



22nd February 2022

In accordance with Paragraphs 8 & 10(2) (b) of Schedule 12 of the Local Government Act 1972 I hereby summon you to attend a Meeting of **PETERLEE TOWN COUNCIL** to be held in the **BRANDLING SUITES, SHOTTON HALL, PETERLEE, SR8 2PH** on **MONDAY 28th FEBRUARY 2022 at 6.30pm**

Ian Morris, P.S.L.C.C
Town Clerk (Proper Officer of the Council)

Members of the Committee and members of the public are reminded that the public part of the meeting may be recorded in both audio and video, and photographs may be taken.

Due to the current COVID situation the capacity of the meeting room is significantly reduced and public admission to the meeting will be limited. Any members of the public wishing to attend Shotton Hall to observe the meeting are strongly advised to contact the Council in advance to reserve a seat: council@peterlee.gov.uk or 0191 5862491

Councillors and members of the public attending the meeting will be asked to wear facemasks unless medically exempt.

BUSINESS TO BE TRANSACTED

1. Apologies for Absence

2. Public Participation Session
Will be held to allow Members of the public an opportunity to put questions to the Council. This item of business to last no more than 15 minutes, as per Council Standing Orders.

3. To receive declarations of interest
Members are reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. Please seek advice from the Town Clerk or Deputy Town Clerk **prior to the meeting** if in doubt. Members are reminded that they can check their published declaration of interests here: <https://bit.ly/2wVyeLA>
4. To Approve the Minutes of the last meeting of the 17th January 2022
The minutes of the previous meeting are attached for consideration and approval as a true and correct record. (attached)
5. To Consider a request for acceptance of reasons for non attendance from a Council Member
Verbal report of the Town Clerk
6. Report of the Community & Environment Meeting of the 14th February 2022
The minutes of the Community & Environment Committee are attached for the information of Members.
(attached)
7. Notes of the Finance Sub Committee of the 14th February 2022
To confirm and endorse the resolution of the Finance Sub Committee to approve BACS payments to be paid on 18th February 2022. (attached)
8. COVID-19 Update
To receive an update from the Town Clerk on the Council's response to the COVID-19 situation.
(verbal report of the Town Clerk)
9. Final Budget and Fees & Charges levels for 2022/23
To seek Members approval of the final draft budget and main fees & charges for the Town Council for 2022/23.

(Report of the Town Clerk, attached)
10. Review of Council's Approach to Risk and Strategic Risk Register
Members will be asked to review and approve the Council's approach to risk and the updated Strategic Risk Register.

(Report of the Town Clerk, to follow)

11. Procurement of a new skate park at Eden Lane, Peterlee

Members will be asked to approve a proposal to launch a procurement exercise for a new skate park in the area close to the Council's Eden Lane depot and Peterlee & Horden Rugby Club following a successful bid for s106 grant funding.

(Verbal report of the Town Clerk)

12. Update on progress with the 'Double Taxation' discussion between County Durham Association of Local Councils (CDALC) and Durham County Council (DCC)

Members will be asked to consider the report of the DCC Head of Corporate Finance to the Local Councils Working Group 21st December 2021 regarding the 'double taxation' concept, and to approve Officer's recommendations that the Town Council does not wish to engage with the project if it does proceed.

(Report of the DCC Head of Corporate Finance to the Local Councils Working Group 21st December 2021, attached, and verbal report of the Town Clerk)

13. Spokesperson of the North East Party's Report

14. Spokesperson of the Labour Political Party's Report

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE TOWN COUNCIL

HELD IN THE BRANDLING SUITE, SHOTTON HALL, PETERLEE

ON MONDAY 17TH JANUARY 2022 at 6.30PM

PRESENT: - COUN M A CARTWRIGHT (CHAIR)

Mesdames: - K Liddell, D Howarth, J Black, K Hawley, K Duffy, D Quinn, M McCue & S McDonnell

Messrs: - R Burnip, R Moore, D Hawley, T Duffy & R Fishwick

123. Apologies for Absence

Apologies for absence were offered and accepted from Councillors G Johnson, S Simpson, A E Laing, M Sanderson and A Stockport.

124. Public Participation Session

There were no members of the public present.

125. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. None were offered.

126. To Approve the Minutes of the last meeting of the 20th December 2021

The minutes of the previous meeting were attached for consideration and approval as a true and correct record.

Matters Arising - Neighbourhood Planning

It was advised that 7 Councillors had expressed an interest in being involved with this Group.

RESOLVED the minutes be accepted and signed as a true and correct record

127. Report of the Resources Meeting of the 10th January 2022
The notes of the Resources Meeting were attached for the information of Members.
RESOLVED the information given, be noted.
128. The notes of the Events Working Party of the 4th January 2022
The notes of the Events Working Party were attached for the information of Members.
RESOLVED the information given, be noted.
129. Notes of the Finance Sub Committee of the 17th January 2022
To confirm and endorse the resolution of the Finance Sub Committee to approve BACS payments to be paid on 21st January 2022.
130. COVID-19 Update
Members received an update from the Town Clerk on the Council's response to the COVID-19 situation. He reported three members of staff had been struck with COVID 19 and were now back at work. The Council were continuing with precautions and encouraging the use of LFD tests and he was pleased to report there appeared to be no incidents recorded where it was transmitted via the workplace. **RESOLVED the information given, be noted.**
131. Budget for 2022/23
Members' approval of the outline budget for the Town Council for 2022/23 and to set the precept level for 2022/23 was requested.
RESOLVED the precept be set at £1,401,424.94, Band D equivalent of £304.81 and that charges for the Council's main services be increased by a target 10% across the board.
132. Arrangement for locking/unlocking of car park gates, Lowhills Road
Further to previous discussions by the Council on arrangements for the locking and unlocking the car park gates at Lowhills Road, Members were asked to approve an annual payment to CALM CIC for this service on a 365 day basis at £2,920 per annum. The various options open to the Town Council for the opening closing of the gate were given for consideration and discussion. Following considerable debate it was **RESOLVED the car park gate be left open on a permanent basis. The gate would be left in situ, locked in the open position, and this would provide the Council with the option to lock the car park from time to time if there were any specific reasons for doing so, such as responding to local intelligence about ASB etc.**

In discussing this item reference was made to a recent social media post by a Town Councillor in relation to this matter.

RESOLVED the Members Code of Conduct in relation to the use of social media by Town Councillors be considered at the next meeting of the Town Council.

133. Spokesperson of the North East Party's Report

Councillor McDonnell reported on work she was doing with the Police & Crime Commissioner's Office and DCC on a multi agency approach to tackle ASB and improving ways to report problems to the Police.

She also reported Durham was now in the last 8 in the City of Culture bidding round and the County Council were calling on all partner agencies to get behind and support the bid.

RESOLVED the information given be noted.

134. Spokesperson of the Labour Political Party's Report

Councillor McCue said there was not a single household that had not been affected by COVID 19 and the magnitude and affect could not be put into words and there were still challenges ahead for all. She pointed out despite political differences everyone was experiencing problems and there was more that brought us together than divided us. She wished everyone a Happy New Year with the hope this year would be better than the last.

RESOLVED the information given be noted.

THE MINUTES OF THE MEETING
OF THE COMMUNITY & ENVIRONMENT COMMITTEE
HELD IN THE BANQUETING SUITES,
SHOTTON HALL, PETERLEE ON MONDAY 14TH FEBRUARY 2022 AT 6.30PM

PRESENT: M A CARTWRIGHT (CHAIR)

Mesdames: - K Duffy, K Hawley, D Howarth, K Liddell, S McDonnell, S Simpson, A E Laing, E Watson & M McCue

Messrs:- R Moore, S Meikle, B Fishwick, M Sanderson & S Franklin

The Chairman advised Members of the committee that part of the meeting may be recorded by both audio and video, and it may be that photographs were taken.

13. Apologies for Absence

Apologies were submitted by Councillors J Black, G Johnson, D Quinn, D Hawley and T Duffy.

RESOLVED the Council approve the reason submitted for absence received from these Councillors, and their apologies for absence be recorded.

14. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. None were given to the meeting.

15. To Approve the Minutes of the Last Meeting

The contents of the Minutes of the last meeting, a copy of which had been previously circulated, were approved and signed as a true and correct record.

16. Town Events – Tenders for services

The report of the Corporate Services Manager providing details of the tenders for the provision of services was provided for the consideration and approval by Members. It was suggested the possibility of purchasing lighting towers be looked into. It was also asked that the bar provision for the bar service for the Music Fest be considered at an Events Working Party Meeting.

RESOLVED: -

(A) that the quotation from Company A, SISCO Security from Seaham, for the total amount of £6,585.00 for security services at the events be accepted.

(B) that the quotation from Company A, Medics UK from Stockton, for the total amount of £4,648.00 for medical cover for the events be accepted.

- (C) that the quotation from Company A, Nemesis Fireworks from Nantwich, for the amount of £2,920.00 be accepted.
- (D) that the free offer from Company A, Hutton Fire Protection from Hartlepool, to provide fire extinguishers, be accepted.
- (E) that the quotation from Company A, Chevron Traffic Management Services from Nottinghamshire, for the amount of £5,160.00 be accepted.
- (F) that the quotation from Company A, Castlewood Loo Hire from Durham, for the amount of £1,988.00 be accepted.
- (G) that the quotation from Company A, Dobson's Marquee Hire from Bishop Auckland, for the amount of £4,558.00 be accepted.
- (H) that the quotation to provide all supplies from Company A, SPL from Stockton, for the amount of £11,050.00 be accepted.
- (I) that the quotation from Company A, SPL from Stockton, for the amount of £1,930.00 be accepted.
- (J) that the tenders from Company A, Wonderful Whippy Ice Cream for the amount of £800.00, Company B, Gourmet Grill from Peterlee, for the amount of £200.00, Company C, for the amount of £200.00 from Spennymoor and Company D, for the amount of £120.00 from Castle Eden be accepted. I will look at finding one more option as stated in the letter requesting 4 units to attend the Music Fest.

17. Temporary Marquee Facility, Peterlee Cricket Club

Members were asked to approve a request from Peterlee Cricket Club for the erection of a temporary marquee at the Helford Road cricket ground to provide a social space and potential income generation for the Club. The Town Clerk provided further detail and answered any questions posed by Members.

It was **RESOLVED** an in-principle approval of the Cricket Club's request to erect at 6mx10m marquee on Town Council land between the Pavilion Sports & Community Centre and the cricket score box, with artificial turf flooring and a bar cabin/locker, be given. This approval was contingent on the following five conditions:

1. that the club secured planning permission for the proposed installation;
2. that the club secured the appropriate alcohol license for the facility from the licensing authority;
3. that the club arranged public liability insurance cover for the marquee/fixtures/fittings and any activities that occur therein;
4. that the power supply to the marquee facility would be installed and commissioned by a certified electrician
5. that the land be returned to its original condition (or as reasonably close as possible) at the club's expense when the marquee was removed.

