

# CITY OF DURHAM PARISH COUNCIL

Minutes of the meeting of the Parish Council Finance Committee held on Tuesday 11<sup>th</sup> January 2022 at 11:00am via Zoom.

**Present:** Councillors A Doig, V Ashfield, L Brown and R Hanson

**Also present:** Parish Clerk A Shanley and Cllr G Holland

Cllr A Doig in the **Chair**

## 1. Welcome and apologies

Apologies were received from Cllrs D Freeman and H Weston.

## 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 10<sup>th</sup> June 2021

The minutes of the meeting held on 10<sup>th</sup> June 2021 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 2021-22

The Clerk reported that the current expenditure of the Parish Council from this financial year is £136,272, with a further approx. £66,000 expected until the end of the financial year.

The Clerk advised that he is expecting that the Parish Council will finish the Financial Year with approximately £88,000 in the bank.

Members also **approved** the following virements for the budget for 2021-22:

- From the £15,000 contingency, £11,992 to be allocated towards the common land inquiry fund and £3,000 to be allocated towards the events budget.
- From the remaining £2,856 Frontage Awards fund, £1,201 be allocated towards the events budget and £1,000 be allocated towards the blue plaques scheme budget.
- From the £3,000 heritage app fund, £3,000 be allocated towards the Seven Hills trail project fund.
- From the remaining £4,178 Young People fund, £1,500 be allocated towards the events budget.
- From the £45,000 general reserves, £15,304.37 be allocated towards funding the cost of the May 2021 local parish council elections.

Members also **agreed** that "*Launching a Shhh campaign*" is a more appropriate budget description to the activities for cost code 7010 than "*Evening Wardens*".

## 6. Proposed Parish Council expenditure for the financial year 2022-23

The Finance Committee unanimously **agreed** the expenditure for the financial year 2022-23 as follows:

### 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
<b>TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES</b>	<b>14,000.00</b>

### 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
<b>TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES</b>	<b>3,800.00</b>

### Environment Committee

Item of expenditure	Cost (£)
<b>PRIORITY 1: Being a voice for the City</b>	
OASES/ schools project	3,000.00
<b>PRIORITY 2: Noise abatement</b>	
Building on the Shhh campaign	2,000.00
<b>PRIORITY 3: Clean Air, Clean and Green City</b>	
Planting up and greening the parish	10,000.00
Event for clean air and active travel	1,500.00
<b>PRIORITY 4: Heritage</b>	
Information Boards on heritage and nature	3,000.00
Creation of new blue plaques in the parish	1,000.00
<b>PRIORITY 5: Appearance of the City</b>	
Neighbourhood Warden SLA with DCC	10,000.00
Christmas Frontages Awards (possible collaborative project with Business Committee)	2,000.00
Improving the river	6,000.00
<b>PRIORITY 6: Climate Emergency</b>	
Continuation of Terracycle scheme	3,000.00
Celebrating plastic free businesses	1,000.00
Community composting project	1,000.00
<b>TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES</b>	<b>42,500.00</b>

### Business Committee

Item of potential expenditure	Cost (£)
<b>PRIORITY 1: Professional support for independent businesses in Durham</b>	10,800.00
<b>PRIORITY 2: Maintaining and promoting the e-commerce website "Totally Locally Durham" for Durham City Businesses</b>	1,000.00
<b>PRIORITY 3: Hosting events in Durham City</b> (Remembrance Sunday, Christmas events, Queen's Jubilee 2022, miscellaneous).	22,000.00
<b>TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES</b>	<b>33,800.00</b>

### Full Council

Item of Expenditure	Cost (£)
<b>PRIORITY 1:</b> Administration of Parish Council (rent, room hire, audit, insurance, printing and postage, newsletters, website, other expenditure)	15,000.00
<b>PRIORITY 2:</b> Training budget	3,000.00
<b>PRIORITY 3:</b> grants for local community and voluntary organisations	15,000.00
<b>PRIORITY 4:</b> Staffing costs – including salary, National Insurance contributions and workplace pension	56,000.00
<b>TOTAL PROVISION IN 2022-23 AGAINST PRIORITIES</b>	<b>89,000.00</b>

Committee	Proposed expenditure (2022/2023) against priorities (£)
<b>Planning Committee</b>	<b>14,000</b>
<b>Licensing Committee</b>	<b>3,800</b>
<b>Environment Committee</b>	<b>42,500</b>
<b>Business Committee</b>	<b>33,800</b>
<b>Full Council</b>	<b>89,000</b>
<b>TOTAL POTENTIAL PROVISION IN 2022-2023 AGAINST PRIORITIES</b>	<b>183,100</b>

The Committee noted that it is expected that the Parish Council will finish the current Financial Year (2021-22) with (approximately) £88,000 remaining in the bank account (taking into account.

Of the remaining £88,000, the following was **agreed** to be ring fenced for the next financial year:

General Reserves	£45,000
Contingencies	£15,000

<b>TOTAL</b>	<b>£60,000</b>
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## **7. Parish Council precept request 2022-23**

The Clerk advised that the 2022/23 City of Durham Parish Council Tax Base has been calculated at 4,494.9. For 2021/22 the Tax Base was 4,421.1 and therefore the Tax Base for the parish has 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.

The Clerk also advised that the LCTRS grant payable to the City of Durham Parish Council 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)

Members **agreed** to recommend to Full Council that the current parish council tax charge be retained, therefore the total income for the Parish Council (from Precept and LCTRS Grant) would be £156,737.17.

## **8. Report on internal controls of the Parish Council**

Members **approved** the following report on internal controls for the Parish Council:

### **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.

End of report

In approving this report, Members also **agreed** to the appointment of Mr Gordon Fletcher as the internal auditor for the Parish Council for the financial year 2021/22.

#### **9. Update on the allocation of grant funding to local community and voluntary organisations in the parish**

The Clerk advised that almost all grant funding from the current financial year has now been allocated by the Parish Council and reminded Members that each grant award winner is required to provide a report to Full Council later this year on the impact of this funding.

The Clerk also advised that all grant award winners have now spent all grant funding from the financial year 2020-21, reminding Members that a number of organisations were granted an extension to spend the funds (beyond the 12 months period specified in the Council's policy) in light of the difficulties arising from the Covid-19 pandemic.

The Clerk advised that he had received no updates from the St. Oswald's Institute on their project and the Committee **agreed** to task the Clerk with chasing this up with the group and to ask for an update on this project, reminding the group of the need to have the project delivered and the funds spent and the terms of the Parish Council's grants policy.

Cllr V Ashfield also advised that SNCF has £43 remaining from its awarded grant and asked if this funding could be spent on leaflets for residents in the SNCF area with information about bins and waste disposal. The Committee **approved** this use of the remaining funding.

#### **10. 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**