

COUNCIL 14 APRIL 2010**1. Electoral Review in Northumberland: Final Recommendations**

- 1.1 The electoral review of Northumberland undertaken by the Boundary Committee for England has been completed and awaits confirmation by an Order approved by Parliament.
- 1.2 It considered 34 representations and has decided the appropriate electoral arrangements including number of councillors, names and boundaries of wards and divisions. The number of councillors for Northumberland County Council has been confirmed at 67 with an average of 3,770 electors per councillor. Only Alnwick has a division represented by two members.
- 1.3 There is a small amendment of the boundary between divisions in Newbiggin as shown on the attached plan and this will be reflected in the Parish wards which will continue to have four members each.
- 1.4 The Newbiggin Central and East division is projected to have 3,675 electors in 2013 a reduction of 81 and Seaton with Newbiggin West 3,545 electors a small increase of 5 but both slightly below the county average.

2. Budget expenditure for 2009/2010

- 2.1 The expenditure of the Town Council against the budget for the financial year 2009/2010 is attached at Appendix 1.
- 2.2 The detailed accounts will be finalised for audit and presentation to the Council prior to submission to the appointed external auditors in June.

3. Northumberland Charter for Local Services update

- 3.1 The Town Council decided not to accept the transfer of local services on 01 April from Northumberland County Council other than allotments and seasonal lighting while issues over service levels and funding were clarified.
- 3.2 I have now been advised that the officer leading the local charter arrangements Bill Batey has left the county council and the lead officers are now Lynn Turner, Head of Culture, Leisure and Tourism and for detailed operational issues Andy Rutherford Head of Neighbourhood Services.
- 3.3 The approach still seems to be a presumption that the services listed in appendix 2 of the charter are expected to be managed and financed by local

council budgets. This will include play areas and bus shelters although only 3 of the 18 parishes affected have so far agreed to accept this transfer.

- 3.4 In the interim the Northumberland County Council has funded these services via a 'special expense' placed on the council tax bill to ensure that the expenditure is borne by the council tax payers of the parish where the service is provided.
- 3.5 A larger Implementation Group has been established with officers and members of the county council and NALC with representatives from the three geographical areas of the county to progress work in the next few months including remaining bus shelters; public seats; parks; playing fields; playgrounds and community centres with a view to discussions for transfer in 2011. Services at burial grounds; war memorials and monuments will be considered the following year.
- 3.6 A review of the Charter is being undertaken shortly once terms of reference have been finalised and they will also be looking at consultation arrangements with local councils. These are matters that will need consideration with the other larger councils in Northumberland.

RECOMMENDED that the Council note the position regarding the provision of local services.

4. Risk Management

- 4.1 Each Parish Council should have in place a system to help it to manage risk. This system will be relatively straight forward for the Town Council at present and become more complex as the Town Council expands its local service delivery and/or special projects. A council's internal auditor may use this risk management system to help to identify what tests to carry out as part of the audit.
- 4.2 Risk management is important. The failure to manage risks effectively can be expensive in financial terms and also in terms of service delivery. The Town Clerk already looks to assess and manage risks in some way or other scheme by scheme but there may be room to improve and document existing practices and these will be discussed with the internal auditor shortly.
- 4.3 Members are ultimately responsible for risk management because risks threaten a council's ability to achieve its objectives. As Town Clerk I am therefore seeking to ensure that members:
 - Identify the key risks facing the council
 - Evaluate the potential to the council of one of these risks taking place; and
 - Agree measures to avoid reduce or control the risk or its consequence.

4.4 Internal and external auditors and the Association recognise that every council is different and there is no such thing as a standard list of risks. There are however a number of common themes that are likely to emerge. These might include:

- Physical assets – buildings, equipment, IT hardware etc.
- Finance – banking, loss of income, petty cash etc.
- Injury to the public – in playgrounds and recreation grounds, in village halls, at burial grounds etc
- Complying with legal requirements – agendas, minutes, burial records, etc
- Councillor propriety – declarations of interest, gifts and hospitality etc

4.5 I have considered each of the possible risks under each of the identified schemes. For example physicals assets could be lost as a result of fire or flood, damaged by vandals, stolen or simply deteriorate through lack of maintenance. All these risks can be minimised or transferred by various means such as taking out insurance, securing alarms or by regular inspection and maintenance. In addition to identifying risk, it is a good idea to make a judgement about likelihood of the risk occurring and its potential impact. Classification need be no more complicated than high, medium or low.

4.6 There are three main ways of managing risk:

- Take out insurance
- Work with another party to reduce the risk; or
- Manage the risk yourself.

