



TO ALL MEMBERS OF THE FINANCE & GENERAL PURPOSES COMMITTEE

Cllr S Bird (Chairman)	Cllr G Newman
Cllr S Gallant (Vice Chairman)	Cllr D Savage
Cllr N Barber	Cllr A Smith
Cllr M Deacon	Cllr S Wiles
Cllr Jan Garfield	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 28 November 2018** at **7.30pm** for the transaction of the following business:

A G E N D A

- 1. Public Question Time**
Up to 15 minutes set aside to enable members of the public to make representation or put questions to the Committee on any relevant matters.
- 2. Apologies**
To receive apologies for absence.
- 3. 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.
- 4. 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.
- 5. Confirmation of Minutes**
To confirm the Minutes of the Finance & General Purposes Committee meeting held on 26 September 2018 as a true record. **(Pages 3-4)**
- 6. Budget Monitoring to 31 October 2018**
To receive budget monitoring report to 31 October 2018 and consider any actions deemed necessary. **(Pages 5-8 & Appendix A)**

- 7. Budget Estimates 2019/20 (Draft)**
To consider draft budget proposals for 2019/20 following recommendations from Council's Assets & Services, Civic & Community and Personnel Committees and make any recommendation to Council.
(Page 9 & Appendices B-E)
- 8. Internal Audit – Interim Report**
To receive the report of the Internal Auditor and consider appropriate action in respect of any matters raised.
(Pages 10-12 & Appendix F)
- 9. Community Infrastructure Levy (CIL) Annual Report**
To receive the report on CIL, approve the CIL Annual Report and make any recommendations to Council.
(Pages 13-14 & Appendix G)
- 10. Data Protection Officer Audit Report**
To receive the full report from the Council's Data Protection Officer.
(Page 14 & Appendix H)
- 11. Closure**
To close proceedings and confirm the date of the next meeting scheduled for Wednesday 28 November 2018 at 7.30pm.



Ash Tadjrishi
Town Clerk
23 November 2018

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

Meetings of the Town Council and its Committees are open to the press and public who are welcome to attend.

AGENDA ITEM 5: CONFIRMATION OF MINUTES

MINUTES of the **FINANCE & GENERAL PURPOSES COMMITTEE** meeting held at Felixstowe Town Hall on **Wednesday 26 September 2018** at **7.30pm**

PRESENT: Cllr S Bird (Chairman) Cllr S Wiles
Cllr S Gallant (Vice-Chairman) Cllr Jan Garfield
Cllr M Deacon

OFFICERS: Mrs D Frost (Deputy Town Clerk)
Mr S Congi (Apprentice)

257. PUBLIC QUESTIONS

There were none.

258. APOLOGIES FOR ABSENCE

Apologies for absence were received from **Cllr G Newman, Cllr N Barber, Cllr A Smith, Cllr D Savage** and **Cllr K Williams**.

259. DECLARATIONS OF INTEREST

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

260. REQUESTS FOR DISPENSATION

There were none.

261. CONFIRMATION OF MINUTES

It was **RESOLVED** that the **Minutes of the Finance & General Purposes Committee Meeting held on 25 July 2018** be signed by the **Chairman** as a true record.

262. BUDGET MONITORING TO 31 AUGUST 2018

Committee received the budget monitoring report to 31 August 2018. A report of any variance to budget estimates for the period greater than 10% or £500 was considered. It was noted that a new contract for the Photocopier/Printer would commence at the end of October and provide a cost saving to Council.

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

263. DATA PROTECTION OFFICER AUDIT REPORT

Due to illness, the Data Protection Officer was unable to submit the full report and thus the report could not be presented at this meeting. A summary report had been received detailing how the Council has taken excellent steps towards GDPR compliance. It was noted that action has been taken to address the two minor recommendations.

It was RESOLVED that the Data Protection Officer Audit Report be noted and the full audit report to be forwarded to Members as soon as it was received.

264. ACCOUNTS AND AUDIT 2017/2018

Council noted that the External Audit for the Financial Year 2017/18 had been completed on 14 September 2018, with no formal or any other matters being raised.

Members recorded a vote of thanks to the Town Clerk and staff for their work in continuing to achieve clear and unqualified audits for the Council.