18. Members' attendance and allowances

The report of the Deputy Town Clerk/Democratic Services Manager providing an update with Members' allowances and details of Member's attendance from May 2021 to January 2022 was considered.

RESOLVED the Town Council continue to pay Members' allowances and attendance be recorded as it was currently, in the minutes only.

19. Code of Conduct & Civility and Respect

The report of the Deputy Town Clerk/Democratic Services Manager requesting the Town Council to adopt a bullying and harassment statement in line with sector guidance was considered. **RESOLVED: -**

- (i) **the bullying and harassment statement proposed by NALC & SLCC be adopted by the Town Council and publicised accordingly;**
- (ii) **the information provided on the use of social media by Councillors, be noted;**
- (iii) **the Town Council submit a Code of Conduct Complaint to DCC following posts made on social media by a Town Councillor.**

Councillor Meikle left the meeting at 7.30pm.

20. Member Briefing Sessions

Members considered a proposal to provide them with an online briefing session on a regular basis to enable Senior Managers to update Members on latest development in their service areas. Members felt this was a really good idea and it was **RESOLVED these be arranged.**

21. Boundary fence, Ponyfields/Horden Parish

Members were asked to consider options for the future treatment of the parish boundary line between Peterlee and Horden in the Ponyfields/Yoden Avenue area. The existing fence was in poor condition and a decision needed to be made about next steps. **RESOLVED the remainder of the timber fence between Snowdrop, Daffodil, Wallflower, Briar and Woodbine Avenue be removed. FURTHER RESOLVED should a resident wish to keep the timber rather than it being removed, they agree to take on ownership of and responsibility for it and this be recorded in writing.**

22. Draft budget for 2022/23

Members considered the detailed draft budget and proposed fees & charges for the 2022/23 financial year prior to approval by Council on 28th February 2022. The contents were noted, and Members were asked to provide any feedback. **RESOLVED the draft budget be submitted to the Council Meeting for approval.**

PETERLEE TOWN COUNCIL

FINANCE SUB-COMMITTEE

HELD IN THE BRANDLING SUITE,

SHOTTON HALL, PETERLEE

ON MONDAY 14th FEBRUARY 2022

Present:-

Councillors K Liddell, s Simpson & R Moore

24. ACCOUNTS FOR PAYMENT

Members were provided with the accounts and invoices for February 2022 to be paid by BACS in the sum of £53,454.61. Following checking of the documents provided, it was **RECOMMENDED that the accounts presented be paid.**

25. DIRECT, DEBIT CARD PAYMENTS & FASTER PAYMENTS

RECOMMENDED the payments listed for January 2022, be accepted.

Report to: Peterlee Town Council

Date: 28th February 2022

Report of: Ian Morris, Town Clerk

Subject: Peterlee Town Council final budget and service charges 2022/23

Report Purpose: To seek Members approval of the revenue and capital budgets for the 2022/23 financial, including fees and service charges to apply from 1st April 2022

Background: At the Full Council meeting on Monday 18th January 2022 Members approved a balanced budget for 2022/23 and set the precept figure of £1,401,424.94 (Band D equivalent of £304.81, equivalent to a 6% precept increase for Council Tax payers). Members also agreed to a target 10% increase in service charges to help off set the pressures on the precept amount.

Sine the 18th January meeting the Town Clerk has continued to work with the Council's Senior Managers to refine the draft budget for 2022/23 and has completed a review of the Council's main fees & charges. The final draft budget and proposed service charges were reported to Community & Environment Committee on 14th February 2022 and the committee resolved to commend the budget to Council for approval.

Headlines:

Total projected expenditure 2022/23:	£2,213,238
Total projected income (before precept):	£810,706
Projected use of Reserves:	£1,107.14
Of which – Revenue	nil
Capital	£1,107.14
Precept demand:	£1,401,424.94
Average Council Tax Band D cost:	£304.81 (6% increase from 2021/22)

Commentary: The 2022/23 (attached as appendix 3) provides for a total turnover (gross expenditure) of £2,213,238 for 2022/23.

Members have agreed that the 2022/23 precept sum be set at £1,401,424.94 which will equate to a Council Tax band D payment of £304.81, representing 6% increase on the Town Council's element of Council Tax for Peterlee householders compared to 2021/22.

The 2022/23 budget requires a planned net use of reserves of £1,107.14, which will be on capital expenditure.

A revised use of reserves policy will be presented to Council in June/July 2022 once the 2021/22 year-end outturn position is known. The Town Council has already resolved to develop a Medium Term Financial Plan during 2022.

Fees & charges: The Town Clerk and Senior Managers have reviewed the fees and service charges for the Council's main operations in light of the 10% uplift target agreed by Council on 18th January 2022. The recommended revised charges for 2022/23 were reported to Community & Environment Committee on 14th February and that committee has recommended that Council adopts the fees and charges as set out in appendix 2 to this report.

Risk: The operating environment for the next financial year is an uncertain one. Although COVID restrictions are due to continue to lift, it is not clear when all aspects of Council service provision will return to a more stable 'normal' position. The budget has taken a prudent view of potential income generation from the Council's commercial services, and these forecasts must be treated with some caution.

An assumption of 5% inflation has been applied to many cost areas but the future of energy price increases remains uncertain and forecast energy costs have been made with the best information currently available and in consultation with Durham County Council through whom the Council sources its energy suppliers.

The Council is mitigating some of this risk by setting a balanced budget that makes a net contribution to reserves in the form of earmarked reserves for the MUGA earmarked reserve (£6,000) and Play Areas earmarked reserve (£25,000).

Work is ongoing on a draft Medium Term Financial Plan for the Council and this is expected to be reported to Council in March or April 2022.

Recommendation:

Members are recommended to note the contents of this report and to approve the budget and fees & charges for 2022/23 as set out in Appendices 2 & 3 to this report.

Appendix 1: Implications

Finance – This report sets out the budget for the Town Council for the 2022/23 financial year, with a precept requirement £1,401,424.94 which will equate to a Council Tax band D payment of £304.81, representing 6% increase and a planned use of reserves of £1,107.14

Staffing – The budget includes an assumption of a 2% pay increase in line with the current national negotiations between the national employers council and trades unions.

Risk – the budget has been set with regard to the Town Council's Strategic Risk register which was reviewed by the Council in February 2021. The report sets out some issues relating to risk that are relevant to the setting of the budget for 2022/23

Equality and Diversity, Cohesion and Integration – the budget makes provision for a range of services and events that are aimed at promoting social interaction and inclusion including youth engagement, volunteering, and ongoing wellbeing services operating from the Pavilion sports & community centre.

Crime and Disorder – no direct implications .

Consultation & Communication –The outline budget has been developed with the Council's management team and has included direct engagement of staff in discussions about budget requirements for 2022/23. The draft budget was also considered by Council and Resources Committee throughout November 2021 to January 2022.

Procurement –none.

Legal –the legal power to raise a precept is enshrined in a statute, predominantly the Local Government Finance Act 1992 (cIV) and Localism Act 2011 (s78). The proper consideration of the Council's budget is one of the many ways that the Town Council fulfils the requirement under s151 Local Government Act 1972 to make arrangements for the administration of its financial affairs.

Appendix 2: Fees & Charges schedule

Budget Area	Description	Comment	2021/22	2022/23	% increase
Shotton Hall Banqueting suite	Burdon suite (per hour)	includes room & bar	POA	POA	n/a
	Brandling suite (per hour)	includes room & bar	POA	POA	n/a
	Wedding hire surcharge		500	550	10.0%
The Pavilion	Main Hall (per hour)(Community Use)	Up to 100 guests	20	22	10.0%
	Bar (per hour)(Community Use)	Up to 100 guests	12	14	16.7%
	Main Hall (per hour)(Private/Commercial Use)	Up to 100 guests	30	33	10.0%
	Bar (per hour)(Private/Commercial Use)	Up to 100 guests	20	23	15.0%
	Smaller meeting room (per hour)(Community Use)	Up to 40 guests	10	11	10.0%
	Smaller meeting room (per hour)(Private/Commercial use)	Up to 40 guests	20	22	10.0%
	MUGA hire (Peak)(Adults)	4:00pm to 9:30pm – Monday to Friday and Weekends	48	50	4.2%
	MUGA hire (Off Peak)(Adults)	09:00am to 3:30pm – Monday to Friday	28	30	7.1%
	MUGA hire (Peak)(under-18s)	4:00pm to 9:30pm – Monday to Friday and Weekends	28	30	7.1%
	MUGA hire (Off Peak)(Under-18s)	09:00am to 3:30pm – Monday to Friday	15	17	13.3%
	(Under 18's sessions must be booked by an adult and accompanied by an adult for the whole session)				
	Classes		POA	POA	n/a
Sports & Recreation	Football pitch (season)(Peterlee team)(Junior)	the annual football pitch hire includes two friendlies per year and one mid-week training session per week for the duration of the season	100	110	10.0%
	Football pitch (season)(Peterlee team)(Adult)		300	330	10.0%
	Football pitch (season)(non-Peterlee team)(Junior)		150	165	10.0%
	Football pitch (season)(non-Peterlee team)(Adult)		450	495	10.0%
	Cricket pitch grounds maintenance		1000	1500	50.0%
	Rugby pitch grounds maintenance		1500	2000	33.3%
	Bowls Club grounds maintenance		500	550	10.0%
	Leisure Garden Hire (Full)		50	55	10.0%
	Leisure Garden Hire (Half)		25	28	12.0%
Cemetery & Burials	Exclusive Rights 9'x5' grave space	all fees & charges doubled for non-residents	190	210	10.5%
	Exclusive Rights Sanctum 2 blocks		40	45	12.5%
	Exclusive Rights 2'x2' cremated remains space		90	100	11.1%

	Internment Fees Single 9'x5' space (18yrs+)		200	220	10.0%
	Internment Fees Double 9'x5' space (18yrs+)		360	400	11.1%
	Any grave space under 18yrs		0	0	
	Stillborn		0	0	
	Ashes (18yrs+)		87	95	9.2%
	Erection of Headstone/Vase/Memorial Plaque		90	100	11.1%
	Purchase of base stone (for 2'x2' space)		40	45	12.5%
	Additional inscription		55	60	9.1%
	placement of sanctum 2 block		40	45	12.5%
	Grave planting for one year		50	55	10.0%

