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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 S Bird
Cllr S Bennett
Cllr T Gale

Cllr M James
Cllr M Sharman
Cllr S Wiles
Cllr W Underwood

You are hereby summoned to attend a meeting of the **FINANCE & GOVERNANCE COMMITTEE** to be held at **TOWN HALL, FELIXSTOWE** on **Wednesday 3 June 2026** 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://felixstowe.gov.uk/remote-meeting-guide>

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
29 May 2026

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 18 March 2026 as a true record. **(Pages 4-8)**
- 5. Internal Audit Report: Full Year 2025/26**
To receive the Full Year Internal Audit report for 2025/26
(Pages 9-10 & Appendix A)
- 6. Review of Internal Audit Effectiveness**
To review the effectiveness of Council's appointed Internal Auditor and make any recommendations to Council. **(Pages 11-13)**
- 7. Annual Governance Statement and Annual Return 2025-26**
To consider the Accounts, Annual Governance Statement and Annual Return for 2025-26 for onward referral to Council. **(Page 13 & Appendix B)**
- 8. Annual Report 2025-26**
To receive, and recommend to Council, the Annual Report of the Town Council for the Municipal Year 2025-26. **(Page 13 & Report to follow)**
- 9. Budget Monitoring to 30 May 2026**
To receive budget monitoring report to 30 April 2025 and consider any actions deemed necessary. **(Pages 14-16 & Appendix C)**
- 10. Quarterly Bank Reconciliation**
To note that the appointed Councillor confirmed the reconciliation between the actual bank statement and Scribe accounts for the period 1 April 2025 – 31 March 2026. **(Verbal confirmation)**
- 11. Council Investments**
To note the proceeds and consider the re-investment of a 1 year fixed-rate bond with Close Brothers. **(Pages 17-21)**
- 12. Statement of Internal Control 2026/27**
To review the Council's Statement of Internal Control and make any recommendations to Council. **(Page 22 & Appendix D)**

13. Action Plan Review

To review the Action Plan linked to the Business Plan 2024–28.

(Page 23 & Appendix E)

14. Closure

To close proceedings and confirm the date of the next meeting scheduled for Wednesday 14 October 2026 at 7.30pm.

AGENDA ITEM 4: CONFIRMATION OF MINUTES

**MINUTES of the FINANCE & GOVERNANCE COMMITTEE meeting held at
Town Hall, Felixstowe on Wednesday 18 March 2026 at 7.30pm**

PRESENT: Cllr M Deacon (Chair)
Cllr D Rowe (Vice-Chair) Cllr M James
Cllr S Bird Cllr M Sharman
Cllr S Bennett Cllr W Underwood

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

446. PUBLIC QUESTION TIME

There was none.

447. APOLOGIES FOR ABSENCE

Apologies for absence were received from **Cllr D Aitchison** and **Cllr S Wiles**.

448. DECLARATIONS OF INTEREST

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

Member(s)	Minute No.	Nature of Interest
Cllr S Bennett Cllr M Deacon	All	Other registerable interests (as Members of East Suffolk Council)
Cllr S Bird Cllr S Bennett	All	Other registerable interest (as Members of Suffolk County Council)

Members were reminded that should any matters arise during the meeting which relate to these interests, appropriate declarations should be made at that time.

449. CONFIRMATION OF MINUTES

It was RESOLVED that the Minutes of the Finance & Governance Committee Meeting held on 28 January 2026 be signed as a true record.

450. BUDGET MONITORING TO 28 FEBRUARY 2026

Committee received the budget monitoring report to 28 February 2026. Attention was directed at increased water prices, with Members advised of recent unit charge rises and the high consumption at the allotment sites.

Committee noted that the revised invoice chasing process was working well.

RESOLVED that the budget monitoring report to 28 February 2026 be noted.

451. TERMS OF REFERENCE 2026/27

Committee considered the Terms of Reference for Council and Committee for 2026-27.

It was RESOLVED that the Terms of Reference for the period 2026/27 be updated and recommended to Council for adoption as presented.

452. STANDING ORDERS 2026/27

Committee considered the Standing Orders for 2026-27, noting the amendment concerning the wording on convening extraordinary councils meetings, as discussed in the previous Council meeting.

It was RESOLVED that the Standing Orders for 2026/27 be recommended to the Annual Council Meeting for adoption as presented.

453. FINANCIAL REGULATIONS 2026/27

Committee reviewed the Council's Financial Regulations for 2026/27 based on NALC's most recent model. In accordance with Regulation 6.8, Committee reviewed the continued use of BACS.

