

City of Durham Parish Council

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4th January 2021

Access details for Zoom Licensing Committee meeting:

Join Zoom Meeting

<https://us02web.zoom.us/j/83622346138>

Meeting ID: 836 2234 6138

Dear Finance Committee Member,

In accordance with both the Local Government Act 1972 and the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of local authority and Police and Crime Panel meetings) (England and Wales) Regulations 2020, I hereby give you notice that a meeting of the **Finance Committee** will be held in **via Zoom** on **Monday 11th January 2021 at 1pm** to transact the following business:

- 1. Welcome and apologies**
- 2. To receive any declarations of interest from members**
- 3. To receive and approve as a correct record the minutes of the meeting on 26 November 2020**
- 4. To receive any public participation comments on the following agenda items.** Please email the Parish Clerk parishclerk@cityofdurham-pc.gov.uk to register to speak
- 5. Report on current financial position of Council 2020-21** – report attached
- 6. Parish Council budget for the financial year 2021-22** – report attached.
- 7. Parish Council precept request 2021-22** – report attached.
- 8. Police, Crime and Victims Commissioner precept request consultation** – report attached.
- 9. 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 to the City of Durham Parish Council

CITY OF DURHAM PARISH COUNCIL

Minutes of the meeting of the Parish Council Finance Committee held on Thursday 26th November 2020 at 13:00 via Zoom.

Present: Councillors A Doig (Chair), E Ashby, J Ashby, V Ashfield, R Ormerod & E Scott

Also present: Parish Clerk A Shanley and Ms Roz Layton (St. Oswald's Institute)

Cllr A Doig in the **Chair**

1. Welcome and apologies

None received.

2. To receive any declarations of interest from members.

None received.

3. To receive and approve as a correct record the minutes of the meeting on 11 June 2020

The minutes of the meeting held on 11th June 2020 were unanimously **agreed** as a true and accurate record of proceedings.

4. To receive any public participation comments on the following agenda items.

Ms Roz Layton attended the meeting to update Committee Members on the progress by St Oswald's Institute on the refurbishment of its toilets; a project funded by the Parish Council's grant scheme (£3,700 awarded).

Roz advised that the works have been delayed due to the Covid-19 pandemic. Roz also added that the Institute also needed to carry out works to its drains before going ahead with the works to the refurbishment of the toilets.

The Clerk reminded Members that there is a requirement, as per the Parish Council's agreed grant awarding policy, for all successful grant recipients to spend the funds (as per their own applications) within 1 year of award. The Chair asked Roz if the Institute expected the works to be completed by June 2021 and Roz confirmed this to be the case. The Committee agreed that they were happy with this and the Clerk thanked Roz for keeping the Parish Council updated on progress with this project.

Roz thanked the Committee for its time and at this point left the meeting.

5. Report on current financial position of Council 2020-21

The Clerk provided a detailed report on the current financial position of the Parish Council 2020-21.

The Clerk advised that the Parish Council had to date spent £116,681 and the current projected final total expenditure for Financial Year 2020-21 was (approximately) £180,296.93.

The Clerk advised that there were a number of areas of expenditure (such as the funding for administrative support for the Parish Council) which would not be spent in the current financial year but would need to be ring fenced as expenditure for the next financial year.

The Chair thanked the Clerk for this report.

6. Report on Parish Council internal controls

The Clerk provided a report on the Parish Council's internal controls as follows:

1. RESPONSIBILITY

Regulation 4 of the Accounts and Audit (Amendment) (England) Regulations 2011 requires Councils to carry out a review of their internal controls annually before the end of the financial year.

The City of Durham Parish 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.

In discharging this responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

2. SYSTEM OF INTERNAL CONTROL

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically.

The Parish Council has now adopted a risk register and this is under continuing review by the Clerk and any issues arising from risk assessments carried out will be reported to full Council.

The Council

The Council has elected a Chair who is responsible for the smooth running of meetings and together with the Clerk for ensuring that all Council decisions are lawful.