It was RESOLVED that:

- i. the Annual Governance And Accountability Return including Audit Certificate, be approved and accepted as presented; and,**
- ii. it be noted that, in accordance with the Local Audit and Accountability Act 2014 as defined by the Accounts and Audit Regulations 2015, the Notice of Conclusion of Audit had been put on the Town Hall noticeboard from 19 September and will be displayed until 10 October 2018.**

265. CLOSURE

The meeting was closed at 7.58pm. The next meeting was noted as being scheduled for Wednesday 28 November 2018 at 7.30pm.

AGENDA ITEM 6: BUDGET MONITORING TO 31 OCTOBER 2018

A summary Income & Expenditure Report to 31 October 2018 is shown below with a detailed report provided at **Appendix A**.

	Actual Last Year	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<div style="display: flex; justify-content: space-between;"> 13/11/2018 Felixstowe Town Council Page 1 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> 11:06 Summary Income & Expenditure by Budget Heading 31/10/2018 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Month No: 7 Committee Report </div>							
<u>Finance & General Purposes</u>							
Income	593,476	568,653	564,967	(3,686)			100.7%
Expenditure	252,788	157,869	265,081	107,212	0	107,212	59.6%
Movement to/(from) Gen Reserve	340,688	410,784					
<u>Assets & Services</u>							
Income	150,786	84,884	113,222	28,338			75.0%
Expenditure	246,839	143,282	263,066	119,784	0	119,784	54.5%
Movement to/(from) Gen Reserve	(96,053)	(58,397)					
<u>Civic & Community</u>							
Income	13,808	9,055	14,242	5,187			63.6%
Expenditure	122,702	87,612	128,958	41,346	0	41,346	67.9%
Movement to/(from) Gen Reserve	(108,894)	(78,558)					
Grand Totals:- Income	758,070	662,592	692,431	29,839			95.7%
Expenditure	622,329	388,763	657,105	268,342	0	268,342	59.2%
Net Income over Expenditure	135,741	273,829	35,326	(238,503)			
Movement to/(from) Gen Reserve	135,741	273,829					

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 seven months in to the year, for overall expenditure to be around 58.33%, with an explanation for any items overspent by £500 or 10% or over this level (i.e. 64.2%). Total expenditure for the first seven months stood at 59.2%. Explanatory notes and any recommended action for individual qualifying items in **Appendix A** are as follows:

Cost Centre 101 - Administration

4030 Training (84.9%)

Includes upfront payment for staff tuition fees

Recommendation: Further to Personnel Committee recommendation, training budget for 2019-20 has been reappportioned.

4460 Subscriptions (97.8%)

All subscriptions paid to date.

Recommendation: No action.

4461 External Audit (117.2%)

Non-budgeted CIL income received during 2017-18 contributed took Council in to the auditor's next income banding fee level.

Recommendation: Increased budget for 2019-20.

4464 Insurance (92.5%)

Full year payment up front (also rebate received).

Recommendation: No action.

4468 Miscellaneous (96%)

Including new pads and batteries for defibrillator.

Recommendation: Include budget provision for maintenance of Community Public Access Defibrillators from 2019-20

4481 IT Maintenance and Software (88.7%)

Front loaded annual IT support, mail boxes, Defence 360, RBS & Edge paid. New cemetery software installed 20th September will have an ongoing annual cost.

Recommendation: Budget 2019-20 increased to cover for cost of new software licences.

Cost Centre 201 - Town Hall

1000 Hirings (54.2%)

Further £231.67 (10.5%) invoiced, awaiting payment.

Recommendation: Continue to monitor.

4001 Employer National Insurance (66.9%)

Seasonal increase on hours due to weddings/bookings/Heritage Open Day.

Recommendation: Continue to monitor.

4110 Rates (65.3%)

Rates are paid over 10 months only.

Recommendation: No action.

4170 Repairs and Maintenance (98.7%)

Expected overspend due to new Fire Extinguishers and stair-riser repairs. Reported to Assets & Services (*Min #321 ii 2018/19 refers*) and approved subject to not exceeding the total overall Repairs and Maintenance budget.

Recommendation: Continue to monitor.

4180 Licences (100%)

Paid in full for 2018-19.

Recommendation: No action.

4260 Equipment Purchases (89.4%)

Evacuation sledge and Ramp purchased.

Recommendation: No action.**Cost Centre 202 – Walton Community Hall****1000 Hirings (57.1%)**

Further £477.50 (6.4%) invoiced, awaiting payment.

