

Telephone: 01394 282086
Fax: 01394 285920
email: enquiries@felixstowe.gov.uk

9 am to 4 pm Mondays to Fridays



TOWN HALL
FELIXSTOWE
SUFFOLK
IP11 2AG

TO ALL MEMBERS OF THE FINANCE & GOVERNANCE COMMITTEE

Cllr M Deacon (Chairman)
Cllr D Rowe (Vice Chairman)
Cllr D Aitchison
Cllr S Bennett
Cllr S Bird

Cllr M James
Cllr C MacGregor
Cllr M Sharman
Cllr S Wiles

You are hereby summoned to attend a meeting of the **FINANCE & GOVERNANCE COMMITTEE** to be held at **TOWN HALL, FELIXSTOWE** on **Wednesday 17 January 2024** 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.

There is a limit to the number of public attending in-person. 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.



The Council kindly asks that anyone planning to attend the meeting in-person to consider car-sharing or low-carbon modes of transport to the Town Hall

Ash Tadjrishi
Town Clerk
12 January 2024

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 on matters in which they have a disclosable pecuniary interest, other registerable or non-registerable interest.
- 4. Confirmation of Minutes**
To confirm the Minutes of the Finance & Governance Committee meeting held on 6 December 2023 as a true record. **(Pages 3-5)**
- 5. Budget Monitoring to 30 December 2023**
To receive budget monitoring report to 30 December 2023 and consider any actions deemed necessary. **(Pages 6-9 & Appendix A)**
- 6. Earmarked Reserves Report**
To note a report on Council's Earmarked Reserves. **(Pages 10-11)**
- 7. Investment Policy and Strategy**
To review the Investment Policy & Strategy and make any recommendations to Council. **(Pages 12-13 & Appendix B)**
- 8. Insurance Adequacy Review**
To review the adequacy of the Council's insurance provision and make any recommendations to Council. **(Page 14)**
- 9. Business Plan 2024-2028**
To receive an update on the Business Plan process. **(Page 15)**
- 10. Closure**
To close proceedings and confirm the date of the next meeting scheduled for Wednesday 20 March 2024 at 7.30pm.

AGENDA ITEM 4: CONFIRMATION OF MINUTES

MINUTES of the **FINANCE & GOVERNANCE COMMITTEE** meeting held at
Town Hall, Felixstowe on Wednesday 6 December 2023 at 7.30pm

PRESENT: Cllr D Rowe (Vice-Chairman)
Cllr S Bird
Cllr M James
Cllr M Sharman
Cllr S Wiles

OFFICERS: Mr A Tadjrishi (Town Clerk)
Mrs D Frost (Deputy Town Clerk)
Mr S Congi (Financial Administration Assistant)

IN ATTENDANCE: One member of the public (*via Zoom*)

318. PUBLIC QUESTION TIME

There was none.

319. APOLOGIES FOR ABSENCE

Apologies for absence were received from **Cllr M Deacon, Cllr S Bennett** and **Cllr D Aitchison**

320. DECLARATIONS OF INTEREST

The following Other Registerable Interests, to which no matters on the agenda were directly related, were noted:

Member(s)	Minute No.	Nature of Interest
Cllr S Bird Cllr S Wiles	All	Other registerable interests (as Members of Suffolk County Council)

Members were advised that, should any matters arise in the meeting that directly relate to any of their interests, they should make appropriate declarations at that time.

321. CONFIRMATION OF MINUTES

It was RESOLVED that the Minutes of the Finance & Governance Committee Meeting held on 25 October 2023 be signed by the Chairman as a true record.

322. BUDGET MONITORING TO 30 NOVEMBER 2023

Committee received the budget monitoring report to 30 November 2023. A report of any variance to budget estimates for the period greater than 10% or £500 was considered.

It was RESOLVED that the budget monitoring report to 30 November 2023 be noted.

323. BUDGET ESTIMATES 2024/25 (DRAFT)

Committee considered the papers showing a first draft full budget, including suggested Earmarked Reserve transfers 2024/25. Members considered comparisons against the current year budget, actual expenditure, and projected outturn for the full year 2023/24.