Appendix 3: final draft budget for 2021/22

<u>101</u>	<u>Central & Civic HQ Costs</u>	2021/22 Budget	2022/23 Budget	variance
4000	Salaries, Wages, Superan, NI	331,259	364,068	32,809
4003	Overtime	0	0	0
4006	Building Maint. Contracts	300	300	0
4010	Cleaning Wages	21,324	13,390	-7,934
4011	Facilities Staff - Wages	0	26,518	26,518
4099	Pension Cont - Former Staff	4,500	4,500	0
4100	Training & Development - Staff	15000	15,000	0
4175	Personnel Services			
		7000	5,000	-2,000
4190	Wages Processing DCC	7000	7,000	0
4200	Electricity	3500	3,000	-500
4201	Gas	2000	2,000	0
4202	Water	1000	750	-250
4205	Rates	3750	3,250	-500
4209	Trade Refuse Costs	0	0	0
4210	Alarm System & CCTV	3500	3,500	0
4211	Ins XS/Vandalism	500	500	0
4213	Hygiene Services	250	250	0
4220	Window Cleaning	250	250	0
4225	Cleaning Materials	5500	4,500	-1,000
4230	Furniture	1500	1,500	0
4240	MiscellaneousExpenditure	1500	1,500	0
4250	Repairs & Decoration	2000	1,000	-1,000
4350	Small Plant & Tools	2000	1,000	-1,000
4400	Telephones	2600	2,600	0
4401	Mobile Phone	1500	500	-1,000
4405	Postage	1500	1,000	-500
4406	Petty Cash	200	200	0
4410	Office Machine Hire & Mtce	18000	21,000	3,000
4412	Stationery & New Office Equip	6000	5,000	-1,000
4420	Publicity/Council Publications	8000	10,000	2,000
4425	Insurance	95000	100,000	5,000
4498	Health & Safety	2000	1,500	-500
4499	Occupational Health	3000	3,000	0
4500	Fuel & Oils	9000	11,000	2,000
4501	Road Fund Tax	800	800	0
4502	Vehicle Maintenance/Spares	15000	15,000	0
4503	Motor Insurance XS	500	500	0

Central & Civic HQ Costs :- Expenditure

576,733 630,876 54,143

		2021/22 Budget	2022/23 Budget	variance
1312	Miscellaneous Income	0	0	0
	total income	0	0	0
	Net expenditure/(income)	576,733	630,876	54,143

<u>102</u>	<u>Democratic Costs</u>	2021/22 Budget	2022/23 Budget	variance
4101	Training & Dev - Councillors	1500	1,500	0

4103	Dene School Awards	1000	0	-1,000
4125	Mayors Personal Allowance	500	500	0
4126	Mayors Civic Duties	500	500	0
4127	Participation Allowances	28000	28,000	0
4470	Civic Regalia	500	500	0
TBC	Neighbourhood Plan	0	0	0
	total expenditure	32,000	31,000	-1,000
	Net expenditure/(income)	32,000	31,000	-1,000

<u>103</u>	<u>Corporate Management</u>	2021/22 Budget	2022/23 Budget	variance
4426	Subs to L.A. Bodies	4500	4,500	0
4430	Elections	15000	0	-15,000
4450	Audit Fees	10500	10,500	0
4455	Banking Pick Up Service	1000	500	-500
4458	Card Machine/Bank Fees	5000	5,000	0
				0
	Corporate Management :- Expenditure	36,000	20,500	-15,500
				0
	Net expenditure/(income)	36,000	20,500	-15,500
				0
				0

<u>105</u>	<u>Other Costs and income</u>	2021/22 Budget	2022/23 Budget	variance
4460	General Fund	700	500	-200
				0
	Other Costs and income :- Expenditure	700.00	500.00	-200
1045	Precept Received			-
		1,294,911.00	1,401,424.94	1294911
1046	Precept Support Grant	258,646.00	268,744.00	10098
1312	Miscellaneous Income	0.00	11,160.00	11160
				0
	Other Costs and income :- income			-
		1,553,557.00	1,681,328.94	1273653
				0
	Net expenditure/(income)	-1,552,857.00	-1,680,828.94	1273453
				0

<u>201</u>	<u>S/Hall Banqueting Suite</u>	2021/22 Budget	2022/23 Budget	variance
4000	Salaries, Wages, Superan, NI	45034	26,518	-18,516
4003	Overtime	0	0	0
4005	Bar Gas	0	0	0
4006	Building Maint. Contracts	1200	1,200	0
4010	Cleaning Wages	4265	4,463	198
4030	Bar Wages - Casuals	0	0	0
4070	Wages - Shotton Hall Grounds	27784	29,121	1,337
4174	Clothing & Uniforms	0	0	0
4200	Electricity	10000	7,500	-2,500
4201	Gas	5000	7,500	2,500
4202	Water	2000	2,000	0
4205	Rates	12000	12,000	0
4208	Licences	1500	1,000	-500
4209	Trade Refuse Costs	1500	1,500	0

4210	Alarm System & CCTV	4500	5,000	500
4211	Ins XS/Vandalism	250	250	0
4213	Hygiene Services	1000	1,000	0
4214	Stocktaking Fees	0	0	0
4215	Refreshments	250	250	0
4220	Window Cleaning	650	500	-150
4230	Furniture	0	0	0
4240	MiscellaneousExpenditure	1000	1,000	0
4250	Repairs & Decoration	5000	2,500	-2,500
4420	Publicity/Council Publications	500	500	0
4570	Bar Purchases	0	5,000	5,000
4572	Catering Expenditure	0	1,000	1,000
				0
	S/Hall Banqueting Suite :- Expenditure	123,433	109,803	-13,630
	Income			0
1302	Concessionary Use	0	5,000	5,000
1312	Miscellaneous Income	0	1,000	1,000
1315	Bar Income	0	15,000	15,000
1319	Hire Income	0	15,000	15,000
1320	Refreshment Income	0	500	500
1321	Hire of Equipment	0	500	500
	Furlough Grant	0	0	0
				0
	S/Hall Banqueting Suite :- Income	0	37,000	37,000
				0
	Net expenditure/(income)	123,433	72,803	-50,630
				0

<u>221</u>	<u>The Pavilion</u>	2021/22 Budget	2022/23 Budget	variance
4000	Salaries, Wages, Superan, NI	180587	186,993	6,406
4003	Overtime	0	0	0
4005	Bar Gas	600	600	0
4006	Building Maint. Contracts	2000	1,000	-1,000
4009	Bistro Expenditure	20000	20,000	0
4010	Cleaning Wages	8530	13,390	4,860
4030	Casual staff	32000	15,000	-17,000
4174	Clothing & Uniforms	1000	1,000	0
4200	Electricity	19000	19,000	0
4201	Gas	5000	5,000	0
4202	Water	5600	5,600	0
4205	Rates	13000	10,000	-3,000
4208	Licences	6400	5,000	-1,400
4209	Trade Refuse Costs	1000	1,000	0
4210	Alarm System & CCTV	6500	6,500	0
4211	Ins XS/Vandalism	250	250	0
4213	Hygiene Services	500	500	0
4214	Stocktaking Fees	1500	1,000	-500
4215	Refreshments	150	150	0
4217	Lift Maintenance Costs	3500	3,500	0
4220	Window Cleaning	1000	1,000	0
4230	Furniture	2000	2,000	0
4240	MiscellaneousExpenditure	3000	6,000	3,000
4250	Repairs & Decoration	3000	3,000	0
4400	Telephones	2500	2,500	0

4410	Office Machine Hire & Mtce	2000	2,000	0
4412	Stationery & New Office Equip	2000	2,000	0
4420	Publicity/Council Publications	1500	2,000	500
4570	Bar Purchases	26000	26,000	0
4581	Pool Table Costs	200	200	0
4584	Sattelite TV Costs	4000	4,000	0
4585	Loan Repayment	50452	50,452	0
	The Pavilion: Expenditure	404,769	396,635	-8,134
				0
1312	Miscellaneous Income	12000	10,000	-2,000
1314	Bistro Sales	50000	50,000	0
1315	Bar Income	52000	52,000	0
1319	Hire Income	50000	50,000	0
1320	Refreshment Income	500	500	0
1321	Hire of Equipment	250	250	0
1341	Pool Table Income	400	400	0
	Concessionary Use	0	5,000	5,000
	The Pavilion: Income	165,150	168,150	-2,000
	Net expenditure/(income)	239,619	228,485	-6,134

<u>240</u>	<u>Sport & Leisure</u>	2021/22 Budget	2022/23 Budget	variance
4050	Wages-Eden Lane B/Green	4,731	7,276	2,545
4051	Wages - Eden Lane Rugby	4,731	3,638	-1,093
4055	Wages - Lowhills Rd F/Fields	0	3,638	3,638
4056	Wages-Helford Rd Cricket Fld	14,194	14,552	358
4057	Wages-Helford Rd F/Fields	18,926	18,190	-736
4059	Cricket Roller Hire	1,800	0	-1,800
4061	Wages-Helford Road MUGA	4,731	3,638	-1,093
4075	Wages-General Open Spaces	104,766	109,140	4,374
4300	Equipment & Supplies	0	3,000	3,000
				0
	Sports & Leisure: Expenditure	153,879	163,071	9,192
				0
1501	Eden Lane Bowling Green	550	550	0
1502	Eden Lane Football Fields	1,500	2,000	500
1506	Lowhills Road Football Field	4,000	4,400	400
1507	Helford Road Cricket Facility	1,000	1,500	500
1508	Helford Road Football Field	2,500	2,750	250
1509	Helford Road MUGA	25,000	25,000	0
	Sports & Leisure: Income	34,550	36,200	1,650
	Net expenditure/(income)	119,329	126,871	7,542

<u>241</u>	<u>Hill Rigg House</u>	2021/22 Budget	2022/23 Budget	variance
4010	Cleaning Wages	853	3,571	2,718
4200	Electricity	8600	10,000	1,400
4202	Water	3100	3,000	-100
4205	Rates	1100	1,100	0

4209	Trade Refuse Costs	700	700	0
4210	Alarm System & CCTV	4100	2,000	-2,100
4211	Ins XS/Vandalism	250	250	0
4213	Hygiene Services	100	100	0
4220	Window Cleaning	100	0	-100
4240	MiscellaneousExpenditure	500	500	0
4250	Repairs & Decoration	3000	3,000	0
4400	Telephones	200	200	0
				0
	Hill Rigg House: Expenditure	22,603	24,421	1,818
				0
1307	Water Refunds - Surestart	1,000	1,000	0
1308	Electricity Refund - Surestart	3,000	4,500	1,500
1319	Hire Income	6,200	6,350	150
	Hill Rigg House: Income	10,200	11,850	1,650
	Net expenditure/(income)	12,403	12,571	168