The Council reviews its obligations and objectives and approves budgets for the following year at its January full Council meeting each year. The January meeting of the Council also approves the level of precept for the following financial year.

The full Council meets at least 11 times per year. The Parish Council does not usually meet in August.

A budget report is prepared and submitted to all of the Parish Council's Finance Committee meetings showing income and expenditure together with a budget update for all Committee spends. Any budget revision reports are also reported for information and these set out any changes to the budget as per Council decisions or any known budget over or underspends.

Clerk to the Council

The Council has appointed a Clerk to the Council who acts as the Council's advisor and administrator. The Clerk is the Council's Responsible Financial Officer and is responsible for administering the Council's finances. The Clerk is responsible for the day to day compliance with laws and regulations and advises the Council on managing risks. The Clerk also ensures that the Council's procedures, control systems and policies are adhered to. The Clerk also

manages projects agreed by full Council and works with all suppliers and contractors agreed by full Council to carry out functions on behalf of the Council.

2020 has been an unprecedented year for all due to the Covid-19 situation. It became apparent in March, just before the first national lockdown that things would be operating very differently, and it was then that NALC and the Society of Local Council Clerks (SLCC) recommended reviewing and agreeing local councils' delegation to the Clerk. Councillors agreed this delegation to enable the Council to fulfil its responsibilities to its residents.

This meant that day to day operations of the Parish Council could continue normally as much as possible. The Clerk has kept Councillors informed of the decisions taken during this period and has sought their views prior to making any decisions regarding significant spending. The Clerk has also consulted with the Chair of the Council on various issues as well as the Chairs of other Committees/Working Parties when necessary.

The Parish Council has also continued holding meetings of Committees and Full Council via Zoom, in accordance with the Police and Crime Panels (Coronavirus) (Flexibility of local authority and Police and Crime Panel meetings) (England and Wales) Regulations 2020.

Payments

All payments made are reported to all Finance Committee meetings. The Parish Council now makes all payments via electronic banking. Two Members of the Council from the current list of five authorised signatories (excluding the Clerk who acts as administrator) must authorise every payment against invoices before authorising the payment using their own login details provided by the bank.

There is a facility for making urgent payments out of meeting if necessary. Such payments are also reported to the Parish Council's Finance Committee meeting and all decisions to spend funds as urgent action are ratified at the next Full Council meetings and minuted as such.

Risk Assessments/Risk Management

The Council carries out regular risk assessments in respect of actions. The Clerk makes an annual risk management report to the Council. A review of financial management risks is included as part of the review report.

Internal Audit

Last year, the Council appointed an independent Internal Auditor, Mr Gordon Fletcher, who reports to the Council on the adequacy of its:

- Records
- Procedures
- Systems
- Internal control
- Regulations
- Risk management
- Reviews
- Insurance cover

A review of internal audit must be carried out before the end of each financial year.

Gordon Fletcher has indicated that he is willing to carry out an audit of the Parish Council again next year. The cost of this service is £150.

Gordon was previously the Audit Manager at Easington District Council before retiring when the Unitary Council was formed and set up his own business by providing an internal audit service for Town and Parish Councils. This has grown to a current portfolio of 7 local Town Councils and 24 local Parish Councils.

Gordon is C.M.I.I.A. (Chartered Member of the Institute of Internal Auditors) qualified and has his own professional indemnity insurance.

External Audit

The Council's External Auditors are Mazars, appointed by the Smaller Authorities' Audit Appointments (SAAA). They submit an annual Certificate of Audit, which is presented to the Council, together with a copy of their report listing any issues to be raised. At the end of the Audit the Council must display the Notice of Conclusion of Audit for 14 days and must make the Annual Governance and Audit Return (AGAR) and Final Accounts available on request. These are also displayed on the Parish Council's website.

3. REVIEW OF EFFECTIVENESS

The Council has a responsibility for conducting an annual review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of:

The Full Council

The Clerk to the Council who has responsibility for the development and maintenance of the internal control environment and managing risks

The independent Internal Auditor who reviews the Council's systems of internal control

Mazars, the Council's external auditors, who make the final check using the AGAR, which is completed and signed by the Responsible Financial Officer, the Chairman and the Internal Auditor.

