



TO ALL MEMBERS OF THE FINANCE & GENERAL PURPOSES COMMITTEE

Cllr G Newman (Chairman)
Cllr S Bird (Vice Chairman)
Cllr N Barber
Cllr M Deacon
Cllr S Gallant

Cllr Jan Garfield
Cllr D Savage
Cllr A Smith
Cllr S Wiles
Cllr K Williams

You are hereby summoned to attend a meeting of the **FINANCE & GENERAL PURPOSES COMMITTEE** to be held at the **Town Hall, Felixstowe** on **Wednesday 22 March 2017** at **7.30pm** 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 Disclosable Pecuniary or Local Non-Pecuniary Interests that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the meeting if it becomes apparent that this may be required when a particular item or issue is considered.

3. Requests for Dispensation

Councillors with a pecuniary interest in an item on this agenda, who wish to remain, speak and/or vote during consideration of that item, may apply for a dispensation in writing to the Town Clerk prior to the meeting. Applications may also be considered at the meeting itself should the nature of the interest become apparent to a Councillor at the time of the meeting.

4. Confirmation of Minutes

To confirm the minutes of the Finance & General Purposes Committee meeting held on 24th February 2016 as a true record. **(Pages 3-6)**

5. Accounts to 15 March 2017

To receive the Accounts report to 15 March 2017, alongside a report on Balances and Reserves, and consider any actions deemed necessary.

(Pages 7-9 & Appendix A)

6. Terms of Reference 2017/18

To review, and recommend to Council, Terms of Reference for 2017/18.

(Page 9 & Appendix B)

7. Standing Orders 2017/18

To review, and recommend to Council, Standing Orders for 2017/18.

(Page 10 & Appendix C)

8. Financial Regulations

To review, and recommend to Council, Financial Regulations for 2017/18.

(Page 10 & Appendix D)

9. Risk Management Policy & Financial Risk Register

To review the Risk Management Policy & Financial Risk Register and make any recommendations to Council.

(Page 10 & Appendix E)

10. Complaints Procedure

To review Council's Complaints Procedure and make any recommendations to Council.

(Page 11 & Appendix F)

11. Publication Scheme

To review Council's and Publication Scheme and make any recommendations to Council.

(Page 11 & Appendix G)

12. Closure

To close proceedings and confirm the date of the next meeting scheduled for Wednesday 24 May 2017 at 7.30pm.



**Ash Tadjrishi
Town Clerk
16 March 2017**

For information (via email): All Town Councillors.
Local Press

428. CONSULTATION: SCDC BEACH HUTS

The Chairman invited Ms J Woodward, Chairman of the Felixstowe Beach Huts and Chalets Association (FBHCA), to address Committee on behalf of around 500 FBHCA members.

Ms Woodward advised that the FBHCA were not against the principle of fair and appropriately benchmarked price increases but had significant concerns about the process and detail of the proposals which had been recommended to SCDC in the cabinet report.

Committee acknowledged the issues raised by FBHCA and considered the report. It was noted that a copy of the full consultation document which had been requested from SCDC had not been forthcoming.

Members agreed that, as 906 of the 918 huts located in the District were in Felixstowe, Suffolk Coastal District Council should consider transferring the provision of beach hut sites to Felixstowe Town Council for the benefit of the town. Notwithstanding this request, it was strongly asserted that the administration of beach huts should continue to be predominately carried out from the Town Hall.

Committee also agreed that SCDC should give particular consideration to comments to the consultation from respondents in Felixstowe as well as individual Beach Hut owners. Members were sympathetic to the challenges faced by Suffolk Coastal District Council in meeting its economic responsibilities in the forthcoming years but remained concerned that raising funds through significant increased beach hut revenues would risk the town's seafront offer and future.

Committee felt that any reassessment of beach hut fees and charges should be based on the sustainability of the offer coupled with an improvement to services provided and it was not convinced of the accuracy of the financial data presented for comparison in the Cabinet Report. Members were concerned that a ten-year lease renewal fee of £7,000 would be simply unaffordable for many existing beach hut owners, combined with a proposed real-terms doubling of the annual rental fee over the next 8-10 years.

Similarly, Members were concerned that leases offered outside the Landlord & Tenant Act would not give tenants the right to automatically renew at the end of their term and therefore little protection was being offered.

Members accepted that the current administration fee of £32.64 to transfer a licence to a new hut owner was low but felt that a proposed lease assignment fee of "three times the annual rent" was not sustainable.