It was RESOLVED that:

- i. the Financial Regulations for 2026/27 be recommended to the Annual Council Meeting for adoption as presented; and,**
- ii. it be noted that the regulations remain compliant with the Procurement Act 2023 and Procurement Regulations 2024; and, that all electronic payment mandates remain valid under the 2025 resolution.**

454. RISK MANAGEMENT POLICY & FINANCIAL RISK REGISTER

Committee considered Council's Risk Management Policy and Financial Risk Register for 2026/27.

It was RESOLVED that the Risk Management Policy and Financial Risk Register be recommended to the Annual Council meeting for adoption as presented.

455. COMPLAINTS PROCEDURE 2026/27

Committee reviewed the Council's Complaints Procedure for 2026/27.

Committee called for consistency with terms of Chair and Chairman, and noted that the procedure had been updated for the 2026/27 municipal year with the addition of a specific exclusion to Section 2.3 to clarify that complaints relating to the handling of personal data would be processed in compliance with the Data (Use and Access) Act 2025.

It was RESOLVED that Council's Complaints Procedure be recommended to Annual Council for adoption in 2026/27.

456. PUBLICATION SCHEME 2026/27

Committee reviewed the Publication Scheme based on the Information Commissioner's Office (ICO) model publication scheme, and the schedule of information available from Felixstowe Town Council.

RESOLVED that the ICO model publication scheme be recommended to Annual Council for re-adoption without change for 2026/27.

457. RESERVES POLICY 2026-28

Committee considered the Reserves Policy for 2026/28, including an amendment advising that three months of operating expenditure general reserve is held, as opposed to nine. Committee was advised that since income is precept based, the risk is lower to a council than organisations dependent on monthly income.

It was RESOLVED that the Reserve's Policy be recommended to Annual Council for adoption as presented, with the inclusion of the 3–6 month operating expenditure target range for General Reserves, for the period 2026-28.

458. IT REPLACEMENT POLICY

Committee considered the IT Replacement Policy.

Committee was informed that due to the pandemic, desktops were replaced with more portable and efficient laptops. Six years later some of the devices have reached the end of their serviceable life, and as replacing all at once would be unfeasible, it was recommended that the IT Replacement Policy is put in place to record when devices are replaced.

It was RESOLVED that:

- i. the phased laptop replacement programme be approved and the draw-down from the IT Replacement Earmarked Reserve for the purchase of two laptops in the 2026/27 financial year be approved;**
- ii. the recent purchase of replacement batteries as a proactive measure to extend asset life be noted; and,**

iii. the 4-year rolling refresh cycle as the Council's standard IT Replacement Policy be endorsed.

459. DEBT MANAGEMENT POLICY

Committee considered the Debt Management Policy.

Committee was advised that new credit control methods will be introduced for late payers, with emphasis placed on fairness and legality.

It was RESOLVED that :

- i. the Debt Management Policy be recommended to Annual Council for adoption for the year 2026/27;**
- ii. the introduction of late payment charges for invoices remaining unpaid after 90 days, backdated to the 29th day of the invoice period be approved; and,**
- iii. Officers update all service Terms and Conditions, booking forms, and invoices to include a formal reference to the Debt Management Policy and the potential for late payment interest.**

460. ADOPTION OF DIGITAL GOVERNANCE FRAMEWORK (ASSERTION 10 COMPLIANCE)

Committee noted the authority delegated by Council to adopt policies to ensure that Felixstowe Town Council meets the mandatory Assertion 10 requirement of the 2025/26 Annual Governance Statement before the 31 March audit deadline.

It was noted that the Council's Assertion 10 compliance is based on the NALC roadmap, providing assurance that the Council's domains utilise an official .gov.uk address and that the website meets mandatory accessibility standards.

The Committee acknowledged the requirement for all held data to be adequately accounted for; to that end, the ICT policy had been updated to reflect requirements for multi-factor authentication and personal device usage, further reinforcing the use of the official domain for website and email communications.

Committee was advised of the ongoing work required for website content, specifically the inclusion of image descriptions to ensure accessibility for users with visual impairments. This standard will also be applied to PDFs and scanned documents. It was noted that third-party PDFs may present an accessibility risk and require ongoing mitigation. The Information Asset Register now identifies various points of Council data. Members were asked to sign a Statement of Understanding regarding the secure handling of credentials and the mandatory use of multi-factor authentication.