<u>242</u>	<u>Lowhills Road Bowling Club</u>	2021/22 Budget	2022/23 Budget	variance
4010	Cleaning Wages	0	0	0
4200	Electricity	0	0	0
4240	MiscellaneousExpenditure	500	500	0
	Lowhills Road Bowling Club :- Expenditure	500	550	0
	Hire Income	1	1	0
	Net expenditure/(income)	499	549	0

<u>261</u>	<u>Eden Lane Community Fac</u>	2021/22 Budget	2022/23 Budget	variance
4201	Gas	0	0	0
4202	Water	0	0	0
4213	Hygiene Services	0	0	0
4250	Repairs & Decoration	0	0	0
				0
	Eden Lane Community Fac :- Expenditure	0	0	0
				0
1210	Communication Mast Rental	6,000	6,000	0
1310	Gas Refunds - Rugby	0	0	0
1319	Hire Income	1	1	0
	Eden Lane Community Fac :- Income	6,001	6,001	0
	Net expenditure/(income)	-6,001	-6,001	0

<u>262</u>	<u>Eden Lane Depot</u>	2021/22 Budget	2022/23 Budget	variance
4010	Cleaning Wages	4265	4,463	198
4200	Electricity	7500	10,000	2,500
4202	Water	500	500	0
4205	Rates	4500	4,500	0

4210	Alarm System & CCTV	4500	6,500	2,000
4211	Ins XS/Vandalism	250	250	0
4213	Hygiene Services	70	70	0
4230	Furniture	250	250	0
4240	MiscellaneousExpenditure	500	500	0
4250	Repairs & Decoration	2000	1,000	-1,000
4400	Telephones	750	750	0
4410	Office Machine Hire & Mtce	500	500	0
4412	Stationery & New Office Equip	1500	1,500	0

Eden Lane Depot: Expenditure	27,085	30,783	3,698
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Net expenditure/(income)	27,085	30,783	3,698
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<u>263</u>	<u>Eden Lane Bowling Club</u>	2021/22 Budget	2022/23 Budget	variance
4010	Cleaning Wages	584	893	309
4240	MiscellaneousExpenditure	0	0	0
4250	Repairs & Decoration	1,000	1,000	0
	Eden Lane Bowling Club :- Expenditure	1,584	1,893	309

Net expenditure/(income)	1,584	1,893	309
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<u>280</u>	<u>Woodhouse Park</u>	2021/22 Budget	2022/23 Budget	variance
4010	Cleaning Wages	2985	4,463	1,478
4078	Wages-Woodhouse Park	36708	54,570	17,862
4200	Electricity	2500	3,000	500
4202	Water	350	500	150
4206	Rent	1500	1,500	0
4210	Alarm System & CCTV	5000	5,500	500
4211	Ins XS/Vandalism	250	250	0
4213	Hygiene Services	70	70	0
4240	MiscellaneousExpenditure	500	500	0
4250	Repairs & Decoration	2000	2,000	0
4400	Telephones	700	700	0

Woodhouse Park: Expenditure	52,563	73,053	20,490
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Net expenditure/(income)	52,563	73,053	20,490
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<u>290</u>	<u>Sports & Wellbeing</u>	2021/22 Budget	2022/23 Budget	variance
4062	Wages - Sport Development	73046	76,591	3,545
4065	Marketing	1000	1,000	0
4067	Activities/Events	20000	15,000	-5,000
4068	Equipment	500	500	0
4073	Licences, Membership Ins	400	400	0
4174	Clothing & Uniforms	200	250	50
4215	Refreshments	50	50	0
4412	Stationery & New Office Equip	150	150	0

	Sports Development: Expenditure	95,346	93,941	-1,405
1510	Activities Ex Classes & Events	40000	35,000	-5,000
1511	Funding Grant	10000	10,000	0
1513	Taste Buddies Funding	1600	1,600	0
	Sports Buddies funding	8000	0	
	Sports Development: Income	59,600	46,600	-5,000
	Net expenditure/(income)	35,746	47,341	3,595

301	<u>Parks General</u>	2021/22 Budget	2022/23 Budget	variance
4000	Salaries, Wages, Superan, NI	46386	54,418	8,032
4003	Overtime	4000	4,000	0
4071	Wages-Dene Parks	50056	36,380	-13,676
4074	Wages-Misc. None Site Duties	3337	7,276	3,939
4076	Wages-Play Areas	26696	29,104	2,408
4084	Yoden Quarry Landscape Works	0	0	0
4174	Clothing & Uniforms	3250	3,250	0
4202	Water	200	200	0
4211	Ins XS/Vandalism	250	250	0
4240	MiscellaneousExpenditure	250	250	0
4300	Equipment & Supplies	5000	5,000	0
4305	Manures,Fertilizers & Seeds	11000	11,000	0
4310	Bedding Plants,Shrubs & Bed Ma	16000	16,000	0
4360	Play Equipment-Repairs	2000	2,000	0
4370	Tree Maint, Surveys & Services	5000	5,000	0
4371	Public Seats & Bins	1500	1,500	0
4373	Hire of Skips/waste removal	6300	6,300	0
4375	Vehicle Leasing	15000	15,000	0
	UTCf trees	0	0	0
4943	Dene Parks	25,000	15,000	-10,000
	Parks General: Expenditure	221,225	211,928	-9,297
1312	Miscellaneous Income	0	10,000	10,000
	Net expenditure/(income)	221,225	201,928	-19,297

325	<u>Cemetery & Burials</u>	2021/22 Budget	2022/23 Budget	variance
4000	Salaries, Wages, Superan, NI	53393	58,208	4,815
4200	Electricity	700	700	0
4240	MiscellaneousExpenditure	1000	1,000	0
4300	Equipment & Supplies	1000	1,000	0
		0		
	Cemeter & Burials: Expenditure	56093	60,908	4,815
1702	Burials and Charges	23,000	26,000	3,000
	Net expenditure/(income)	33,093	34,908	1,815

350	Allotments	2021/22 Budget	2022/23 Budget	variance
4000	Salaries, Wages, Superan, NI	6674	7,276	602
4200	Electricity	250	250	0
4202	Water	1000	1,000	0
4211	Ins XS/Vandalism	250	250	0
4240	MiscellaneousExpenditure	9000	5,000	-4,000
4250	Repairs & Decoration	300	300	0
4300	Equipment & Supplies	2000	2,000	0
	Allotments: Expenditure	19,474	16,076	-3,398
1754	Allotment Rents & Water	3,500	3,000	-500
	Net expenditure/(income)	15,974	13,076	-2,898

410	Town Activities	2021/22 Budget	2022/23 Budget	variance
4427	Donations	0	0	0
4434	Concessionary Use	10000	10,000	0
4436	Friends of the Parks Project	1000	1,000	0
4461	Castle Eden Dene Centre	5000	5,000	0
4462	CAB Case Worker Project	20000	20,000	0
4725	Dog Fouling Maint. & Bins	1,000	0	-1,000
4726	Remembrance Parade/Armed	6,000	3,000	-3,000
	Town Activities: Expenditure	43,000	39,000	-4,000
	Net expenditure/(income)	43,000	39,000	-4,000

430	Town Events	2021/22 Budget	2022/23 Budget	variance
4733	Garden Competition	1500	1,500	0
4740	Fireworks Display	10000	10,000	0
4742	Xmas Tree Lighting Event	5000	3,000	-2,000
4751	Senior Citizens	1800	1,800	0
4756	Summer Events	0	6,500	6,500
4757	Childrens Pantomine	3,500	3,500	0
	Peterlee Music Fest	0	51,000	51,000
		21,800	77,300	55,500
	Peterlee Music Fest	0	25,000	25,000
1854	Circus income	0	500	500
	Nobles income	0	500	500
	Town Events: Income	0	26,000	26,000
	Net expenditure/(income)	21,800	51,300	29,500

901	Capital Projects	2021/22 Budget	2022/23 Budget	variance
4912	New Vehicles	40,000	30,000	-10,000
4913	Capitalised Maint - S/Hall	0	0	0
4920	Consultants Fees	10,000	10,000	0
4925	Emergency Works	5,000	5,000	0
4940	Helford Road MUGA Sinking Fund	6,000	6,000	0
0	Play Area Strategy sinking fund	0	25,000	25,000
4943	Dene Parks	25,000	5,000	-20,000
	Thontree Gill wind turbine	0	25,000	25,000
4955	Play Equipment			-
		107,000	0	107,000
	WHP dog fencing		25,000	
	Eden Lane MUGA/Skate	0	100,000	100,000
	Capital Projects: Expenditure	193,000	231,000	13,000
1980	Disposal of Assets	10,000	10,000	0
	s106 funding	107,000	125,000	18,000
	WHP dog fencing income	0	25,000	
	AAP NB funding	23,000	0	-23,000
	Capital Projects: Income	140,000	160,000	-5,000
	Net expenditure/(income)	53,000	71,000	18,000
		2021/22 Budget	2022/23 Budget	variance
	Total Expenditure	2,081,787	2,213,238	131,451
	Total Income	1,995,559	2,212,131	216,572
	Net Expenditure/(income)	86,228	1,107.14	-85,121

Item 10: Review of the Town Council's Approach to Risk and Risk Register

Report to: Peterlee Town Council

Date: 28th February 2022

Subject: Review of the Town Council's approach to risk, Risk Policy and Risk Register

Report of: Ian Morris, Town Clerk

Purpose: This report is intended to provide Members with an overview of the Council's approach to managing risk, outline the key internal risk controls, and to carry out the annual review of the Council's Risk Register as required by regulation.

Introduction: The document 'Governance and Accountability for Smaller Authorities in England: A Practitioner's Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements' (March 2019)¹ defines risk and risk management thus:

"Risk is an uncertain event or condition that, if it occurs, will have an effect on the achievement of an authority's objectives. Risk management is the process whereby authorities methodically address the risks associated with what they do and the services which they provide. The focus of risk management is to identify what can go wrong and take proportionate steps to avoid this or successfully manage the consequences. Good risk management allows stakeholders to have increased confidence in the authority's corporate governance arrangements and its ability to deliver its priorities.

*Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The authority generally and members individually are responsible for risk management."*²

In the Annual Governance Statement (AGS) that the Council submits each year as part of its annual financial returns, the Council is required to make an assertion about Risk Management as follows:

Assertion 5: Risk Management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

¹ see: <https://www.nalc.gov.uk/library/publications/2897-the-practitioners-guide/file>

² Governance and Accountability for Smaller Authorities in England (March 2019), p54, ss5.89-5.90

This report is intended to provide information to Members about the current assessment of risks facing the authority and the controls that are in place to manage those risks.

