

City of Durham Parish Council

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16 April 2019

Dear Councillor,

In accordance with the Local Government Act 1972

I hereby give you notice that a **MEETING** of the **FINANCE COMMITTEE** will be held in **ROOM 1, ALINGTON HOUSE, 4 NORTH BAILEY, DURHAM, DH1 3ET** on **FRIDAY 23rd APRIL 2019 AT 14:00** to transact the following business: -

- 1. WELCOME AND RECEIPT FOR APOLOGIES OF ABSENCE**
- 2. TO RECEIVE ANY DECLARATIONS OF INTEREST FROM MEMBERS**
- 3. TO APPROVE THE MINUTES OF THE PREVIOUS MEETING HELD ON 11TH JANUARY 2019.**
- 4. PUBLIC PARTICIPATION ON FOLLOWING AGENDA ITEMS.**
- 5. GRANT FUNDING AWARDS 2019/20** (report included)
- 6. INTERNAL AUDIT ANNUAL REPORT FOR 2018/19 AND ACTION PLAN** (report included)
- 7. FINANCIAL POSITION (16TH APRIL 2019)**
- 8. DATES OF FUTURE MEETINGS.**

And pursuant to the provisions of the above-named act, I Hereby Summon You to attend the said meeting.

Adam Shanley
Clerk City of Durham Parish Council
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CITY OF DURHAM PARISH COUNCIL

Minutes of a meeting of the Finance Committee held on Friday 11th January at 16:00 in Room 2, Alington House, 4 North Bailey, Durham, DH1 3ET

Present:

Councillors J Ashby, E Ashby, V Ashfield, E Scott & A Doig (Chair)

Also present: Parish Clerk A Shanley, Councillors R Cornwell and L Brown and Clare Garnham from OASES North East.

1. WELCOME AND RECEIPT FOR APOLOGIES OF ABSENCE

The Chair welcomed all attendees.

Apologies were received from Cllr R Ormerod and the committee wished to note their condolences to Cllr Ormerod following the passing of his mother.

2. TO RECEIVE ANY DECLARATIONS OF INTEREST FROM MEMBERS

No declarations of interest were received from Members.

3. TO APPROVE THE MINUTES OF THE PREVIOUS MEETING HELD ON 7TH DECEMBER 2018.

The Minutes were unanimously agreed as a true and accurate record of proceedings and the Chair signed the Minutes.

4. PUBLIC PARTICIPATION.

At this point in the meeting, the Chair welcomed Clare Garnham, Manager at OASES North East, who are specialists in outdoor and sustainability education. Ms Garnham began her presentation by giving a brief overview of the work of OASES. Clare advised that the vision for the project has come out of a recognition of the lack of edibles in public spaces and highlighted to the Committee the fact that Durham was awarded Gold and category winner in the RHS Britain in Bloom Awards 2018.

Ms Garnham advised that OASES were therefore looking to introduce edible plants growing in containers in Durham city centre and at school entrances, planted by children and young people as part of the Schools in Bloom project. Ms Garnham advised that OASES have been working with Clean and Green and Civic Pride to put in a funding proposal to Durham AAP for the project 'Schools in Bloom'. The project looks to engage children and young people with urban horticulture, healthy eating and the RHS Britain in Bloom Campaign 2019. MS Garnham advised that OASES had pitched their proposals to the Durham AAP Children and Young People Task group who liked the project. However, they have asked OASES to secure some match funding before they will reconsider the proposal.

To date, Ms Garnham advised that OASES had received the go-ahead for 3 of

the planters to go on Elvet Bridge and 3 on Framwellgate Bridge, all 6 of which will be planted by local school children. The containers would be kept available for 6 more schools to plant in following years. As such, OASIS is looking to involve 6 schools this year. All schools within Durham city AAP have been contacted and Ms Garnham advised that St Leonard's, Durham Johnson, Durham Trinity, Sherburn Primary, Belmont C of E Primary and Neville's Cross Primary have all expressed an interest in taking part in the project and have each agreed to contribute £50 to the project. Ms Garnham also advised that the group had been offered march funding from a local Councillor. Ms Garnham did advise that, since the deadline for expressions of interest, Ludworth Primary had also come forward to state that they are looking to take part and therefore OASES are currently seeking additional funding to include them as a 7th school. Ms Garnham asked if this may be a project the Parish Council could support as the project was due to be delivered by OASES Project officers between April and July 2019.

Cllr E Scott asked whether or not the project was currently fully funded. Ms Garnham advised that to date the group had received offers of funding totalling £9,061.12.

Cllr V Ashfield advised that she felt that the project met a number of the Environment Committee's priorities.

Cllr L Brown asked which AAP OASES had applied to as, if this were Durham-wide, it may be the case that OASES could apply for funding from more than just one AAP. Ms Garnham advised that the current schools on the project were all within the Central Durham AAP area.