Recommendation: Continue to monitor.**4110 Rates (70.4%)**

Rates are paid over 10 months only.

Recommendation: No further action**Cost Centre 204 – Cemetery****1100 Interment Fees (44.3%)**

Further £1,231 (3.1%) invoiced, awaiting payment & £3,415 (8.5%) interments awaiting invoicing.

Recommendation: Continue to monitor.**1130 Memorials (43.6%)**

Further £2,325 (19.4%) invoiced, awaiting payment.

Recommendation: Continue to monitor.**4110 Rates (65.7%)**

Rates are paid over 10 months only.

Recommendation: No further action**Cost Centre 301 – Civic & Community****1810 Donations & Sponsorship (0%)**

None received at this time. EoE Coop sponsorship of £3,000 plus vendor concessions anticipated.

Recommendation: Budget 2019-20 adjusted accordingly.**4505 Mayoral Allowance (100%)**

Paid in full May 2018.

Recommendation: No further action**4600 CCTV (100%)**

Paid in full June 2018.

Recommendation: No further action**4645 Christmas Lights (100%)**

Paid in full June 2018.

Recommendation: No further action

Cost Centre 302 – Section 137 Expenditure

4620 Annual Grants (100.0%)

All annual grants have been paid.

Recommendation: No further action.

Cost Centre 303 – Felixstowe in Flower

4512 Engraving/Sign Writing (68.1%)

Complete for 2018-19.

Recommendation: No further action.

4532 Felixstowe in Flower Events (97.8%)

Complete for 2018-19.

Recommendation: No further action.

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 31 October 2018 and decide on any action it deems necessary.

AGENDA ITEM 7: BUDGET ESTIMATES 2019/20 (DRAFT)

Committee is to consider draft budget estimates for the Financial Year 2019/20 and to make any recommendations to Council.

Sections of the budget have been considered and reviewed by Council's Assets & Services, Civic & Community and Personnel Committees. Further adjustments to these drafts have been incorporated in to a full initial draft budget for 2019/20. This is presented for consideration alongside current-year expenditure and projected outturn for the full year to 31 March 2019 and a comparison against the previous year provided at **Appendix B**. Notes to the budget estimates are provided at **Appendix C**.

Proposals for movements, reallocations and transfers to Earmarked Reserves are shown at **Appendix D** with corresponding notes at **Appendix E**.

Suffolk Coastal District Council has confirmed that Felixstowe Town Council's taxbase for 2019/20 will be 8,324.16

Members will note that the budget estimates presented provide for the following:

	Budget 2018/19	Budget 2019/20
Total Operating Expenditure Requirement	£657,105	£670,546
Less Estimated Income	£131,464	£139,877
Less Contribution from General Fund	£15,858	£8,583
Add On Contribution to Earmarked Reserves	£51,184	£51,027
Gross Precept Requirement	£ 560,967	£ 578,113
Band D Equivalent Properties	8,238.61	8,324.16
Annual Council Tax charge per Band D	£68.09	£69.45
% change 2018/19 to 2019/20		2%

The Council Tax charge per Band D equivalent ratepayer is proposed to be increased by 2% for the 2019/20 budget. A contribution of £8,583 from the Council's General Fund is proposed to meet the increased first-year costs of producing a new quarterly magazine rather than the current single-sheet newsletter. The level to which the cost of the magazine can be offset by advertising will be better known once it is in production and will be factored in for future years.

Pending any further adjustments, as a result of new information or recommendations of the Finance & General Purposes Committee, Committee is requested to consider draft budget estimates for the Financial Year 2019/20 and make any recommendations to Council as it considers necessary.

AGENDA ITEM 8: INTERNAL AUDIT – INTERIM REPORT

The Internal Audit Report for the half year ending 30 September 2018 is attached at **Appendix F**. The Internal Auditor made the following recommendations:

Section 2. Financial regulations, standing orders, payment controls – Monthly spend limits should be regularly reviewed and agreed as appropriate

Clerk's note: Monthly spend limit was incorrectly being shown as £100,000 in the Barclaycard statements when in fact it is £10,000. This has now been corrected by Barclaycard.

