



21<sup>ST</sup> March 2023

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 COUNCIL CHAMBER, SHOTTON HALL, PETERLEE, SR8 2PH on MONDAY 27<sup>TH</sup> MARCH 2023 at 6.30pm

Ian Morris, F.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.

Members of the public are very welcome to attend our meetings. Due to ongoing precautions for COVID and other seasonal illnesses we have a limited number of designated public seating and so any members of the public wishing to attend Shotton Hall to observe the meeting are advised to contact the Council in advance so that we can reserve a seat for you: [council@peterlee.gov.uk](mailto:council@peterlee.gov.uk) or 0191 5862491

### 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 27<sup>th</sup> February 2023  
The minutes of the previous meeting are attached for consideration and approval as a true and correct record. (attached)
5. The notes of the Scrutiny Meeting of the 28<sup>th</sup> February 2023  
The minutes of this meeting are attached for consideration and approval as a true and correct record (attached)
6. Notes of the Finance Sub Committee of the 13<sup>th</sup> March 2023  
To confirm and endorse the resolution of the Finance Sub Committee to approve BACS payments to be paid on 16<sup>th</sup> March 2023
7. The Minutes of the Resources Committee of the 13<sup>th</sup> March 2023  
The minutes of this meeting are attached for information purposes only.  
(attached)
8. Notes of the Events Meeting held on 15 March 2023  
The notes of this meeting are attached (attached).  
Items requiring a decision from this meeting are as follows:-
  - (i) Emergency Services Day – 9<sup>th</sup> September  
To consider the cost of a marquee for this event
  - (ii) Community Events Grant Fund  
To review a suggestion from Events Working Party to establish a small community events fund and budget allocation to enable small local community events during 2023/4
9. Review of the Town Council's approach to risk  
To consider and approve a report from the Town Clerk reviewing the Town Council's approach to risk and updated risk register.  
(report of the Town Clerk, attached)
10. Review of the Town Council's Use of Reserves Policy  
To consider a report from the Town Clerk reviewing the Town Council's Use of Reserves Policy  
(report of the Town Clerk and revised policy, attached)

11. Town Council insurance arrangements 2023/4

To confirm the arrangements for the town council's insurance cover for 2023/24 following a review of provision by the Town Clerk and Deputy Town Clerk.

12. Code of Conduct Complaints

To inform Members on the result of two investigations by the Durham County Council Monitoring Officer into separate Code of Conduct complaints against two Town Councillors. Both investigations have concluded that no further action is to be taken by the Monitoring Officer.

(two reports of the Town Clerk, attached)

13. Spokesperson of the North East Party's Report

14. Spokesperson of the Labour Political Party's Report

The press and public are welcome to attend this meeting. Space in the public gallery is limited and you are advised to contact the council in advance if you do wish to attend.

Contact: Ian Morris, Chief Officer & Town Clerk, Peterlee Town Council, Shotton Hall, Peterlee Co Durham SR8 2PH

e mail: [council@peterlee.gov.uk](mailto:council@peterlee.gov.uk)

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE TOWN COUNCIL

HELD IN THE COUNCIL CHAMBER, SHOTTON HALL, PETERLEE

ON MONDAY 27<sup>th</sup> FEBRUARY 2023 at 6.30PM

PRESENT: - Cllr R Moore (Chairman)

K Liddell, M McCue, S Simpson, R Burnip, S McDonnell, S Franklin, A Stockport, E Watson, J Black, D Hawley, K Hawley, K Duffy, B Fishwick, A Laing, M A Cartwright, D Howarth, D Quinn, R Scott & M Sanderson

114. Apologies for Absence

Apologies for absence were offered from Councillor T Duffy. **RESOLVED the apologies for absence from this Councillor be noted.**

115. Public Participation Session

There were no members of the public present at the meeting.

116. 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.

117. To Approve the Minutes of the last meeting of the 30<sup>th</sup> January 2023

The minutes of the previous meeting are attached for consideration and approval as a true and correct record. **RESOLVED the minutes be accepted and signed as a true and correct record.**

118. Vacancy for the Passfield Ward

Members considered nominations for the co-option for the vacancy for the Passfield Ward, and the Chair offered the two interested parties the opportunity to present a personal statement to the Council in support of their application. Both candidates spoke to the council in support of their application. Following the proposing and seconding of each candidate, a vote was held and it was **RESOLVED Mr Robert Scott be co opted to serve as a Councillor for the Passfield Ward.**

Councillor Scott signed his acceptance of office form and then took an active part in the meeting.

