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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 N Barber
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 at **TOWN HALL, FELIXSTOWE** on **Wednesday 26 October 2022** at **7.30pm** for the transaction of the following business:

Public Attendance

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

If you wish to attend in person, please email townclerk@felixstowe.gov.uk to confirm capacity.

Members of the public are very welcome join via Zoom using the following 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.

Ash Tadjrishi
Town Clerk
21 October 2022

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 three minutes 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 13 July 2022 as a true record. **(Pages 3-4)**
- 5. Budget Monitoring to 30 September 2021**
To receive budget monitoring report to 30 September 2021 and consider any actions deemed necessary. **(Pages 5-9 & Appendix A)**
- 6. Quarterly Bank Reconciliations**
To note that Cllr D Savage has confirmed the reconciliations between the bank statements and accounts statements for the period 1 April – 30 Sept. 2022.
- 7. Annual Governance & Accountability Return**
To receive the External Auditor's Report on the Annual Governance & Accountability Return for the Financial Year 2021/22. **(Page 10 & Appendix B)**
- 8. Interim Internal Audit Report 2022/23**
To receive the interim report of the Internal Auditor for 2022/23 and consider any actions in respect of any matters raised. **(Page 11 & Appendix C)**
- 9. Community Infrastructure Levy (CIL) Annual Report**
To receive an update on CIL and the CIL Annual Report for 2021/22. **(Pages 12-14 & Appendices D and E)**
- 10. Closure**
To close proceedings and confirm the date of the next meeting scheduled for Wednesday 7 December 2022 at 7.30pm.

It was RESOLVED that the budget monitoring report to 30 June 2022 be noted.

140. COUNCIL INVESTMENTS

Committee noted the report on Council investments and discussed the merits of moving funds from its Barclays savings account earning 0.1% interest to a savings account with Nationwide, which was currently offering 0.8% interest.

Members also discussed the reinvestment of £500,000 in a 1-year bond with the Close Brothers Group at a return of 1.9% interest.

It was RESOLVED that:

- i. the total of funds held on behalf of the Town Council in a Barclays Rate Reward savings account be transferred in to a 35 Day Saver account with Nationwide; and,**
- ii. £500,000 be reinvested in a 1-year bond with the Close Brothers Group.**

141. CLOSURE OF BARCLAYS BANK BRANCH – PETTY CASH

Committee noted that due to the recent closure of the local Barclays branch, obtaining petty cash would become more difficult and alternative solutions were discussed.

It was RESOLVED that the company credit card be utilised for purchases that would have previously been paid via petty cash to minimise the need for petty cash to be held on site.

142. MEMBERS' ALLOWANCES & EXPENSES POLICY 2023 – 27

Members noted the report and debated the possibility of introducing a Parish Basic Allowance for Members from the 2023 Council term.

It was noted that, should the Council propose to pay the parish Basic Allowance, in setting the level of that allowance, it must have regard to the recommendations which have been made in respect of it by the district council's parish remuneration panel. The Clerk advised that he was making enquiries with East Suffolk Council as to whether the panel has been convened to provide such guidance.

It was RESOLVED that it be recommended to Council that it introduce a Parish Basic Allowance for its Members, to take effect from the start of the 2023 Council term.

143. CLOSURE

The meeting was closed at 8.32pm. The next meeting was noted as being scheduled for Wednesday 13 July 2022 at 7.30pm.

AGENDA ITEM 5: BUDGET MONITORING TO 30 SEPTEMBER 2022

A summary Income & Expenditure Report to 30 September 2022 is shown below with a detailed report provided at **Appendix A**.