It was RESOLVED that :

- i. the revised ICT Policy 2026–2030 be adopted;**
- ii. the updates to the Data Protection and Data Retention Policies be approved;**
- iii. the updated Website Accessibility Statement be adopted and the Internal Audit Review record be noted;**
- iv. the Information Asset Register and DPIA Screening Tool be approved; and,**
- v. the finalised documents to be maintained and presented to the Internal Auditor as primary evidence of Assertion 10 compliance for the 2025/26 financial year.**

461. CLOSURE

The meeting was closed at 8:55pm. The next meeting noted as scheduled for Wednesday 3 June 2026.

AGENDA ITEM 5: INTERNAL AUDIT REPORT: FULL YEAR 2025/26

The final Internal Audit for the year ending 31 March 2026 took place on Monday, 27 April 2026. The purpose of internal audit is to review, appraise and report on the adequacy of internal control systems in place across the Council.

Following its consideration by the Finance & Governance Committee, the Internal Audit Report (**Appendix A**) is to be formally reviewed and received by full Council.

As well as some useful comments, the Internal Auditor made two recommendations:

The Transparency Code 2015 requires the quarterly publication of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. Section 31 of the code states that “Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000”. This is in addition to the requirements covered by Financial Regulation 5.4.

Recommendation: Council should seek to publish the required information where applicable.

Similarly, the 2015 legislation requires the publication of any contract, commissioned activity, purchase order, framework agreement and other legally enforceable agreement awarded with a value that exceeds £5,000. Section 32 of the code states “Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.”

Recommendation: Council should review the provisions of the code, and, where applicable, seek to publish the required information.

Officer Comment & Action Plan:

Members will note that the Internal Auditor’s spot-checks of standard payment controls, monthly bank reconciliations, and debit card management confirmed total compliance with the Council’s Financial Regulations and Proper Practices.

The two recommendations relate to obligations under the Local Government Transparency Code 2015. The Code mandates that local authorities with an annual turnover exceeding £200,000 must publish a register of invitations to tender and contracts awarded where the value exceeds £5,000. Whilst the Council adhered to national procurement rules (as no tenders exceeded the higher statutory limits of £30,000 or £60,000 for advertising on Contracts Finder), a dedicated local register for items over £5,000 has not been routinely published on the Council's website.

To fully address these recommendations and ensure robust compliance ahead of the final external audit submission, the following corrective actions are being implemented:

1. **Register Compilation:** Officers have reviewed financial records to identify all active, multi-year, and one-off commercial arrangements exceeding £5,000. This exercise confirms that long-term utility agreements, active vehicle leases, and one-off capital projects fall within the scope of the Code. Non-

procurement debt obligations (such as PWLB repayments) and standard, low-value ad-hoc expenditure have been correctly excluded.

2. **Website Publication:** The newly compiled Contracts Register will be published directly to this page.
3. **Ongoing Compliance:** In accordance with the 2015 Code, this online register will be managed as a live document and updated on a rolling basis at least quarterly.

Committee is requested to:

- i. **review and note the final Internal Audit Report for 2025/26;**
 - ii. **approve the proposed action plan to publish the compliant Contracts Register directly to the Council's website to meet the requirements of the Local Government Transparency Code 2015; and,**
 - iii. **recommend to Council that it formally receives and adopts the Internal Audit Report at its next meeting.**
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AGENDA ITEM 6: REVIEW OF INTERNAL AUDIT EFFECTIVENESS

The purpose of internal audit is to provide independent assurance that the systems of financial and other controls over a council's activities and operations are effective.

The Suffolk Association of Local Councils (SALC) has provided internal audit services to the Town Council since December 2012.

Following the Committee's previous recommendation (*Minute #41 2024/25 refers*), SALC was asked to provide a different internal auditor for each half-yearly audit. Mr Colin Poole had been the Council's regular auditor since October 2015. Ms Victoria Waples, Parish Clerk of Thurston Parish Council, carried out the most recent year-end internal audit, as well as the year-end audit for 2024/25. The last two mid-year audits have been conducted by Ms Julie Lawes, Parish Clerk at Capel St Mary.

As part of the Annual Governance and Accountability Return (AGAR) process, local councils are required to review the effectiveness of internal audit at least once a year, in accordance with proper practices. This forms part of the assurance needed when completing the Annual Governance Statement. This item will be referred to the next Ordinary Council meeting.

Review of Effectiveness of Internal Audit

The Smaller Authorities' Proper Practices Panel (SAPP) Practitioners' Guide advises that the review should be designed to assure the authority that it has maintained the standards of an adequate and effective internal audit of its risk management, control, and governance processes.

