

SEDGEFIELD TOWN COUNCIL



Minutes of the proceedings of the **JUNE SPECIAL** **TOWN COUNCIL MEETING TO APPROVE** **SEDGEFIELD TOWN COUNCIL's 2019/20 YEAR END**

ACCOUNTS held at

10am via Microsoft Teams on

Monday 1st June 2020

Present

Cllr. Mel Carr (Chairman)

Cllr. Gloria Wills (Vice-Chairman) and

Cllrs. Allan Blakemore, David Brown, Ann Carr, Chris Lines, Leo McCormack, Julie Towler, Alf Walton and Mavis Wayman.

Officers

Dr Jane Ayre (Town Clerk)

In attendance - Ms Natalie Chowns-Smith (Meeting Moderator)

Cllr Gloria Wills reported that due to microphone difficulties being experienced by Cllr Mel Carr that she would now Chair this Special Meeting. Cllr Wills welcomed all to the meeting and reminded everyone that meeting participation would be in accordance with the recently issued Virtual Meeting Protocol. The meeting would be video recorded with the recording being destroyed once the minutes of the meeting were approved. All Cllrs present agreed with this action. Cllr Wills reported that additional items had been placed onto this meeting's agenda as follows:

- Item 8 Town Council Offices Refurbishment Report
- Item 9 Request For Dispensation by Councillor Fiona Warrand
- Item 10 Sedgefield Farmers Market Update

1. Apologies:

Cllrs. Vanessa Carmichael, Mark Cant, Kathrine Winter and Stephen Winter.

2. Declaration of interest:

Cllr Gloria Wills declared a non-pecuniary interest in agenda item 10. No other Cllrs made any Declaration of Interest.

3. To approve the financial accounts for 2019/20 including:

- a. Statement of Internal Control (2019/20 Statement of Internal Control and Annual Review of Effectiveness of Internal Control Report by Finance Working Group):**

Prior to the meeting the Clerk had circulated to all a 2019/20 Statement of Internal Control and Annual Review of Effectiveness of Internal Control Report by the Finance

Working Group which detailed the Council's scope of responsibility under the Account and Audit Regulations 2015, the purpose of the Council's system of internal control, an explanation of the Council's internal control environment and a statement of the actual internal controls in operation.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this report before then asking each to state whether or not they approved this report.

RESOLVED:

To approve the Statement of Internal Control and Annual Review of Effectiveness of Internal Control.

b. Annual Governance Statement (2019/20 Annual Governance Statement Report by Finance Working Group):

Prior to the meeting the Clerk had circulated to all a 2019/20 Annual Governance Statement Report by the Finance Working Group. The Clerk explained to all the purpose of this report, the consultation which had taken place in its production and the background to an Annual Governance Statement before referring Cllrs to Appendix A which detailed the Town Council's response and evidence to show how it has fully complied with each of the 8 statements made in an Annual Governance Statement.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this report and Statement before then asking each to state whether or not they approved this Statement.

RESOLVED:

To approve the Annual Governance Statement contained in Appendix A and Section 1 of the Annual Governance and Accountability Return.

c. Year End Accounts for 2019/20:

Prior to the meeting the Clerk had circulated to all the Council's Income and Expenditure Account for 2019/20, the Consolidated Balance Sheet as at 31st March 2020 and the Council's Fixed Assets Schedule for 2019/20. With regard to the Fixed Assets Schedule the Clerk pointed out that the total fixed assets schedule amount is calculated by adding the total purchase costs with the total insurance renewal costs.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on the accounts before then asking each to state whether or not they approved the 2019/20 year end accounts.

With regard to the Fixed Assets Schedule, Cllr David Brown asked why some items were recorded with a purchase price and some with an insurance renewal value and said in his opinion stating all with an insurance renewal value would be best. The Clerk reported that where a purchase price is known this figure must be used. When an actual purchase price is not known then an insurance renewal value is used. This approach has been confirmed by both internal and external auditors.