The Town Council identifies, records, controls and manages risk through multiple activities that include:

What we do	What this does
Maintaining and reviewing a Strategic Risk Register	Identifies the key risks facing the council and the controls in place to mitigate those risks
Providing Strategic Risk Management training for managers of council services	Makes sure that our Managers have an up to date appreciation of risk and risk management
Deploying an annual internal audit programme that is predicated on risk and risk controls	Adds two layers of risk control: the first layer being that the annual internal audit programme is planned on key risk areas; the second layer is that each individual internal audit goes through a 'Control Risk Assessment (CRA) process that is based on detailed risk assessment of each service activity/process being audited.
Including identification of risk in all key decisions including budget setting.	Ensures that Officers and Members take account of risk when making key decisions about the council's resources and services.
Basing our Insurance arrangements of key risk areas to the Council	Ensures that the Council adequate insurance cover for the financial impact of key risks as well as access to specialist risk advice, for instance Risk Engineering assessments of Shotton Hall.
Outsourcing specialist advice on specific risk areas: DCC (Health & Safety; Internal Audit & Risk); Zurich (Risk Engineering); Active Fire Management (Building specific fire risk assessments & plans)	Provides access to specialist H&S advice and support from trained professionals for service managers. Can also be utilised for specific risk controls eg advising on risk approach to opening up of parks & play areas or fire plans for our main buildings

Risk Policy: In April 2020 the Town Council adopted a Risk Policy in line with recommendations from Internal Audit. A copy of this policy is attached as an appendix to this report for information.

Risk Register: A copy of the Council's Corporate Risk Register is attached as an appendix to this report.

The risk register was initially developed in conjunction with a risk specialist from the Council's insurers in 2015. The Town Council's SMT has reviewed

the risk matrix and recommends that Members take this opportunity to review and adopt the matrix in the form presented here.

The risk assessment and individual risk assessments are reviewed by the Council's SMT on a regular basis and any significant deviations will be reported to Council and/or Resources Committee.

Audit: Members may recall from past presentations by the DCC Internal Audit Manager that the internal audit process is predicated on the identification, control and monitoring of risk.

The annual audit plan is based on identified risk areas for Council in terms of finance, governance and service delivery.

Each separate Internal Audit is then subject to a separate detailed Critical Risk Assessment (CRA) which looks at specific risks to the service area and suitable evidenced controls. An example of a CRA is attached as appendix 4 to this report.

Training: In September 2018 a Senior Risk Consultant delivered a bespoke buildings risk, health, safety and liability training session for a group of the Council's Managers and facilities-based staff. The session incorporated a reminder of the legal context for buildings, claims defence, investigation and management, and identification of specific risks. The interactive session included tools and techniques for dealing with operational risk.

Outsourcing: The Town Council is a relatively small public sector organisation and does not have the resources to directly employ qualified risk specialists. Instead the Council has taken a pragmatic approach and established formal SLAs/contracts with specialist providers to advise the council on specific risk areas. Current SLA/contracts in place include:

Organisation	Services
Durham County Council	Internal Audit & Risk Health & Safety Human Resources Corporate Procurement
Zurich Municipal	Insurance, including insurance-related risk engineering
Active Fire Management	Building-specific fire risk assessments and fire plans
Summers Inman	Planned & Preventative Maintenance (PPM) buildings surveys that include Health& Safety items

Insurance: The Town Council reviewed and renewed its insurance arrangements with one of the largest local authority insurance providers in March 2021. Current insurance cover includes:

- Public Indemnity
- Pollution/products Indemnity
- Employers' Liability
- Motor Insurance
- Business travel insurance
- Local Council insurance (includes: material damage; business interruption; play equipment; civic regalia; CCTV; lighting; hired plant; IT equipment; furniture; cash on premise; fidelity guarantee; libel and slander; legal expenses and uninsured loss recovery)

Conclusion: Regulations require that the Town Council adopt, deliver and review a system of internal controls for the identification and control of risk. This report has provided a summary of some of the different ways that the Council meets the requirement, from a high-level corporate register of key risks and controls, through to detailed investigation of risk controls right across the Council's administrative and service delivery functions at the internal audit level.

The Council continues to bring in external support to enable it to control and mitigate risk, including formal SLAs in a number of specialist areas and through comprehensive insurance provision.

The Council also routinely reviews and amends its key governance documentation including Standing Orders, Financial Regulations, Code of Conduct (for Officers and Members), Scheme of Delegation and a wide range of operational policies and procedures.

Recommendation: Members are recommended to note the contents of this report and to review and approve the Council's corporate risk assessment and matrix and Risk Policy (as provided in appendices to this report).

APPENDIX 1: IMPLICATIONS

Finance – none

Staffing – none

Risk – This report sets out the Town Council's approach to identifying and managing risk

Equality and Diversity, Cohesion and Integration – none

Crime and Disorder – none

Consultation & Communication – none

Procurement – none

Legal – none

Data Protection - none

APPENDIX 2: RISK POLICY

Peterlee Town Council Risk Management Policy

Introduction

Peterlee Town Council recognises that Risk Management is an essential part of effective corporate governance. The Council has a statutory duty to have in place arrangements for managing risk as per the Accounts & Audit Regulations 2015:

*A relevant authority must ensure that it has a sound system of internal control which—
(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
(b) ensures that the financial and operational management of the authority is effective; and
(c) includes effective arrangements for the management of risk.³*

In March 2020 the Town Council's internal auditors carried out a formal review of the Town Council's approach to risk management and provided a 'substantial assurance' opinion with two medium priority actions including a recommendation that the Council develop and adopt a Risk Management Policy.

This Risk Management Policy sets out the Council's approach to managing risk. It was adopted by the Council in April 2020 and will be reviewed on an annual basis alongside the annual review of the Corporate Risk Framework.

Definition

For the purposes of this policy, Risk is defined as the chance or possibility of loss, damage, injury or failure to achieve the Council's policies and objectives caused by an action or event for which the Council may be unprepared.

Risk management is the process of identifying those risks which could either threaten the Council through affecting governance, finance, people, buildings or other forms of well-being, and wherever possible reducing (mitigating) such risks to the lowest possible level.

Legal Requirements

Peterlee Town Council will make best efforts to comply with all legal requirements relating to risk, and in particular:

- Health and Safety at Work Act 1974
- Management of Health and Safety at Work Regulations 1999
- Accounts & Audit Regulations 2015

³ The Accounts & Audit Regulations 2015, part 2, regulation 3
<http://www.legislation.gov.uk/uksi/2015/234/regulation/3/made>

Policy Statement

Peterlee Town Council has acknowledged through its Standing Orders, Financial Regulations and other core policies that it has a responsibility to manage its risks effectively in order to protect its employees, assets, liabilities and community against potential losses and to minimise any impact of unforeseen problems that could occur.

The Council is aware that not all risks can be eliminated fully, however it will put in place a planned and focussed approach to managing risk.

The Council expects all Members and employees at all levels to make best efforts to understand the nature of any risks present in decisions and activities that they are involved in and accept responsibility for risks that exist within their area of authority, as follows:

Councillors - To set the overall policy approach to risk and oversee effective management of risk by council staff;

Senior Officers - To ensure that the Council manage risk effectively through the development and delivery of the risk management process; and

Employees - To manage risk effectively within their roles.

Objectives

The Town Council will:

- i) Ensure that Risk Management forms an integral part of the Council's procedures;
- ii) Manage any risk in accordance with best practice;
- iii) Anticipate and respond to changing social, environmental and legislative requirements;
- iv) Identify risks and the impact of those risks when adopting policies and making operational decisions; and
- v) Positively and actively promote an awareness of risk management across all council services and activities.

Implementation

The Town Council will:

- i) Establish clear roles, responsibilities and reporting lines within the Council's committee and staffing structures;
- ii) Inform relevant Committees of the Council of potential risks identified by including risk assessments as a standard part of committee reporting;
- iii) Maintain a Corporate Risk Register and review this formally at least once a year;
- iv) Provide training of staff in risk management procedures and ensure that they have the knowledge and ability to identify and raise concerns where working practices or issues have led to increased risk or they have concerns that risks and or actions to mitigate need to be improved;
- v) Carry out risk assessments in all relevant areas of the council's activities;
- vi) Continue to monitor procedures and assessments periodically;
- vii) Prepare contingency plans for potential risks which could have a significant effect on the Council and or the community;
- viii) Include risk management as a subject for review in the annual Internal Audit programme.

Risk Assessments

Risk assessments will be carried out for all significant projects, functions and services. Risks will be determined according to the impact of the risk on the project, function or service and the likelihood of it occurring.

From the risk assessments an Action Plan will be produced if required. Where relevant, the Risk Assessment and Action Plan will be reported to the responsible Committee, along with any mitigation proposals and financial consequences that may require funds to achieve.

Risk assessments will be monitored and reviewed at appropriate points, either during the progress of a particular project, or in the case of functions and services provided by the Town Council, whenever there is any significant operational or legislative change impacting on that function or service. Every report requiring action submitted to Council committees for decision will contain a paragraph entitled Risk Assessment, wherein the risk of any proposal will be assessed and mitigation proposals suggested where appropriate.

Level of Risk Impact will be viewed in terms of the consequences of the identified risk on the Service, (i.e. the extent to which it may cause failure or unavailability). Impact will be classified using the following criteria:

Extreme (5) e.g. total failure of process

Very High (4) e.g. serious disruption to the process

Medium (3) e.g. disruption to the process

Low (2) e.g. some minor impact to the process

Negligible (1) e.g. annoyance but does not disrupt the process.

An assessment of the likelihood of the identified risk occurring within a relevant timeframe will be carried out using the following classification:

Almost Certain (5)

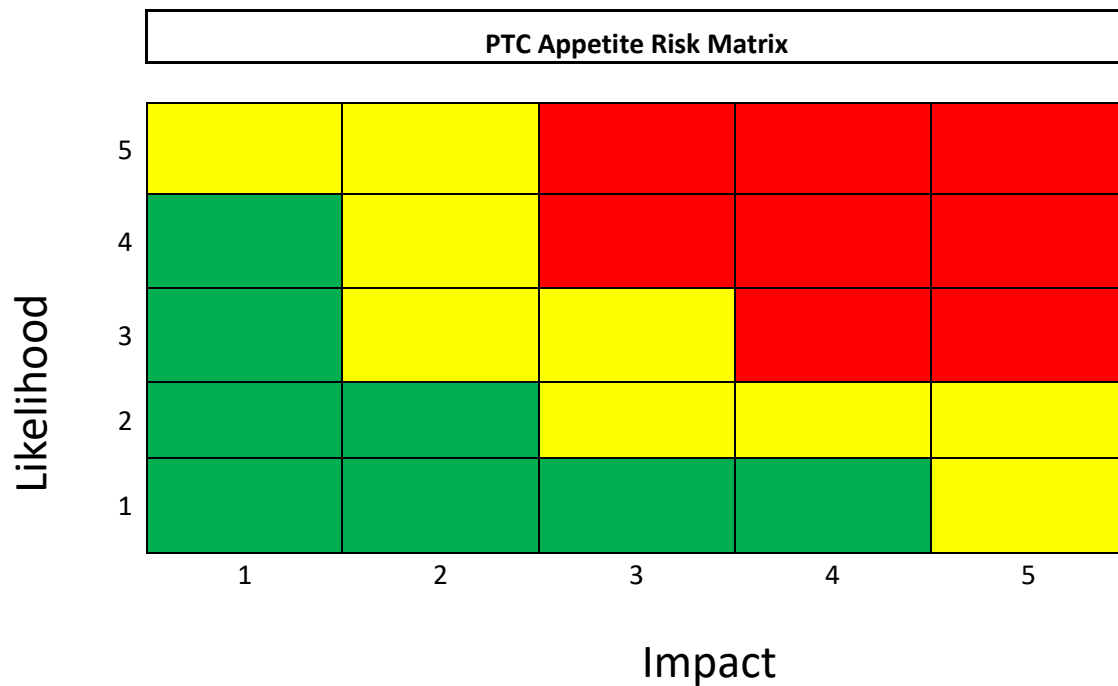
Likely (4)

Moderate (3)

Unlikely (2)

Rare (1)

Based on the above, each level of impact will be multiplied against each level of likelihood, providing a 'risk rating' score and enabling the council to set out a general 'risk appetite' as follows:



Prioritisation of Risk

Using the table and the results of the risk ratings, all the identified risks will be categorised into three levels. This will enable attention to be focused on the highest priority area.