119. Notes of the Finance Sub Committee of the 13<sup>th</sup> February 2023

Members considered the accounts presented for payment for the month of February 2023 and it was **RESOLVED the payments be accepted and paid.**

120. The Minutes of the Community & Environment Committee of the 13<sup>th</sup> February 2023

The minutes of the Resources meeting were circulated for information purposes only. **RESOLVED the record of the meeting be noted.**

121. Write-off of Debt

Members considered a recommendation to write an outstanding debt of £264.03 off the council's accounts, details of which were contained in the report previously circulated. **RESOLVED the contents of this report be noted and the writing off of the listed debt to a value of £264.03 be approved and it be confirmed that the hirer be barred from any further Council hires until such time as the debt was repaid in full.**

122. Town Council budget 2023/4

Members were requested to approved the Town Council's detailed budget for 2023/4, a copy of which had previously be circulated to Members. The Town Clerk advised that following receipt of detailed feedback form the Mayor and Chair of Resources Committee a number of amendments had been made and these were discussed. The Town Clerk advised that the budget had already been balanced at the agreed 10.5% precept increase, and that the additional savings suggested by Members after the precept had been set would in effect be contributions to reserves. He also advised caution when considering further cuts to budgets as these were increasingly difficult to sustain following several years of below-inflation income increases, and that in an uncertain economic climate it could prove all the more difficult to 'catch up' with increases in future years. Following consideration, it was **RESOLVED**

- (i) **The events budget be amended and set at £35,000 with no budget contribution towards the proposed music event celebrating Peterlee's 75 birthday;**
- (ii) **The staff training budget be agreed at £10,000 as per the draft budget;**
- (iii) **The other amendments discussed during the meeting be accepted and the final budget for 2023/24 be approved.**

123. Town Events

Members were asked to consider and approve the award of contracts for the provision of various goods and services to the Council with events and activities. It was **RESOLVED SISCO Security from Seaham be engaged to provide security for the Town Events; fencing be provided by Altrad Generation Hire & Sales from Birtley;**

medical cover be provided by Medics UK from Stockton; traffic management be provided by Chevron Traffic Management Services, Nottinghamshire.

**FURTHER RESOLVED** that if there were any material changes in the quotes submitted if the music event was removed from the list of 2023 Town Council events, a further report be made to Council.

124. Peterlee Town Council Scheme of Delegation

Members were requested to review and confirm the updated document, where the only changes were to the authorised officers signatory list for use of the council's debit card. **RESOLVED the amendment be approved and the amended scheme of delegation be adopted immediately.**

125. Spokesperson of the North East Party's Report

Councillor Cartwright reported she was delighted to see the DLI Museum was back in Durham. She sent her best wishes and thoughts to the people of Turkey and Syria following the recent earthquakes, and to the people of Ukraine. She thanked colleagues for their hard work in recent weeks. She advised the North East Party were disappointed that the decision had been made not to hold the town fireworks display this year and not to financially support the proposed music event. Councillor K Hawley commented that not every NEP Member was against cancelling the fireworks. **RESOLVED the information given, be noted.**

126. Spokesperson of the Labour Political Party's Report

Councillor Mc Cue noted the one year anniversary of the war in Ukraine and she offered her solidarity and her sadness at the huge loss of lives on both sides and for the wider implications for the whole world. She reported on the potential implications of access to democracy with the new national voter ID scheme, she felt this would be difficult for all to access, ie for those without photo ID and access to technology. She asked Members to help residents wherever they could as it was in every councillor's interest to assist residents in having access to their vote. She suggested that the Council should run a campaign to provide advice and signposting for local residents to register for voter ID. **RESOLVED the information given be noted.**

THE MINUTES OF THE MEETING OF THE SCRUTINY COMMITTEE  
HELD IN THE COUNCIL CHAMBER, SHOTTON HALL, PETERLEE  
ON TUESDAY 28<sup>TH</sup> FEBRUARY 2023

PRESENT: COUN K HAWLEY (CHAIR)

K Liddell, M McCue, R Scott, R Moore, D Hawley & D Howarth

8. Apologies for Absence

No apologies for absence were submitted.

9. The Minutes of the Last Meeting held on 6<sup>th</sup> September 2022

The minutes of the previous meeting are attached for consideration and approval as a true and correct record. RESOLVED the minutes be accepted and signed as a true and correct record.