Members noted that relevant sections of the budget had been examined by the Council's Civic & Community, Assets & Services and Personnel committees.

The Town Clerk highlighted the pressure on the Council's General Reserves due to inflationary factors and increased service provision. The draft budget illustrated how a 0% change to Council Tax would require a contribution from the General Fund of £34,886 (excluding any projected Earmarked Reserve expenditure) to meet the estimated net expenditure requirements for the forthcoming year. To negate this deficit in its entirety, an increase of 5.54% to the Town Council's element of the Council Tax charge would be required.

Members debated both options, as well as the possibility of reducing the deficit via a lower increase to the Council Tax. Members noted the research into the tax charges of the other town councils in the East Suffolk district and that Felixstowe was one of the lowest.

It was noted that Council was in the process of reviewing the Business Plan which will cover 2024 to 2028. Whilst this budget setting period would not be able to account for any new projects emerging from the Business Plan, it was anticipated that any first-year requirements could be considered via Reserves.

Members were pleased that Council had managed the increase of year-on-year expenditure well and this was due to careful budget management for which they thanked the staff for.

Members discussed the budget proposal. To continue to support the community during the cost-of-living crisis and also to enable Council to not reduce the amount of reserves it used to attain this, it was agreed that it should be recommended to Council to increase its portion of the council tax by 3% and use its General Fund to offset the anticipated budget deficit for 2024/25.

The Clerk advised that a 3% change to the Town Council's element of council tax for 2024/25 was projected to be a net cost to the General Fund of £15,972 (budgeted income vs expenditure, net of Earmarked Reserves transfers and expenditure).

Members noted that the draft budget proposals for 2024/25 with a 3% increase would require a precept of £648,755. With the tax base confirmed by East Suffolk Council to be 8,887.28 this would equate to £73.00 per Council Tax Band D equivalent ratepayer, an increase of £2.13 per annum for a Band D Council Tax Rate.

Committee recommended that the budget be referred to Council for approval in January for final consideration, to include any adjustments to the budget deemed appropriate by the Town Clerk which would not cause the total requirement to change.

Committee recorded a vote of thanks to the Town Clerk, Deputy Town Clerk and Finance Administration Assistant, for their work developing the 2024/25 budget.

It was RESOLVED that it be recommended to Council that, subject to any further adjustments to the budget deemed appropriate by the Town Clerk which would not cause the total requirement to change, the draft budget 2024-25 proposals of a 3% increase (£2.13 per annum for a Band D) be recommended for approval as presented.

324. DATA RETENTION POLICY

Committee reviewed the Council's Data Retention and Disposal Policy, outlining the length of time and basis for the retention of specific documents and information before they should be disposed.

It was RESOLVED that the Data Retention Policy and Disposal Policy for the period 2023-2026 be recommended to Council for adoption as presented.

325. BUSINESS PLAN 2024-2028

Committee noted the report on the Business Plan. The two workshops had recently been held, and members felt that the Consultation process had worked well and that the consultant had done a very good job. The Town Clerk will update committee once the data has been analysed and further to responses from members of the public generated from the article in the Winter Magazine.

It was RESOLVED that the Business Plan 2024-28 update report be noted.

326. CLOSURE

The meeting was closed at 8.27pm. The next meeting was noted as being scheduled for Wednesday 17 January 2023 at 7.30pm.

AGENDA ITEM 5: BUDGET MONITORING TO 31 DECEMBER 2023

A summary Income & Expenditure Report to 31 December 2023 is shown below with a detailed report provided at **Appendix A**.