H:25-12 Risks requiring immediate response, active monitoring and management

M:10-5 Risks requiring management and monitoring

L: 4- 1 Risks which do not require specific management attention but may be monitored, as appropriate

Delivery of this Policy

This policy will be implemented by the Council's Chief Officer and Senior Management Team and will be reviewed on a regular basis by Council.

APPENDIX 3: CORPORATE RISK ASSESSMENT MATRIX

APPENDIX 4: EXAMPLE CONTROL RISK ASSESSMENT FOR INTERNAL AUDIT

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
INCOME AND DEBTORS													
01	1,4	Income is not accounted for/misappropriated.	Financial Management	Loss of monies.	Major	Possible	Medium	There is a list of charges to cover all services provided that has been formally agreed and is regularly reviewed.	Y				
			IT	Fraud/theft.				Debtor accounts are raised promptly following the receipt of an authorised request, are in accordance with agreed charges and are supported by the relevant paperwork.	Y				
			Fraud and Corruption	Reputational damage.				There is a debt recovery process in place for unpaid accounts and this is adhered to.	Y				
				Non compliance with Financial policies and procedures.				Uncollectable debts are written off in accordance with procedures and are appropriately authorised.	Y				
								All income received is appropriately recorded inc cash and cheques by post and in person, dr/cr cards etc	Y				
								Income is securely held prior to banking.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Income is banked in a timely manner.	Y				
								There are secure banking arrangements in place.	Y				
								Income is appropriately reconciled to GL and bank account.	Y				
ORDERING AND PAYMENTS													
02	2,4	Unauthorised orders and payments are made.	Financial Management IT Fraud and Corruption	Overspent budgets. Inappropriate spend. Fraud/theft. Poor VFM. Loss of monies.	Major	Possible	Medium	Orders are authorised by the budget holder prior to being raised	Y				
								Delivery notes are held on file for all goods received.	Y				
								Creditor invoices are matched to purchase orders, to delivery notes, and are appropriately authorised prior to being paid.	Y				
								All orders are made in line with contract procedure rules and financial thresholds.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								A record is held detailing all petty cash spend.	Y				
								<p>The payment card is held in the safe when not in use and a control record is maintained for the issuing of the card to the employee.</p> <p>Access to the safe is restricted to authorised personnel.</p> <p>Appropriate maximum spending limits have been pre-set on each card for</p> <p>a) each transaction</p> <p>b) each billing cycle</p> <p>Receipts are presented for each transaction and reconciled to the monthly statement.</p>	Y				
								A record of all floats is maintained, balances are checked, and monitored for correct use and appropriateness.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
PAYROLL													
03	3,4	Staff are unaware of the payroll procedures to follow.	Performance management	Loss of staff motivation.	Major	Possible	Medium	The organisation's financial regulations/rules define payroll responsibilities.	Y				
			Financial management	Inconsistencies in treatment.				The organisation has established written payroll procedures for all areas of operation.	Y				
			People	Confusion over duties and responsibilities.				Payroll procedures ensure that payments are not made unless specified employee information has been provided.	Y				
			IT	Employees under- or overpaid.				Payments in respect of mileage are only made to staff insured for business use, upon receipt of a suitably detailed and authorised claim, supported by receipts.	Y				
				Reputational damage				Travel, subsistence, and civic expenses claim are made on appropriate documentation, supported by receipts and appropriately authorised before payment.	Y				
								Payroll procedures have been communicated to all staff.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Staff are aware of, and appropriately trained in Data Protection Act (DPA), equalities and diversity, health and safety, the DCC officers code of conduct, declarations of interest, dealing with complaints, whistle blowing arrangements, etc.	Y				
								Procedures are reviewed on a regular basis to confirm they are up to date.	Y				
04	3,4	Payroll payments are not in accordance with the authorised establishment	Financial management Fraud & Corruption	Fraudulent payments are made. Incorrect and unauthorised payments Reputation Damage	Major	Possible	Medium	The organisation's establishment is authorised by the managing body.	Y				
								Procedures ensure that data is only processed where authorised posts exist.	Y				
								Post gradings are controlled independently of payroll.	Y				
								All data changes are approved by an authorised signatory.	Y				
								Exception reports are regularly produced and independently examined.	Y				
								Payments made against permanent adjustment codes periodically reviewed.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
05	3,4	Payroll transactions are not initiated and recorded promptly	Performance management	Employees receive late payments	Major	Possible	Major	Timetables have been established for the payroll process and are adhered to.	Y				
			Financial management	Leavers continue to be paid.				All staff have been made aware of deadline dates.	Y				
			Fraud & corruption	New employees are not paid.				All documentation received is input onto the payroll system in a timely manner.	N				DCC Payroll Audit 2015/16
				Reputational damage				Checklists have been developed covering all required tasks that need to be carried out and are utilised by all staff	N				DCC Payroll Audit 2015/16
06	3,4	Payroll payments are incorrectly calculated	Performance management	Over or underpayments occur.	Major	Possible	Medium	All salary payments correspond to authorised documentation received from Peterlee Personnel.	Y				
			Financial management	Loss of monies.				Where employees start/leave during the month, appropriate pay calculations have been undertaken.	Y				
			Fraud & corruption	Fraudulent payments are made.				Authorised documentation is on file for all non-statutory deductions to pay.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
			IT	Reputation Damage				Controls are in place to ensure that any requests for additional payments/variations to pay are only actioned if they are on official forms and have been properly authorised.	Y				
								All leavers forms are promptly received and actioned, including all additional payments in lieu/deductions from pay.	Y				
								Appropriate manual checks are carried out when calculating maternity/paternity pay to ensure that any outstanding enhancements (relating to the previous month) are paid when due.	Y				
								Checks and reconciliations are undertaken to ensure the validity of the system and data.	Y				
								All amendments to standing data (e.g. Pay Awards/Tax/NI/Increments) are input by one officer and checked by a second independent officer. Notification passed to DCC for input	Y				
07	3,4	Payroll payments are not made	Staff do not receive payment	Employees receive late payments	Major	Possible	Medium	Submission of BACS files verified by an independent employee. The production of cheque runs are checked by an independent officer.	Y				
				Reputational damage				Timesheets are batched and entered promptly.	N				DCC Payroll Audit 2015/16

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								Appropriate contingency arrangements are in place in the event of a system failure.	Y				
08	3,4	Inadequate financial management within the service	Performance management	Budget overspent leading to inadequate performance within the service.	Major	Possible	Medium	The payroll budget is allocated to a nominated budget holder.	Y				
			Financial management	Impact on service provision.				The Payroll system is reconciled to the financial management system and bank account to ensure that all payment details have been correctly transferred to the general ledger	Y				
								The payroll suspense account is regularly reviewed and cleared.	N/A				DCC Payroll Audit 2015/16
								Data exported from the Payroll system cannot be amended prior to upload into the GL	N/A				DCC Payroll Audit 2015/16
09	3,4	The organisation does not comply with HMRC, Department for Work and Pensions and superannuation scheme requirements.	Legislation	Fines incurred for non-compliance with legislation and regulations.	Critical	Possible	High	Tax parameters have been correctly input into the payroll system.	N				DCC Payroll Audit 2015/16
				Statutory deductions made incorrectly.				Correct tax/pay periods are used.	Y				
				Deductions not paid over to relevant				Sufficient information is received to ensure that appropriate tax /NIC legislation is applied to the complex areas of payments, for example termination payments	N				DCC Payroll Audit 2015/16
								Appropriate systems are in place to identify any self-employed contractors, contractors paid off payroll, appointees, personal service companies.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
				organisations on time.				A timetable has been developed to document key dates of submission of information to HMRC, including end of year information, and providing information to employees and this is adhered to.	Y				
				Confusion over superannuation fund membership.				Accurate payments of PAYE are made to HMRC by the due date.	Y				
				Reputation Damage				P35 (Year end) totals are balanced to payments made to HMRC	Y				
				EAS and FPS information is sent to HMRC for each pay run using EDI and confirmation of submission is received.				Y					
BUDGETARY CONTROL													
10	4	Budgets are not allocated in accordance with the priorities of the council.	Financial Management	Stakeholder expectations are not met.	Critical	Possible	High	Financial procedure rules stipulate responsibilities for budget setting and approving of the budget. (Financial Regulations June 2014, Section 4 – Budgetary Control and Authority to Spend)	Y				
			Performance Management	Resources are not allocated in accordance with stakeholder expectations.				The approved budget is appropriately disaggregated under delegated powers to each service grouping by way of identified cost codes.	Y				










Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
				Impact on ability to deliver key priorities.				Virements are made only with prior approval in line with corporate policy.	Y				
				Restricted ability to deliver resources.				Adequate reserves are maintained to allow for unexpected expenditure in line with the needs of the council.	Y				
				Link between resources and outputs aren't identified.									
11	4	Budget and actual financial information is inaccurate.	Financial Management	Budget is likely to be overspent.				Timetables are in place to ensure relevant financial information is recorded on the FMS in a timely manner.	Y				
			Performance Management	Committed expenditure is not in line with priorities.				Validation checks on the FMS to ensure correct coding of income/expenditure.	Y				
				Reputational damage.	Major	Possible	Medium	Reconciliation of the approved budget to the budget on FMS to ensure accurate entry.	Y				
								Access to amend budget information is restricted to authorised officers.	Y				
								Regular budget monitoring meetings with responsible budget holders.					
12	4	Budget performance is not monitored.	Financial Management	Budget is likely to be overspent.	Major	Possible	Medium	Budgets are broken down to an appropriate level to allow adequate monitoring to take place.	Y				