4.7 Members need to consider the attached schedule of possible risks at Appendix 2 and confirm or revise the levels and controls identified and consider whether there are any further areas of risk to assess prior to making this available to the auditors.

RECOMMENDED that these risk assessments be concluded.

Appendix 1

Expenditure to 31 March 2010	2009/10	
	Estimates	Expenditure
ADMINISTRATION	8,000	7,200.37
OFFICE/MEETING COSTS	3,000	1,597.75
EQUIPMENT & FURNITURE	5,000	1,536.79
FEES & CHARGES	1,000	194.88
Election Expenses	5,000	4,702.30
Casual Vacancy	4,000	NIL
MEMBERS EXPENSES		
Councillors expenses	2,000	511.54
Training costs	500	NIL
GRANTS	5,000	2,050.00
CIVIC		
Civic Expenses	500	NIL
Remembrance Day	100	100.00
Gardens Competition	500	276.61
Triathlon	500	500.00
Seasonal Lighting	1,500	452.35
TOTAL	36,600	19,122.59
Income		
PRECEPT		73,527.50
Less:		
Actual expenditure		19,122.59
Retain for unexpected expenditure	10,000	
Allocated for future capital schemes	33,000	
BALANCE 31 March 2010		54,404.91

Appendix 2

NEWBIGGIN BY-THE-SEA TOWN COUNCIL

RISK ASSESSMENT AND MANAGEMENT 2009

Area	Risk	Level	Control (<i>and agreed improvements</i>)
Assets	Protection of physical assets	L	
	Security of buildings, equipment etc	L	No buildings owned by the Town Council. Laptop computer and printer secure.
	Maintenance of buildings, equipment etc	L	No building maintenance liability for the Town Council at present. Equipment warranties in place then repair/renew as required.
	Allotment Sites	L	External fencing contribution only – budget as required. Both sites leased long term to Association which maintains and manages. Public liability insurance in place for Council and Association.
	Seasonal Lighting	L	Equipment stored and erected by contractor.
Finance	Banking	M	Account in place with Barclays Bank requiring 2 out of 3 member signatories. Basically only precept received from NCC. Nominal bank charges and interest earned. Investment to consider depending on project decisions.
	Risk of consequential loss of income	L	No income apart from precept and nominal rent from allotment lease.
	Loss of cash through theft or dishonesty	M	Normally no cash handled. Fidelity guarantee cover up to £5,000.
	Financial controls and records	M	Financial Regulations in place. Regular bank reconciliation and budgetary control reports prepared by Clerk and reported to Council/Finance Committee. Two members' signatures on cheques. Expenditure approved by Council or Town Clerk within budget under delegated powers. Internal and external audit.
	Comply with Customs and Excise Regulations	M	VAT payments and claims calculated by Clerk. Open to inspection by members. Internal and external auditor to provide double check.
	Sound budgeting to underlie annual precept	M	Council receives detailed budgets in December. Precept derived directly from this. Income & Expenditure against budget reported to Council every quarter.

	Complying with borrowing restrictions	L	No borrowing at present.
Liability	Risk to third party, property or individuals	L	Public Liability insurance in place. Existing cover of up to £10m.
	Legal liability as consequence of asset ownership	L	No assets owned other than allotment sites.
	Libel and Slander	M	Members and clerk - standard cover incorporated in public liability £10,000,000
	Officials Indemnity	M	Cover for members and clerk for any negligent act, accidental error or omission committed - standard cover up to £250,000.
Employer Liability	Comply with Employment Law	M	Advice sought from Local & National Association of Local Councils when required. Existing insurance cover up to £10m.
	Comply with Inland Revenue requirements	L	Clerk declares salary to Inland Revenue. PAYE conducted through NCC Payroll. Internal and external auditors carry out annual checks.
	Safety of Staff and visitors	L	Low level of visitors to Town Council office.
Legal Liability	Ensuring activities are within legal powers	M	Clerk clarifies legal position on any new proposal. Legal advice to be sought when necessary.
	Proper and timely reporting via the Minutes	L	Council meets monthly with ad hoc Finance and Grant committees with delegated powers. Minutes of meetings submitted to Council. Minutes made available to public and members – published at Library, Post Offices and on web site.
	Proper document control	L	Leases and legal documents (none at present) to be held in office or in Clerk's home. Future deeds, leases, documents to be stored securely. Compliance with the Data Protection Act, Freedom of Information Act scheme adopted.
Councillor Propriety	Registers of Interests and gifts and hospitality in place	M	Register of interest completed. Members to declare any gifts or hospitality (over £25 in value) as and when received.

This risk management paper will be considered by the Council 14 April 2010 and will be reviewed again in 12 months.

D Earl Town Clerk Newbiggin by-the-Sea Town Council

30 March 2010