It should include, as a minimum, an assessment of the following:

- the scope of internal audit;
- independence;
- competence;
- relationships with the Clerk and the authority; and
- audit planning and reporting.

The Council must also satisfy itself that the internal audit service provides reliable assurance on internal controls and risk management.

The following assessment is provided to assist Committee in reviewing the effectiveness of Felixstowe Town Council's internal audit arrangements:

Scope of Internal Audit:

The Council determines the scope and extent of its internal audit, ensuring it is proportionate to the Council's size and responsibilities. The internal audit service provided by SALC reflects the recommended areas of coverage outlined in the Practitioner's Guide.

Independence:

Internal auditors must be independent of the Council's financial decision-making and management. Mr Poole, Ms Waples and Ms Lawes have no involvement in the Council's financial controls, procedures or decision-making processes.

Competence:

All three auditors have significant experience in auditing town and parish councils, having conducted internal audits on behalf of SALC across Suffolk. Their qualifications and familiarity with local council procedures meet the competency requirements set out in the Practitioner’s Guide.

Relationships with the Clerk and the Authority:

None of the auditors have any personal, professional, or financial relationships with members of the Council or its staff. They are entirely independent of the authority, with the exception of a professional association with the Deputy Town Clerk, who undertakes internal audit work for other local councils under a Service Level Agreement via SALC. In accordance with the independence and objectivity requirements set out within the Smaller Authorities’ Proper Practices Panel (SAPP) Practitioners’ Guide, the Deputy Town Clerk has no involvement in the appointment, scope, undertaking, supervision, or reporting of the Council’s own internal audit work. Appropriate safeguards are in place to ensure the internal audit function remains independent of the Council’s day-to-day financial administration, and the internal auditor retains direct access to the Council to raise any matters arising from the audit process.


Audit Planning and Reporting:

In addition to completing the internal audit section of the AGAR, the auditor produces a separate detailed report after each audit. These are presented to the Finance & Governance Committee, with any recommendations considered and, where necessary, actions reported to Council.

During 2025/26, the Council’s internal audit was carried out twice – in October 2025 (mid-year) and April 2026 (year-end).

Internal Audit Effectiveness Review Checklist (2025/26)

Criterion	Assessment	Met?
Scope of Internal Audit	Internal audit covers all expected areas per the SAPP Practitioners’ Guide. Audit work is proportionate to the size and responsibilities of the Council.	<input checked="" type="checkbox"/> Yes
Independence	Auditors have no involvement in financial decision-making or management. No conflicts of interest identified.	<input checked="" type="checkbox"/> Yes
Competence	Auditors have extensive experience auditing parish councils. Appointed via SALC with professional credibility.	<input checked="" type="checkbox"/> Yes
Relationships with Clerk/Council	Auditors are not related to, nor associated with, any Member, Clerk, or staff, with the exception of the Deputy Town Clerk whose independent external activity is subject to strict ring-fenced safeguards. Clear access to Council if concerns arise.	<input checked="" type="checkbox"/> Yes
Audit Planning and Reporting	Audit follows agreed schedule. AGAR and individual reports provided. Reports considered by Committee with clear follow-up actions.	<input checked="" type="checkbox"/> Yes

Criterion	Assessment	Met?
Assurance Provided	Internal audit reports provide reliable assurance on internal controls and risk management.	 Yes

Conclusion & Recommendation

Internal audit arrangements in 2025/26 meet all recommended standards of effectiveness. Committee may wish to recommend continuation of current arrangements for 2026/27.

Committee is requested to:

- i. review and approve the evaluation of internal audit effectiveness for the 2025/26 financial year; and
- ii. recommend to Full Council that the current internal audit arrangements via SALC be continued for the 2026/27 financial year.

AGENDA ITEM 7: ANNUAL GOVERNANCE STATEMENT AND ACCOUNTABILITY RETURN FOR 2025/26

The Annual Governance and Accountability Return (AGAR) for the financial year 2025/26 has been prepared for submission to Council and is presented at **Appendix B**.

The Council's year-end internal audit was carried out on 27 April 2026. The Internal Auditor has completed and signed the Annual Internal Audit Report section of the Return, confirming that the statutory internal control objectives have been met across all audited areas.

The minor advisory recommendations raised by the auditor regarding the 2015 Transparency Code have been addressed via the action plan approved under Agenda Item 5, and do not impact the formal submission of the return.

Committee is requested to receive the Annual Governance and Accountability Return for 2025/26 and recommend its approval to Council at the meeting scheduled for 17 June 2026.