Committee was most concerned that no real assessment appeared to have been made of the risk of implementing the recommendations in the Cabinet Report. Members commented that, if beach hut occupancy drops as a result of increased charges, this could be detrimental to Felixstowe's highly valuable tourism offer and the future development of the town.

It was **RESOLVED** that the Clerk be instructed to respond to the consultation on the basis above.

Cllrs S Gallant and A Smith returned to the chamber.

429. BUDGET MONITORING TO 31 DECEMBER 2016

Committee received the budget monitoring report to 31 December 2016.

A list of those items of expenditure exceeding budget estimates for the period by 10% or £500 was considered. Committee noted that the implementation of the recent staffing restructure was projected to impact on the expected outturn of the total staffing budget for 2016/17. This had been estimated to comprise an expected outturn for employer pension contributions of approx. £85,490 (against a budget of £62,196) and salaries of approx. £284,921 (against a budget of £270,617). Members noted that projected savings across other areas of Council's budget were anticipated to mitigate the one-off costs associated with the implementation of the staffing structure. The new structure would provide ongoing savings to Council from financial year 2017/18.

Members thanked the Town Clerk and Council's Finance Administration Officer for the comprehensive report.

It was **RESOLVED** that the budget monitoring report to 31 December 2016 be approved with no other action required at this time.

430. INTERNAL AUDIT REPORT – QUARTER 3 2016/17

Committee considered the Internal Audit report for the period ending 31 December 2016. It was noted that there were no matters arising or actions recommended.

It was **RESOLVED** that the Internal Audit Report for Quarter 3 2016/17 be noted as received with no actions or recommendations arising.

431. INVESTMENT POLICY & STRATEGY

Committee considered the Council's Investment Policy & Strategy for 2017/18 as presented which had been updated to reflect current investments.

It was **RESOLVED** that the Investment Policy & Strategy for 2017/18 be recommended to Council for adoption as presented.

432. INSURANCE ADEQUACY REVIEW

Committee reviewed Council's insurance provision as presented in the agenda report. Members asked the Clerk to investigate the benefits or otherwise of Cyber Liability Insurance and report back to Committee with any recommendation.

It was **RESOLVED** that the arrangements for insurance cover in respect of all insured risks be recommended to Council and confirmed as adequate for 2017-18.

433. CLOSURE

The meeting was closed at 9.07pm. The next meeting was noted as being scheduled for 22 March 2017 at 7.30pm.

AGENDA ITEM 5: ACCOUNTS TO 15 MARCH 2017

A summary Income & Expenditure Report to 15 March 2017 is shown below with a detailed report provided at **Appendix A**.

15/03/2017	Felixstowe Town Council						Page No 1	
10:04								
	Summary Income & Expenditure by Budget Heading 15/03/2017							
Month No : 12	Committee Report							
		Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Of Budget
<u>Finance & General Purposes</u>								
	Expenditure	246,186	234,024	254,788	20,764	0	20,764	91.9 %
	Income	560,478	561,977	560,711	1,266			100.2 %
	Net Expenditure over Income	<u>-314,292</u>	<u>-327,953</u>	<u>-305,923</u>	<u>22,030</u>			
<u>Assets & Services</u>								
	Expenditure	235,089	201,355	260,452	59,097	0	59,097	77.3 %
	Income	127,881	115,417	100,638	14,779			114.7 %
	Net Expenditure over Income	<u>107,208</u>	<u>85,938</u>	<u>159,814</u>	<u>73,876</u>			
<u>Civic & Community</u>								
	Expenditure	105,499	103,152	111,481	8,329	0	8,329	92.5 %
	Income	11,833	17,210	7,990	9,220			215.4 %
	Net Expenditure over Income	<u>93,665</u>	<u>85,941</u>	<u>103,491</u>	<u>17,550</u>			
<u>INCOME - EXPENDITURE TOTALS</u>								
	Expenditure	586,774	538,531	626,721	88,190	0	88,190	85.9 %
	Income	700,192	694,605	669,339	25,265			103.8 %
	Net Expenditure over Income	<u>-113,418</u>	<u>-156,074</u>	<u>-42,618</u>	<u>113,456</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. Total expenditure to date stands at 85.9% compared to an expected 95.8% (eleven and a half months in to the year). An explanation for any items overspent by £500 or 10% or over this level (i.e. 105.4%) and recommended actions for individual qualifying items are as follows:

