

City of Durham Parish Council

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6th June 2021

Access details for Zoom Licensing Committee meeting:

Join Zoom Meeting

<https://us02web.zoom.us/j/86165803418>

Meeting ID: 861 6580 3418

Dear Finance Committee Member,

In accordance with the Local Government Act 1972, I hereby give you notice that a meeting of the **Finance Committee** will be held in **via Zoom** on **Thursday 10th June 2021 at 11am** to transact the following business:

- 1. Election of Chair of the Finance Committee**
- 2. Election of Vice-Chair of the Finance Committee**
- 3. Welcome and apologies**
- 4. To receive any declarations of interest from members**
- 5. To receive and approve as a correct record the minutes of the meeting on 11 January 2021**
- 6. 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
- 7. Update on grant funding awards 2020-21** – update from the Clerk
- 8. Grant funding awards 2021-22** – report included.
- 9. Internal audit report for the financial year 2020-21** – report included.
- 10. Financial position at the end of 2020-21** – report attached.
- 11. 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 Monday 11th January 2021 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

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 26 November 2020

The minutes of the meeting held on 26th November 2020 were unanimously **agreed** as a true and accurate record of proceedings.

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

None received.

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

The Clerk presented the current financial position of the Council for 2020-21. The Clerk advised that 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 |

Members **approved** this ring fenced expenditure and considered this commitment at the budget setting item of the Agenda.

6. Parish Council budget for the financial year 2021-22

Members agreed to propose the following budget for the financial year 2021-22 to Full Council:

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 (£) |
|--|----------|
| 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 |

7. Parish Council precept request 2021-22

The Clerk referred Members to item 6 on the Agenda for consideration of budget priorities for 2021/2022.

The Clerk reminded Members that the Parish Council's precept request must be submitted to Durham County Council by the end of January 2021.

The Clerk advised that 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. The Clerk advised 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.

The Clerk also advised that 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.

The Clerk advised that, 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.

Members **agreed** to recommend to Full Council that the council tax band D charge of £34.87 remain the same for 2021-22.

8. Police, Crime and Victims Commissioner precept request consultation

The Chair advised that 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 Chair proposed the following response to Members which was **agreed** to go forward to Full Council for approval:

RE: Consultation open to residents for their view on budget for policing and community services

The Office of the 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) for the financial year 2021-22. This equates to an increase of approximately 7%.

Explanation

The Office of the Durham Police, Crime & Victims' Commissioner proposes that the purpose of this increase includes help to:

- ensure that there will be more officers on the street and in the communities of Durham and Darlington;
- 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;
- invest in maintaining officer numbers, victim support services to provide vital support to residents recovering from a range of crime types;
- 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;
- invest in carrying out in more telephone investigations where possible which save time for both the force and its citizens.

Response

The City of Durham Parish Council is aware of the budgetary reductions to all police forces across the UK, including those to Durham Constabulary. In principle, the City of Durham Parish Council would be minded to approve the proposed increase but it has a number of reservations that would require further information than that provided to date.

The grounds for the increase and the 1-10 rankings for investment are dissimilar, with the former very much reflecting local operational priorities and the latter more shaped by both county-wide and national policing agendas. We understand the demands placed on Police resources when faced with such a wide range of issues in urban and rural communities across the County. However, as representatives of people living in the City, we have become increasingly concerned at the growth in concerns expressed by residents, particularly in relation to:

The inability of the 101 service to respond positively to requests that would normally then engage either with the Police or the University's Covid-19 Marshall resource;
The decline in PCSO support for the City centre since the appointment of the new Chief Constable;
The absence of an effective and visible police presence to address Covid-19 related issues and more general ASB behaviour, notably in the evenings and at weekends.

While a number of the above could be addressed by a more positive and linked-up approach, the City of Durham Parish Council would still be concerned that any approval to raise the precept would then not see the benefits invested in the grounds proposed by the Office of the Durham Police, Crime & Victims' Commissioner for the benefit of the residents of Durham City.

In such circumstances, and until the Office of the Durham Police, Crime & Victims' Commissioner is able to clarify exactly how it intends to allocate the increase and exactly how such allocation will benefit the residents of Durham City, the City of Durham Parish Council is unable to make a decision on the consultation proposal. It invites the Office of the Durham Police, Crime & Victims' Commissioner to provide such information as soon as possible.

9. Dates of future meetings

The Chair advised that the date and time of the next meeting would be announced in due course.

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 8: GRANT FUNDING AWARDS 2021-22

Members are reminded that at the January meeting of the Full Parish Council 2021, Councillors formally agreed to allocate £20,000 of the budget for 2021/22 towards grants for local and voluntary organisations.

