

Budget Review Working Group Report 2026

Preparing for the Budget 2027-28

Members:

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Executive Summary

During the first half of 2026, the Budget Review Working Group convened on three occasions to undertake an exhaustive, root-and-branch audit of the Town Council's income and expenditure portfolio.

The overarching conclusion of this comprehensive financial health check is exceptionally positive. The Council's financial position remains incredibly robust, stable, and prudently managed. Across all cost centres, budgets are tightly controlled, expenditure is aligned with service delivery, and contracts are consistently reviewed to ensure maximum value for Felixstowe taxpayers. The brevity and targeted nature of the recommendations in this report - focusing on operational refinements rather than major corrective actions - stand as a testament to the exemplary financial governance already embedded across the Council's committees.

This report outlines a series of proactive, forward-looking recommendations designed to build long-term sustainability, modernise concession frameworks, and capitalise on digital and environmental efficiencies. These proposals are structured to flow smoothly through the upcoming autumn committee cycle to inform the 2027–28 budget-setting process.

2. Committee Context & Recommendations

A. Assets & Services Committee

Town Hall & Walton Community Hall

The Council's physical assets are performing well. Walton Community Hall, bolstered by solar panels, battery storage, and an air source heat pump, has operated on an approximately cost-neutral basis and is projected to deliver small operating surpluses going forward. At the Town Hall, commercial space and licensee arrangements are highly positive, including the newly secured 18-month licence with Santander commencing in July 2026. To optimise income without impacting community groups, the wedding offer should be modernised.

- **Context:** Registrars and East Suffolk Council leases remain a vital source of income and community presence, though they must be monitored amidst the wider Local Government Review. Wedding fee reviews present an opportunity to align with market rates.
- **Recommendation A&S 1:** *That the Assets & Services Committee consider reviewing wedding fees, including the potential for an increase (e.g. circa 10%), benchmarked against comparable local providers.*
- **Recommendation A&S 2:** *Increase the promotion of Registrar Services and the Town Hall's wedding and room hire offer online.*
- **Recommendation A&S 3:** *Continue to monitor Town Hall leases within the context of the Local Government Review.*

Broadway House

Broadway House continues to serve as an invaluable community hub under lease to the Felixstowe Old People's Welfare Association (FOPWA).

- **Context:** The current lease equates to less than £8 per day, whilst the Council remains responsible for substantial caretaking, cleaning, and maintenance liabilities. Following FOPWA's unsuccessful external grant application, the Council wishes to support their transition toward long-term financial self-sufficiency.
- **Recommendation A&S 4:** *That, subject to consultation with FOPWA and a review of current lease and caretaking arrangements by the Assets & Services Committee, the Civic & Community Committee consider whether FOPWA may be eligible for an Annual Grant (similar to that provided to Level Two Youth Project) to support a transition towards greater financial sustainability.*

Cemetery & Parks

Both cost centres represent statutory or highly valued public services with high satisfaction levels and limited short-term scope for significant cost reductions.

- **Context:** Cemetery fees rose by 5% on 1 April 2026, and the net cost to the Council has reduced over recent years. Parks remain a wholly funded, cost-effective public service managed via a balance of in-house staff and East Suffolk Services. No immediate changes are recommended here, with annual fee reviews continuing in September.

Allotments

The allotment service is highly popular but currently heavily subsidised, with expenditure (primarily staff time) running at roughly double the income received.

- **Context:** Water costs and concessionary structures are the two key areas where sustainability can be improved. Moving concessionary eligibility away from age-based criteria to an approach based on receiving Universal Credit or

Pension Credit represents a fairer, modern model of social support. This can be managed securely in accordance with data protection principles by recording "eligibility verified" rather than keeping physical copies of sensitive personal data. Investigating a borehole capable of supplying 20,000 litres of water a day will also combat rising water utility costs.

- **Recommendation A&S 5:** *Initiate early engagement with the Felixstowe Allotment Association regarding the Council's longer-term aim of moving towards a more cost-neutral position.*
- **Recommendation A&S 6:** *Consider implementing a 10% annual rent increase over a 5–10 year period to gradually reduce the service subsidy.*
- **Recommendation A&S 7:** *Revise concessionary arrangements to remove age-related (pensioner) discounts and replace them with a discount for residents in receipt of Universal Credit or Pension Credit, updating the Council's Data Protection Impact Assessment (DPIA) accordingly to allow simple verification without data retention.*
- **Recommendation A&S 8:** *Investigate the feasibility and installation of a borehole producing up to 20,000 litres of water per day, alongside introducing a policy restriction on water butts larger than 80 litres to regulate consumption.*

B. Civic & Community Committee

Mayoral & Civic Budgets

The Town Council's civic traditions remain highly respected, cost-effective, and provide a platform for civic pride as well as high charitable value to the town.