AGENDA ITEM 8: 2025/26 ANNUAL REPORT

The draft Annual Report for 2025/26 will be circulated prior to the meeting for review. The report highlights the Council's work over the past municipal year.

Committee is requested to review, and recommend to Council, the Annual Report of the Town Council for the Municipal Year 2025-26.

AGENDA ITEM 9: BUDGET MONITORING TO 30 MAY 2026

A summary Income & Expenditure Report to 30 May 2026 is shown below with a detailed breakdown provided in the report at **Appendix C**.

1 April - 29 May 2026 (2026 - 2027)

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	762,786.00	436,433.11	-326,353	57.22%	393,300.00	73,318.67	319,981	18.64%
201 Town Hall	21,351.00	16,635.86	-4,715	77.92%	97,574.00	8,833.16	88,741	9.05%
202 Walton	15,000.00	2,408.83	-12,591	16.06%	15,938.00	2,583.22	13,355	16.21%
203 Broadway House	2,950.00	0.00	-2,950	0.00%	14,050.00	1,061.57	12,988	7.56%
204 Cemetery	78,595.00	17,907.18	-60,688	22.78%	196,203.40	34,110.71	162,093	17.39%
205 Allotment	20,000.00	23.00	-19,977	0.12%	42,632.00	6,781.32	35,851	15.91%
206 Parks & Recreation	0.00	0.00	0	N/A	41,442.00	5,597.39	35,845	13.51%
301 Civic & Community	0.00	0.00	0	N/A	30,802.00	11,230.01	19,572	36.46%
302 Grants	0.00	0.00	0	N/A	59,545.00	24,545.00	35,000	41.22%
303 Felixstowe in Flower	7,500.00	445.85	-7,054	5.94%	9,250.00	97.79	9,152	1.06%
304 Communication	7,500.00	360.00	-7,140	4.80%	21,310.00	0.00	21,310	0.00%
305 Community Projects	0.00	0.00	0	N/A	11,000.00	11,000.00	1,000	100.00%
NET TOTAL	915,682.00	474,213.83	-441,468.17	51.79%	933,046.40	179,158.84	753,887.56	19.20%

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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. As the Council's budgets are not produced on a phased basis, the expectation is, being two months in to the year, for overall expenditure to be around 16.7%, with an explanation for any items overspent by £500 or 10% or over this level (i.e. 18.3%). Total expenditure for the first month stood at 19.20%, as several items are full-year payments made at the beginning of the financial year, for example Insurance (100%) and Annual Grants (100%).

Explanatory notes and any recommended action for individual qualifying items in **Appendix C** are shown below.

Cost Centre 101 – Administration
1805 Bank Interest Received (3%) Close Brothers Interest not yet received Recommendation: No action.
4270 Printer/Photocopier (27%) Invoices are received quarterly Recommendation: No action.

<p>4400 Stationery (23%) Expenditure towards Town of Culture Workshop, anticipating grant Recommendation: No action.</p>
<p>4425 Postage (29%) Inopportune timing for top-up of franking machine credit Recommendation: No action.</p>
<p>4460 Subscriptions (95%) Full-year payments made at the beginning of the financial year. Recommendation: No action.</p>
<p>4464 Insurance (97%) Full-year payments made at the beginning of the financial year. Recommendation: No action.</p>
<p>4481 IT Maintenance & Software (20%) Full-year payments made at the beginning of the financial year – Scribe Accounting Software Recommendation: Continue to monitor on a monthly basis</p>
<p>Cost Centre 201 – Town Hall</p>
<p>4110 Rates (20%) Rates are paid over 10 months Recommendation: No action.</p>
<p>4120 Gas (21%) Continue to monitor on a monthly basis Recommendation: No action.</p>
<p>4155 Cleaning Materials (21%) Large order in late April Recommendation: Continue to monitor</p>
<p>Cost Centre 202 – Walton Community Hall</p>
<p>4111 Rates (20%) Rates are paid over 10 months only. Recommendation: No further action</p>
<p>4123 Electricity (21%) Working toward establishing a new smart meter with FIT Recommendation: Chase up with electricity supplier</p>
<p>Cost Centre 203 – Broadway House</p>
<p>1030 Leases, Rents & Licences (0.0%) Annual receipt to be invoiced in July. Recommendation: No further action.</p>
<p>Cost Centre 204 – Cemetery</p>
<p>4112 Rates (12%) Rates are paid over 10 months only. Recommendation: No further action</p>
<p>4262 Equipment Purchases (55%) PPE/Work clothes Recommendation: Continue to monitor on a monthly basis.</p>
<p>1160 Admin Fees (7%) Currently no outstanding invoices for Admin Fees Recommendation: Continue to monitor on a monthly basis.</p>

