

City of Durham Parish Council

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2nd January 2022

Access details for Finance Committee meeting:

Join Zoom Meeting

<https://us02web.zoom.us/j/85198759237>

Meeting ID: 851 9875 9237

Dear Finance Committee Member,

In accordance with both the Local Government Act 1972, I hereby give you notice that a meeting of the **Finance Committee** will be held in **via Zoom** on **Monday 11th January 2022 at 11:00am** 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 10th June 2021**
- 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 2021-22** – report attached.
- 6. Proposed Parish Council expenditure for the financial year 2022-23** – report attached.
- 7. Parish Council precept request 2022-23** – report attached.
- 8. Report on internal controls of the Parish Council** – report included.
- 9. Update on the allocation of grant funding to local community and voluntary organisations in the parish**
- 10. 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 10th June 2021 at 11:00am via Zoom.

Present: Councillors A Doig, V Ashfield, R Hanson and H Weston.

Also present: Parish Clerk A Shanley.

Cllr A Doig in the **Chair**

1. Election of Chair of the Finance Committee

Cllr D Freeman was elected Chair of the Finance Committee. Proposed by Cllr A Doig and seconded by Cllr V Ashfield.

2. Election of Vice-Chair of the Finance Committee

Cllr A Doig was elected Vice-Chair of the Finance Committee. Proposed by Cllr V Ashfield and seconded by Cllr R Hanson.

3. Welcome and apologies

Apologies were received from Cllr D Freeman. In his absence, Cllr A Doig chaired the meeting as Vice-Chair.

4. To receive any declarations of interest from members

Cllr A Doig declared an interest under item 8 of the Agenda in relation to the award of grants to local community and voluntary organisations; specifically the applications from St. Cuthbert's Hospice, Alington House, Shakespeare Hall, Merryoaks WI and St. John's Brownies and took no part in the discussion or vote on these applications.

5. To receive and approve as a correct record the minutes of the meeting on 11 January 2021

The minutes of the meeting held on 11th January 2021 were unanimously **agreed** as a true and accurate record of proceedings.

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

None received.

7. Update on grant funding awards 2020-21

The Clerk reminded Members that in a number of cases (Durham Hospital Radio, St. Oswald's Institute and SNCF), the Council had approved to extend the timeframe in which each organisation could spend their funding until December 2021, in view of the difficulties caused by the ongoing Covid-19 pandemic. The Clerk reported that he had written to each organisation and they had confirmed that the allocated funding would be spent within this extended timeframe.

The Clerk also reminded Members that he had circulated correspondence from the Blind Life in Durham group, who had asked whether the approx. £430 grant could be re-allocated towards allowing the group to meet virtually and have online interactive sessions with their members as opposed to funding room hire, given that the group is unable to meet physically and there is some concern that a number of their members

are feeling isolated during the pandemic. The Committee unanimously **agreed** to support this alternative use for grant funding from the Blind Life in Durham.

8. Grant funding awards 2021-22 – report included.

Members **agreed** the grant funding awards for 2021-22 as follows:

| Organisation | Project | Amount requested | Amount agreed |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------|
| 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 | £3,000 |
| St. Cuthbert's Hospice | Refreshing and repairing the gardens of the Hospice as a place of tranquility. Also re-designing to make the gardens suitable for bereaved children. | £2,250 | £2,250 |
| Alington House | Refurbishment of the Main Hall of Alington House | £1,500 | £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 | £2,028 |
| 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 | £3,000 | £3,000 |

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|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| | soundproofing is also included in the project. | | |
| DMC 4 Durham CIC | <p>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.</p> <p>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.</p> | £2,000 | £2,000 |
| Durham Community Association (Shakespeare Hall) | Purchase of a Printer/copier/scanner and 4x hand dryers | £966 | £966 |
| 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 | £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 | £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 | £250 |

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| St. Margaret's Centre | The replenishment of consumable materials used in the craft room, woodwork and horticulture departments at the centre. | £1,000 | £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. | £0 |
| The Finchale Group | Funding of an access path to the Finchale Gardens - a place of peace and tranquillity in an industrial estate. | £1,000 | £0 |
| | | Total agreed | £17,544 |

9. Internal audit report for the financial year 2020-21

Members noted a successful outcome of the internal audit of the Parish Council and agreed to take forward all outstanding actions identified within the report. The Committee thanked the Clerk for his work throughout the year on behalf of the Parish Council.