Also with regard to the Fixed Assets Schedule, Cllr Alf Walton questioned why the most recent fence installed at Winterton allotments did not feature. The Clerk reported that fences were not included as these were renewable/maintenance items and pointed out that fences at other locations were also not included, e.g. Butterwick Road cemetery, Butterwick allotments etc.

With regard to the Income and Expenditure account, Cllr Mavis Wayman questioned what constituted miscellaneous income. The Clerk explained that this was income which did not fit into other Council budget headings and gave several examples. The Clerk reminded all Cllrs that information such as this was included in their monthly P&R Committee papers.

RESOLVED:

i) Cllrs approved the 2019/20 year end accounts.

ii) The Clerk to ensure the 2019/20 income and expenditure account plus balance sheet feature in the Town Council's Annual Report for 2019/20 which will be published via the Council's website, Twitter account and through the residents database on 2nd June 2020.

d. Annual Governance and Accountability Return for 2019/20:

Prior to the meeting the Clerk had circulated to all a completed copy of Section 2 of the Town Council's Accounting Statement for 2019/20 along with a Financial Cashbook Summary and an Official Schedule of Future Loan Payments. The Clerk then explained to Cllrs how boxes 1 to 11 of this Statement had been completed using the year end accounts considered under item 3c) as follows:

- Box 1 stated the Council's carried forward balance from 31st March 2019

- Box 2 stated the Council's precept for 2019/20
- Box 3 stated all Council income less the precept
- Box 4 stated staff costs i.e. salaries, PAYE, NI, pension contributions and employment expenses only. The Clerk highlighted that the amount stated in the AGAR was less than that stated on the income and expenditure account as the "Personnel" heading also included PPE, travel costs and training costs. The Clerk showed all Cllrs the detailed budget heading income and expenditure account which showed the staff costs as stated on the AGAR and confirmed that the other personnel costs had been included in Box 6.
- Box 5 stated loan interest/capital repayments.
- Box 6 stated all other payments, i.e. total expenditure less staff costs stated in Box 4.
- Box 7 states the total balances and reserves at the end of the financial year (this is confirmed by adding boxes 1, 2 and 3 then subtracting boxes 4,5 and 6. The final figure matches the figure stated on the Council's balance sheet to be considered under agenda item 5).
- Box 8 Total value of cash and short-term investments (refer to financial summary – cashbook closing figure)
- Box 9 stated the Council's total fixed assets figure
- Box 10 stated the amount of Public Works Loans Board balance remaining as outstanding (refer to earlier issued Loan Repayment Schedule)
- Box 11 is not applicable as the Town Council does not hold any Trust Fund(s).

The Clerk pointed out that there were differences in the figures stated in boxes 7 and 8 for 2019/20 and this difference is because the accounts are calculated on an income and expenditure basis rather than on a receipts and payments basis, i.e. box 8 is cash whereas box 7 includes the closing debtors, creditors, payments in advance and receipts in advance.

The Clerk reminded Cllrs that when there is a +/- 15% variation between a box figure quoted in the last two financial years that an explanation for such was required by the External Auditor. The Clerk reported that there were no such variances between the 2018/19 and 2019/20 financial years and therefore no need to submit formal explanations.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on the accounts before then asking each to state whether or

not they approved the Accounting Statements for 2019/20 year end.

RESOLVED:

To approve the Accounting Statements 2019/20 for Sedgefield Town Council.

Cllr Gloria Wills expressed her thanks to Council staff for their hard work in the production of the 2019/20 accounts and recognized that these accounts have been produced in the very early stages of the pandemic lockdown showing their dedication and willingness to work in new ways. Cllr Wills commented that due to careful financial management the Town Council was well placed to cope with the entire removal of the LCTRS Grant from 2020/21. The Clerk expressed her thanks to Cllrs for supporting in advance of the lockdown situation the proposal to strengthen the Council's IT infrastructure which had permitted remote virtual working.