Cost Centre 205 – Allotments
1080 Allotment Rents (1%) Majority of Allotment rents are billed annually in September. Recommendation: No further action
Cost Centre 301 – Civic & Community
4511 Town Twinning (20%) Frontloaded Catering & Hire Costs for Twinning visits Recommendation: No further action
4600 CCTV (56%) Final quarter paid for current CCTV servicing. Recommendation: No further action
Cost Centre 302 – Grants
4620 Grants (100%) All annual grants paid Recommendation: No further action
Cost Centre 303 – Felixstowe in Flower
1810 Donations & Sponsorship (5%) Sponsors being contacted/invoiced throughout May/June Recommendation: Continue to monitor on a monthly basis.
Cost Centre 304 – Communication
1812 Donations & Sponsorship (5%) Financial year invoices begin with summer edition Recommendation: No further action.
Cost Centre 305 – Community Fund Projects
4625 Felixstowe Harwich Ferry (100%) Paid over at start of Financial Year. Recommendation: No further action.
4630 Level 2 (100%) Paid over at start of Financial Year. Recommendation: No further action.

Committee is requested to consider the budget monitoring report to 30 May 2026 and decide on any action it deems necessary.

AGENDA ITEM 11: COUNCIL INVESTMENTS

Committee is advised of the upcoming maturity of the Council's fixed-term investment with Close Brothers Savings and to determine the appropriate reinvestment vehicle for the principal sum of £500,000, ensuring strict compliance with the Council's adopted Annual [Investment Policy and Strategy 2026-27](#).

Strategic Investment Framework & Policy Constraints

Any decision regarding the reinvestment of these funds must satisfy the statutory criteria and local targets established in the Council's Investment Policy & Strategy 2026-27:

- **The SLY Framework:** The Strategy dictates that treasury management decisions must prioritise **Security** (protecting the capital sum from loss), then **Liquidity** (ensuring availability for expenditure), before finally seeking **Yield**.
- **Specified Investments Requirement:** The Council's strategy restricts investments to "Specified Investments," which are denominated in Sterling, carry a high credit rating, and have a maximum contractual maturity of **less than 12 months**.
- **Term Limits:** Section 6.1 explicitly states that no long-term investments (greater than 12 months) are envisaged or authorised for the 2026/27 financial year. Therefore, any multi-year commercial bond offers must be excluded from consideration.
- **Prohibited Vehicles:** Section 4.1 confirms that the Council will not use non-specified vehicles, such as commercial stocks, shares, or speculative instruments, due to market unpredictability.
- **Ethical Considerations:** In alignment with the Council's Climate Emergency Declaration, ethical and eco-friendly investment opportunities must be actively considered alongside yield, provided they satisfy core credit and security provisions.

Current Investment Status & Upcoming Maturity

The Council currently holds a 1-Year Investment Bond of £500,000 with Close Brothers Savings.

- **Maturity Date:** 22 July 2026
- **Yield Realised:** £21,000.00 (Fixed rate of 4.20%)
- **Accounting Treatment:** The accrued interest will be paid directly into the Council's primary bank account and recorded within the 2026/27 revenue budget as investment income.
- **Operational Contingency:** Upon maturity on 22 July 2026, the fund will automatically roll over into a 14-day holding facility pending formal reinvestment instructions. If no approved instruction is executed within this two-week window, the full principal and interest will default back to the Council's primary operational account.

Council's current Investments are as follows:

Institution	Type	Amount	Interest Rate / Account	Maturity / Notes
Close Brothers Treasury	1-year fixed bond	£500,000	4.2%	Matures 22 July 2026
Virgin Money	1-year fixed Business Term Deposit	£250,000	4%	Matures 14 Nov 2026
Nationwide Building Society	35-day notice savings	£480,901.01	2.4%	Variable rate. Ongoing fund.
Barclays Business Banking	Tracker / Current accounts	*Operational funds	Variable Tracker currently 1.05%	Tracker Account receives Precept. Automatic sweep from Tracker to Current account to maintain £50,000 overnight balance.