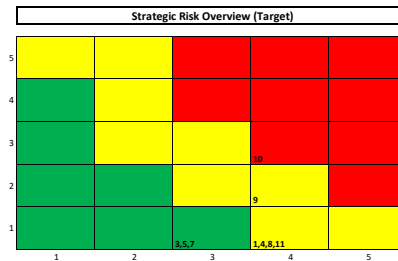
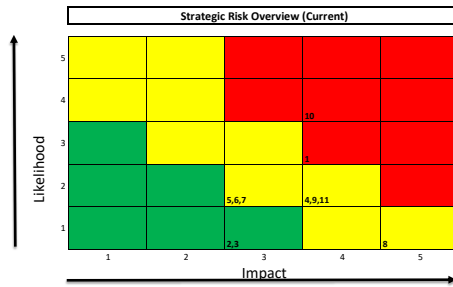
Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
			Performance Management	Committed expenditure is not in line with priorities.				Disaggregated budgets are assigned to individual budget holders in line with the management structure.	Y				
								Budget targets are communicated to budget holders.	Y				
				Restricted ability to transfer resources between activities				Staff have the necessary skills and support to undertake budget monitoring responsibilities on a monthly basis.	Y				
								Consistent budget information is provided to all budget holders on a monthly basis to allow effective monitoring to take place.	Y				
				Reputational damage.				Appropriate action taken to remedy adverse variances.	Y				
								The financial position and any financial issues are regularly reported to council.	Y				
								The short and long term financial position and financial issues are regularly reported to council.	Y				
ASSET REGISTER													
13	5	Asset and Investment registers are inaccurate.	Financial Management Performance Management	Qualification of final accounts	Critical	Possible	High	An Asset and Investment policy is in place and includes the treatment of acquisitions, disposals, and depreciation, and complies with the Cipfa code of practice.	Y				

Risk Ref	Obj.	Risk	Risk Type(s)	Potential Impact	I	L	R	Expected Controls	In Scope Y/N	Actual Controls	Control Adequate Y/N	Improvement Identified	Assurance Source & Date Reviewed
								The asset and investments registers are reviewed on a periodic basis for completeness and accuracy.	Y				
								Acquisitions and disposals are reported to finance to ensure that they are appropriately recorded in the register.	Y				
								The asset register is updated with capital/fixed asset expenditure where appropriate.	Y				
								Appropriate documentation to support ownership, value, terms etc is retained for assets and investments where necessary.	Y				

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					Likelihood	Impact	Risk Rating (LxI)			Likelihood	Impact	Risk Rating (LxI)	
1	Corporate Strategy & Medium Term Financial Plan	The Council fails to develop, implement and monitor a suitable Corporate Strategy and Medium Term Financial Plan	Lack of focus, no clear sense of direction; Priorities not defined/understood; Prevents effective business planning; Inappropriate resource allocation; Wasted resource; No measure of success; Poor public perception	A draft MTFP is in place and will be presented to Council for approval in 2022	3	4	12	Members have agreed that the Council will develop a new Corporate Strategy and MTFP in 2021/22 following the election of the new Council	Mar-22	1	4	4	IM
2	Successful Events	The Council fails to employ a suitable number of experienced and competent staff to deliver successful events; Events are held at short notice with allowing sufficient time to suitably plan and resource the event; The Council are unaware of or have insufficient resource to monitor and review "third party" events taking place on Council land.	Poorly organised events that fail to attract visitors; Financial impact - loss of income, cost overruns; Accident or injuries; Negative publicity - seen as wasting public money; Unsuitable events take place on Council land	The Council previously employed an events coordinator, and bolstered this with a SMT role with specific responsibility for Town events. Events are regularly discussed at Council and Committee meetings to ensure Members involvement. Controls include health and safety, risk assessment, appointment of competent contractors, Safety Advisory Group membership. Etc. The 2017 internal audit of events returned a 'substantial assurance' report, and the one significant recommendation arising has been completed.	1	3	3	n/a				0	Jhugill
3	Sports funding	The Council fails to respond to reductions in Sports funding due to government and governing body cuts.	Opportunities to identify additional funding streams missed; Continue to try and deliver the same service with less financial resource - resulting in reduction in quality of existing service; Increased pressure on staff; Lack of focus - 'trying to achieve everything'	The Sports Development Officer and Town Clerk have fortnightly 1:1s that include reviewing current and potential future sports funding opportunities. In the previous 2 financial years the department has exceeded budget targets for attracting funding. New funding opportunities are routinely identified.	1	3	3	Continuing work by the SDO to identify new opportunities for sustainable sports funding in line with agreed priorities.	ongoing	1	3	3	SP
4	Asset Management	The Council fails to develop a suitable asset management strategy.	Poor asset condition; Inappropriate and/or wasteful investment; Inappropriate decisions on asset sales leading to loss of revenue; Negative community impact; Reputation damage.	The Council implemented an asset and investment strategy in October 2018 following internal audit recommendations	2	4	8	Asset and investment management to be included in annual core financials audit as well as specific audits as part of 3 year cycle	ongoing	1	4	4	IM
5	Workforce	The Council fails to effectively manage the ageing workforce profile; The Council fails to effectively manage key person dependencies; The Council fails to implement suitable workforce development programmes;	Loss of valuable knowledge, skills and experience; Negative impact on employee health and wellbeing; Increased sickness absence; Reduced morale; Reduced productivity; Increased staff turnover; Unable to attract new staff	All staff receive basic training including food safety (for relevant staff), COSHH, fire, and manual handling. All staff have also received absence management and code of conduct training. Regular Team meetings are in place across the council structure. Significant progress has been made on reviewing and adopting a range of new policies including absence management, no smoking, mental health and wellbeing, code of conduct, etc. The 2018 restructuring reshaped the staffing structure and a number of new staff have started with the Council since then, bringing new skills and experience into the Council. The Council will undertake a staffing review as part of the MTFP process in 2022. COVID risk assessments are in place for all Council activities.	2	3	6	The continuation of the formal Appraisal and Personal Development process that was introduced in late 2018, will help to ensure that all staff are clear on their roles, priorities, and expected standards of behaviour.	ongoing	1	3	3	IM & SMT
6	Partnership Working	The Council fails to fully embrace and develop partnership working; The Council fails to manage risks associated with partnership working	Missed opportunities; Misalignment of objectives and outcomes - Council v Partner - conflict of interest; Drain on Council resources - time and effort in building partnerships; Additional costs arise through lack of implementation planning; Negative reputation impact - failure of partner = failure of Council	Opportunities for partnership working are routinely discussed at the Council's SMT meetings and in Management 1:1s. The Council also scrutinises formal proposals for partnership working, eg sponsored work with CAB East Durham since 2016/17; new partnership with Skill Mill Durham for environmental improvements; Partnership with Trees for Cities, OASES and Durham County Council for support with the Eden Lane Community Woodland project etc.	2	3	6	n/a	ongoing	0	0	0	IM & SMT
7	Sports and Play	The Council fails to develop and implement a strategic approach to Sports and Play in the town;	Lack of clear direction and focus and priorities not identified; Misdirected resources; Additional funding opportunities missed; Sports/Play provision fails to meet the needs or expectations of the community; Under used sports and play facilities; Sports and play environments deteriorate	The Council has previously set aside reserves and has now delivered a significant investment in play areas. This involved consultation with park/play area users as well as local residents and Members. Another substantial play area renewal project is currently planned for 2021/22	2	3	6	Council will continue to review the quality of play areas in the	Nov-20	1	3	3	IM, IH
8	Financial Management	The Council fails to implement robust financial management and control of budgets; The Council sets budgets based on historical data and anticipated spend but with little room for unforeseen changes	Poor use of finances; Budget over/under spend; Service provision reduced; Increased Council Precept; Reliance on income investment to balance budget	The Council regularly reviews its Standing Orders, Financial Regulations and Scheme of Delegation in consultation with Internal Audit and DCO Corporate Procurement. T In Addition Internal Audit review of Financial Controls has resulted in a number of significant improvements to internal processes including control of debit card, cash collection, and various areas of record keeping and these have been implemented, resulting in an improvement from 'limited' to 'substantial' assurance levels between 2017 and 2022.	1	5	5	Ongoing use of Internal Audit to review key services and systems, with regular updates on progress reported to Council. SMT to continue to monitor budget expenditure on 1/4ly basis, with exception reports to Council/Resources Committee as appropriate.	Quarterly and annual report from internal audit	1	4	4	IM
9	Legal Challenge	A governance review of the Town Council is undertaken (by the County Council) in response to a petition from the local community or on the County's own initiative.	Additional time spent by officers responding to review Uncertainty for staff Additional cost to implement recommendations Merger with other Town Council	The Town Clerk and SMT work to ensure that all decisions that go in front of the Council and its committees are lawful and appropriate. The Council's insurance cover includes personal and professional indemnity cover.	2	4	8	n/a		2	4	8	IM

REF	RISK TITLE (HEADLINE)	CAUSE	CONSEQUENCE	CURRENT WORKING CONTROLS	CURRENT RISK RATING			FURTHER ACTION REQUIRED	TARGET COMPLETION DATE(S)	TARGET RISK RATING			RISK LEAD (initials)
					LIKELIHOOD	IMPACT	RISK RATING (LxI)			LIKELIHOOD	IMPACT	RISK RATING (LxI)	
10	Commerciality	The Council fails to actively promote its services and facilities with the local Community. The Council fails to actively identify potential/additional income streams and/or fails to maximise revenue generation.	Community fails to recognise the benefits/support provided by the Town Council Services/facilities not used Missed opportunities to generate additional income Over reliance on public funding (precept)	The COVID situation has put extreme strain on the council's revenue income since March 2020 and this has been closely monitored on a quarterly basis by Council and Scrutiny Committee. Shotton Hall is currently open for limited commercial operations due to COVID and the Council is considering future options. Steps have been taken to reduce expenditure as much as practicable, not filling vacancies as they arise and ceasing support services such as licenses, stock taking, etc. Cautious estimates have been made for Shotton Hall and The Pavilion income generation in 2021.	4	4	16	A monthly report on COVID impact is presented to Council and SMT will continue to explore ways to minimise costs. Scrutiny Committee will be taking forward the development of a MTFP in 2021 which must address some of the 'big issues' that the Council is facing.	Monthly reports	3	4	12	IM
11	Health and Safety	The Council fails to ensure an effective safety management system .	Accident or injuries Lost time following accidents Increased costs - investigation costs, fines, compensation claims. Enforcement action	Health and Safety and other forms of risk assessments in place for main council functions; Health and Safety committee in place to review H&S incidents/issues; Insurance contract reviewed in 2021/22 included review of key risks and exposure; Council approved a new Health and Safety Policy for the Council in October 2019	2	4	8	Building and Access risk assessments have been reviewed for all Council-owned buildings in the wake of COVID. Standard Operating Procedures have been updated and COVID secure posters are in place. Staff are briefed on latest safe working guidance/measures on a regular basis	Ongoing	1	4	4	IM & SMT
12							0					0	