4. VAT Reclaim Update For Period 1st October 2019 – 31st March 2020 Report by Finance Working Group:

Prior to the meeting the Clerk had circulated a report to all detailing that a VAT reclaim for the period of 1st October 2019 – 31st March 2020 for £6472.90 had been submitted to HMRC via their on-line submission system on 20th April 2020 and subsequently a full refund via BACS payment had been received on 24th April 2020.

RESOLVED:

To receive this information.

5. Internal Audit Update Report by Finance Working Group:

Prior to the meeting the Clerk had circulated to all an Internal Audit Update Report which explained the changes which had been made to this year's planned internal audit work as a result of the coronavirus lockdown situation. The Clerk thanked Mr Gordon Fletcher for his willingness to undertake this work virtually through the creation of read only access to the Council's Edge financial system and Microsoft Teams. As a result of the new ways of working Mr Fletcher had actually been able to undertake his internal audit work on the 2019/20 year end accounts several days earlier than had been originally anticipated. Cllrs reiterated the Clerk's thanks to Mr Fletcher. The Clerk also expressed her thanks to the Projects & Media Co-ordinator for the work she has undertaken in exploring and utilizing Microsoft Teams and the support given to fellow workers and Cllrs in training them to use this platform. .

RESOLVED:

To receive this information.

5.1. Internal Audit Report Sedgefield Town Council End of Year Accounts (2019/20)

Report by Mr Gordon Fletcher:

Prior to the meeting the Clerk had circulated to all copies of Mr Fletcher's Internal Audit Report Sedgefield Town Council End of Year Accounts (2019/20) which provided the Council with a Full Assurance level.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this report before then asking each to state whether or not they agreed to receive this report.

RESOLVED:

To receive this information.

5.2. Internal Audit Annual Report 2019/20 Sedgefield Town Council by Mr Gordon Fletcher:

Prior to the meeting the Clerk had circulated to all copies of Mr Fletcher's Internal Audit Annual Report for 2019/20 which provided the Council with a Substantial/Full Assurance level. The Clerk highlighted Mr Fletcher's note on page three stating that due to the coronavirus lockdown restrictions he had not been able to fully complete all elements of his accounts payable audit and that it had been agreed he would carry this work forward into 2020/21. The Clerk confirmed that this outstanding work had now been completed and a report had been received giving Full Assurance which would be considered initially by the Finance Working Group at its meeting on 25th June 2020 and then presented to P&R Committee in July 2020. The Clerk thanked Cllr Allan Blakemore for delivering and collecting information to and from Mr Fletcher.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this report before then asking each to state whether or not they agreed to receive this report.

RESOLVED:

To receive this information.

Cllrs David Brown and Mel Carr thanked the Clerk for her work.

6. Proposed Exercise of Public Rights Dates Report by Finance Working Group:

Prior to the meeting the Clerk has circulated a Proposed Exercise of Public Rights Dates report by the Finance Working Group explaining the new deadlines which have been enacted through the emergency coronavirus legislation. Within this report was a proposal for the Town Council's to set its exercise of public rights dates as Wednesday 1st July 2020 to Tuesday 11th August 2020.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this report before then asking each to state whether or not they agreed with the proposed exercise of public rights dates.

RESOLVED:

To approve the Council's exercise of Public Rights dates commencing Wednesday 1st July 2020 and cease on Tuesday 11th August 2020.

7. Internal Audit Annual Plan For 2020/21 Recommendation Report by Finance Working Group:

Prior to the meeting the Clerk had circulated to all a report from the Internal Auditor in which he was proposing an internal audit annual programme of work for 2020/21. The Clerk confirmed that this proposal had been considered by the Finance Working Group at its last meeting and they recommended that this now be adopted by the Town Council. The Clerk pointed out that this proposed plan included the outstanding accounts payable work referenced earlier in this meeting.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this report before then asking each to state whether or not they agreed with the proposed programme of internal audit for 2020/21.

RESOLVED:

To approve the Internal Auditor's Internal Audit Annual Plan for 2020/21.

