

MINUTES of the FINANCE & GENERAL PURPOSES COMMITTEE meeting held at Felixstowe Town Hall on Wednesday 23 January 2019 at 7.30pm

PRESENT: Cllr S Bird (Chairman) Cllr D Savage
Cllr N Barber Cllr A Smith
Cllr M Deacon Cllr S Wiles
Cllr G Newman

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

432. PUBLIC QUESTIONS

There were none.

433. APOLOGIES FOR ABSENCE

Apologies for absence were received from **Cllr Jan Garfield, Cllr S Gallant,** and **Cllr K Williams.**

434. DECLARATIONS OF INTEREST

Member(s)	Minute No.	Nature of Interest
Cllr S Bird Cllr M Deacon Cllr D Savage Cllr A Smith	All	Local Non-Pecuniary (as Members of Suffolk Coastal District Council)
Cllr S Bird Cllr G Newman Cllr S Wiles	All	Local Non-Pecuniary (as a Members of Suffolk County Council)

435. REQUESTS FOR DISPENSATION

There were none.

436. CONFIRMATION OF MINUTES

It was RESOLVED that the Minutes of the Finance & General Purposes Committee Meeting held on 28 November 2018 be signed by the Chairman as a true record.

437. BUDGET MONITORING TO 31 DECEMBER 2018

Committee received the budget monitoring report to 31 December 2018. A report of any variance to budget estimates for the period greater than 10% or £500 was considered.

RESOLVED that the accounts to 31 December 2018 be noted, with no other action required at this time.

438. INVESTMENT POLICY AND STRATEGY

Committee considered the Council's Investment Policy & Strategy for 2019/20 as presented which had been updated to reflect current investments.

It was noted that the new 3rd edition of the Statutory Guidance on Local Government Investments had been changed to reflect changes in patterns of local authority behaviour. Some local authorities are investing in non-financial assets, with the primary aim of generating profit. Others are entering into very long term investments or providing loans to local enterprises or third sector entities as part of regeneration or economic growth projects that are in line with their wider role for regeneration and place making.

Committee requested that the Investment Policy under the heading 'Investment Objectives' 2.3 be amended to state that:

'The Department for Communities and Local Government allow a local authority to make loans to local enterprises, or third sector entities as part of regeneration or economic growth projects. Whilst this Council doesn't currently engage in such practice, it would only do so if it were prudent.'

It was RESOLVED that the Investment Policy & Strategy for 2019/20 be recommended to Council for adoption with as presented with the amendment to 2.3 above.

439. INSURANCE ADEQUACY REVIEW

Committee reviewed Council's insurance provision as presented in the agenda report and were pleased to note the new quotations received as Council's current three year Long Term Agreement (LTA) ends on 31 March 2019 were significantly cheaper. Zurich who had been Council's previous insurer prior to 2013 came in with a quote of an annual premium including all motor, hired in plant and engineering of £5,742.69 + VAT on the Engineering inspection on a 3 year LTA. This saves council £2,997 from the previous year and the policy also gives increased cover as shown in the table below in bold:

	Aviva – Current insurer	Zurich
Protection of physical assets	Like for like	Like for like
Public Liability	£10,000,000	£15,000,000
Employers Liability	£10,000,000	£10,000,000
Loss of cash	£2,000	£5,000
Fidelity guarantee	£1,250,000	£2,000,000
Libel and Slander	£250,000	£500,000
Office equipment	£61,380	£61,380
Personal accident	Up to age 80 £40,000 £200 pw /£400 pw (key staff)	Up to age 90 £50,000/£100,000(key staff) £200 pw /£500 10

		weeks £100 thereafter
Assault cover	Up to age 80 £10,000 £50pw/100 pw (key staff)	Up to age 90 If no Personal Accident is operative Normal weekly wage or salary up to £150 per week
Other cover:		
Money in locked safes	£2,000	£5,000
Hirers Liability	£2,000,000	£2,000,000
Plant protection (Hired in plant)	£250,000	£500,000
Legal Expenses	£100,000	£200,000
Business Interruption	£24,682 rental £51,000 additional expenditure	£30,740 £100,000

Members paid thanks to the Deputy Town Clerk for her work in obtaining a new insurance agreement and agreed that a new 3 year Long Term Agreement be taken out with Zurich Insurance with effect from 1 April 2019.