- **Context:** The Mayor's Allowance of £3,000 is efficient, legally non-apportionable, and avoids complex VAT implications. Civic events, Remembrance, and Civic Awards consistently operate below their fixed operational ceilings, demonstrating great budget discipline. On the administrative side, updating the Mayoral Board can be kept cost-effective by continuing to apply lettering in-house.
- **Recommendation C&C 1:** *Maintain the Mayoral Allowance at £3,000 for the 2027–28 financial year.*

Town Twinning & Youth Forum

Twinning continues to foster vital international civic ties, and the Youth Forum remains a good example of youth-led democratic spending.

- **Context:** The Group agrees that the Youth Forum should retain its modest budget. Concerns were raised that the benefits of twinning are not being promoted as inclusively as possible to the wider public.

- **Recommendation C&C 2:** *Encourage the Twinning Association to find innovative ways to increase public awareness and promote wider community participation in town twinning.*

Grants & Community Support

Felixstowe Town Council has historically maintained a generous Occasional and Annual grants scheme to support local groups.

- **Context:** The Occasional Grants budget was recently expanded from £25,000 to £35,000, with the £10,000 difference funded via the Community Fund Earmarked Reserve (ER). This is an unsustainable long-term strategy as the ER route will not be available after the 2027–28 cycle. To protect the precept, grants must be closely monitored.
- **Recommendation C&C 3:** *Maintain existing grant levels for 2027–28, but note that if future cost-saving pressures arise to protect the precept, these codes must be targeted for review once Earmarked Reserve funding ceases.*

Felixstowe in Flower

This initiative remains a cherished asset, but post-pandemic corporate sponsorships for hanging baskets remain difficult to secure.

- **Context:** Seafront displays suffer from high maintenance demands and harsh coastal exposure. Rationalising these seafront displays and shifting resources to high-impact town centre retail spaces will create a more attractive proposition for corporate sponsors.
- **Recommendation C&C 4:** *Review and improve sponsorship opportunities for Felixstowe in Flower (including utilising "In support of..." branding) to move the scheme closer to a cost-neutral position.*

Communication: Town Magazine

While the printed seasonal magazine is highly valued by residents, the Council must adapt to rising paper, print, and postage costs.

- **Context:** Moving entirely digital would disadvantage non-digital residents. A reduction in frequency represents a pragmatic compromise that delivers significant cost savings while maintaining the physical connection with 11,000 local households.
- **Recommendation C&C 5:** *Reduce the publication and distribution frequency of the town magazine from quarterly (four times a year) to biannually (twice a year).*

C. Finance & Governance Committee

Administration, Office Costs, & Banking

The operational core of the Council is lean, highly efficient, and modernised.

- **Context:** Detailed scrutiny of stationery, printing, postage, and insurance showed that these costs are negligible, necessary, and frequently reviewed. The transition to modern card payment terminals (Sum-Up) and the active encouragement of online transactions have successfully reduced banking merchant fees.
- However, the IT maintenance contract provides a small window for potential savings. The current £162 + VAT monthly contract with Centradata should be benchmarked to ensure the Council is receiving optimal value.
- **Recommendation F&G 1:** *Officers to review the IT support services provided by Centradata to assess whether savings can be achieved without compromising security or network maintenance, reporting findings back to the Finance & Governance Committee.*

3. Recommendations Summary Table

The table below outlines the complete schedule of recommendations resulting from this root-and-branch budget review, mapped to the respective committees for formal consideration during the autumn cycle:

Committee	Area	Recommendation Detail
Assets & Services	Town Hall	Review Wedding fees, with a potential 10% increase, benchmarked against comparable local providers.
Assets & Services	Town Hall	Monitor Town Hall leases throughout the ongoing Local Government Review.
Assets & Services	Town Hall	Proactively promote Registrar Services, wedding packages, and room hire online.
Assets & Services / Civic & Community	Broadway House	Review Broadway House lease and caretaking arrangements with FOPWA. C&C to evaluate if transitioning to an Annual Grant framework supports long-term financial sustainability.
Assets & Services	Allotments	Revise allotment concession rules: remove age-based discounts and replace with verification of Universal Credit or Pension Credit. Update DPIA to record "eligibility verified" only.

Assets & Services	Allotments	Engage with Felixstowe Allotment Association and consider implementing incremental 10% annual rent increases to move the service toward cost-neutrality.
Assets & Services	Allotments	Investigate borehole installation (up to 20k litres/day capacity) and review alternative water suppliers to reduce utility costs, alongside a policy restriction on water butts >80L.
Civic & Community	Mayoral	Maintain the statutory Mayoral Allowance at £3,000 for the 2027–28 financial year.
Civic & Community	Town Twinning	Encourage Twinning Associations to implement promotional campaigns to increase public awareness and broaden community participation.
Civic & Community	Grants	Maintain current grant levels for 2027–28, but flag the Grants/Community Projects codes as primary targets for cost savings if future precept pressures require them.
Civic & Community	Felixstowe in Flower	Review and improve corporate sponsorship opportunities, transitioning seafront displays to retail centres, and using "In support of..." branding.
Civic & Community	Communications	Reduce the paper Town Magazine distribution from a quarterly cycle to a biannual (twice-yearly) cycle.
Finance & Governance	IT & Administration	Review Centradata IT support contract and explore potential alternative delivery models (in-house, shared services, or ad-hoc) to identify savings.