1 April - 31 December 2023 (2023 - 2024)

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	637,129.00	801,751.96	164,623	125.84%	332,113.00	251,404.08	80,709	75.70%
201 Town Hall	23,500.00	15,059.66	-8,440	64.08%	87,632.00	56,372.00	31,260	64.33%
202 Walton	8,000.00	6,985.98	-1,014	87.32%	12,875.00	9,211.02	3,664	71.54%
203 Broadway House	2,650.00	2,400.08	-250	90.57%	11,192.00	7,262.89	3,929	64.89%
204 Cemetery	82,792.00	56,372.30	-26,420	68.09%	209,982.00	151,401.71	58,580	72.10%
205 Allotment	17,000.00	17,288.72	289	101.70%	40,692.00	28,258.67	12,433	69.45%
206 Parks & Recreation	0.00	2,520.00	2,520	N/A	11,400.00	6,713.03	4,687	58.89%
301 Civic & Community	4,191.00	3,095.50	-1,096	73.86%	33,828.00	24,782.60	9,045	73.26%
302 Grants	0.00	0.00	0	N/A	38,700.00	36,305.00	2,395	93.81%
303 Felixstowe in Flower	6,000.00	3,145.92	-2,854	52.43%	8,900.00	6,976.65	1,923	78.39%
304 Communication	8,000.00	3,855.00	-4,145	48.19%	21,000.00	15,436.75	5,563	73.51%
305 Community Projects	0.00	0.00	0	N/A	11,000.00	11,000.00	0	100.00%
NET TOTAL	789,262.00	912,475.12	123,213.12	115.61%	819,314.00	605,124.40	214,189.60	73.86%

Created by  Scribe

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 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 73.86%. Explanatory notes and any recommended action for individual qualifying items in **Appendix A** are as follows:

Cost Centre 101 - Administration
4000 Employee Salaries (78%) <i>Recommendation: No action.</i>
4400 Stationery (146%) Paper price increase <i>Recommendation: No action.</i>
4460 Subscriptions (94%) External Audit now paid. <i>Recommendation: No action.</i>
4464 Insurance (104%) Full year payment up front - overspend due to parks <i>Recommendation: No action.</i>

<p>4464 IT Maintenance & Software (87%) Several frontloaded costs, not expecting to exceed budget Recommendation: No action.</p>
<p>Cost Centre 201 - Town Hall</p>
<p>4110 Rates (91%) Rates are paid over 10 months only. Recommendation: No action.</p>
<p>4120 Gas (87%) Recommendation: Expect overspend, continue to monitor on a monthly basis</p>
<p>4180 Licences (100%) Paid in full for 2023-24 Recommendation: No action.</p>
<p>4170 Repairs & Maintenance (100%) Boiler and Stair-Riser / Lift Service Recommendation: No action.</p>
<p>4466 Catering Sundries (89%) Banqueting Roll for events + weddings Recommendation: Continue to monitor on a monthly basis.</p>
<p>4260 Equipment Purchases (64%) Safety equipment & additional clothing for new member of staff Recommendation : Continue to monitor on a monthly basis</p>
<p>4490 Repairs & Maintenance (67%) Boiler repair and Stair-Riser/ Lift Service paid upfront Recommendation: Continue to monitor on a monthly basis.</p>
<p>Cost Centre 202 – Walton Community Hall</p>
<p>4110 Rates (95%) Rates are paid over 10 months only. Recommendation: No further action</p>
<p>4110 Water & Sewerage (97%) Increase in hirers use more water Recommendation: No further action</p>
<p>Cost Centre 204 – Cemetery</p>
<p>1032 Mobile Phone Mast (0%) Annual invoice is outstanding, awaiting payment Recommendation: Chase outstanding invoice</p>
<p>4032 Water & Sewerage (167%) Overspend caused by increased water usage due to FIF basket watering Recommendation: Continue to monitor on a monthly basis</p>