10. Financial position at the end of 2020-21

The Parish Clerk provided a summary of the Parish Council's finances over financial 2020-21 as follows:

The Parish Council's sole source of income for the Financial Year 2020-21 was its precept, which generated an income of £154,488.

A refund of VAT paid in the Financial Year 2019-20 was paid to the Council. This totalled £7,743.89.

A refund of the £250 deposit was also made to the Council from the Spitfire company originally contracted for the Battle of Britain event as they cancelled on us at the last minute and an alternative provider had to be found.

Total expenditure for the Financial Year 2020-21 was £157,138. Covid-19 has clearly had an impact on some of the operations of the Parish Council and the ability to deliver on projects such as the Youth Environment Working Party where Council committed a budget of £5,000 towards eradicating single plastic usage. This fund, along with other payments of £31,000, have been ringfenced from the previous financial year in order to support their delivery in this financial year.

The pandemic has also created savings during the financial year, with £5,500 saved through office rental costs and the Parish Council working via Zoom – this form of operation has created not only financial savings but significant time savings for the Clerk and Councillors when attending meetings, etc.

In spite of the pandemic, the Council largely continued with its programme of work, with Committees such as the Business Committee, Planning Committee and Environment Committee delivering projects to improve the Parish.

The Parish Council committed a significant, additional proportion of its funds for 2020-21 to supporting local voluntary and community organisations, with the small grants budget increasing to £24,475 and a new Covid-19 business resilience fund of £30,000 being established to support local businesses in the City with the additional costs of making their premises Covid-safe as the Country came out of the first lockdown. In

many cases, the funding from the Parish Council in the way of grants has been a lifesaver for many of the local organisations we cherish in the city.

This financial year, the Parish Council has agreed a budget of £174,040.00, with the underspend from the previous financial year funding the additional expenditure required given the decision to freeze the precept for the third year in a row.

An independent internal audit of the Parish Council's finances, and operations has been carried out and the auditor has again commended the Parish Council on its good governance and management arrangements and has also commended the Parish Council for continuing with its programme of work during what has been an unprecedented and difficult year for everyone.

The Chair thanked the Clerk for this report.

11. Dates of future meetings

The Chair advised that the date of the next meeting of this Committee would be communicated 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
(11th January 2022)**

ITEM 6: PARISH COUNCIL BUDGET FOR THE FINANCIAL YEAR 2022-23

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 2022.

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 2022.

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.

2022-23 Budget requests from all Parish Council Committees

Planning Committee

| Item of potential expenditure | Cost (£) |
|-------------------------------------------------------------------|------------------|
| Professional support in responding to planning applications | 4,000.00 |
| Supporting the production of a Conservation Area Management Plan | 10,000.00 |
| Providing an enhanced planning enforcement service for the parish | 10,000.00 |
| TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES | 24,000.00 |

Licensing Committee

| Item of potential expenditure | Cost (£) |
|------------------------------------------------------|-----------------|
| Enhanced drug searching SLA with Durham Police | 1,800.00 |
| Hosting a licensing training event | 1,000.00 |
| Licensing award | 1,000.00 |
| TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES | 3,800.00 |

Environment Committee

| Item of expenditure | Cost (£) |
|----------------------------------------------------|-----------|
| PRIORITY 1: Being a voice for the City | |
| OASES/ schools project | 2,000.00 |
| PRIORITY 2: Noise abatement | |
| Evening Wardens | 3,000.00 |
| PRIORITY 3: Clean Air, Clean and Green City | |
| Durham in Bloom and planting | 10,000.00 |
| Event for clean air and active travel | 1,500.00 |
| PRIORITY 4: Heritage | |

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| Adding content to the Heritage App and Seven Hills Trail | 4,000.00 |
| Information Boards on heritage and nature | 3,000.00 |
| Creation of new blue plaques in the parish | 1,000.00 |
| PRIORITY 5: Appearance of the City | |
| Neighbourhood Warden SLA with DCC | 10,000.00 |
| Easter and Christmas Frontages Awards (possible collaborative project with Business Committee) | 2,000.00 |
| Improving the river | 6,000.00 |
| PRIORITY 6: Climate Emergency | |
| Reusable cup scheme (collaborative project with Business committee?) | 4,000.00 |
| Continuation of Terracycle scheme | 1,000.00 |
| Green Business award: e.g., reduction in carbon emissions and use of plastic etc.) (collaborative project with Business committee?) | 2,500.00 |
| Community composting project | 3,000.00 |
| TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES | 53,000.00 |