Institution	Agency	Long-Term	Short-Term	Notes
Close Brothers Ltd	Fitch	BBB	F3	Negative outlook (closebrothers.com)
	Moody's	A3	P2	(closebrothers.com)
Nationwide Building Society	Fitch	A	F1	Stable outlook (Fitchratings.com)
	Moody's	A1	P-1	Latest issuer ratings (nationwide.co.uk)
Virgin Money UK PLC	Fitch	A	F1	(virginmoneyukplc.com)
	Moody's	A3	P2	(moodys.com – Register to view)
	Standard & Poor			(virginmoneyukplc.com)
Barclays Bank UK PLC	Fitch	A+	F1	(home.barclays)
	Moody's	A1	P-1	(home.barclays)

*Operational Funds - Barclays Accounts

- Current Account**
 Used for daily operations and automatically topped up to £50,000 daily from the tracker account.
 Current balance after payments made on 29 May 2026 - £27,798.40
- Business Tracker Account**
 Receives precept payments; balance has ranged from £47,709.58 to £881,512.41 in the past year.

Current balance: £445,609.93

Interest rate: 1.05% AER

In line with the Council's Climate Emergency Declaration, Members have reviewed investment counterparties for environmental and ethical impact:

- Nationwide Building Society: Rated as the second most ethical bank in the UK. Lending is primarily residential mortgages, avoids fossil fuel investment, discloses carbon emissions, and sets science-based targets. [Ethical banking Ethical banks and building societies](#)
- Virgin Money: Now part of Nationwide, may provide additional operational banking options (dual authorisation, payroll system, multiple signatories).
- Nationwide is ethically rated and holds an A Stable rating from Fitch [Details: <https://www.nationwide.co.uk/about-us/responsible-business>]

Council Treasury & Reserve Standings (As at 31 March 2026)

To satisfy liquidity requirements, the Town Clerk must ensure the Council retains at least three months' average working capital in immediate-access operational accounts. The current cash and reserve distributions stand as follows:

- **General Reserves:** £395,742.97. *(In line with revised risk management guidance to protect against lower reserves, this satisfies the Council's benchmark target of holding 3–6 months of net expenditure: £262,868 – £525,736).*
- **Earmarked Reserves:** £1,057,642 *(This includes £486,244.06 of Community Infrastructure Levy (CIL) balances, alongside dedicated provisions for the Cemetery Extension Project).*

The principal sum of £500,000 under review is entirely allocated within these Earmarked Reserves and is definitively not required to fund capital or operational outgoings within the next 12 months. Reinvesting this sum in a fixed 12-month vehicle will therefore not compromise daily operational liquidity.

Options Appraisal for Reinvestment

The following options have been evaluated against the 2026-27 statutory strategy guidelines:

Option A: 1-Year Commercial Renewal (Close Brothers Savings)

- **Current Offer:** 4.45% AER fixed-term deposit (yielding a guaranteed **£22,250.00** interest).
- **Policy Alignment:** Satisfies the <12 month term limit for a Specified Investment.
- **Risk Evaluation:** Close Brothers Group remains on a 'Rating Watch Negative' by Fitch Ratings due to sector-wide regulatory reviews of motor finance. It holds a credit rating of BBB+. Under Section 5.3 of our strategy, credit ratings must be monitored quarterly, and any degradation requires formal consultation with the Finance & Governance Chairman.

Option B: CCLA Public Sector Deposit Fund (PSDF)

- **Current Offer:** ~3.82% variable net annualised yield (indicative 12-month return of **£19,100.00**, subject to daily market fluctuations).
- **Policy Alignment:** Strongly satisfies the SLY criteria. The fund is restricted exclusively to public sector bodies, holds an investment-grade **AAAmf** credit rating from Fitch, and offers instant daily liquidity.
- **Risk Evaluation:** Highly insulated. The fund pools cash across a highly diversified range of top-tier global institutions, mitigating single-counterparty risk entirely. However, the yield is variable and sits lower than a guaranteed commercial bond.

Option C: Alternative Commercial 1-Year Bonds (Specified Banks)

- **State Bank of India (UK):** 4.50% AER fixed-term deposit (yielding **£22,500.00** interest). Regulated in the UK, but sits outside traditional municipal treasury counterparties.
- **Barclays Bank (Corporate Desk):** 3.80% AER fixed-term deposit (yielding **£19,000.00** interest). Retains funds within the Council's primary clearing structure but delivers a significantly weaker financial return.

Option D: Ethical Banking Alternatives

In accordance with Section 2.2 of the strategy, the corporate desks of recognised ethical institutions have been evaluated:

- **Unity Trust Bank:** Offers dedicated social responsibility criteria and holds a secure investment-grade **BBB+** Stable rating from Fitch. Rates for fixed term allocations are available on application but historically track below top-tier commercial yields.
- **Triodos Bank:** Noted as an industry leader in environmental sustainability criteria, holding a **BBB** investment rating from Fitch. Yields reflect the premium associated with strict green lending criteria.