10. Ways of Working pre and post covid

The Town Clerk gave a presentation on working arrangements before the covid-19 pandemic and how much hybrid working is actually happening, eg in November and December 2022 there was only 1% of staff time spent working from home, in January 2023 3% of available staff days were spent working from home. Reference was made to the results of national studies that showed there was improved staff well being (60%) and a reduction in overheads, (41%) and he also gave details of the trial 4 day week. Details were given on the reduction in sickness absence and increased staff well being at PTC with the use of hybrid working. He stressed that working from home was a tool and was predominantly task driven.

There was considerable discussion about home working. The Chair asked how we might get feedback from residents on the services provided to them by PTC. It was confirmed the magazine had included several articles but to date there had been no response/feedback received from the public. The Clerk spoke about sessions used in another part of the country where a random selection of 200 households were invited to come along to an informal session/focus group and for the Council to listen to residents. He suggested this may offer a richer quality of response and provide a way to reach out to residents. AGREED this be suggested to Council as a way to engage with the public of Peterlee.

11. Review of Committees - Terms of Reference & attendance at meetings

The committee considered the committees and the meeting schedule in use, currently with the second and fourth Monday of the month, with working parties being held during the day and quarterly Member's Briefing session held on an evening on one of the "free" Mondays from 6-7pm. It was agreed that should the Chair's of Resources and Community & Environment have issues where they needed a meeting calling ad hoc then that would be

accommodated. It was also suggested that where possible Working Parties be held virtually via Teams. The current schedule of meetings was accepted.



PETERLEE TOWN COUNCIL

FINANCE SUB-COMMITTEE

MONDAY 13<sup>TH</sup> MARCH 2023

Present:-

Councillors K Liddell, S Simpson

8. ACCOUNTS FOR PAYMENT

Members were provided with the accounts and invoices for March 2023 to be paid by BACS in the sum of £59,282.27 and payments made by direct debit/using the debit card for February 2023. Following checking of the documents provided, it was **RECOMMENDED that the accounts presented be paid.**

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

HELD IN THE COUNCIL CHAMBER, SHOTTON HALL, PETERLEE

ON MONDAY 13<sup>TH</sup> MARCH 2023 at 6.30PM

PRESENT:- COUN K HAWLEY (CHAIR)

Councillors K Liddell, M McCue, S Simpson, R Burnip, S McDonnell, S P Franklin, R Moore, F Black, D Hawley, R Scott, K Duffy, T Duffy, B Fishwick & M A Cartwright

20. Apologies for Absence

Apologies for absence were offered to the meeting and accepted from Councillors D Quinn, M Sanderson & E Watson.

21. 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, **RESOLVED the information given, be noted.**

22. To approve the minutes of the previous meeting

**RESOLVED the minutes of the previous meeting of the Resources Committee held on Monday 16<sup>th</sup> January 2023, be approved as a true and correct record.**

23. To consider two items received and requested by Councillor Karen Hawley

- (i) to Confirm or otherwise if the Scrutiny Committee has the power to make Council decisions

The Deputy Town Clerk confirmed for Members the terms of reference for this Committee as agreed and confirmed at the Annual Meeting held in May 2021. The Committee reports to Council; the responsibilities being “without prejudice to the responsibilities of the service committees, to review the effectiveness of all of the Council’s work and the standards and levels of service provided”. **RESOLVED the**

**information given be noted and the terms of reference for the Scrutiny Committee be confirmed.**

- (ii) to request a room to be made available every day at Shotton Hall for Members use

It was suggested that a room be made available at Shotton Hall during office opening hours for Councillors' use for meetings and/or to work on Council business. It was stressed that this would be available to all Councillors. The Deputy Town Clerk confirmed that Shotton Hall's meeting rooms were regularly used for internal or external meetings and available for commercial hire, and confirmed that a room could be made available for Councillors most days providing that Members could be flexible on which room was used. **RESOLVED that Members can use available meeting rooms at Shotton Hall for council business during office hours, and this be reviewed in 6 months time.**

24. 2022/23 financial year – third quarter budget summary report

Members considered the report from the Town Clerk outlining the Council's budget position at the end of December 2022 (end of 2022/23 quarter 3). **RESOLVED Members note the content of this report along with Appendices 1 and 2 which set out the quarter 2 variances by budget head and summary explanations for each variance over 15%.**

## Notes of the Events Working Party held on Wednesday 15<sup>th</sup> March 2023

Present at the meeting were:-

Councillors S Simpson, R Scott, K Hawley, D Hawley, K Liddell & D Howarth

Officers:- Mrs L Freeman, Mrs J Hugill, I Morris, Miss S Pounder & K Tweddle

The Working Party considered a list of suggested events for 2023/24 as follows:-

(a) OAP Summer Garden Party, date to be agreed, Shotton Hall

It was AGREED a Summer Event be organised for the over 60' on a date to be agreed with the Facilities Manager.