4. EXTERNAL AUDIT REPORT

The external audit report by Mazars stated the following:

"On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met".

5. INTERNAL CONTROL ISSUES

The Auditors did not raise any significant issues as part of the 2019-20 Audit. The Council did need to amend figures presented as part of the AGAR submission following an external audit but this did not amend the Auditor's opinion as set out above.

The Internal Auditor did recommend that the Council open a new bank account, not associated with its existing bank, in order to further protect its finances. At present, only £85,000 would be protected as part of the Financial Services

Compensation Scheme (FSCS). The Clerk has sought a new account from another provider.

The Internal Auditor also recommended that all invoices be signed by wet signature from Members approving payments. An alternative electronic provision has been arranged for this year, in view of the Covid-19 pandemic.

The Committee **noted** the report by the Clerk and thanked him for his work on this.

The Committee also **agreed** to the appointment of Mr Gordon Fletcher as the Parish Council's internal auditor for the financial year 2020/21.

7. Preparing for budget setting for the financial year 2021-22

The Clerk advised the Committee that all of the Parish Council's Committees were meeting over the coming days and weeks to consider their own budget request to go forward for the Finance Committee to consider at its meeting in January.

The Clerk reminded Members that the budget would be considered firstly by the Parish Council's Finance Committee with a recommended budget and precept request going forward to the Parish Council's Full Council meeting for formal agreement. The Parish Council's precept request for the next Financial Year needs to be confirmed by the end of January 2021.

8. Dates of future meetings

The date of the next meeting was **agreed** for 11th January 2021 at 1pm.

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

Signed,

Chair of the Parish Council's Finance Committee

ITEM 6: Parish Council budget for the financial year 2021-22

As Members are aware, there is a need for the Parish Council to have agreed its budget and to submit its precept request for the forthcoming Financial Year by the end of January 2021.

In order to support this work, all of the Parish Council's Committees met last year and have submitted the following budget proposals for their work from April 2021.

It is now necessary for the Parish Council's Finance Committee to consider these proposals and to make any changes as necessary. A proposed budget will then need to go forward for formal agreement at the Parish Council's Full Council meeting in January.

2021-22 Budget requests from all Parish Council Committees

Planning Committee

Item of potential expenditure	Cost (£)
PRIORITY 1: Professional support in responding to planning applications	4,000.00
PRIORITY 2: Production of two Supplementary Planning Documents (Trees and a Design Guide)	4,000.00
TOTAL PROVISION IN 2021-22 AGAINST PRIORITIES	8,000.00

Business Committee

Item of potential expenditure	Cost (£)
PRIORITY 1: Professional support for independent businesses in Durham	10,000.00
PRIORITY 2: E-commerce website for Durham City Businesses	4,000.00
TOTAL PROVISION IN 2021-22 AGAINST PRIORITIES	14,000.00

Licensing Committee

Item of expenditure	Cost (£)
PRIORITY 1: Licensing training conference	1,000.00
PRIORITY 2: Award for best run licensed premises	500.00
PRIORITY 3: Enhanced police drug search of licensed premises	600.00
TOTAL PROVISION IN 2021-22 AGAINST PRIORITIES	2,100.00

Environment Committee

Item of expenditure	Cost (£)
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PRIORITY 1: Being a voice for the City	
Young People's Environment Working Group	£5,000
Climate lobbying	£1,500
PRIORITY 2: Noise abatement	
Evening Wardens	£3,000
PRIORITY 3: Clean Air, Clean and Green City	
Improve unmaintained Footpaths, unadopted and green areas	£10,000
Encourage Walking, Cycling & Sustainable Travel (active streets)	£1,000
Durham in Bloom and planting	£10,000
PRIORITY 4: Heritage	
Adding content to the Heritage App	£3,000
Creation of a map for the Seven Hills Trail	£1,000
Creation of new blue plaques in the parish	£2,000
PRIORITY 5: Appearance of the City	
Neighbourhood Warden SLA with DCC	£10,000
Easter and Christmas Frontages Awards	£5,000
PRIORITY 6: Climate Emergency	
Encourage a green infrastructure	£2,000
Encourage electric vehicles	£1,000
Reduction in Plastic Use	£1,000
Explore and encourage sustainable food	£1,000
TOTAL PROVISION IN 2021-22 AGAINST PRIORITIES	56,500.00