	Risk Title	Current			Target			Distance to target
		Impact	Likelihood	Score	Impact	Likelihood	Score	
1	Corporate Strategy & Medium Term Financial Plan	4	3	12	4	1	4	
2	Successful Events	3	1	3	0	0	0	
3	Sports funding	3	1	3	3	1	3	
4	Asset Management	4	2	8	4	1	4	
5	Workforce	3	2	6	3	1	3	
6	Partnership Working	3	2	6	0	0	0	
7	Sports and Play	3	2	6	3	1	3	
8	Financial Management	5	1	5	4	1	4	
9	Legal Challenge	4	2	8	4	2	8	
10	Commerciality	4	4	16	4	3	12	
11	Health and Safety	4	2	8	4	1	4	
12		0	0	0	0	0	0	
13		0	0	0	0	0	0	
14		0	0	0	0	0	0	
15		0	0	0	0	0	0	
16		0	0	0	0	0	0	
17		0	0	0	0	0	0	
18		0	0	0	0	0	0	
19		0	0	0	0	0	0	
20		0	0	0	0	0	0	



	Very High Consideration to be given to whether the risk can be accepted, transferred or avoided. If accepted swift action required.
	High Consideration to be given to whether the risk can be accepted, transferred or avoided - if accepted requires a SMART action plan to implement mitigating actions.
	Low Consideration required challenging whether risk is "over controlled". Some controls may require removing or resources redirected to focus on high priorities.

Double Taxation

Introduction

- 1 At a meeting of the Local Councils Working Group held on 18 March 2021, CDALC presented the following motion which had been discussed and agreed with their membership at their AGM:

‘The County Durham Association of Local Councils acknowledges Durham County Council’s response to the issue of double taxation. We would request that, in the interest of fairness, there is a commitment by Durham County Council to reconsider the issue of double taxation and possible options to alleviate the unfairness that this causes for local council tax-payers in County Durham. It is requested that this review is undertaken in consultation with the Local Councils Working Group’.

- 2 It was agreed that the LCWG would consider this request and this report considers the history of double taxation since LGR and options for the future.

Definition

- 3 Double Taxation is defined as a situation where residents in certain local council areas are paying council tax twice over for particular public services. It can happen because many local services are concurrent functions — that is, they can be managed and delivered either by local parish and town councils or by the County Council. Typically, double taxation comes about in relation to the most locally delivered services, such as maintaining children’s play areas, closed churchyards, playing fields, open spaces, public conveniences, street-lighting, cemeteries, allotments and footpaths.
- 4 There are two ways in which Double Taxation can be viewed and therefore two definitions of Double Taxation:
 - (a) where provision of a service is delegated or devolved from a principal local authority to a local council without funding being passed on to cover the costs, which results in the local residents funding that service through the Town or Parish precept; or

- (b) where, within a principal local authority's area there are services delivered in some places by that authority (e.g. in unparished areas) and in other places by local Town or Parish councils. This can result in some residents paying for the service in their local council area through its precept, while at the same time they contribute to the cost of provision elsewhere, particularly in unparished areas, through the Council Tax bill from their principal local authority. This is the National Association of Local Councils definition of Double Taxation.
- 5 In terms of funding for local authorities, council tax makes up significantly different proportion of total funding available to different types of authority as detailed below:
 - (a) Unitary Authority – in the case of Durham County Council council tax makes up circa 22% of total funding for the council. In this circumstance council tax could be said to finance 20% of all service provision;
 - (b) Town and Parish Councils – in many circumstances council tax will make up the vast majority of total funding and as such council tax will pay for the majority of all services.

Treatment of Double Taxation after LGR

- 6 During the LGR process the issue of Double Taxation was raised by local councils and colleagues from District Councils. It was agreed that the issue was complex and there was no simple solution. An agreement was reached with local councils that a grant payment would continue to be made in line with those made by the former District Councils. This would reflect that certain services were being provided by local councils which could be deemed to be the county council's responsibility. The functions included in the payment process at that time were as follows:
 - (a) allotments;
 - (b) bus shelters;
 - (c) cemeteries;
 - (d) public conveniences.
- 7 The sums paid post LGR totalled £0.246 million across 60 local councils ranging from £16 to £38,475. There is no clear evidence that local councils utilised the additional grant payment to reduce council tax ie. it was impossible to say that double taxation was not an issue in those areas that received this grant funding.

8 Post LGR local councils continued to lobby for additional and more substantial functions to be added to the list of functions included in the grant payment scheme. Local councils requested that the following functions also be included in calculations. The functions in question were as follows:

- (a) CCTV;
- (b) public parks and open spaces;
- (c) community centres;
- (d) information centres;
- (e) tourism;
- (f) leisure facilities including sports grounds;
- (g) town twinning.

Withdrawal of Council Tax Benefit Subsidy and Introduction of Local Council Tax Support Grant

9 During 2012 the government announced that consideration was being given to localising control of council tax benefit payments – changing the support from a cash benefit payment to a discount against the council Tax. This resulted in the introduction from April 2013 of Local Council Tax Support Schemes – which impacted on the tax base calculations. At the time the government passported grant funding to local authorities to (partially) offset the impact on the tax base, with following actioned and advised:

- (a) a 10% sum as top sliced from the grant. For Durham this equated to a loss of funding of circa £5 million and;
- (b) to recognise the loss of income for local councils a proportion of the Revenue Support Grant was recommended to be passported to local councils to protect them from the impact of this change, though principal authorities were not mandated to do so.

10 At that time local authorities took a range of actions to introduce a LCTRS and to address the issue of loss of income for local authorities as detailed below:

- (a) many authorities reduced entitlement to council tax support to recover the lost 10% of funding. Since 2013/14 the majority of

authorities have reduced entitlement. The county council has maintained entitlement at pre 2013/14 levels. If the council had reduced entitlement the tax base would increase, and local councils would receive more council tax dependent upon the number of claimants impacted from their area;

- (b) many local authorities recognised that it was legal to either not pay any local council tax support grant to local councils or at least to pay a lower sum than was necessary. At this time only 10 upper tier authorities still pay a proportion of the local council tax support grant to local councils. The majority of local authorities have taken this as a MTFP saving recognising that local councils have the ability to recover losses via increasing council tax. The county council agreed in 2013/14 to reimburse the full amount to local councils but that the grant would reduce in future years based upon the equivalent loss in Revenue Support Grant of the county council.

- 11 In discussions with local councils during 2012 it was clear that many local authorities did not intend to passport the local council tax support grant to local councils. It was agreed at that point that the county council would passport the full amount of £2.3 million to town and parishes subject to future RSG reductions for the county council. The share of the local council tax support grant still paid to local councils in 2021/22 is £1.35 million. The reduction in grant is commensurate with the significant reductions in RSG the county council has faced since 2013/14.
- 12 In recognition of the commitment from the county council in terms of continuing with the local council tax grant payments it was agreed that the £0.246 million 'double taxation' payment would be withdrawn

Eradicating Double Taxation - Special Expenses Schemes

- 13 The only option available to truly eradicate double taxation would be via the implementation of a special expenses scheme. The County Council will not consider providing any grant support / payments to local councils as it cannot be guaranteed that this will result in a reduction in the council tax paid locally by residents, therefore it cannot be guaranteed that Double Taxation has been eradicated.
- 14 A special expenses scheme would involve the County Council varying its Council Tax in different areas to reduce the amount payable to it.
- 15 To introduce a special expenses scheme would require the following;
 - (a) local councils and the county council would have to agree the definition of what constitutes Double Taxation and which

functions carried out by local councils will fall into the scope of any exercise. There are two options:

- (i) Identify and focus on those areas service areas that have been delegated or devolved from the principal local authority;
 - (ii) Identify the functions and service areas undertaken by the local council that would otherwise be delivered by the County Council if the local council did not exist and to the standards and arrangements in place in unparished areas across the county.
- (b) for each of these functions identified, every local council would need to commit to a forensic breakdown of their budgets and would be required to provide detailed information on the inputs to provide the service (staffing, materials etc), the service standards (how often works are carried out and the what the standards are of delivery etc) and details and any income received to offset any such costs;
- (c) consideration would need to be given as to the auditing / verification of the information provided, which would need to be on an open book basis;
- (d) the county council would identify which of those services it would provide if the local council did not exist and what the service standards would be for the functions identified as being in scope and what the unit costs of delivery would be if the county council were undertaking these services;
- (e) based upon the input from all local councils and the county council a value of service provision at county council standards and costs would be identified for each local council;
- (f) the county council precept value would then need to be reduced for each local council area by the sum identified. This will result in the county council precept being different for every local council area, result in increased complexity in terms of administration of the council tax system and for residents and ultimately result in the county council losing significant amounts of council tax;
- (g) the Special Expenses scheme would need to be reviewed every year to ensure the Council Tax charged remained valid and local councils will need to provide updated information to the county council to ensure all such functions are still carried out and to

what volume. The county council would also need to annually update all unit costs to revise the deduction from precept;

- 16 To enable the special expenses option to be progressed extensive work would be required by both local councils and the county council to identify the functions in scope, the inputs to service provision and service standards as well as the cost of the functions. This could not be completed in time for 2022/23 budget setting and it is uncertain whether this could be completed and agreed in time for 2023/24 budget setting.
- 17 The county council would also need to consider how to address what could be a significant reduction in council tax.

Summary

- 18 To truly address the issue of Double Taxation, the only viable option is via the introduction of a Special Expenses scheme, whereby the County Council would vary (reduce) its council tax charge in parished areas.
- 19 The County Council will not consider the provision of any grant to local councils to “address” Double Taxation.
- 20 This requires the co-operation and input from all local councils on an open book basis and significant work will be required to scope and cost the service provision, regardless of the definition of what constitutes Double Taxation. At para 15(a) the two definitions of what constitutes Double Taxation are outlined.

Recommendations

- 21 LCWG are requested to discuss the contents of this report and specifically:
 - (a) Whether all CDALC members would commit to undertaking such and exercise in light the proposed approach to addressing Double Taxation (i.e. via a Special Expenses Scheme);
 - (b) Discuss the ToR / definition and scope of any such exercise; and
 - (c) Consider the timeframes for undertaking such an exercise.