Section 7 Payroll Controls – Council should satisfy itself that current arrangements in respect of allowances is in accordance with para 5.49 of Governance and Accountability published March 2018 and <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65970>

Clerk's note: Para 5.49 of Governance and Accountability March 2018 states that "care should also be taken when making any payments of expenses or allowances to non-employees, for example authority members, which should also be considered as falling within the scope of PAYE."

Local authorities sometimes ask how their systems can be structured so that no tax liability arises for their civic dignitaries in respect of expenses payments made to them. HMRC's Employment Income Manual indicate that a system which in practice pays within the AMAPs amount for travelling expenses and provides for reimbursement only of those expenses deductible under the rules described in paragraphs 108 and 109 is unlikely to give rise to tax consequences. In addition, it is likely that a dispensation (see paragraphs 120-124) could be agreed with respect to such a system - eliminating reporting requirements.

Relief for expenses

108. Under the employment income expenses rules (Section 336 - 339 Income Tax (Earnings and Pensions) Act 2003, (ITEPA 2003)), local government councillors and civic dignitaries can get a tax deduction for:

- travelling expenses necessarily incurred in the performance of the duties of their office
- other travelling expenses which relate to their necessary attendance at a temporary workplace
- any other expenses which are incurred wholly, exclusively and necessarily in the performance of their official duties

but note that expenses for travel in a person's own vehicle are dealt with under separate rules and that actual mileage expenses are not deductible.

109. These rules include a series of conditions that vary for each type of expenditure. The conditions are:

- in all cases the expenditure must actually be incurred. So, for example, if a councillor or civic dignitary is away overnight on council business but finds it more convenient to stay with friends rather than incur hotel bills, there may be

no expenditure to set against any allowance received so no deduction would be due

- travelling expenses necessarily incurred in performing the duties of the office are limited to expenses during necessary travel on members' business, for example travelling between the local authority offices and a place the member needs to visit on local government business
- a temporary workplace is a place the member only attends occasionally to carry out duties, or attends for a limited duration (defined as not more than 40% of working time over a period not exceeding 24 months) or a temporary purpose. The travel expenses to be deducted under this heading are the expenses of travelling between the members' home and the temporary workplace
- for expenses other than expenses of travel to a temporary workplace the expenditure must be incurred in the performance of the individual's duties. This means that, to be deductible, the expense must be incurred in actually carrying out the duties of the office. It is not sufficient that an expense is simply relevant to, or incurred in connection with, the duties of the office. In particular, no expense will be allowable which merely puts the office holder in a position to perform the duties of that office
- also for expenses other than those of travel to a temporary workplace the expenditure must be such that any holder of the office would be necessarily obliged to incur it. The fact that an office holder is encouraged, expected or required to incur a particular expense is not conclusive evidence that it is 'necessarily' incurred. Also, the expense must stem from the requirements of the job itself, not from the personal circumstances of the office holder. Strictly, the 'necessity test' will be satisfied if (and only if) each and every person holding the office would have to incur the expenditure
- expenditure on anything other than travel must also be incurred wholly and exclusively in the performance of the office holder's duties. For example, it may be necessary for a councillor to use a home telephone in the performance of his or her duties - but where the same facility is available to be used also for personal calls, the rental costs are not incurred exclusively in the performance of duties so no deduction is due (see paragraph 126(iii) below).

In addition, a deduction may only be given to the extent that the expense incurred does not exceed the earnings of the relevant office. If, for a particular year of assessment, there are insufficient earnings from the office to cover the expense claimed, no deduction can be given against any other income, including income from other offices or employments.

Similarly, where a councillor has renounced allowances to which he or she would otherwise be entitled, no expenses may be claimed as a deduction.

Dispensations

120. A 'dispensation' is a notice given by an Officer of HMRC to an employer if the Officer is satisfied that expense allowances paid or benefits provided by the employer would be fully matched by an expenses deduction, with the result that no tax liability arises. A dispensation relieves the employer of the need to report details of the particular expenses payments or benefits provided to HMRC or to the

employee or office-holder. And the employee or office-holder need not show them in his or her tax return if they get one.

121. The dispensation does not exempt from tax items upon which the taxpayer would otherwise be taxed. The aim is to eliminate unnecessary administrative burdens where no tax will be due, not to reduce the tax paid. Dispensations are reviewed from time to time and can be revoked. More advice on dispensations and an application form can be obtained from any Tax Office.