<p>4112 Electricity (108%) Jump in usage over Winter months Recommendation: No further action</p>
<p>4330 Equipment Purchases (105%) Safety equipment purchased for new member of staff Recommendation: Continue to monitor on a monthly basis</p>
<p>4300 Vehicle Running Costs (94%) Front loaded costs such as MOT, Truck Tax paid, also work to trailer and tractor. Recommendation: Continue to monitor on a monthly basis</p>
<p>4320 Vehicles/Tool Hire (97%) More digger hire and skips necessary this year Recommendation: Continue to monitor on a monthly basis</p>
<p>Cost Centre 205 – Allotments</p>
<p>4174 Water & Sewerage (79%) Increased water usage at Cowpasture & Ferry Road Sites Recommendation: Continue to monitor on monthly basis</p>
<p>4174 Repairs & Maintenance (97%) Tools purchased, pesticides, wasp removals, road repairs, etc. Recommendation: No further action.</p>
<p>Cost Centre 206 – Parks & Recreation</p>
<p>4175 Repairs & Maintenance (97%) East Suffolk Services/Norse maintenance work Recommendation: No further action.</p>
<p>Cost Centre 301 – Civic & Community</p>
<p>4471 Advertising & Promotion (88%) Keep Britain Tidy Recommendation: Complete for 2023/24. No further action</p>
<p>1800 Agency Income (0%) CCTV invoice (6 months) settled, recorded on Scribe in October so not reflected Recommendation: No further action</p>
<p>4505 Mayoral Allowance (75%) Recommendation: Continue to monitor on a monthly basis</p>
<p>4511 Town Twinning (89%) Travel and expenses for Wesel visit Recommendation: Continue to monitor on a monthly basis</p>
<p>4645 Christmas Lights (100%) Paid in full June 2022. Recommendation: No further action</p>

4512 Engraving/Sign Writing (85%)

Paid in full for 2023-24

Recommendation: No further action.**4530 Civic Events (88%)**

Most civic events for 2023-24 have been settled

Recommendation: No further action.**Cost Centre 302 – Grants****4620 Annual Grants (99.0%)**

All annual grants processed & paid.

Recommendation: No further action.**4655 Occasional Grants (95.0%)**

All annual grants processed & paid.

Recommendation: No further action.**Cost Centre 303 – Felixstowe in Flower****1811 Donations & Sponsorship (53%)**

£2,000 main sponsorship & Orwell Hotel awaiting payment

Recommendation: Chase up outstanding invoices**4290 Flowers & Containers (87%)**

Flowers & containers purchased for 2023/24

Recommendation: No further action**Cost Centre 304 – Communication****1812 Donations & Sponsorship (50%)**

Many magazine invoices are outstanding and awaiting payment. £4,160 (90%)

Recommendation: Chase up outstanding invoices**Cost Centre 305 – Community Projects & Partnerships****4625 Harwich Harbour Ferry Services (100%)**

Paid in full at the beginning of the year

Recommendation: No action**4630 Level 2 (100%)**

Paid in full at the beginning of the year

Recommendation: No action

Committee is requested to consider the budget monitoring report to 31 December 2023 and decide on any action it deems necessary.