8. Council Office Refurbishment Proposal Report by Cllrs Mel Carr and Gloria Wills and Town Clerk:

Prior to the meeting the Clerk had circulated to all a Council Office Refurbishment Proposal Report by herself and Cllrs Mel Carr and Gloria Wills. Whilst the Estates Working Group have been considering this matter for some time it was believe that the current pandemic

restrictions provided a very timely opportunity for such work to be undertaken and to incorporate into that appropriate screening and social distancing measures.

Cllr Gloria Wills confirmed that an amount had been identified within the Council's 2020/21 budget and that now seemed the perfect time whilst staff were working very effectively from home. Cllr Wills asked the Clerk whether any Cllr not in attendance at the meeting had submitted any comments. The Clerk reported that Cllr Mark Cant had expressed his support for this work but had questioned the cost of plastering and decoration quotes and suggested that cheaper local quotes might now be found as contractors would be looking for work following the lockdown restrictions. Cllr Wills commented that the Town Council needed good trades people and that such people would not have any shortage of work. She confirmed that the Town Council had, and the Estates Working Group could corroborate this, spent considerable time seeking quotations. Cllr Wills opened the meeting up for Cllrs in attendance to comment.

Cllr Alf Walton agreed this was the ideal time to refurbish the Offices. He wanted the Town Council to keep monitoring costs throughout the work. Cllr Walton said that he felt the existing reception area in the Offices was welcoming and did not wish to see some form of hatch installed which would then be official. The Clerk replied that such a feature could be installed whilst still having a welcoming atmosphere but said that such a feature was required to ensure not only adequate protection for social distancing purposes but also security when handling cash. Cllr Walton accepted this explanation and said that as an additional measure it would be necessary to limit the number of people who enter the reception area at any one time.

Cllr Julie Towler agreed that the refurbishment work should be undertaken as soon as possible. She expressed her concerns regarding the rising costs of building materials at the moment due to shortages within the supply chain and sourcing difficulties.

Cllr Ann Carr urged the Council to proceed with the refurbishment work as quickly as possible and not to lose any valuable time.

Cllr David Brown said that whilst social distancing was important he was wary about how long such measures would be in the place in the future.

Cllr Wills asked Cllrs to consider whether the proposals being made were enough and asked if more radical work should also be considered. Cllr Wills suggested the installation of public

access at the rear of the Council Offices which could be used by those when attending Council meetings. Cllr Wills said this was an opportunity to future proof the Offices and if necessary additional monies could be allocated on a rolling programme basis when further work as agreed. The car park at the rear of the Offices is prime land and perhaps now was a good time to consider borrowing money for a larger project.

Cllr Chris Lines said that he supported the refurbishment proposals in the report as a short to medium term solution and was work which needed to be undertaken. However, he said that the Offices were not fit for purpose and felt that with the entire impressive footprint of the Council's land that it was a good opportunity for the Council to think outside the box to deliver something for the community in the longer-term. Cllr Wills agreed and said that now was the time to start considering this matter to ensure the community benefitted.

Cllr Mavis Wayman agreed that the car park area should be used more effectively, that the Council Offices should be improved and supposed the principle of borrowing money cheaply in the current climate for such work. Cllr Wayman said the Offices in their existing state were not a good working environment and that they should be refurbished as soon as possible with further consideration being taken regarding the possibility of extending the offices, having an additional public entrance for meetings and seek advice from professional designers.

Cllr Leo McCormack felt that security should be a key driver in consideration of this matter and felt that refurbishment work should be undertaken as soon as possible.

Cllr Allan Blakemore reiterated advice from NALC, CDALC and central government that where possible to do so staff continue to work from home for the foreseeable future and only return when the premises were secure. Cllr Blakemore said the premises were not secure at this current time and felt the proposed refurbishment should proceed as quickly as possible then look at longer-term options for further work to the entire footprint.

Cllr Wills concluded from the discussions and comments made that the proposal was now to undertake the work being recommended in the Council Offices Refurbishment Report and whilst that work was taking place to initiate discussions through the Estates Working Group regarding longer-term options for the Council's entire footprint so that subsequent recommendations can be presented to a future P&R Committee for consideration.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to state whether or not they agreed to the proposals relating to the Town Council

Offices refurbishment. All Cllrs present were in agreement with the proposal.

