



9 am to 4 pm Mondays to Fridays

TO ALL MEMBERS OF THE FINANCE SUB-COMMITTEE

Cllr C Slemmings (Chairman)	Cllr Jan Garfield	Cllr A Smith
Cllr K Williams (Vice Chairman)	Cllr D Savage (Deputy Mayor)	Cllr M Stokell
Cllr N Barber	Cllr M Sharman	Cllr M Walker

You are hereby summoned to attend a meeting of the **FINANCE SUB-COMMITTEE** to be held at the **Town Hall, Felixstowe** on **Wednesday 22 October 2014** at **4.30pm** for the transaction of the following business:

A G E N D A

- 1. Apologies**
To receive apologies for absence.
- 2. Declarations of Interest**
Members and officers are invited to make any declarations of 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 and Dispensations for Councillors with a Pecuniary Interest**
Any Councillor with a pecuniary interest on an item on this agenda who wishes to be granted a dispensation to remain, speak and/or vote at consideration of that item, should apply for a dispensation in writing to the proper officer of the Town Council as soon as possible before the meeting. Applications may also be considered at the meeting itself.
- 4. Minutes of the Previous Meeting**
To confirm the minutes of the meeting held on 20 August 2014 as a true record.
(Pages 2-3)
- 5. Quarter Two Accounts to 30 September 2014**
To review the financial position of the Council as at 30 September 2014
2014. **(Pages 4-8 & Appendix A – Q2 Income & Expenditure Report)**
- 6. Closure**

Ash Tadjrishi
Town Clerk
15 October 2014

For information (via email): All Town Councillors.

AGENDA ITEM 4: MINUTES OF PREVIOUS MEETING

MINUTES of the **FINANCE SUB-COMMITTEE** meeting held at Felixstowe Town Hall on **Wednesday 20th August 2014** at **4.30pm**

PRESENT: Cllr C Slemmings (Chairman) Cllr D Savage (Deputy Mayor)
 Cllr A Smith Cllr Jan Garfield
 Cllr M Sharman Cllr K Williams

OFFICERS: Mr A Tadjrishi (Town Clerk)
 Mrs D Frost (Finance Officer)

222. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr M Stokell and Cllr M Walker.

223. DECLARATIONS OF COUNCILLORS' INTERESTS

The following declarations of Councillors' interests were made:

Member	Minute No.	Nature of Interest
Cllr C Slemmings	226	Local Non-Pecuniary (Suffolk Coastal District Council Member)
Cllr D Savage	226	Local Non-Pecuniary (Suffolk Coastal District Council Member)
Cllr M Sharman	226	Local Non-Pecuniary (Suffolk Coastal District Council Member)
Cllr A Smith	226	Local Non-Pecuniary (Suffolk Coastal District Council Member)
Cllr Jan Garfield	226	Local Non-Pecuniary (Suffolk County Council Member)
Cllr K Williams	226	Local Non-Pecuniary (Suffolk County Council Member)

224. REQUESTS FOR DISPENSATIONS

There were none.

225. MINUTES OF THE PREVIOUS MEETING

It was RESOLVED that:

The Minutes of the Finance Sub-Committee Meeting held on 16th July 2014 be signed by the Chairman as a true record.

226. FINANCIAL REPORT

Members reviewed the Financial Report as presented. It was agreed that reports to future meetings would be accompanied by an executive summary of the information as part of the agenda.

It was RESOLVED that:

The financial position of the Council as at 31st July be noted as presented in the report.

227. CLOSURE

The meeting was closed at 5.16pm. It was noted that the next meeting was scheduled for 1 October 2014 at 4.30pm.

Date: _____

Chairman: _____

AGENDA ITEM 5: QUARTER TWO ACCOUNTS TO 30 SEPTEMBER 2014

A summary Income & Expenditure Report for Q2 (1 April - 30 September 2014) is shown below with a detailed report provided at Appendix A.