AGENDA ITEM 6: EARMARKED RESERVES REPORT

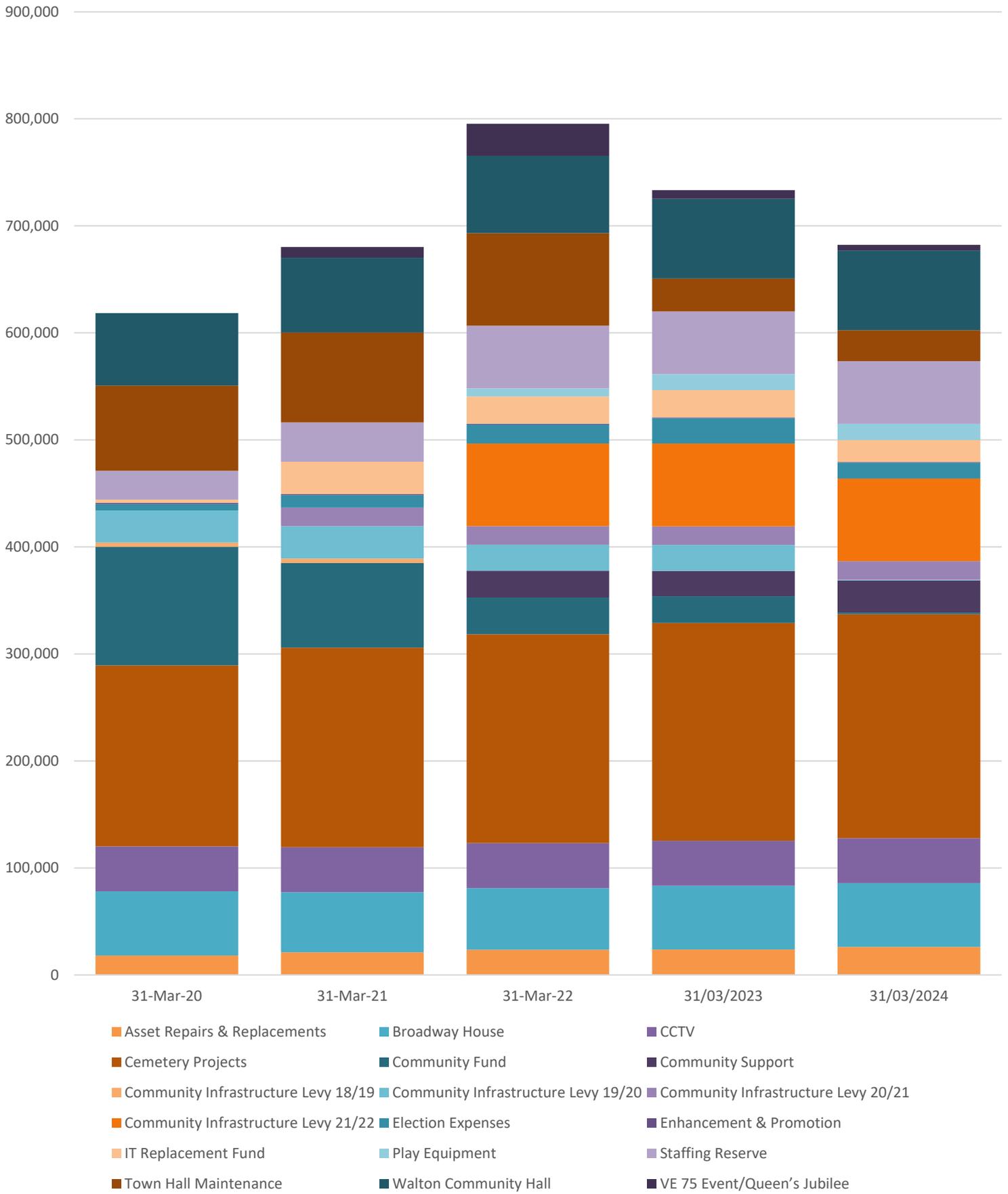
Members requested to see how the Council's Earmarked Reserve funds have changed over time. The table below shows the year end position of each of the Council's Earmarked Reserves, net of transfers in/out during those years:

Earmarked Reserve Fund	Year End Balances			
	31-Mar-21 (£)	31-Mar-22 (£)	31-Mar-23 (£)	31-Mar-24 (£ projected)
Asset Repairs & Replacements	21,032	23,615	23,065	26,065
Broadway House	56,296	57,451	59,727	59,600
CCTV	42,000	42,000	42,000	42,000
Cemetery Projects	186,475	195,344	204,542	209,338
Community Fund	79,301	34,297	9,297	1,797
Community Support	-	25,000	41,254	28,994
CIL 2018/19	4,057	0	0	0
CIL 2019/20	30,245	24,302	24,302	0
CIL 2020/21	17,291	17,291	17,291	13,678
CIL 2021/22	-	77,290	77,290	77,290
CIL 2022/23	-	-	116,511	116,511
Election Expenses	11,862	17,862	23,862	8,857*
Enhancement & Promotion	692	692	692	692
IT Replacement Fund	30,314	25,403	25,403	23,916
Play Equipment	0	7,500	15,000	15,000
Staffing Reserve	36,874	58,564	58,564	58,564
Town Hall Maintenance	83,793	86,583	52,512	29,172
Walton Community Hall	70,000	72,251	74,527	74,527
VE 75 Event/Queen's Jubilee/King Charles III Coronation grants	9,996	30,000	8,009	5,245
Public Spaces				17,800
TOTAL (exc. CIL)	680,228 (628,635)	795,445 (676,562)	873,849 (638,455)	815,046 (607,567)

*includes an estimated cost of £6,000 for the as-yet unbilled November 2023 by-election.

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

Total Earmarked Reserve Balances at Year End



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

AGENDA ITEM 7: INVESTMENT POLICY AND STRATEGY 2023-24

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

Council currently holds a £500,000 one-year fixed investment @ 4.8% with Close Brothers Treasury, which matures on 22 July 2024.