Business Committee

| Item of potential expenditure | Cost (£) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| PRIORITY 1: Professional support for independent businesses in Durham | 10,800.00 |
| PRIORITY 2: Maintaining and promoting the e-commerce website "Totally Locally Durham" for Durham City Businesses | 1,000.00 |
| PRIORITY 3: Hosting events in Durham City (Remembrance Sunday, Christmas events, Queen's Jubilee 2022, Food and Drinks Festival, miscellaneous). | 30,000.00 |
| TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES | 41,800.00 |

Full Council

| Item of Expenditure | Cost (£) |
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| PRIORITY 1: Administration of Parish Council (rent, room hire, audit, insurance, printing and postage, newsletters, website, other expenditure) | 15,000.00 |
| PRIORITY 2: Training budget | 3,000 |
| PRIORITY 3: grants for local community and voluntary organisations | 20,000.00 |
| PRIORITY 4: Staffing costs – including salary, National Insurance contributions and workplace pension | 56,000.00 |
| TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES | 94,000.00 |

| Committee | Proposed expenditure (2022/2023) against priorities (£) |
|---------------------------|---------------------------------------------------------|
| Planning Committee | 24,000 |

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|------------------------------------------------------------------|----------------|
| Licensing Committee | 3,800 |
| Environment Committee | 53,000 |
| Business Committee | 41,800 |
| Full Council | 94,000 |
| TOTAL POTENTIAL PROVISION IN 2022-2023 AGAINST PRIORITIES | 216,600 |

PLEASE NOTE: It is expected that the Parish Council will finish the current Financial Year (2021-22) with (approximately) £90,000 remaining in the bank account (taking into account).

Of the remaining £90,000, the following need to be ring fenced for the next financial year:

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| General Reserves | £45,000 |
| Contingencies | £15,000 |
| TOTAL | £60,000 |

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| DECISION REQUIRED | Members are asked to approve the draft Full Council budget for financial year 2022-23 to go forward as the recommended budget for Full Council approval in January. |
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ITEM 7: PARISH COUNCIL PRECEPT REQUEST 2022-23

Budget

Please refer to Item 6 for consideration of budget priorities for 2022/2023.

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 2022/23 City of Durham Parish Council Tax Base was calculated at 4,494.9. For 2021/22 the Tax Base was 4,421.1. Our Tax Base has therefore increased by 82.8.

This means that, if the Parish Council retains its current council tax band D charge of £34.87, it can generate a precept of £156,737.17. This would represent an increase from 2021/22 which generated a total precept of £153,849.93.

Local Council Tax Reduction Scheme Grant

The LCTRS grant payable to the City of Durham for 2022/23 is £0. In 2021/22, the LCTRS grant paid to the Parish Council was £622.00. (Total amount paid to the Parish Council in 2021/22 – £154,471.93)

Therefore, should Councillors decide to retain the current council tax charge, the total income for the Parish Council (from Precept and LCTRS Grant) would increase (from 2021-22 levels) by £2,265.24 and would therefore be £156,737.17.

Precept request

The precept request must be submitted to Durham County Council by the end of January 2022.

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| 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: REPORT ON PARISH COUNCIL INTERNAL CONTROLS

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.

2021 has again been a difficult year for all due to the ongoing Covid-19 situation. It became apparent in March 2020, 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 Parish Council has continued holding meetings of Committees via Zoom and returned to physical meetings of the Full Council in 2021, whilst observing the latest Covid-19 guidance from Government throughout.

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.

4. 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.

5. EXTERNAL AUDIT REPORT

The external audit report for 2020-21 was carried out by Mazars and was completed in September 2021. No issues were raised by the external auditors.

6. INTERNAL CONTROL ISSUES

The Auditors did not raise any issues as part of the 2020-21 Audit.

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 Council has now opened an account with NatWest Bank and funds will be deposited into this account.

An alternative electronic provision for approving invoices has been arranged for this year in view of the Covid-19 pandemic but going forwards it is hoped that these can be approved by wet signature in addition to the online approval.

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| DECISIONS REQUIRED | <ol style="list-style-type: none">1) Councillors are requested to approve the report.2) Councillors are asked to agree to the appointment of Mr Gordon Fletcher as the Parish Council's internal auditor for the financial year 2021/22. |
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