- 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.

In accordance with the Parish Council's current grant awards policy, the City of Durham Parish Council provides grant funding to support the following aims:

- To enable local people to participate in voluntary groups and activities.
- To help the parishes' voluntary groups to improve their effectiveness.
- To ensure the provision of services, needed by the residents, via the voluntary sector.
- To support organisations which meet the needs of people experiencing social and economic difficulties.
- To ensure that there is equality of access and opportunity for all parishioners of City of Durham to the services it provides and funds.
- To improve or enhance the local environment.
- To achieve value for money.

The grant funding window opened on 1st April 2021 and this has been advertised on social media, the Parish Council's website, through the local press and through direct e-mails. Organisations were asked to apply by 1st June 2021 in order that the Finance Committee may consider this at its meeting in June and make a recommendation to Full Council in June. Once approved, all grant payments will be made at the end of June 2020.

Members have been provided with the full details of all applications. For ease of reference, the applicant, the amount requested from each applicant and a summary of each project is provided overleaf.

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| DECISION REQUIRED | For Members to consider the merits of each of the grant applications and to make a recommendation of the sums for each to Full Council in June. |
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| Organisation | Project | Amount requested |
|---|--|-------------------------|
| Harbour | Funding to help clients who have left a domestic abusive relationship and they have found their own safe place to live, often starting from scratch. We would use the grant to purchase essential items for people engaging with our organisation. Monies would be allocated to clients whose daily living costs being equal or very close to their income, leaving little spare for buying essential items. Each client would be assessed individually and we would allocate a maximum spend on per client of £250 to enable us to help at least 6 families or individuals. | £1,500 |
| St. Cuthbert's Hospice | Refreshing and repairing the gardens of the Hospice as a place of tranquillity. Also re-designing to make the gardens suitable for bereaved children. | £2,250 |
| Alington House | Refurbishment of the Main Hall of Alington House | £1,500 |
| Boccia Durham | To purchase 5 extra sets of boccia balls and extra referee equipment x 4 (one for each court) to help all our members compete at the highest level they choose to achieve. We would like to also purchase a ramp and stool but the boccia balls need to be the priority. | £2,000 |
| Durham Hospital Radio | The current project is a mixture of improvements to the DHR studios and also the siting of ceiling speaker systems in a number of areas within the hospital in order to improve the quality of the service to the patients and their families. The project would allow for the installation of an additional studio in the DHR location providing more flexibility for the presenters for training and broadcasts in a safer working socially distant environment. The ceiling speaker installations in 5 areas would allow the station to reach a wider audience within the hospital. Improvements of studio soundproofing is also included in the project. | £3,000 |
| DMC 4 Durham CIC | 1. A contribution towards the costs of creating and airing a monthly podcast from Totally Locally Durham involving local people, local businesses and local community initiatives to promote what the city has to offer. 2. A contribution towards a series of family events on Summer Sundays in August on a variety of themes to attract additional footfall into city centre. | £2,000 |
| Durham Community Association (Shakespeare Hall) | Purchase of a Printer/copier/scanner and 4x hand dryers | £966 |

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|-----------------------|---|---|
| Durham Fringe | <p>From our analysis, audiences for the Fringe Festival are likely to come from within 45 minutes of the City Centre. To attract the most diverse audience possible we want to keep ticket prices as low as possible.</p> <p>To achieve this, the Festival is seeking funds from supportive organisations and individuals to help us reduce our ticket prices from £8.00 to £5.00. The cost of this price reduction, on the assumption that we sell 50% of tickets to performances, is £18,000.</p> | £1,000 |
| Merryoaks WI | To purchase a Cloud Book, mobile projector and 4G router, allowing members to fully benefit from the presentations given by monthly speakers and our own discussions and presentations on WI resolutions and proposals. At present we are reliant on the speaker having their own equipment which is not always the case. | £550 |
| St. John's Brownies | The unit has been open since 1930 and this year wishes to mark 91 years of St John's Brownies with a special birthday celebration. | £250 |
| St. Margaret's Centre | The replenishment of consumable materials used in the craft room, woodwork and horticulture departments at the centre. | £1,000 |
| St. Nic's Church | To develop a "friendship café" in order to tackle loneliness in the City with a social justice emphasis built around it, involving activities etc and enabling support from DCC and others. | Whatever contribution is available. |
| The Finchale Group | Funding of an access path to the Finchale Gardens - a place of peace and tranquility in an industrial estate. | £1,000 |
| | | Total (specifically requested) - £17,016.00 |

ITEM 9: INTERNAL AUDIT REPORT FOR FINANCIAL YEAR 2020-21

INTERNAL AUDIT ANNUAL REPORT – 2020/2021 CITY OF DURHAM PARISH COUNCIL

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)
 - Exercise of public rights
- 3.3. City of Durham Parish Council is a new Council formed 1st April 2018 with its first Council meeting on 10th May 2018. These accounts examined are for the year 2020/21.