Full Council

Item of Expenditure	Cost (£)
PRIORITY 1: Administration of Parish Council (rent, room hire, audit, insurance, printing and postage, newsletters, website, other expenditure)	15,000
PRIORITY 2: Training budget	3,000
PRIORITY 3: Events (Remembrance events and Christmas)	6,000.00
PRIORITY 4: grants for local community and voluntary organisations	20,000.00
PRIORITY 5: Staffing costs – including salary, National Insurance contributions and workplace pension	49,440.00
TOTAL PROVISION IN 2021-22 AGAINST PRIORITIES	93,440.00

Committee	Proposed expenditure (2021/2022) against priorities (£)
Planning Committee	8,000.00
Licensing Committee	2,100.00
Environment Committee	56,500.00
Business Committee	14,000.00
Full Council	93,440.00

TOTAL POTENTIAL PROVISION IN 2021-2022 AGAINST PRIORITIES	174,040.00
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PLEASE NOTE: It is expected that the Parish Council will finish the current Financial Year (2020-21) with expenditure totalling (approximately) £172,196.93 and therefore (approximately) £108,100 remaining in the bank account.

Of the remaining £108,100, the following need to be ring fenced for the next financial year:

General Reserves	£45,000
Contingencies	£15,000
Licensing budget	£1,500
Durham in Bloom expenditure	£7,500
Admin support role – including salary, National Insurance contributions and workplace pension	£15,000
TOTAL	£84,000

DECISION REQUIRED	Members are asked to approve the draft Full Council budget for financial year 2021-22 to go forward as the recommended budget for Full Council approval in January.
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ITEM 7: PARISH COUNCIL PRECEPT REQUEST 2021-22

Budget

Please refer to Item 6 for consideration of budget priorities for 2021/2022.

Information on Council Tax base

Council Tax base is calculated by taking the number of houses in the City of Durham Parish Council area, allocating a weight to them based on their council tax banding and adding up the total of the weighted households. For example, higher council tax band properties carry a higher weighting and lower council tax base properties carry a lower council tax weighting. The Council Tax Base can therefore fluctuate from year to year based on the number of properties in each area. For example, council tax base will increase if any new houses have been built and the occupants have started to pay council tax but may decrease if for example any houses have been demolished in an area or have changed their use from Use Class C3 to Use Class C4 or sui generis (non-tax paying Use Classes).

The 2021/22 City of Durham Parish Council Council Tax Base was calculated at 4,412.1. For 2020/21 the Tax Base was 4,430.4. Our Tax Base has therefore decreased by 18.3.

This means that, if the Parish Council retains its current council tax band D charge of £34.87, it can generate a precept of £153,849.93. This would represent a reduction from 2020/21 which generated a total precept of £154,488.05.

Local Council Tax Reduction Scheme Grant

The LCTRS grant payable to the City of Durham for 2021/22 is £622.00. Previously the total amount paid to the Parish Council was £0.

Therefore, should Councillors decide to retain the current council tax charge, the total income for the Parish Council (from Precept and LCTRS Grant) would decrease (from 2020-21 levels) by £16.12 and would therefore be £154,471.93.

Precept request

The precept request must be submitted to Durham County Council by the end of January 2021.