1 April - 30 September 2022 (2022 - 2023)

Felixstowe Town Council Summary of Receipts and Payments Summary - All Cost Centres

Cost Centre	Receipts				Payments			
	Budgeted	Actual	Variance	% Received	Budgeted	Actual	Variance	% Spent
101 Administration	616,030.00	622,849.00	6,819	101.11%	312,678.00	153,435.04	159,243	49.07%
201 Town Hall	22,740.00	17,584.89	-5,155	77.33%	78,997.00	41,545.54	37,451	52.59%
202 Walton	7,500.00	4,462.91	-3,037	59.51%	10,567.00	6,695.12	3,872	63.36%
203 Broadway House	2,270.00	2,392.56	123	105.40%	8,869.00	4,938.21	3,931	55.68%
204 Cemetery	86,481.65	38,061.59	-48,420	44.01%	195,897.00	90,692.87	105,204	46.30%
205 Allotment	16,750.00	808.41	-15,942	4.83%	37,754.00	18,413.72	19,340	48.77%
206 Parks & Recreation	0.00	0.00	0	N/A	14,780.00	261.37	14,519	1.77%
301 Civic & Community	3,992.00	0.00	-3,992	0.00%	32,430.00	22,394.08	10,036	69.05%
302 Grants	0.00	0.00	0	N/A	86,200.00	20,270.00	65,930	23.52%
303 Felixstowe in Flower	8,250.00	3,437.57	-4,812	41.67%	5,900.00	4,064.36	1,836	68.89%
304 Communication	10,000.00	3,986.44	-6,014	39.86%	13,200.00	9,806.00	3,394	74.29%
305 Community Projects	0.00	0.00	0	N/A	16,000.00	13,699.25	2,301	85.62%
NET TOTAL	774,013.65	693,583.37	-80,430.28	89.61%	813,272.00	386,215.56	427,056.44	47.49%

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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 less. As the Council's budgets are not produced on a phased basis, the expectation is, being six months in to the year, for overall expenditure to be around 50%, with an explanation for any items overspent by £500 or 10% or over this level (i.e. 55%). Total expenditure for the first six months stood at 47.5%. Explanatory notes and any recommended action for individual qualifying items in **Appendix A** are as follows:

Cost Centre 101 - Administration
<p>4490 Professional Fees (70%) Accidental double-payment, awaiting refund Recommendation: No action.</p>
<p>4550 Banking Fees (57%) Card payments have resulted in more fees, encourage bank transfers Recommendation: No action.</p>
<p>4460 Subscriptions (100%) All annual subscriptions for 2022/23 now paid. Recommendation: No action.</p>

<p>4461 External Audit (100%) External Audit now paid. Recommendation: No action.</p>
<p>4464 Insurance (99%) Full year payment up front. Recommendation: No action.</p>
<p>Cost Centre 201 - Town Hall</p>
<p>4110 Rates (62%) Rates are paid over 10 months only. Recommendation: No action.</p>
<p>4180 Licences (100%) Paid in full for 2022-23 Recommendation: No action.</p>
<p>4490 Professional Fees (70%) East Suffolk Council planning application Recommendation: Continue to monitor on a monthly basis.</p>
<p>4490 Repairs & Maintenance (70%) Toilet/Boiler/Stair-Riser Service Recommendation: Continue to monitor on a monthly basis.</p>
<p>Cost Centre 202 – Walton Community Hall</p>
<p>4110 Rates (60%) Rates are paid over 10 months only. Recommendation: No further action</p>
<p>4123 Electricity (99%) Energy prices have increased dramatically. New contract with Opus should regulate prices, but an overspend is expected Recommendation: Look into increasing budget appropriately 2023/24</p>
<p>Cost Centre 203 – Broadway House</p>
<p>4172 Repairs & Maintenance (66%) Broadway House required work done to its doors. Recommendation: Continue to monitor on a monthly basis.</p>
<p>Cost Centre 204 – Cemetery</p>
<p>1100 Interment Fees (40%) £1429.50 invoiced and outstanding, awaiting payment. Recommendation: Chase outstanding invoices</p>

1130 Memorials (25%)

£6239.50 invoiced and outstanding, awaiting payment.