(b) Garden Competition – Judging Wednesday 12<sup>th</sup> July and Presentation Lunch Thursday 20<sup>th</sup> July 2023, Shotton Hall

The Corporate Services Manager reported entries in 2022 had increased on previous years and there were a number of new gardens entered. Feedback from the event had been very positive. It was AGREED the Garden Competition be organized once again this year.

(c) Summer Fun Days – various dates and sites during the Summer school holidays

Members discussed the Fun Days suggested for Edenhill and two at Woodhouse Park and asked if it would be possible to add another Fun Day onto the programme to be held at The Pavilion/Helford Road. AGREED that four Fun Days be planned at the areas discussed.

(d) Emergency Services Day – Saturday 9<sup>th</sup> September 2023, Shotton Hall

This event would coincide with National Services Day and discussions and plans were well advanced with the local Police and Fire & Rescue services. It was also hoped to have small fairground rides, various stalls, (Both charities and arts/crafts/artisan). The Corporate Services Manager asked if there should be perhaps a stage area where singers, the local college students etc might perform and this was agreed. It was asked if a price could be obtained for a marquee for on the lawn area. The lake would be fenced off for safety reasons. AGREED a price be obtained for a marquee and this be considered further at the Council meeting.

(e) Halloween best dressed house/garden

A local resident had been in touch in 2022 suggesting this type of activity. Members felt it was a good idea and it was AGREED this be trialled in 2023. If it was successful a Christmas House competition be held.

(f) Remembrance Parade Sunday, 12<sup>th</sup> November 2023

The Corporate Services Manager gave the details of this event and it was AGREED the details be confirmed.

The Sports & Wellbeing Manager reported on a walk being organized with Oakerside Community Group in May during National Walking week. It was to be a walkathon walking to various venues in

the community with three different levels of ability for walkers. It was to be sponsored raising funds for the NE Air Ambulance Service. A reminder was given for the Spring Fair to be held on 1<sup>st</sup> April 2023 at the Pavilion.

The Chair asked if it would be possible to organise a dog walk and this idea was discussed further and it was AGREED the Sports & Wellbeing Manager look into this further.

The Chair asked the members of the Working Party for any further ideas for events during 2023/24. Several suggestions were given:-

- Pumpkin carving, maybe several events
- Activities including Fun and Food funding via DCC
- Bug hunts in Shotton Hall Grounds, not just at Woodhouse Park
- A Teddy Bears Picnic at Shotton Hall – it was AGREED this be organized by the Events Team.
- (A) Nature Kids Event(s) in the grounds of Shotton Hall
- A Halloween Party
- An Autumn Show it was explained this had been done previously as the Horticulture Section of the Peterlee Show.

During discussions the Town Clerk suggested the Town Council could reach out to partners in the community to see if the Town Council could help support them with their events in terms of funding. This could perhaps be for events that focused on families and young people. He offered to prepare a basic application form for funding that could be considered at the Council meeting. AGREED this suggestion and application form be considered further at the Council Meeting.

Report to: Peterlee Town Council  
Date: 27<sup>th</sup> March 2023  
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 2022)<sup>1</sup> defines risk and risk management thus:

*"Risks are uncertain events or conditions (not just financial) that if they occur, will affect the authority's ability to achieve its objectives. The authority generally, and members individually are responsible for risk management."*

*Typical categories of risks include:*

- *financial – loss of money;*
- *security – fraud, theft, embezzlement;*
- *property – damage to property;*
- *legal – breaking the law or being sued;*
- *IT – failure of IT systems or misuse or data loss; and*
- *reputational – actions taken could harm the authority's public reputation."*<sup>2</sup>

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.

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.

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<sup>1</sup> see: <https://www.nalc.gov.uk/library/our-work/jpag/3698-practitioners-guide-2022/file>

<sup>2</sup> Governance and Accountability for Smaller Authorities in England (March 2022), ss5.88-5.88

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); Hutton Fire (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. There are no substantive changes to the policy proposed and Members are recommended to review and approve the document as part of this annual review.

**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 and has been reviewed on an annual basis since then. 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 will be reviewed by SMT on a regular basis and any significant deviations will be reported to Council and/or Resources Committee.

**Audit:** In December 2022 Durham County Council served notice on the Town Council for cessation of the Internal Audit SLA that has been in place for a number of years. The Town Clerk is currently working with colleagues from other larger Local Councils in County Durham and with Durham's Corporate Procurement Service to tender for a new Internal Audit service provider to replace DCC's service.