It was RESOLVED that:

- i. the arrangements for insurance cover in respect of all insured risks be recommended to Council and confirmed as adequate for 2019-20; and,**
- ii. a new 3 year Long Term Agreement be taken out with Zurich Insurance with effect from 1 April 2019.**

440. MAYOR AND COUNCILLOR ALLOWANCES 2019/20

Committee considered the report on the Mayor and Councillor Allowances 2019/2020 and the Members' Expenses Policy.

Members agreed that a Basic Members Allowance should not be introduced and that Town Councillors should continue to receive no remuneration for the office.

At the previous meeting, Committee requested that recommendations for the Mayor's Allowance will be brought to the next meeting for consideration (*Minute #367 of 2018/19 refers*).

The Town Clerk presented a report exploring three different approaches. Committee discussed in depth and recommend the following amendments to the Mayor's Allowance:

- 1. Move as much of the recurring activities/known expenditure as appropriate from the Mayoral Allowance to the Civic Events budget.**

Reason for recommendation: By moving any recurring activities/known expenditure from the Mayoral allowance to Civic Events budget, VAT can be reclaimed.

2. **Increase the Members Expenses budget and enable the Mayor (and Deputy Mayor when appropriate) to claim for approved travel/receipted expenditure in accordance with HMRC guidance.**

Reason for recommendation: Keeping travel/receipted expenses for the Mayor within the expenses budget provides oversight and assurance with HMRC and will be met by a commensurate reduction in the Mayoral Allowance.

3. **Reduce the Mayoral Allowance commensurate to 1 and 2 above and pay subject to PAYE via Council's payroll system.**

Reason for recommendation: The reduction of the allowance gives greater assurance that Council expenditure is being efficiently managed. Whilst it is likely that the allowance would be spent on otherwise tax-deductible expenditure, paying via PAYE offers Council simple assurance that the Mayoral Allowance is compliant with HMRC guidance. It also follows that by reducing the allowance, the level of tax incurred will be minimised.

It was RECOMMENDED to Council that:

- i. **Felixstowe Town Council does not seek to introduce a Basic Allowance for its Members, and the office of Town Councillor is to remain unpaid;**
- ii. **the Civic Events budget 2019/20 be increased by £2,000 to be used for any recurring Mayoral activities/Civic Events and known expenditure which would normally come from the Mayoral allowance in order that VAT can be reclaimed where appropriate;**
- iii. **the Members Expenses budget 2019/20 be increased by £1,000 to enable the Mayor to claim for travel/receipted expenditure in accordance with HMRC guidance; and,**
- iv. **the Mayor's Allowance for 2019/20 be reduced to £3,000 for the purpose of defraying other costs associated with the office of Mayor, with payment made following approval at Annual Council, on the basis of PAYE through the Council's payroll system; and,**
- v. **the Members' Expenses Policy be developed to become a Members' Allowances & Expenses Policy on the basis of incorporating the above recommendations and additionally enabling the Mayor (and Deputy Mayor as required) to be reimbursed for tax-deductible out-of-pocket expenses.**

441. FELIXSTOWE PROM TRAFFIC ORDER CONSULTATION

Committee considered the report on the Felixstowe Prom Traffic Order Consultation and the Suffolk County Council order and were pleased to note that events such as the annual car rally, and events at the Hut could apply for a licence to enable vehicles on the Prom. Members discussed the need for adequate signage such as 'Authorised vehicles only'.

It was RESOLVED that the Town Clerk responds to the consultation, noting that Felixstowe Town Council welcomes the Felixstowe Prom Traffic Order subject to adequate provision of signage.

442. ACTION PLAN WORKING GROUP UPDATE

In preparation towards the full review of the Council's Business Plan in 2019-20, Members considered a draft Action Plan which had been streamlined to concentrate on more strategic issues. It was noted that this had been based on input from the Action Plan Working group.

It was RESOLVED that the new style Action Plan be recommended to Council for adoption.

443. CLOSURE

The meeting was closed at 8.50pm. The next meeting was noted as being scheduled for Wednesday 27 March 2019 at 7.30pm.

Date: _____

Chairman: _____