Recommendation: Chase outstanding invoices

4032 Water & Sewerage (74%)

Recommendation: Continue to monitor on a monthly basis

4112 Rates (58%)

Rates are paid over 10 months only.

Recommendation: No further action

4124 Electricity (76%)

New contract with Opus will regulate energy costs overtime, still expecting overspend

Recommendation: Continue to monitor on a monthly basis

4330 Fuel (63%)

Electric van has mitigated, but new gas tools have caused minor increase.

Recommendation: Continue to monitor on a monthly basis

4300 Vehicle Running Costs (66%)

Front loaded costs such as MOT, Truck Tax paid, also work to trailer and tractor.

Recommendation: Continue to monitor on a monthly basis

4320 Vehicle/Tool Hire (78%)

To cover Digger and Skip hire.

Recommendation: Continue to monitor on a monthly basis

Cost Centre 205 – Allotments**1080 Allotment Rents (5%)**

Majority of Allotment rents are billed annually end of September

Recommendation: No further action.

4118 Water & Sewerage (85%)

Water bills higher than usual due to Summer drought.

Recommendation: No further action.

Cost Centre 301 – Civic & Community**4471 Advertising & Promotion (153%)**

Keep Britain Tidy

Recommendation: Complete for 2022/23. No further action

4600 CCTV (104%)

Paid in full June 2022.

Recommendation: No further action

4645 Christmas Lights (100%)

Paid in full June 2022.

Recommendation: No further action

1810 Donations & Sponsorship (0%)

No donations or sponsorship received for 2021/22 in respect of the ice rink. Now being delivered as part of the Felixstowe BID weekend of Christmas events.

Recommendation: No further action.

Cost Centre 302 – Grants

4620 Annual Grants (88.0%)

Most annual grants have been processed and paid, though some have opted to not receive grant as events will not be going ahead 2022/23.

Recommendation: No further action.

Cost Centre 303 – Felixstowe in Flower

4290 Flowers and Containers (100%)

Plants and plaque stickers purchased.

Recommendation: Continue to monitor on a monthly basis.

4290 Felixstowe in Flower Events (98%)

FIF 2022 Launch Event & Awards Ceremony were accomplished

Recommendation: No further action.

1811 Donations & Sponsorship (42%)

Felixstowe in Flower was not as popular this year due to emerging from previous years when it did not take place. Income expected to increase 2023/24

Recommendation: Revise budget expectations for 2023/24

Cost Centre 304 – Communication

1812 Donations & Sponsorship (34%)

Fewer magazine advertisements than expected. Predicted renewals are expected for upcoming Winter edition, and 3 invoices in October awaiting payment and/or processing totalling £1975. (19.3%)

Recommendation: Revise budget expectations for 2022/23

Cost Centre 305 – Community Fund Projects

4625 Felixstowe Harwich Ferry (100.0%)

Paid over at start of Financial Year.

Recommendation: No further action.

4630 Level Two (100.0%)

Paid over at start of Financial Year.

Recommendation: No further action.

4670 Felixstowe Forward (100.0%)

Paid over at start of Financial Year.

Recommendation: No further action.

4625 Landguard Partnership (100.0%)

Paid over at start of Financial Year.

Recommendation: No further action.

Committee is requested to consider the budget monitoring report to 30 September 2022 and decide on any action it deems necessary.

AGENDA ITEM 7: ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN 2021/22

Council is advised that Notice has been given that the external audit of the accounts of Felixstowe Town Council for the Financial Year 2021/22 was completed on 23 September 2022. The Annual Governance and Accountability Return (AGAR), including the Audit Certificate is presented at **Appendix B**.