The outcome of this process will be reported to Council as a separate item once final arrangements are confirmed.

**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
Hutton Fire	Building-specific fire risk assessments and fire plans
Summers Inman	Planned & Preventative Maintenance (PPM) buildings surveys that include Health & Safety items
Atkins	Condition and feasibility report for Shotton Hall



Insurance: The Town Council reviewed and renewed its insurance arrangements with one of the largest local authority insurance providers in March 2022. 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 – no direct implications

Staffing – no direct implications

Risk – This report sets out the Town Council's approach to identifying, assessing and managing risk in line with the audit and accounting regulations

Equality and Diversity, Cohesion and Integration – no direct implications

Crime and Disorder – no direct implications

Consultation & Communication – no direct implications

Procurement – no direct implications

Legal – no direct implications

Data Protection – no direct implications

## APPENDIX 2: RISK POLICY

### **APPENDIX 3: RISK ASSESSMENT AND 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
<b>INCOME AND DEBTORS</b>													
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				
<b>ORDERING AND PAYMENTS</b>													
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
<b>PAYROLL</b>													
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.  Confusion over superannuation fund membership.  Reputation Damage				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				
								Accurate payments of PAYE are made to HMRC by the due date.	Y				
								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				
<b>BUDGETARY CONTROL</b>													
10	4	Budgets are not allocated in accordance with the priorities of the council.	Financial Management  Performance Management	Stakeholder expectations are not met.  Resources are not allocated in accordance with stakeholder expectations.	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)  The approved budget is appropriately disaggregated under delegated powers to each service grouping by way of identified cost codes.	Y  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.  Restricted ability to transfer resources between activities  Reputational damage.				Disaggregated budgets are assigned to individual budget holders in line with the management structure.	Y				
								Budget targets are communicated to budget holders.	Y				
								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				
								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				





# RISK MANAGEMENT POLICY

April 2020

## SUMMARY

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.

**Ian Morris**

Chief Officer & Town Clerk

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# 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.<sup>1</sup>*

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

## 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

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<sup>1</sup> The Accounts & Audit Regulations 2015, part 2, regulation 3  
<http://www.legislation.gov.uk/uksi/2015/234/regulation/3/made>

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)

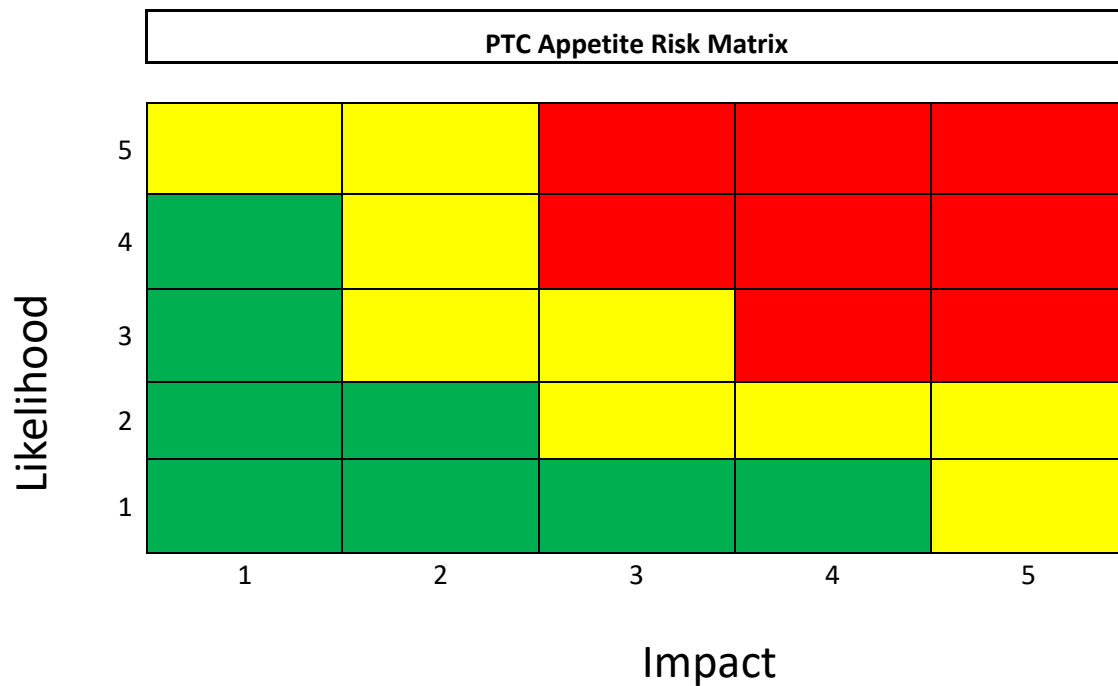
Likely (4)