15/10/2014		Felixstowe Town Council					Page No 1		
11:34		Summary Income & Expenditure by Budget Heading 14/10/2014							
Month No : 6		Cost Centre Report							
		Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Of Budget	
101	Town Council	Expenditure	18,027	144,691	289,124	144,433	144,433	50.0 %	
		Income	280,943	565,743	566,336	-593		99.9 %	
102	Civic	Expenditure	57	9,039	16,975	7,936	7,936	53.2 %	
103	Community Fund	Expenditure	898	9,473	67,050	57,577	57,577	14.1 %	
201	Town Hall	Expenditure	19,405	41,213	78,305	37,092	37,092	52.6 %	
		Income	791	6,864	11,405	-4,541		60.2 %	
202	Walton	Expenditure	425	5,639	6,200	561	561	91.0 %	
		Income	387	2,423	9,600	-7,177		25.2 %	
203	Broadway House	Expenditure	853	5,553	12,975	7,422	7,422	42.8 %	
		Income	0	841	1,260	-419		66.8 %	
301	Cemetery	Expenditure	10,652	68,841	136,700	67,859	67,859	50.4 %	
		Income	1,755	33,499	85,550	-52,051		39.2 %	
302	Allotments	Expenditure	1,901	3,325	8,500	5,175	5,175	39.1 %	
		Income	56	1,603	12,600	-10,997		12.7 %	
303	Felixstowe in Flower	Expenditure	8,194	11,802	9,825	-1,977	-1,977	120.1 %	
		Income	833	4,052	4,000	52		101.3 %	
INCOME - EXPENDITURE TOTALS		Expenditure	60,411	299,577	625,654	326,077	0	326,077	47.9 %
		Income	284,765	615,026	690,751	-75,725			89.0 %
		Net Expenditure over Income	-224,354	-315,449	-65,097	250,352			

It should be noted that budgets are based on a series of estimates and the final outturn will be affected by actual expenditure in-year. The current year budget was approved by Council, following a number of drafts, in February 2014 in challenging circumstances due to previous years' budgets being far less detailed. Whilst some budget items are recorded as overspent, the overall expenditure for Q2 is on target for the year, being 47.9% of budget.

In accordance with 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. Explanatory notes and any recommended action for those qualifying items at Appendix A are as follows:

Cost Centre 101 - Town Council

4030 Training (£736)

Overspend due to training provided for Councillors and training on the new accounts package for staff.

Recommendation: Review for 2015/16

4080 Staff Membership Fees (£376)

Prepayment made in 2013/14 and carried over in transition from Edge to RBS accounts software. Consisting of the proportion of this year's fees for the Technical Advisor's Membership of the RICS. No provision had been made for Staff Membership fees in the current year budget.

Recommendation: Review for 2015/16

4170 Repairs and Maintenance (£403)

One-off cost for the removal of Aerial Transposer from Anzani House.

Recommendation: No further action.

4468 Miscellaneous (£352)

This includes £590 expenditure towards restorations to Council artworks (Minute 291 2014/15 refers).

Recommendation: No further action.

4480 IT Hardware Provision (£1,613)

There was no budget set for this. £1,240 was for the purchase and installation of RBS software. This also includes a new PC/monitor and one set of speakers.

Recommendation: Review for 2015/16.

4482 IT Software Licences (£872)

This includes RBS Omega, software hosting, allotment software and MS Office licences.

Recommendation: Review for 2015/16

Note: Total spend across three separate IT codes is £7,582 against a budget of £8,110 with an expected total outturn of £8,030 for the year. A simple reapportionment of budget for 2015/16 should address this.

4490 Legal Fees (£1,827)

No budget was set for this. £1,802 legal fees for Langley Avenue and £25 Money Claim online fees to chase outstanding debt.

Recommendation: Review for 2015/16

4531 Remembrance Day (-£54)

Expenditure recoded to 4531/102 Civic.

Recommendation: No further action.

4655 Grants (£600)

Council approved expenditure totalling £5,800 at its June meeting (Minute 82 2014/15 refers).