Cllr E Scott advised that the schools currently participating in the project were all based in the centre of Durham and that, as a Parish Council also covering areas such as Gilesgate and Neville's Cross, the Parish Council were keen to show that they weren't just Durham City-centric. Cllr E Scott advised that neither she nor Cllr L Brown had been approached for funding as Neville's Cross County Councillors for this project.

Cllr E Ashby asked whether or not OASES had approached Laurel Avenue Primary school to see if they wished to participate in this project. Ms Garnham advised that the school had indeed been approached and, though they did like the idea, they were currently working on another similar project.

Ms Garnham also asked if the Parish Council were aware of the ongoing consultation from DCC entitled "Creating a vision for County Durham's future". In particular, Ms Garnham wished to express her concern that the consultation document for 2019 sets out suggested ambitions which do not include Environment. It was noted by Members of the Committee that, upon the time of being asked by DCC to participate in the consultation events, a number of these had already occurred at the time of correspondence received.

5. TO ASSESS THE DRAFT BUDGET PROPOSALS FROM COUNCIL COMMITTEES FOR THE 2019/2020 BUDGET AND THE

IMPLICATIONS ON MONIES FOR 2019/2020. The Committees we have are Full Council, Environment, Finance, Licensing, Personnel and Planning.

Councillors considered the indicative spending proposals for both 2018/19 and 2019/20 and it was agreed that the budget proposals for the remainder of 2018/19 be accepted. As far as indicative spending proposals for the financial year of 2019/20. The Clerk advised that, given the current estimated spend to date together with salary costs and current spending proposals for 2018/19, the hand over figure for the new financial year would be approximately £89,000. The Clerk noted that this would likely change on the basis that some committees may not spend what they've proposed for this current financial year.

On the indicative spending commitments for 2019/20, all budgets were agreed to be put forward for recommendation to the Full Council to debate on 24th January, subject to the following amends:

On Environment Committee spending, it was agreed that a) the budget for schools meetings be moved to Full Council budget, which already included this amount, b) that the £5,000 allocated to University Theatre project be removed, c) that £2,000 be added to priority 2B (item 4) - SU assistance on snow clearance, d) that £3,500 be added to priority 3: A167 traffic calming and e) that the budget for Armed Forces Day be moved to the Full Council budget.

On the Full Council budget, it was agreed that a) the budget for the Armed Forces Day event be altered from £5,000 to £3,000, b) that £500 be added towards tea and coffee hospitality, c) that the proposed £5,000 towards any potential by-election be removed and this is to be taken from the existing contingencies budget and d) that the provision of small grants budget be increased from £10,000 to £15,000.

Given the length of the debate regarding the indicative spend for 2019/20, the meeting overran the two-hour cut-off and at this point the Chair requested that the Committee suspend standing orders to continue the meeting past this time. The Committee agreed unanimously with this.

6. TO DISCUSS AND PROPOSE A PRECEPT RECOMMENDATION FOR FULL COUNCIL ON THURSDAY 24TH

Members agreed that they felt that the council tax property charge ought to be kept at 2018/19 level of £150,000 which would mean that, on the basis of the 2019/2020 Council tax base provided by the County Council which shows an increase of chargeable properties, the precept for 2019/20 would therefore be £152,124.

7. DATES OF FUTURE MEETINGS.

The Finance committee will meet monthly and the date for the next Finance meeting will be confirmed in writing to Councillors.

There being no further business, the Chair thanked Members for their attendance and closed the meeting.

Signed

Chair City of Durham Finance Committee

ITEM 5: GRANT FUNDING AWARD 2019/20

CITY OF DURHAM PARISH COUNCIL

Members are reminded that at the January meeting of the Full Parish Council 2019, Councillors formally agreed to allocate £15,000 of the budget for 2019/20 towards the awarding of grants to organisations.

In order for the Council to be able to assess each application thoroughly, it is necessary to assess all applications received against a range of criteria (as set out in the grant award policy):

- The project to be funded meets the aims and objectives of the Parish Council.
- Assistance will be given on the basis of need, merit and contribution to the local community.
- Applicants must clearly show how any assistance given will benefit the people living in the Parish or will benefit the environment of our Parish.
- Any assistance given will be subject to on-going monitoring and subsequent evaluation of the outcome of the grant.
- Organisations should not make a presumption that funding will continue on a year to year basis.