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

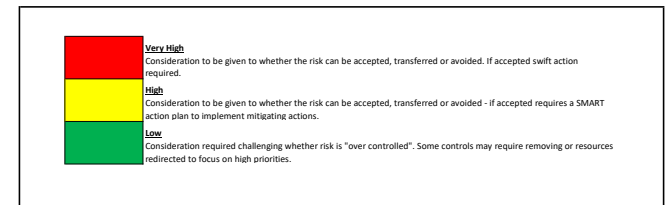
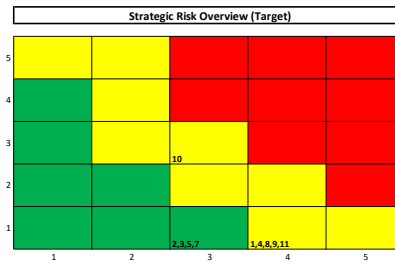
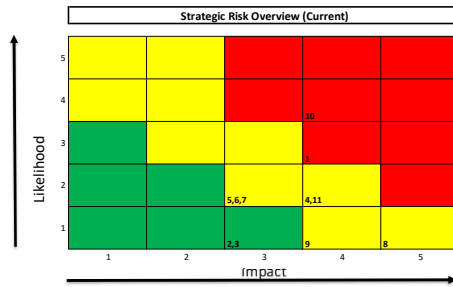
This policy will be implemented by the Council's Chief Officer and Senior Management Team and will be reviewed on a regular basis by Council.

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 resources; No measure of success; Poor public perception	A draft MTFP is in place and will be presented to Council for approval in 2023	3	4	12	Members will be presented with a new Corporate Strategy and MTFP in 2023/4	Mar-24	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 a further audit was completed in February 2023 with findings yet to be received	1	3	3	Act on any recommendations arising from Feb' 23 IA report	Sep-23	1	3	3	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 previous 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 restructure 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. COVID risk assessments were put in place for all Council workplaces	2	3	6	The continuation of the annual 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. We have recently undertaken a staff wellbeing audit and are currently updating our Wellbeing Strategy with the audit findings. During March 2023 the Council's IP status is being reviewed and this may also raise suggestions for workforce improvements	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 ongoing partnership with Skill Mill Durham for environmental improvements; Partnership with Trees for Cities and the NE Community Forest that resulted in around 20,000 new trees being planted in our town, 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 town and has committed to a £25k per year contribution towards a play area sinking fund so that a future version of the council will have a substantial reserves pot to use for the next major refurbishment. The Council has also established a £5k per year MUGA sinking fund for the replacement of the playing surface at the MUGA at The Pavilion, Heford Road	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 DCC Corporate Procurement. And 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.	1	4	4	n/a		1	4	4	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 Building Access Assessment in 2023/24	4	4	16	The Council has commissioned a condition and suitability report for Shotton Hall and will need to make a decision in 2023/24 about the building's future; Council has agreed to a target uplift of 15% across all Council services and fees in 2023/24 to try to keep ahead of inflation	Regular reports to Council and its committees; workshop being planned for April '23 for Members and Officers to work through Shotton Hall findings	3	3	9	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 remain in place. Staff are briefed on latest safe working guidance/measures on a regular basis; new staff wellbeing boards are currently being installed at the Council's main work locations to help to inform and signpost staff to mental and physical wellbeing resources	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	3	1	3	
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	1	4	4	1	4	
10	Commerciality	4	4	16	3	3	9	
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	



Report to: Peterlee Town Council  
Date: 27<sup>th</sup> March 2023  
Subject: Review of the Town Council's Use of Reserves Policy  
Report of: Ian Morris, Town Clerk

Purpose: This report seeks approval for a revised Use of Reserves Policy in accordance with statutory and regulatory requirements.

Introduction: Peterlee Town Council is required by law to maintain adequate financial reserves in order to meet the needs of the organisation. Section 49A of the Local Government Finance Act 1992<sup>1</sup> requires the Council to have regard to the amount of reserves needed to meet estimated future expenditure when setting the annual budget.

The town council's Use of Reserves policy sets out the Council's approach to the establishment, maintenance and adequacy of financial reserves and balances held by the Council. The policy is reviewed by the Responsible Financial Officer (RFO) on an annual basis as part of the process for setting the annual budget.