On 6 September 2022, Council withdrew £410,901.01 from its Barclays savings account and opened a 35-day notice account with Nationwide Building Society. This is a variable rate and is currently returning an interest rate of 3.05%.

The remainder of Council's funds are administered through business banking accounts with Barclays. With a 'Tracker' account which receives the Precept twice a year, and a Current account which receives all payments from sales. Every night there is an automatic sweep to a balance of £50,000 in the current account.

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 1 March 2023)	A-	F2
	Moody's (at 11 January 2024)	Aa3	P1
Nationwide	Fitch (at December 2023)	A	F1
	Moody's (at 11 January 2024)	A1	P1
Barclays Bank UK PLC	Fitch (at 4 July 2023)	A+	F1
	Moody's (at 11 January 2024)	A1	P1

In accordance with Councils' Climate Emergency Declaration, Members are asked to consider the environmental impact of its investments. In June 2021 Nationwide Building Society was given a rating of 90 by Which / Ethical Consumer <https://www.statista.com/chart/27580/uks-most-ethical-banks/> .

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 and the Ecology Building Society are all unrated, and Triodos Bank only holds a Fitch rating of B. 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.

MOODY'S		STANDARD & POOR'S		Fitch Ratings		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+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1	Not Prime	CCC+	C	CCC+	C	Substantial risks
Caa2		CCC		CCC		
Caa3		CCC-		CCC-		
Ca	Not Prime	CC	C	CC	C	Extremely speculative
C		C		C		Default imminent
/		RD		DDD		D
/	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.

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

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

AGENDA ITEM 8: INSURANCE ADEQUACY REVIEW

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

On 1 April 2022 a new three-year Long-Term Agreement was taken out with Zurich, the premium for this year 2023/24 being £7,565.61.

The sums insured for contents, all risks and buildings are index linked, although the underlying rates stay the same. This is to help protect against 'under insurance' as costs are always rising and it is not possible to always check the sums insured each year to ensure they are correct. Last year, valuations of all buildings were carried out and submitted to the Insurance Company, the sums insured will still be automatically increased on an annual basis.

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)	£15 Million
Employers Liability	£10 Million
Fidelity Guarantee	£2 Million
Personal Accident (up to age 90)	£50,000/£200 pw
Hirers Liability	£2 Million
Libel and Slander	£500,000
Legal Expenses – enhanced EPL cover	£200,000
Money	£250,000
Officials Indemnity	£15 Million
Key Personnel Cover	£100,000/£500 - £100pw
Business Travel	Included
Motor	Included
Engineering - Inspection & Insurance	Included
Business Interruption	Included

The policy will renew on 1 April 2024 for the third year of the three-year LTA.

An insurance company review will take place towards the end of 2024 in time for the renewal of the LTA on 1 April 2025.

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

AGENDA ITEM 9: BUSINESS PLAN 2024–28

Since the previous meeting, the ideas generated at the Business Planning Workshop have been digitally transposed and sent to the Council's Business Plan Steering Group, which will be meeting soon to review and aid the development of a draft Business Plan for 2024-28.

There were many ideas and a lot of information gathered at the two workshops held at the end of last year and any that were duplicated/very similar have been grouped together. Any projects which would involve a third-party, such as another local authority, or an element of partnership working to achieve have been highlighted to distinguish them from those which may be solely achieved by Felixstowe Town Council.

The Steering Group will oversee the development of the initial draft Plan based on the vision for Felixstowe which was agreed at the workshops as being: "*A thriving and dynamic community that welcomes all people to live, work and visit in a clean and safe environment.*"

Residents are being welcomed to submit their ideas and priorities for consideration via the Winter edition of the Town Magazine, so any suggestions from there and via our website will also be considered.

The Committee and the Business Plan Steering Group will oversee the production of a full draft Business Plan for public consultation from late March until Annual Council in May.

Committee is requested to note the update and any other report from the Business Plan Steering Group on the workshops and process of developing the Town Council's Business Plan for 2024-28.