The Council's External Auditor, PKF Littlejohn, have expressed the view that, on the basis of the annual return, in their opinion, the information is in accordance with proper practices and no matters have come to attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The Auditor noted under 'other matters' that the approval date of the AGAR was after the start of the notified period for the exercise of public rights. The AGAR was published on the Council website on the 17th June and issued to Councillors with the Agenda for the 22nd June Full Council meeting. The notice on the exercise of public rights was displayed for exactly 6 weeks from 20th June. The Auditor's comments indicate that the two-days before the Council meeting approved the accounting statements should not be counted towards the 6-week period. As a result, on the Annual Governance Statement next year for 2022/23, Assertion 4 will need to be answered 'No'. See page 13 under Section 11 of the Internal Audit Report (**Appendix C**) for the Internal Auditors comments on this.

In accordance with Sections 20(2) and 25 of the Local Audit and Accountability Act 2014; the Accounts and Audit Regulations 2015 (SI 2015/234) and the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404) the Notice of Conclusion of Audit was displayed on the Town Hall noticeboard from 29 September and is also available to view on the Town Council website to advise local electors that the accounts and requisite information as defined by Section 13(1) of the Accounts and Audit Regulations 2015 are available for inspection.

Additionally, the Annual Governance and Accountability Return for the Financial Year 2021/22 will remain available online on the Council's website, as have the documents for the previous six years.

Committee is requested to:

- i. Approve and Accept the Annual Governance and Accountability Return including Audit Certificate as presented; and,**
- ii. Note that, in accordance with the Local Audit and Accountability Act 2014 as defined by the Accounts and Audit Regulations 2015 & the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, the Notice of Conclusion of Audit was displayed on the Town Hall noticeboard from 29 September 2022 and is available to view on the Financial page of the Town Council Website.**

AGENDA ITEM 8: INTERIM AUDIT REPORT: YEAR 2022/23

The Interim Internal Audit for the half-year ending 30 September 2022 took place on 14 October 2022 and the signed report is presented at **Appendix C**.

As referenced at Agenda Item 7, the Internal Auditor made the following recommendation:

Recommendation: The Council should display the notice of public rights for a period that positively exceeds the minimum requirement so that there can be no doubt the regulations have been complied with.

The Internal Auditor also noted that Councillors should regularly check their Register of Interests to ensure it is up to date.

Committee is requested to consider the Interim Internal Audit Report for the period 1 April 2021 – 30 September 2022 and make any recommendations to Council it deems necessary.

AGENDA ITEM 9: COMMUNITY INFRASTRUCTURE LEVY

Background:

The Community Infrastructure Levy (CIL) is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. It has not replaced s106 which is still required for Affordable Housing and site-specific mitigation.

CIL is paid to East Suffolk Council by developers on commencement of development and usually in instalments. It can take two years before all instalments are paid. Once CIL has been received it is split in the following way as per the CIL Regulations and these may informally be referred to as 'pots' or 'funds':

- Administration – which is 5% CIL retained by East Suffolk to pay for systems and salaries of staff that manage CIL collection and spend processes.
- Neighbourhood CIL – this is 15%* of the total CIL received in the previous 6 months which is paid to town and parish councils in April and October each year. Where a neighbourhood plan is made in the town or parish, then this proportion is increased to 25% for any development where planning permission was granted after the neighbourhood plan was made. *the 15% is subject to a 'cap' at £100 (indexed) per council tax dwelling in the parish area.
- District CIL – the remaining 80% of CIL receipts are held in the District Infrastructure CIL Fund which is then allocated to infrastructure projects that make the development in the area sustainable – e.g. extensions to schools and health. This may be spent on infrastructure projects identified in the Local Plan's Infrastructure Delivery Framework or through bids received.

Further information on CIL can be seen here:

www.eastsuffolk.gov.uk/planning/developer-contributions/community-infrastructure-levy/

What CIL can potentially be spent on:

Regulation 59c of the CIL Regulations 2010 (as amended) states that the parish councils must spend Neighbourhood CIL on:

- The provision, improvement, replacement, operation or maintenance of infrastructure; or
- Anything else that is concerned with addressing the demands that development places on an area.