The Council holds reserves for three main purposes, as per guidance from the Chartered Institute of Public Finance & Accountancy (CIPFA)<sup>2</sup>:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Policy: The Use of Reserves Policy is attached as appendix 2 to this report. The main amendments from the previous policy are a revised target of general fund balance of £400,000 (page 2, section 2.2) and a new section 4 that sets out the Council's current approach to earmarked reserves.

Recommendation: Members are recommended to note the contents of this report and to review and approve the Council's Use of Reserves Policy as provided in appendix 2 to this report.

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<sup>1</sup> See [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

<sup>2</sup> See CIPFA LAAP bulletin 99 'local authority reserves and balances' here: [LAAP 99 | CIPFA](#)

## APPENDIX 1: IMPLICATIONS

Finance – this report seeks approval of a revised Use of Reserves Policy in line with the Town Council's Financial Regulations and legal/regulatory duties;

Staffing – no direct implications

Risk – The Council's approach to managing general and earmarked reserves helps to manage financial and operational risk

Equality and Diversity, Cohesion and Integration – no direct implications

Crime and Disorder – no direct implications

Consultation & Communication – no direct implications

Procurement – no direct implications

Legal – no direct implications

Data Protection – no direct implications

## APPENDIX 2: USE OF RESERVES POLICY





# PETERLEE TOWN COUNCIL USE OF RESERVES POLICY

Reviewed March 2023

## EXPLANATORY NOTE

This 'Use of Reserves Policy' sets out the Town Council's approach to setting and managing adequate financial reserves to meet the needs of the organisation. This policy compliments the Council's Standing Orders and Financial Regulations, both of which can be found on the Council's website.

**Ian Morris**  
Town Clerk

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## 1. Introduction

- 1.1 Peterlee Town Council is required by law to maintain adequate financial reserves in order to meet the needs of the organisation. Section 50 of the Local Government Finance Act 1992<sup>1</sup> requires the Council to have regard to the amount of reserves needed to meet estimated future expenditure when setting the annual budget.
- 1.2 This policy sets out the Council's approach to the establishment, maintenance and adequacy of financial reserves and balances held by the Council. The policy will be reviewed by the Responsible Financial Officer (RFO) on an annual basis as part of the process for setting the annual budget, and will receive a formal review by Council every 3 years or sooner if required.
- 1.3 The Council will hold reserves for three main purposes, as per guidance from the Chartered Institute of Public Finance & Accountancy (CIPFA)<sup>2</sup>:
  - a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
  - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
  - a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

## 2. General Fund Balance

- 2.1 The general fund balance, commonly termed the 'working balance', is a balance on the council's revenue account which is not held for any specific purpose other than to cushion the council's finances against any unexpected short term problems in the council's cash flow.
- 2.2 The general fund balance is to be maintained at a level based upon the review of risks carried out annually by the Responsible Finance Officer (RFO) and Town Council as part of setting the budget for the forthcoming year. Any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept. Such use will be reported to Council as part of the budget-setting process.

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<sup>1</sup> See: <http://www.legislation.gov.uk/ukpga/1992/14/section/50>

<sup>2</sup> See: CIPFA LAAP Bulletin 99 – Local Authority Reserves and Balances, July 2014 <http://www.cipfa.org/policy-and-guidance/technical-panels-and-boards/local-authority-accounting-panel/laap-bulletins/laap-99>

- 2.3 The national Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide (March 2022)<sup>3</sup> recommends that the any Local Council with a budget of more that £200,000 should plan towards 3 months net revenue expenditure in its general reserve. Using the 2021/22 budget year as a benchmark, this equates to a target general fund balance of £400,000 plus earmarked reserves.

### 3. Risk Management

- 3.1 In order to assess the adequacy of the general fund when setting the annual budget, the RFO will take account of the strategic, operational and financial risks facing the council. The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the council's main areas of income and expenditure and take into account any provisions and contingencies that mat be required.

In reviewing this policy in March 2023 the Council considers the main financial risk items to be considered for the use of reserves policy to be:

Financial Risk	Analysis of risk
Expenditure – pay inflation is greater than expected (current budget provision is 5%)	Medium risk. NJC pay settlements have been haphazard and unpredictable in recent financial years.
Expenditure – general inflation is greater than expected	Medium risk. Budget assumptions on general inflation set at 10% in line with latest Bank of England estimates. These will be reviewed on an annual basis as part of the budget setting process.
Income – Shotton Hall and Pavilion projected income is not achieved	Medium risk. The post-covid recovery of hospitality and sporting activity continues to be unpredictable. The Council will be making a decision about the future of Shotton Hall later in 2023
Income – continuing reduction in Council Tax Support Grant via Durham County Council	This remains a high risk as per the original policy. The support grant for 2023/4 will be a little over £283k and while there is no current suggestion that this will be withdrawn by DCC in future years the risk must remain high due to the potential impact of losing such a substantial income source.