122. Dispensations are not appropriate for 'round sum' expenses allowances. But where an allowance is clearly intended to do no more than reimburse expenses actually incurred in carrying out the employee's or office-holder's duties, and the expense was incurred only because of the office or employment, the Officer may be prepared to authorise payment of the allowance without deducting PAYE. Before doing this, the Officer will need to be satisfied, however, that the allowance is at a reasonable scale and is clearly intended to do no more than reimburse expenses actually incurred.

123. Mileage expenses payments cannot be included in a dispensation.

124. Whenever there is no dispensation in operation authorities should consider whether or not PAYE should be applied to the allowances they pay. The Officer will give guidance on this point.

Committee is requested to consider the attached half-yearly Internal Audit Report for the period 1 April 2018 - 30 September 2018 and make recommendations to Council for any action it deems necessary.

AGENDA ITEM 9: COMMUNITY INFRASTRUCTURE LEVY (CIL)

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.

15% of the CIL payments received by the District Council which were made for development in the Felixstowe area of these payments are passed to the Town Council as Neighbourhood Funding.

Two payments of CIL were received in the year 2017/18 of £204.97 in April 2017 and £26,691.82 in October 2017. At the start of the previous financial year an earmarked reserve for CIL payments was created to ring-fence CIL payments when received.

This year £1,552.48 was received in April, and a payment of £2,087.33 was received in October.

The developments for which the CIL payments were paid are:

CILDEMDC/17/2625/FUL - Land to rear of 61 Princes Road, Felixstowe

CILDEMDC/16/3973/ARM - 15 Cliff Road, Felixstowe

CILDEMDC/16/1617/FUL - 80 & 82 King Street, Felixstowe

CILDEMDC/15/4268/FUL - 3 Margaret Street, Felixstowe

The table below sent by the District Council lists future expected receipts, based on CIL liabilities that have been invoiced. Please note that this list is subject to change depending on whether payments are actually received during the period and payments not yet invoiced may be made. This list is provided for expenditure planning purposes only:

CIL Ref	Site address	Amount	Due Date
CILDEMDC/17/2625/FUL	Land to rear of 61 Princes Road, Felixstowe	£343.81	14/02/2019
CILDEMDC/16/2416/FUL	17a Beatrice Avenue, Felixstowe	£261.72	01/10/2018
CILDEMDC/14/3279/FUL	230 High Street, Walton, Felixstowe	£677.70	07/10/2018
CILDEMDC/17/2554/FUL	Bath Road, Felixstowe	£1,306.48	09/11/2018
CILDEMDC/18/0083/ARM	Land adjacent 3 Exeter Road, Felixstowe	£190.37	16/11/2018

The leaflet shown at <http://www.eastsuffolk.gov.uk/assets/Planning/Community-Infrastructure-Levy/SCDC-CIL-info-for-town-parish-councils.pdf> details the process of payments made to Parish/Town Councils and what it can be spent on. The leaflet gives details on the annual report which must be published by Town/Parish Councils which have received a proportion of the CIL funds. This report is to be published by 31 December of the following reported year giving details on the total CIL received, how it was spent and unspent funds.

The Town Council's CIL annual report for the year 2017/18 is shown at **Appendix G**. This report will be published on the Town Council website, a brief summary reported in the newsletter and put on the noticeboard. The CIL annual report will also be sent to Suffolk Coastal District Council by the 31st December 2018 deadline.

Any funds which are erroneously spent will be required to be handed back to the District Council. Additionally funds which are not spent within 5 years must also be handed back to the District Council. It is good practice to discuss any potential expenditure of CIL funds with the District Council.

Committee is requested to note the report on CIL, review the CIL Annual Report 2017/18 and make any recommendations to Council.

AGENDA ITEM 10: DATA PROTECTION OFFICER AUDIT REPORT

Council's Data Protection Officer, Jayne Cole, from the Local Council Public Advisory Service visited the Town Hall on Monday 3 September 2018, to carry out an initial audit of the Town Council's data processing in respect of its obligations under the General Data Protection Regulations (GDPR) 2018 and Data Protection Act (DPA) 2018. A summary report was reported to F&GP (*Min #263 2018/19 refers*).

Following on from this the full report can be found at **Appendix H**

As previously noted, action has been taken to address the two minor recommendations.

Committee is requested to note the Data Protection Officer's full Audit Report and consider any recommendations.