RESOLVED:

- i) To approve recommendations 1 – 5 in the Council Office Refurbishment Proposal Report.**
- ii) The refurbishment work at the Town Council Offices to commence as quickly as possible with the Estates Working Group overseeing work and its progress as well as keep the Council updated via the P&R Committee.**
- iii) For the duration of this work office based staff to continue in the main to work from home via Microsoft Teams or at any alternative location within Sedgefield deemed appropriate depending upon the latest government advice relating to coronavirus. This matter to be agreed between the Clerk in conjunction with the Chair and Vice Chair of the Town Council.**
- iv) The Estates Working Group to start to identify other future proofing work relating to the Council Offices entire footprint and to make recommendations to a future P&R Committee.**

(Cllr David Brown left the meeting at this point)

9. Request For Dispensation From Duties From Cllr Fiona Warrand:

The Clerk read out a letter from Cllr Fiona Warrand in which she requested a dispensation from her Cllr duties for a period of 6 months, ending 1st December 2020, due to changes in her professional and personal circumstances since joining the Town Council. Cllr Warrand confirmed that she would relinquish her member's allowance during this time.

In accordance with the Council's virtual meeting protocol the Chair gave each Cllr the opportunity to comment on this request before then asking each to state whether or not they agreed with the requested dispensation. All Cllrs present were in agreement with this request.

RESOLVED:

To approve Cllr Warrand's request for a dispensation from her duties as Cllr until 1st December 2020.

10 Re-starting Sedgefield Farmers Market After COVID Lockdown (letter from Mr Roger Clubley received 1st June 2020):

The Clerk reported that earlier that day she had received a letter electronically from Mr Roger

Clubley of the Sedgefield Development Trust in which he was providing the Town Council with an update on the latest situation regarding central government advice relating to outdoor markets and the Trust's thoughts regarding potentially restarting the Sedgefield Farmers Market on 5th July 2020. The Clerk pointed out that she suspected the letter submitted by Mr Clubley was incomplete, however, she believed that the content provided enough information for Cllrs to consider. The Clerk then read out Mr Clubley's letter.

Cllr Gloria Wills said that it was clear that the Development Trust were trying to be careful and follow central government guidelines to ensure that correct procedures were in place.

Cllr Allan Blakemore said that whilst the Development Trust would be taking on the risk in re-opening the market it was imperative that the Town Council saw the Trust's risk assessment and were given the opportunity to comment on this. Cllr Alf Walton noted that DCC were opening their outdoor markets with effect from 1st June 2020 but noted that social distancing is going to be in place for a significant period of time and that it was important measures were in place to ensure market attendees did not become complacent. Cllr Mel Carr questioned why the Town Council needed to see such risk assessments. Cllrs Blakemore, Walton and Wills said that this was important due to the current pandemic situation and its potential implications upon the public. Cllr Walton proposed that the Development Trust also share with the Town Council the terms and conditions of their insurance cover. Cllrs agreed. Cllr Wills proposed that it should now be a standard procedure for anyone using the village green to supply the Town Council with the terms and conditions of their insurance cover and copy of their risk assessments. Cllrs agreed.

RESOLVED:

- i) Sedgefield Town Council, as custodians of the village green, are happy in principle for Sedgefield Farmers Market to re-commence in July 2020 providing that all central government advice is strictly adhered to and that Sedgefield Development Trust share with the Town Council, via the Town Clerk, their risk assessments and allow the Town Council the time to consider these and comment on them. In addition, the Development Trust are also requested to share with the Town Council a copy of their insurance policy and its terms and conditions.**
- ii) The organisers of all non-Town Council events organized on the village green to supply to the Town Council a copy of their event's risk assessments and copy of their insurance policy and its terms and conditions.**

The Chair thanked everyone for attending and closed the meeting at 11.37am.

DRAFT