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<sup>3</sup> <https://www.nalc.gov.uk/library/our-work/jpag/3698-practitioners-guide-2022/file>

- 3.2 Given the risk profile summarised above, it is considered that the £400,000 target general reserves balance remains a feasible proposition.

## 4. Earmarked Reserves

- 4.1 Earmarked Reserves are amounts of reserves that are generally built up over a period of time which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects. The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year.

- 4.2 The Council, when establishing an earmarked reserve, will set out:

- The amount to be set aside
- The reason/purpose of the reserve
- How and when the reserve will be used

- 4.3 As at March 2023 the Council is currently operating 2 main earmarked reserves which it contributes to on an annual basis:

Name of reserve	Purpose	Running since	Planned term (if applicable)	Target	Annual contribution
Play Area Strategy sinking fund	To contribute to next major play area renewal project	2022/23	20years	£500k	£25k
Helford Road MUGA sinking fund	To contribute to resurfacing of the MUGA at Helford Road	2021/22	10 years	£60k	£6k

Report to: Peterlee Town Council

Date: 27<sup>th</sup> March 2023

Report title: Code of Conduct Complaint

Report of: Ian Morris, Town Clerk

Report Purpose: To inform members on the result of an investigation by the Monitoring Officer into a Code of Conduct complaint against a Town Councillor. The investigation has concluded that no further action is to be taken by the Monitoring Officer.

Background: The Town Council's Standing Orders require that all Code of Conduct investigations by the Monitoring Officer relating to Town Council Members be reported to the Council for information.

On 9<sup>th</sup> February 2022 the Town Clerk was notified by the Monitoring Officer at Durham County Council that a complaint had been made by a Peterlee Town Councillor about the conduct of another Peterlee Town Councillor during a council working party meeting on 24<sup>th</sup> January 2023. On 8<sup>th</sup> March 2023 the Monitoring Officer issued a decision notice of 'no further action' following her investigation into the complaint.

The Monitoring Officer concluded that there was shared responsibility between Members as part of "heated discussion" at the meeting. The Monitoring Officer has observed that whilst councillors will engage in robust debate at times and are expected to express, challenge, criticise and disagree with each other's views, ideas and opinions, doing these things in a respectful way is essential to building and maintaining healthy working relationships with fellow councillors, officers and members of the public; and encourages others to treat them with respect.

The Monitoring Officer has sent copies of her report to the complainant and the Member against whom the complaint was made.

Recommendation: Members are asked to note the contents of this report and the 'no further action' conclusion.

## Appendix 1: Implications

Finance – no direct implications

Staffing – no direct implications

Risk – no direct implications

Equality and Diversity, Cohesion and Integration – no direct implications

Crime and Disorder – no direct implications

Consultation & Communication – no direct implications

Procurement – no direct implications

Legal – Code of Conduct complaints are governed by the provisions set out in the Localism Act 2011.

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Background: The Town Council's Standing Orders require that all Code of Conduct investigations by the Monitoring Officer relating to Town Council Members be reported to the Council for information.

On 16<sup>th</sup> February 2022 the Town Clerk was notified by the Monitoring Officer at Durham County Council that a complaint had been made by a member of the public about social media posts by a Peterlee Town Councillor that were allegedly of a discriminatory nature. On 10<sup>th</sup> March 2023 the Monitoring Officer issued a decision notice of 'no further action' following her investigation into the complaint.

The Monitoring Officer concluded that all of the evidence in the complaint indicated that the Councillor was acting in a personal capacity and not as a Town/County Councillor when posting the social media comments in question and as such the posts do not fall within the jurisdiction of the Code of Conduct. The Monitoring Officer has expressed an opinion that the views expressed were objectively offensive and discriminatory to individuals who share a protected characteristic under the Equality Act 2010 and has suggested that the councillor may wish to reflect on the Equalities, Diversity and Inclusion training undertaken upon taking office as a Councillor.

The Monitoring Officer has sent copies of her report to the complainant and the Member against whom the complaint was made.

Recommendation: Members are asked to note the contents of this report and the 'no further action' conclusion.

## Appendix 1: Implications

Finance – no direct implications

Staffing – no direct implications

Risk – no direct implications

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