This provides Town/Parish Councils with a much more flexible approach for spending their CIL receipts in comparison to the powers of ESC. Such wider

spending powers for the Town/Parish Council allow the local community to decide what they need to help mitigate the impacts of development in their area.

Some examples of the infrastructure items which can be provided or maintained by Parish and Town Councils are shown here:

www.eastsuffolk.gov.uk/assets/Planning/Community-Infrastructure-Levy/Parish-Support/Infrastructure-List-for-Town-and-Parish-Councils.pdf

Timeframe for when CIL must be spent by Town/Parish Councils:

Parish and Town Councils are expected to spend their CIL receipts within a period of 5 years from the date of initial receipt. Should CIL receipts not be spent during that timeframe the District Council can serve a Repayment Notice on the Town/Parish Council requiring it to repay some, or all, of the receipts that had been transferred to them.

The Town Council's CIL receipts are held within separate Earmarked Reserves based on the financial year received. The Town Council then identifies appropriate projects for CIL to be put towards and spent within the five-year timescale above.

CIL received and spent by the Town Council to date:

The table below shows CIL payments received and spent to date. Note: CIL that has since been wholly spent since that year in which they were received are shown 'struck-through'.

Year	CIL Received	CIL Spent	Balance
2016/17	£910.67	£0	£910.67
2017/18	£26,896.79	£0	£27,807.79
2018/19	£4,057.15	£27,807.79 Upgrading play areas in Gosford Way, Allenby Park and Cavendish Park.	£4,507.15
2019/20	£30,245.03	£0	£34,302.18
2020/21	£17,291.40	£0	£51,593.58
2021/22	£77,289.65	£10,000 Felixstowe Allotment Association community hut project.	£118,883.23
2022/23	£116,511.36	£0 (to date in current year)	£235,394.59

Parish Infrastructure Investment Plan (PIIP):

East Suffolk Council recommends the use of a Parish Infrastructure Investment Plan (PIIP) to help focus and prioritise infrastructure needs and spending to deliver local projects. ESC recommend that the PIIP should be reviewed every 3 years, and it is

just a guideline from which projects can be further developed. Information on PIIPs is available here: www.eastsuffolk.gov.uk/assets/Planning/Community-Infrastructure-Levy/Parish-Support/Local-Councils-Parish-Infrastructure-Plan.pdf

A Parish Infrastructure Investment Plan (PIIP) has been drafted at **Appendix D** based on input from the community from the following consultation activities:

Date	Consultation action
01/03/2021	Article on page 22 of the Town Council Spring Magazine asking for ideas for infrastructure improvements in Felixstowe www.felixstowe.gov.uk /FTC_MagSpring2021.pdf
26/03/2021	Over 150 community groups directly contacted for ideas for infrastructure improvements in Felixstowe
28/4/2021	Ideas received from Felixstowe BID derived from feasibility study work and consultation

The ideas collected were reviewed by the CIL Working Group, with some additional ideas having also been received since. Some of these ideas have come from Council's Climate Emergency Working Group, which is a key priority for the Council since declaring a Climate Emergency in 2019.

CIL Working Group

The next CIL Working Group meeting (date TBC – November) will review the PIIP before this is brought back to Committee, or Council, for approval. The Working Group can also consider any priority projects for the use of CIL funds.

Reporting Requirements - CIL Annual Report

An annual CIL report must be published by the Town Council by 31 December of the following reported year giving details on the total CIL received, how it was spent and unspent funds.

Felixstowe Town Council received two CIL payments in the year 2021/22 (£6,818.64 in April 2021 and £70,471.01 in October 2021) which are reflected in the Town Council's CIL annual report for the year 2021/22 at **Appendix E**.

This report will be published on the Town Council website, a summary reported in the magazine and put on the noticeboard. The CIL annual report will also be sent to East Suffolk Council by the 31st December 2022 deadline.

Committee is requested to consider the report on the Community Infrastructure Levy and approve the CIL Annual Report for 2021/22.