Recommendation: Review for 2015/16

Cost Centre 201 - Town Hall
<p>4070 Protective Clothing/First Aid (£40) Purchase of staff uniform. Recommendation: Review for 2015/16</p>
<p>4170 Repairs and Maintenance (£3,334) Roof repairs to Town Hall totalling £4,315.00 approved by Council in June (Minute 70 2014/15 refers). Recommendation: No further action.</p>
<p>4180 Licences (£712) No budget set. Pro-rata Wedding Licence fee prepaid in 2013/14. Fee is payable to Suffolk County Council every two years. Recommendation: Review for 2015/16</p>
Cost Centre 202 - Walton Community Hall
<p>4122 Electricity (£1,326) Late/missing bills have been received for both Walton and the Town Hall some dating back to 2012 which were not received from British Gas. Recommendation: Review for 2015/16</p>
Cost Centre 301 – Cemetery
<p>4260 Purchase New Tools/ Equipment (£616) Includes purchase of a chemicals safe £1,102 (Health and Safety requirement). Recommendation: Review for 2015/16</p>
<p>4400 Stationery (£402) Bespoke Memorial sheets and Interment forms purchased. Recommendation: Review for 2015/16</p>
<p>4468 Miscellaneous (£352) Reimbursed charges for grave planting. Recommendation: No further action.</p>
Cost Centre 302 – Allotments
<p>4185 Skip Hire (£0, showing -£354 movement in month) Expenditure recoded to Repairs and Maintenance. Recommendation: Review for 2015/16</p>

Cost Centre 303 - Felixstowe in Flower

4640 Floral Bedding (£2,632)

Duplicate invoice received for watering (£3,456). Credit note due in October.

Recommendation: No further action.

Additionally, the following items have been identified for Members as requiring further explanation or consideration:

Cost Centre 101 - Town Council

4001 Employer NI (19.3% of budget)

Employment Allowance scheme provided for £2,000 discount on Employer NI Contributions at the beginning of the year, which resulted in no payment due for April and a reduced payment in May.

Recommendation: Review for 2015/16

4420 Newsletter Print (59.3% of budget)

Two newsletters were printed early in the year which were twice normal size and therefore an overspend in this area is projected once the remaining newsletters have been printed.

Recommendation: Review for 2015/16

4462 Internal Audit (20.9% of budget)

One audit invoice £138 received thus far (for Quarter 4 2013/14 audit). There being four audits due in total, this budget will meet outturn by year end.

Recommendation: No further action.

4464 Insurance (48.4% of budget)

In year cost-saving achieved following change of provider and reduction of annual premium.

Recommendation: Review for 2015/16

4483 IT Website Maintenance (58.3% of budget)

Annual cost is currently £1,140 (Sept 2014-Aug 2015), pro rata £665 coming from this year's budget.

Recommendation: Review for 2015/16

Cost Centre 301 – Cemetery

4185 Skip Hire (72.9% of budget used)

Budget provision for skip hire was too low, however, Cemetery/Hire of Vehicles has a commensurate underspend.

Recommendation: F&GP to approve virement of £1,200 from 301/4320 Hire of Vehicles and review budget provision for 2015/16

4330 Fuel (83.4% of budget used)

Showing front-loaded high spend due to watering duties during Felixstowe in Flower.

Recommendation: Review for 2015/16

1100 Interment Fees (27.8% of budgeted income achieved)**1130 Memorials (35% of budgeted income achieved)**

Possible over-estimation of Interment income, although historically difficult to predict. Final figures of income taken last year were:

	2013/14 Actual	Current year budget
Interments	£45,568	£63,000
Memorials	£13,858	£13,000

Recommendation: Review for 2015/16

Cost Centre 302 – Allotments**1080 Allotment Rents (-£10,997)**

Annual rent invoices were issues at the beginning of October. Income expected to be on target. **Recommendation: No further action.**

Council's finance administration transitioned to a new accounting software package in April 2014. Challenges encountered in moving from an accounting system in previous years set around 'general expenditure' to a more itemised structure are being addressed in-year and have provided an opportunity to review further.

In anticipation of drafting budget estimates for the financial year 2015-16, a number of changes should be considered to the Council's budget structure, known as the Chart of Accounts.

An appropriate budget structure should be provide Councillors, staff and members of the public with a clear breakdown of estimated expenditure and income across all areas of Council business.

The Chart of Accounts should fit any proposed Committee structure to allow for management and monitoring by the appropriate authority body in year and provide a foundation for future years.

Committee is requested to consider the Quarter Two Accounts to 30 September 2014; make any recommendations to Finance & General Purposes Committee as it considers necessary; and, instruct the Clerk to bring forward a revised Chart of Accounts to F&GP when drafting budget estimates for the following financial year 2015-16.