smaller employers who have less financial resources at their disposal, could have difficulties paying. In order to protect some of the Fund's smaller employers from being unable to pay such a liability should one occur in their organisation, the Pension Fund Committee after careful consideration have mandated that smaller employers should all have Ill Health Liability Insurance in place as standard from 1 April 2021.

### Ill Health Retirements

If an active or deferred member of the scheme becomes unable to work due to ill health, then they may be entitled to early payment of their LGPS pension. Ill Health benefits can be paid at any age and are not reduced on account of early payment.

Ill health retirements generate an additional cost that the employer needs to pay into the Fund due to the enhancement and early payment of benefits to the scheme member. Ill health retirements are relatively infrequent but variable and unpredictable, and there is a risk that your organisation may be unable to meet the strain cost.

In 2019/20 there were 36 ill health retirements which totalled £3.2 million. The average amount of the liability was £77,447, with the highest single amount being £1.3 million. This liability was incurred with an employer which only had 38 active members but had fortunately taken out Ill Health Liability Insurance.

### What is Ill Health Liability Insurance?

Ill health insurance covers the full strain cost of liabilities incurred for an employer if a member of the Pension Fund is awarded early retirement due to ill health.

### How much will it cost?

The insurance premium is calculated as a percentage of each employer's payroll and the premium is deducted from the employers' contributions, netting off against the contribution rate budget allowance meaning it will not be an additional cost to you as an employer in the Fund.

### Which employers will this affect?

The Committee has considered Employers with a Suffolk Pension Fund pension payroll of less than £1 million to be smaller employers. Individual academies in multi academy trusts with a combined Suffolk LGPS pension payroll of more than £1 million will not be considered as a smaller employer.

Employers who already have the insurance in place who would not be classified as a smaller employer can still maintain the insurance.

### Consultation

The Committee is holding a consultation to establish views on the size criteria of the Employers who will be mandated to hold Ill Health Liability Insurance and would like to hear the views from all of the Employers in the Fund.

1. The Pension Fund Committee are suggesting that all Employers in the Suffolk Pension Fund, that has a LGPS pension payroll of less than £1m should have Ill Health Liability Insurance – what are your views on this?
2. Are there any other considerations the Committee should take into account when approving the criteria for which employers should be mandated to take out Ill Health Liability Insurance.

### Consultation Timeline

The consultation is open until the 31 January 2021. Following this date all responses will be collected and presented to the Pension Fund Committee at their meeting on 25 February 2021.

### What happens next?

The Pension Fund Committee will consider the responses and agree the criteria to be met for those employers who will be mandated to hold ill health liability insurance. This will be communicated to all employers in the Fund.

The Pension Fund will then be in contact with all employers that this affects to implement the insurance.

**Committee is requested to consider the consultation and any response it deems appropriate.**

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## **AGENDA ITEM 10: MEMBERS' IT**

Following the previous meeting, Council's server data has been migrated to the cloud, via MS SharePoint, in the step towards freeing up the need for onsite data storage and the consequent remote connection to this which is required to be maintained whilst working from home.

As reported, on the termination of the Council's existing telecommunications contract in early March 2021, a new cloud-based telephony system will commence, reducing the number of landline connections at the Town Hall and removing the need for an onsite telephone exchange server.

Subject to its suitability for the Council, a cloud-based accounts package will allow all physical onsite data servers to be retired. Officers are currently evaluating the application to ensure it can meet the needs of the Council's financial administrative processes.

In accordance with Committee's instructions (*Min. #379 of 2020/21 refers*), Members are now requested to consider the next phase of upgrading its IT provision – Members' IT hardware, software and support - and the potential purchase of Adobe Acrobat.

### **Members' Laptops**

Business class laptops with 10<sup>th</sup> generation i7 processors and security camera recognition were purchased for Council staff from Dell via the Government framework account used by East Suffolk Council.

These Latitude 7410 models have proved to be adequate for Council's needs, able to host videoconferencing meetings to a high quality whilst running several other programs concurrently: <https://www.dell.com/en-uk/work/shop/laptops/latitude-7410/spd/latitude-14-7410-2-in-1-laptop/n032l741014emea>

Subject to Committee's approval, the cost to provide Members with a laptop, at £1,205.08+VAT, will be funded from the IT Earmarked Reserve within the budget envelope of £40,000 agreed by Council.

All Town Councillors have been asked to confirm whether they would benefit from a Council laptop (or any other peripherals such as a separate keyboard/mouse or USB headset for Zoom meetings) so as not to rely on phones/tablets or ageing personal equipment for Council meetings. The laptops, which would remain the property of the Town Council, would be expected to be returned once a Member ceases to be a Councillor or for eventual repair/replacement.

To facilitate Members in carrying out Council business online, all Councillors will also be provided with a full Microsoft Office 365 subscription, allowing the use of commonly used software such as Outlook, Word and Excel as well as cloud data storage.

Members will also be provided updated IT guidance and access to ongoing IT support.

An updated breakdown of initial and ongoing costs for Members IT will be presented at the meeting.

#### Adobe Acrobat

Whilst there are several free applications, such as Adobe Reader, and plug-ins for internet browsers that can display PDF files, these do not allow PDFs to be edited.

Editing of PDFs can be done through the paid application, Adobe Acrobat, which is available for businesses at an annual cost of £182.02 per user (Standard) or £206.21 per user (Pro) inclusive of VAT. It is not known to what extent Councillors or staff would benefit from this feature but to purchase licences for all Councillors (16) and administrative staff (7) would therefore cost a total of £4,186.46 or £4,742.83 (Standard/Pro).

Given the cost, should Members feel that there are specific features of Adobe Acrobat that would be useful but not available in Adobe Reader, further investigation can be made as to whether there are any workarounds or free alternatives.

**Committee is therefore requested to consider and approve the provision of IT equipment and software for Members in order to support council business and ongoing access to online meetings.**

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