The grant funding window opened on 1st April 2019 and the following communication was posted on the Parish Council website ahead of this date:

CITY OF DURHAM PARISH COUNCIL GRANT FUNDING WINDOW 2019/20 NOW OPEN

The City of Durham Parish Council's Grant Award window for 2019/20 is open from 1st April. Any organisation wishing to submit an application for funding may find a copy of the application form here: [City of Durham Grant Application Form 2019-2020](#)

Once complete, please submit this application form along with all other supporting documentation to us via e-mail at parishclerk@cityofdurham-pc.gov.uk

Please note that your application must follow the procedure as set out in our grant award policy; a copy of which can be found here: [City of Durham Grant Award Policy](#)

The Parish Council is also keen to understand which of its key priorities your grant application is aligned with. Details of the Parish Council key priorities are set out below:

Priority 1: Enhancing the wellbeing and prosperity of our Parish

Priority 2: Creating a Neighbourhood Plan and representing the Parish on planning matters

Priority 3: Being a voice for the City and working with key partners

Priority 4: Supporting the business community and encouraging tourism
Priority 5: Enhancing the physical environment of our Parish

A full copy of our draft Parish Council strategy for 2019/20 can also be found here:
[DRAFT City of Durham Parish Council Strategy 2019-20](#)

Please note: the deadline for all grant applications is the 31st May and funds for successful applications will only be released following the Full Parish Council meeting in June.

To date, there have been four expressions of interest for grant funding and the Clerk has written to each organisation requesting that they submit an application form as provided on the website.

It is proposed that the Finance Committee consider each funding application at a meeting of the Committee in early June 2019 with a recommendation to be formally ratified by Full Council at the Full Parish Council meeting in June 2019, after which point the funds will be transferred to successful applicants and the funding window for 2019/20 will close.

DECISION REQUIRED	For Members to agree to the process of awarding grant funding to organisations for 2019/20 as set out in the above report, with the final decision on awards being ratified by the Full Parish Council at its June 2019 meeting.
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ITEM 6: INTERNAL AUDIT ANNUAL REPORT – 2018/2019

CITY OF DURHAM PARISH COUNCIL

1. Background

1.1. Background

1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Department of Housing, Communities and Local Government (DHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities

1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made of 3 sections along with an annual internal audit report. which is to be completed by the Parish Council's independent internal auditor, who is to give an opinion of the Parish Council's internal controls

1.3. CDALC have provided Councils with a checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

2. Objectives of the Audit

2.1. To examine the system of internal controls to ensure that the Council may obtain an adequate level of assurance for its activities during the year.

3. Scope of the Work and the areas of Audit Work examined.

3.1 The Scope of Work covers the key control tests identified in the AGAR.

3.2. To properly complete the audit the following areas of activity have been examined and tested by the Internal Auditor:

- Payroll
- Creditors
- Risk Management
- Income collection and Banking arrangements
- Petty cash (none held)
- Assets
- Debtors
- Budgetary Control (including year-end procedures)

3.3. City of Durham Parish Council is a new Council formed 1st April 2018 with its first Council meeting on 10th May 2018 where a Chair and Vice Chair were elected along with the approval of Standing Orders and Financial Regulations and required policies and procedures

4. Findings

4.1. Payroll

4.1.1 The City of Durham Parish Council was initially set up with an interim Parish Clerk from Durham County Council (DCC) and the process of appointing a permanent Clerk giving to a Personnel Committee.

4.1.2. A permanent Clerk was appointed in November 2018.

4.1.3. DCC administered the salary and payroll deductions of the Clerks for the 2018/19. These payments were checked to DCC payment records and appear reasonable.

4.2. Creditors (Accounts Payable)

4.2.1. For 2018/19 DCC administered the payment of all accounts through their finance system

4.2.2. The finance system summarises ("revenue review" report) all payments by account code. Detail of these are recorded in their General Ledger Transaction report. Payments were verified from this ledger.

4.3. Risk Management

4.3.1. The Council does not have any risk register (operational or Corporate).

4.4. Income collection and Banking arrangements

4.4.1. The Council does not collect any income.

4.4.2. For 2018/19 DCC held the precept and paid any accounts from it.

4.4.2. The new Clerk has set up the Councils own bank account with all Chairs of Committees being signatories and the Clerk being the Administrator. Balance of DCC monies held is being transferred to the City of Durham Parish Council bank account.

4.5. Accounting Records

4.5.1. The Accounting records for 2018/19 have been the DCC Finance system. The Accounting Statements on Section 2 of the AGAR were verified to the DCC accounts.

4.6. Assets

4.6.1. The Council does not hold any assets for 2018/19

4.7. Debtors

4.7.1. There are no accounts raised for debts.

4.8. Budgetary Control

4.8.1. The City of Durham Parish Council were informed of any expenditure made by DCC and was reported at the Finance meetings.

4.8.2. The City of Durham Parish Council had formed a Finance Committee with responsibility of setting the 2019/20 budget and the precept for 2019/20. All Service Committees are asked for their budget requirements which are reported and discussed at the Finance Committee and agreed by Full Council.