4. Findings

4.1. Payroll

- 4.1.1 The City of Durham Parish Council has 1 employee a Parish Clerk who was appointed in November 2018.
- 4.1.2. Durham County Council administered the salary and payroll deductions of the Clerk for the 2020/21, and produce payroll control reports, which is a good independent internal control for the Council, and payments are made for his salary by BACS from the Council's bank account. These were found to be correct.

4.2. Creditors (Accounts Payable)

- 4.2.1. For 2020/21 City of Durham purchased Rialtus finance system (used by most Town and Parish Councils). All payments and receipts are input into this system with adequate reports produced throughout the year and at the year end.
- 4.2.2. The Council also has a debit card which the Clerk (having delegated authority) uses for various purchases with invoices kept on file. I understand that all payments are agreed with the Chair, and are included in the payments report to the Finance Committee.
- 4.2.3. 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) 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 the Council 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. During the Pandemic agreement of the invoices to be paid was carried out through E. mails between the Clerk and the Councillors.

4.2.4 The Cash book 1 report for 2020/21 was used to identify all payments and this was checked to the invoices, the bank statements and the agreed grant payments.

4.2.5. The previous recommendation for Councillor's to initial the invoices when they are approved for payment to give evidence that they have agreed the invoice, has been approved at the 25th June 2020 Council meeting, however, due to the Pandemic this has not been practical, but will commence once the restrictions are lifted.

4.3. Risk Management

4.3.1. The Council carries out regular risk assessments in respect of actions with the Clerk making an annual risk management report to the Council, which is agreed with the statement of accounts.

4.4. Income collection and Banking arrangements

4.4.1. Income for the Council is for the precept, Vat claim and any grant monies. The Council does not collect any income. For 2019/20 the vat claim was submitted and paid into the Council's bank account on 24th April 2020.

4.4.2. The previous audit recommendation to transfer monies to another bank account has not been implemented. As the Council held a large sum of monies in one bank account which exceeded the threshold of the Finance Compensation Scheme of £85,000 therefore its monies would not be protected if the bank ceases to trade. This has been difficult to implement due to the Covid restrictions, but this is in hand and will be in place in 2021/22.

4.4.3. Bank reconciliations are properly carried out to the bank reconciliation reports.

4.5. Accounting Records

4.5.1. The Accounting records for 2020/21 produced reports from the Rialtus finance systems and the completed statement of accounts as shown on the AGAR was confirmed to these reports.

4.6. Assets

4.6.1. The Council has completed an asset register which is to be approved with the statement of accounts.

4.7. Debtors

4.7.1. There are no accounts raised for debts.

4.8. Budgetary Control

4.8.1. Preparing for budget setting for the financial year 2021/22 The Clerk advised the Committee that all of the Parish Council's Committees meet to consider their own budget request to go forward for the Finance Committee to consider. A recommended budget and precept request is agreed at the Parish Council's Full Council meeting in January,

4.8.2. The 2021/22 budget and precept was discussed and agree at the 26th November 2020 Finance meeting and approved at Full Council on 28th January 2021.

4.9. Governance arrangements

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

4.9.2. At 25th April 2019 Council meeting it was agreed that a working party be set up to review Standing Orders, Financial Regulations, risk register and terms of references for committees. These were approved at Council's Annual General Meeting on 23rd May 2019. Due to the Pandemic there was no AGM in 2020 and therefore no review carried out, however, these are to be reviewed in 2021

4.9.3. 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. A report on the Parish Council's Internal Controls is submitted with the statement of accounts.

4.9.4.. The announcement of the public rights for 2019/20 was dated 29th June 2020 with the inspection of the accounts available between 30th June 2020 to 10th August 2020, and was placed on the Council's website

5. Conclusions/Recommendations

5.1. The Council has good Standing orders and Financial Regulations and has good governance arrangements in place.



**Gordon Fletcher (C.M.I.I.A.),
Internal Auditor for the Town Council**

Date: 20th May 2021

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| DECISION REQUIRED | For Members to consider the above report and to agree any actions following on from this report. |
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