Summary Comparison for Committee

Investment Vehicle	Rate / Yield (AER)	Projected 12-Month Net Return	Fitch Credit Rating	Liquidity Profile	Ethical / Policy Check
Close Brothers Bond	4.45% (Fixed)	£22,250.00	BBB+ (Negative Watch)	Locked for 12 months	High yield; requires quarterly monitoring
State Bank of India	4.50% (Fixed)	£22,500.00	BB+ to BBB-equivalent	Locked for 12 months	Highest yield; non-traditional counterparty

CCLA Public Sector Fund	~3.82% (Variable)	£19,100.00 (Indicative)	AAAmmf	Instant (Daily) Access	Maximum security & liquidity alignment
Barclays Corporate Bond	3.80% (Fixed)	£19,000.00	A+ (Stable)	Locked for 12 months	Consolidates clearing; lower yield
Unity Trust Bank	Market Variable	On Application	BBB+ (Stable)	Locked for 12 months	High ethical/sector alignment
Triodos Bank Bond	Fixed / On Application	On Application	BBB (Stable)	Locked for 12 months	High ESG alignment; 100% transparent sustainable lending

Committee is requested to:

- i. note the upcoming maturity of the Close Brothers Investment Bond on 22 July 2026 and the subsequent transfer of £21,000 in accrued interest to the 2026/27 revenue budget;**
- ii. evaluate the investment options presented above against the Council's prioritised requirements for Security, Liquidity, and Yield; and,**
- iii. formulate a recommendation to Full Council for the placement of the £500,000 principal sum into an approved, Strategy-compliant Specified Investment vehicle effective from 22 July 2026.**

AGENDA ITEM 12: STATEMENT OF INTERNAL CONTROL 2026/27

The Accounts and Audit Regulations 2015 state that a Council must ensure that it has a sound system of internal control which:

- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- ensures that the financial and operational management of the authority is effective; and,
- includes effective arrangements for the management of risk.

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.

The Council must operate an overall system of internal control appropriate to its expenditure and activity. As part of its system of internal control, the Council arranges for an internal audit where someone, other than the Responsible Financial Officer (RFO) and acting independently of the Council, scrutinises the Council's financial systems.

The system of internal control is designed to ensure that the Council's activities are carried out properly and as intended. Internal controls are set up by the RFO, but it falls on the Council Members to ensure that they maintain a robust degree of oversight and understanding of those mechanisms. Controls include the checking of routine financial procedures; the examination of financial variances against budgets; the recording of assets and liabilities; and the identification and evaluation of risks to manage them efficiently, effectively, and economically.

The Council's Statement of Internal Control for the year ending 31 March 2027 is presented at **Appendix D**.

Committee is requested to review and recommend to Full Council the adoption of the Statement of Internal Control for the 2026/27 financial year.

AGENDA ITEM 13: ACTION PLAN REVIEW

The Town Council's Action Plan sets out the key objectives and priorities identified in its [Business Plan 2024-28](#), providing a practical framework to guide service delivery and strategic development.

During 2025/26, notable progress has been made across several areas of the Action Plan, including improvements to community engagement in particular with the many community groups who helped put in the expression of interest for the Town of Culture and the planning of the Cemetery extension.

The Action Plan (**Appendix E**) is a living document, reviewed regularly by the Council and its standing Committees to monitor progress and ensure institutional accountability. It links short- and medium-term actions to the Council's long-term strategic aims and outlines clear targets, timescales, and responsible lead officers or Committees.

Since the adoption of the Business Plan, notable progress has been made across several areas of the Action Plan during the 2025/26 municipal year. Key achievements include:

- **Community Engagement:** Measurable improvements to public consultation channels and local stakeholder communication;
- **Civic Initiatives:** The successful development and delivery of targeted community events, such as the UK Town of Culture Competition; and,
- **Strategic Planning:** The formal establishment of the Budget Working Group.

Environmental sustainability, corporate asset maintenance, and ongoing financial support for civic and voluntary initiatives have also remained core, dominant themes driving the delivery plan.

The Finance & Governance Committee is responsible for reviewing the Action Plan regularly to assess overall delivery against the wider Business Plan objectives and to recommend formal updates to Full Council where necessary, ensuring continued alignment with the needs and aspirations of the local community.

Committee is requested to review the current Action Plan, note the progress achieved to date, and consider any updates or amendments required to ensure continued alignment with the Council's Business Plan objectives.