4.3. The 2019/20 budget and precept were agreed at Full Council on 24th January 2019.

4.9. Governance arrangements

4.9.1. The Council has agreed its own Standing Orders and Financial Regulations which is the backbone of following good governance arrangements. The Annual Governance Return as part of the AGAR will highlight if any improvement in governance arrangements are needed along with my recommendations in the attached action plan.

5. Conclusions/Recommendations

5.1. The first year of the new Council is basically setting up of various procedures to ensure that the Council will run smoothly. The attached action plan will ensure that the second year will ensure good governance is in place at the Council.

Gordon Fletcher (C.M.I.I.A.),

Internal Auditor for the Town Council

Date: 15th April 2019

ACTION PLAN 2018/2019**CITY OF DURHAM PARISH COUNCIL**

Action Ref	Observation	Associated Risk	Priority	Recommendation	Management Comment	Responsibility Timescale
1.	DCC administered the salary and payroll deductions of the Clerks for the 2018/19.	Incorrect payments	High	That the payroll service is administered by an external payroll provider which will ensure better internal controls for the Council	The City of Durham Parish Council has set up a Service Level Agreement with DCC to administer its salary and payroll deductions to the Clerk	Parish Clerk Immediate
2.	For 2018/19 DCC administered the payment of all accounts through their finance system	Incorrect payments made Unauthorised payments made.	High	That Financial Regulations are followed regarding the payment of accounts	The City of Durham Parish Council has now set up its own bank account and will administer transactions in accordance with its Financial Regulations.	Parish Clerk Immediate
3	The Council does not have any risk register (operational or Corporate).	Risk not identified Insurance claims	High	Risk register completed to show Corporate (strategic) risks and operational risks.	The Clerk will be undertaking to administer a risk register (operational or Corporate) throughout the year.	Parish Clerk During the year
4	Balance of DCC monies held is being transferred to the City of Durham Parish Council bank account.	Loss of monies	High	That the Council ensure that all monies have been transferred to the Council from DCC.	Done.	Parish Clerk Immediate
5.	The Accounting records for 2018/19 have been the DCC Finance system.	Poor accounting records	High	The Council should consider purchasing a finance system such as RIALTUS which is widely used by Town and Parish Councils and provides good reports for Councillors and end of year accounts.	The Clerk will be undertaking to acquire the accounting software known as RBS, as recommended by SLCC trainers and other Parish Clerks.	Parish Clerk Immediate

**DECISIONS
REQUIRED**

For Members to note the information as set out in the Internal Auditor's report in respect of financial year 2018/19.

For Members to agree to the Clerk taking all appropriate action in respect of the Internal Auditor's action plan 2018/19.

ITEM 7: FINANCIAL POSITION (16TH APRIL 2019)

Transaction Date	Transaction Description	Debit Amount (£)	Credit Amount (£)	Balance (£)
16/04/2019	VIKING UK CD 9017	128.95		261488.43
16/04/2019	VIKING UK CD 9017	86.48		261617.38
16/04/2019	VIKING UK CD 9017	81.55		261703.86
16/04/2019	VIKING UK CD 9017	53.99		261785.41
15/04/2019	CURRYS ONLINE CD 9017	572.99		261839.4
15/04/2019	CURRYS ONLINE CD 9017	290		262412.39
15/04/2019	DURHAM CITY CENTRE 00000000141352836 089299 10 13APR19 11:37		445.89	262702.39
12/04/2019	DURHAM CITY CENTRE NEIGHBOURHOOD PLAN 00000000141285411 089299 10 12APR19 10:21		10	262256.5
10/04/2019	WWW.IC0.GOV.UK CD 9017	40		262246.5
05/04/2019	DURHAM COUNTY COUN 3572497		110087.64	262286.5
04/04/2019	DURHAM COUNTY COUN 3572246		152123.86	152198.86
29/03/2019	RP14133941		75	75

SUMMARY OF SPEND FOR 2018/19

Classification	Level4 Name	Account Code	Account Name	Actual YTD
EXPENDITURE	Employees	005001	Pay	£5,503
		015001	National Insurance	£372
		025001	Local government pension	£1,051
	Supplies and Services	332029	Printing	£171
		336005	Advertising other than for staff	£180
		338094	Venue hire	£1,885
		342007	Computer support	£708
		372009	Subscriptions 372009	£3,036
		384074	Catering - training courses	£79
		384199	Other hired and contracted services	£4,810
		384916	Election expenses	£22,118
	Transfer Payments	525050	Parish precepts	£110,088
EXPENDITURE Total				£150,000
Income 7INC	Contributions Summary	710310	Precept-current year	(£150,000)
Income 7INC Total				(£150,000)
				(£0)