Cost Centre 101 - Administration
<p>4446 Mobile Phones (204.3% £125 overspend) Cost of running two mobile phones at £10 per month. Budget estimate originally based on £5 per month. Recommendation: No action. An increased budget provision for 2017-18 has already been approved by Council.</p>
<p>4550 Bank Charges (130.7%) Bank charges introduced by Barclays in August 2016. Not included in original budget estimate. Recommendation: Committee to monitor during 2017-18. An increased budget provision for 2017-18 has been approved by Council but Committee should monitor the banking costs during that year.</p>
Cost Centre 201 - Town Hall
<p>1001 Weddings (84.7%) complete £5,587.50 received for 2016/17 to date. A further £3,992 received for weddings taking place during 2017/18 which will be recorded in that financial year. Recommendation: No action.</p>
Cost Centre 202 – Walton Community Hall
<p>1000 Hirings (90.8%) Further £1,101 (14.6%) invoiced/to be invoiced for 2016/17 plus additional £100 payment due to debt recovery plan means that budget will be met. (£1,367.75 outstanding on debt will be continued to be paid in instalments during 2017/18 and completing in 2018/19). Recommendation: No action required.</p>
Cost Centre 203 – Broadway House
<p>1030 Leases, Rents & Licences (0.0%) Existing licence agreement ran December-November annually and terms have been agreed which are to take effect from April 2017. Licence fee under the existing agreement (£468.42, 34.4% of 16/17 budget) has therefore been invoiced for the period 1st December 2016 – 31st March 2017. From next year the terms will run 1st April – 31st March annually. Recommendation: No further action.</p>

Projections have been updated to provide an estimate of the expected year end position. At the previous Financial Year end 31st March 2016, Council held total reserves of £930,888. This was represented by General Reserves of £254,643 and Earmarked Reserves of £676,245.

Approved transfers from the General Fund to Earmarked Reserves on 1st April 2016 resulted in a starting position for 2016/17 of General Reserves of £212,024 and Earmarked Reserves of £718,864.

2016/17 income and expenditure has been projected to result in a budget surplus outturn of around £54,437. It is therefore estimated that the General Fund position as at 31 March 2017 will be around £266,461.

The projected outturn for Council's Earmarked Reserves at 31 March 2017 is estimated to be £627,190. This equates to a starting position of £718,864, less Council-approved spending of £92,585 to date for various projects plus Community Infrastructure Levy (CIL) receipts of £911 in the year.

The projected outturn for the current year with a comparison against the Financial Year ending 2015/16 is shown in the Reserves and Balances table below:

900	Earmarked Reserves	Closing Balance at 31 March 2016	Balance at 1 April 2016 after GF transfers	Estimated outturn position at 31 March 2017
9010	Election Expenses	4,500	9,500	2,862
9015	Enhancement & Promotional	3,679	3,679	2,721
9020	Felixstowe in Flower	8,428	8,428	8,428
9025	Asset Repairs & Replacement	13,532	16,532	16,532
9030	IT Replacement Fund	3,117	3,117	3,117
9035	Recycling Credits	2,434	2,434	2,434
9040	Cemetery Projects	126,807	146,807	131,532
9050	Broadway House	57,500	60,000	58,520
9055	Walton Community Hall	57,500	60,000	60,000
9060	Town Hall Capital Refurb	7,821	7,821	0
9065	Town Hall Maintenance	59,118	113,892	105,732
9070	Play Equipment	27,000	27,000	27,000
9075	Community Fund	162,405	179,589	152,461
9080	Council Tax Localisation Rsrve	74,904	12,565	12,565
9085	CCTV	42,000	42,000	42,000
9090	Staffing Reserve	25,500	25,500	375
9100	Community Infrastructure Levy	-	-	911
	Earmarked Reserves	676,245	718,864	627,190
	General Fund Balance	254,613	212,024	266,461
	TOTAL BALANCE	930,888	930,888	893,651

Committee will therefore note that the final outturn balance for Council's accounts at 31 March 2017 is estimated to be **£893,651**. This figure is subject to change as the accounts are finalised and is provided as an indication only at this time.