DECISION REQUIRED	Councillors are asked to consider the above information and propose a precept level to go forward for formal approval at the January Full Council meeting.
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ITEM 8: POLICE, CRIME AND VICTIMS COMMISSIONER PRECEPT REQUEST CONSULTATION

The Office of Durham Police, Crime & Victims' Commissioner is currently consulting on the recommendation that the Policing Precept (part of the Council Tax) be increased by the maximum of £15 per year in Band D properties (this will increase and decrease according to a resident's banding). This equates to nearly a 7% increase.

The purpose of this increase is to help ensure that there will be more officers on the street and in the communities of Durham and Darlington.

Durham Constabulary needs more funding to ensure it has adequate resources to meet its demand from calls for service; responding to 999 and 101 calls in a timely way is of paramount importance and an increase in precept contributions will help the Force achieve this.

Over recent years, the precept has been increased to invest in maintaining officer numbers, victim support services to provide vital support to residents recovering from a range of crime types, including domestic and sexual violence.

The precept increase will ensure the force are able to maintain PCSO numbers and a visible neighbourhood policing in communities and also bring forward the force's planned recruitment. The precept increase will also enable the force to invest in carrying out in more telephone investigations where possible which save time for both the force and its citizens.

The Force also uses its resources to work on crime issues such as county lines in partnership with neighbouring forces in order to interrupt organised crime and drug gangs – a precept increase could also assist in funding this work.

It will help meet the rising demand from people who suffer from mental health crises in our communities, in order to keep them and the public safe.

It is imperative that the force continues to invest and educate residents regarding the emerging and growing types of crime, including cyber-crime which is becoming more prevalent.

The force recognises that some people may face difficult financial challenges, especially given the Covid-19 pandemic, but policing is an essential service that will help keep our communities safe.

Members are also reminded that Durham Constabulary have submitted planning applications to build a £21m centralised custody facility. It has been confirmed that the funds for that investment will not be funded by any precept increase, as they have come from reserves that were built up in recognition that the current custody facilities were becoming less compliant with HMICFRS and Home Office custody requirements.

	Council Tax 20-21	Council Tax 21-22	Increase Per Year	Increase Per Week
Band A	£143.49	£153.49	£10.00	£0.19
Band B	£167.41	£179.08	£11.67	£0.22
Band C	£191.32	£204.66	£13.34	£0.26
Band D	£215.24	£230.24	£15.00	£0.29
Band E	£263.07	£281.40	£18.33	£0.35

Band F	£310.90	£332.57	£21.67	£0.42
Band G	£358.73	£383.73	£25.00	£0.48
Band H	£430.48	£460.48	£30.00	£0.58

The following questions have been put to the public as part of this consultation and Parish and Town Councils have also been invited to respond to this consultation:

Q1. Would you be prepared to invest more in policing to help improve the services?
Yes, No or Not Sure

Q2. How much more would you be prepared to contribute to support more investment in policing? **Up to £5, Up to £10, Up to £15, Up to £20, More than £20 OR I would not be prepared to pay more**

Q3. Not all policing is visible but are essential for Durham Constabulary to run smoothly and efficiently. Can you please advise us on a scale of 0-10 how important you view each category below and which would benefit from extra investment?

How important do you feel that extra investment is for road safety (0-10)

How important do you feel that extra investment is for hate crime (0-10)

How important do you feel that extra investment is for reducing reoffending (0-10)

How important do you feel that extra investment is for fraud (0-10)

How important do you feel that extra investment is for rural crime (0-10)

How important do you feel that extra investment is for modern slavery (0-10)

How important do you feel that extra investment is for supporting victims at all stages of the criminal justice system (0-10)

How important do you feel that extra investment is for domestic abuse and sexual violence (0-10)

How important do you feel that extra investment is for anti-social behaviour (0-10)

How important do you feel that extra investment is for reducing harm caused by drugs & alcohol (0-10)

How important do you feel that extra investment is for cyber-crime (0-10)

How important do you feel that extra investment is for supporting vulnerable people (0-10)

Q4. What is your age?

Q5. What is your gender?

Q6. What is your ethnicity?

Q7. What is your local authority area?

**DECISION
REQUIRED**

For Members to agree a proposed response to this consultation.