On 1st April 2018 transfers to/between Earmarked Reserves will be actioned as per the budget approved by Council on 11 January. The net result of this will be £27,757 transferred in from the General Fund and rebalancing of Earmarked Reserves as shown in the table below:

900	Earmarked Reserves	Est. closing Balances at 31 March 2017	Est. Balances at 1 April 2017 after GF transfers
9010	Election Expenses	2,862	8,862
9015	Enhancement & Promotional	2,721	2,721
9020	Felixstowe in Flower	8,428	-
9025	Asset Repairs & Replacement	16,532	19,532
9030	IT Replacement Fund	3,117	3,117
9035	Recycling Credits	2,434	-
9040	Cemetery Projects	131,532	151,532
9050	Broadway House	58,520	61,020
9055	Walton Community Hall	60,000	62,500
9060	Town Hall Capital Refurb	0	0
9065	Town Hall Maintenance	105,732	105,732
9070	Play Equipment	27,000	27,000
9075	Community Fund	152,461	159,645
9080	Council Tax Localisation Rsrve	12,565	-
9085	CCTV	42,000	42,000
9090	Staffing Reserve	375	10,375
9100	Community Infrastructure Levy	911	911
	Total Earmarked Reserves	627,190	654,947
	General Fund Balance	266,461	238,704
	TOTAL BALANCE	893,651	893,651

Committee is requested to receive the Accounts to 15 March 2017 and note the Reserves and Balances outturn estimate report to 31 March 2017.

AGENDA ITEM 6: TERMS OF REFERENCE

Terms of Reference for Council and its Committees are reviewed at least once annually and approved for adoption by Annual Council each year.

Terms of Reference for the current Municipal Year 2016/17 are attached at **Appendix B** for review.

Committee is requested to review and recommend to Annual Council, Terms of Reference for 2017/18.

AGENDA ITEM 7: STANDING ORDERS

Council's Standing Orders are reviewed at least once annually and approved for adoption by Annual Council each year.

Standing Orders for 2016/17 are attached at **Appendix C** for review. No changes are currently proposed to the Standing Orders at this time.

Committee is requested to review and recommend to Annual Council, Standing Orders for 2017/18.

AGENDA ITEM 8: FINANCIAL REGULATIONS

Council's Financial Regulations are reviewed at least once annually and approved for adoption by Annual Council each year.

Financial Regulations for 2016/17 are attached at **Appendix D** for review.

In line with item 6.8 the approval of the use of BACS or CHAPS shall be renewed by resolution of the Council at least every two years.

Committee is requested to review and recommend to Annual Council, Financial Regulations for 2017/18 and recommend approval of the continued use of BACS.

AGENDA ITEM 9: RISK MANAGEMENT POLICY & FINANCIAL RISK REGISTER

Council is required to review its Risk Management Policy and Financial Risk Register on an annual basis.

Recommended amendments proposed to the Risk Management Policy and Financial Risk Register are shown tracked at **Appendix D** for review.

Councils are also required, at least once a year, to conduct, in accordance with proper practices, a review of the effectiveness of internal audit. Council is required to sign the annual governance statement (on the annual return submitted to the external auditor) to evidence that this review has been undertaken. The Clerk will bring a report to on the effectiveness of internal audit to Committee in May for a recommendation to Council in June. Note that this will include Committee's recommendation to reduce the frequency of internal audits to twice annual (*Minute #347 of 2017/18 refers*).

Committee is requested to review the updated Risk Management Policy and recommend to Council for adoption.

AGENDA ITEM 10: COMPLAINTS PROCEDURE

Council is to review its Complaints Procedure annually.

The procedure provided at **Appendix F** was adopted by Council at its meeting of 20 May 2015, approved in 2016 and is presented for approval without amendment.

Committee is requested to review the Complaints Procedure and recommend to Council for adoption.

AGENDA ITEM 11: FREEDOM OF INFORMATION AND PUBLICATION SCHEME

Under the Freedom of Information Act 2000, it is the duty of every public authority to adopt and maintain a Publication Scheme. Local authorities must produce and publish the method by which specific information will be available so that it can be easily identified by members of the public.

Activities under the Freedom of Information Act 2000 (including Publication Schemes) fall within the remit of the Information Commissioner's Office, based in Wilmslow, Cheshire.

The ICO provides a model publication scheme, which the Council adopted in 2016 alongside an updated schedule of information available from Felixstowe Town Council within the scheme.

The model scheme and a schedule of information available is provided at **Appendix G**. No changes are currently proposed.

Committee is requested to consider the model publication scheme and recommend to Council for adoption.
