

## **MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE HELD ON 7<sup>th</sup> MARCH, 2017**

Present: S Cudlip (Chair) and E Bell, Mrs J A Bell, Mrs G Bleasdale, B Burn Jnr, Mrs S Forster, R Meir, I Paul, C Snowball, K Younger.

Apologies: B Allen, Mrs B E Allen, Mrs H J Cahill, Miss S Morrison, B Taylor.

*Prior to commencement of the meeting the Chair advised members of this Committee and members of the public that in line with the amendment to 'the public bodies (admission to meetings) act 1960', which came into force in August, 2014, parts of this meeting may be recorded by photographic, video and audio means.*

### **1. DISCLOSURE OF INTERESTS**

Members were reminded prior to the start of the meeting of the need to disclose any interests, prejudicial or personal, in accordance with the Code of Conduct.

### **2. MINUTES OF THE LAST MEETING HELD ON 7TH FEBRUARY, 2017**

RECOMMENDED the Minutes of this meeting, a copy of which had been previously printed and circulated to each Member, be approved and signed as a correct record by the Chairman.

### **3. PAYSHEET NUMBER 11 - 2016/17**

#### **a) Expenditure**

RECOMMENDED:

- (i) that all payments in Paysheet Number 11 – 2016/17 be approved, it being noted that the direct debits, BACS and cheque payments including Imprest expenditure amount to £177,683.59 being the total sum authorised under this Paysheet;
- (ii) that the BACS authorisation sheet be signed by three Members and the credit transfers be actioned immediately;
- (iii) that the cheques relating to suppliers not being paid by BACS be signed by three Members and the payments be released immediately; and
- (iv) that the Clerk's Imprest Account be reimbursed the sum of £2,418.06 for Civic Expenditure and authority be granted for this to be signed by the Chairman and Responsible Financial Officer.

b) **Income**

RECOMMENDED the summary sheet showing the range of income received by the Council during the current month be accepted.

4. **BANK BALANCES**

RECOMMENDED the report of the Finance Officer a copy of which was circulated, be approved.

5. **SEAHAM TOWN HALL – BOOKINGS**

RECOMMENDED the Council note the bookings made at Seaham Town Hall for February, 2017.

6. **AUDIT ISSUES**

a) **Internal Audit Annual Plan of Work for 2017/18**

The Committee considered the proposed Internal Audit Annual Plan of Work for 2016/17. In discussion Members acknowledged that the work of the Dawdon Working Party was progressing and the Town Council may be undertaking certain capital projects during the 2017/18 financial year. It was agreed that the internal audit plan should have the flexibility to ensure appropriate coverage of those capital projects and Mr Fletcher, the Internal Auditor confirmed that would be possible.

RECOMMENDED:

- (i) The Council accept the report of the Internal Auditor which detailed his proposed annual plan of work for the 2017/18 financial year.
- (ii) The Internal Audit Plan of Work for 2017/18 include flexibility to include appropriate audit work for any capital projects within Dawdon Park

b) **Internal Audit Report – Income & Banking**

In discussion, Members were very pleased to note that the audit opinion was Full Assurance.

RECOMMENDED the report published by the Internal Auditor in relation to the work undertaken in examining the Town Council's Income & Banking, be accepted.

c) **Internal Audit Report – Corporate Governance Arrangements**

In discussion, Members were very pleased to note that the audit opinion was Full Assurance.

RECOMMENDED the report published by the Internal Auditor in relation to the work undertaken in examining the Town Council's Corporate Governance Arrangements, be accepted.

**d) Internal Audit Report – Main Accounting**

In discussion, Members were very pleased to note that the audit opinion was Full Assurance.

RECOMMENDED the report published by the Internal Auditor in relation to the work undertaken in examining the Town Council's Main Accounting, be accepted.

**e) Internal Audit Report – Budgetary Control**

In discussion, Members were very pleased to note that the audit opinion was Full Assurance. Such strong assurance in this and all of the previous areas highlights the strong governance arrangements and sound financial controls within the Town Council's business processes which stands up to rigorous scrutiny. Members agreed that the Finance Officer and relevant staff be commended for their efforts. Members are more than satisfied with this excellent performance.

RECOMMENDED:

- (i) The report published by the Internal Auditor in relation to the work undertaken in examining the Town Council's Budgetary Control, be accepted.
- (ii) The Finance Officer and relevant staff be commended for their excellent work in securing such levels of assurance in all of the Town Council's business processes.

**f) Internal Audit – Annual Report for 2016/17**

The Committee considered the Annual Report of the Internal Auditor which outlined work completed over the 2016/17 financial year. The report gave an audit opinion of Substantial/Full Assurance to the Town Council and Mr Fletcher, the Internal Auditor had commented that there had been an improvement in the overall standards from the previous year. In discussion again, Members were very pleased that the Council had achieved the highest levels of assurance in almost all of the business processes and again commended the officers for this achievement. Members agreed that hard work by the staff and guidance from the Internal Auditor with regard to implementing systems for new ventures had helped achieve such a strong result.

RECOMMENDED the Council accept the report.

**7. APPLICATIONS FOR GRANTS**

**a) Friends of Durham Miners' Gala**

Prior to the consideration of this item, Councillor R Meir declared an interest and took no part in the discussion or voting thereon.

The Committee considered an application from the Friends of Durham Miners' Gala who sought a grant towards the costs of continuing the event.

RECOMMENDED the Council agree to award a grant of £50 to the Friends of Durham Miners' Gala.

**b) Durham Miners' Gala**

Prior to the consideration of this item, Councillor R Meir declared an interest and took no part in the discussion or voting thereon.

The Committee considered a letter from The Durham Miners Association who sought support in the form of an advertisement in the brochure for the 133rd Durham Miners' Gala which was to take place on 8th July, 2017. In discussion Members were advised of the costs for both a half page at £340 and a quarter page advertisement at £170.

RECOMMENDED the Council agree to take a half page advertisement at a cost of £340 in the programme for the 133rd Durham Miners Gala.

**c) Request for Support from Parkside Community Centre**

Prior to the consideration of this item, Councillor Mrs S Forster declared an interest and took no part in the discussion or voting thereon.

The Committee considered an application from Parkside Community Centre who sought a grant towards their costs for hosting 11 members of the Gerlingen party during their visit in April. In discussion, Members acknowledged that the volunteers at Parkside Community centre provide an excellent programme of trips, meals and refreshments for the youth visitors as well as a welcoming place to stay during their visit. Members hoped that increased numbers would take part in the Strassenfest visit in September as the Twinning friendship is widely publicised by the Town Council.

During further discussion, Members noted that part of the Parkside programme was a visit to Bowes Museum and it was suggested that a discount might be available for the Group and that Durham County Council could be approached to investigate that.

It was also noted that the Gerlingen group are visiting Beamish Museum on Thursday 20th April, 2017 prior to the welcome meeting at the Town Hall. It was also understood that the U3A had organised a small programme of activities at Beamish Museum and Members felt this required further discussion.

RECOMMENDED:

- (i) The Council agree to award a grant of £600.00 to Parkside Community Centre and that the payment be made in advance of the Gerlingen Group visit.
- (ii) Possible discounts for the youth group to visit Bowes Museum be investigated with Durham County Council and Parkside Community Centre.
- (iii) The Gerlingen Group activities on Thursday 20th April, 2017 be ascertained and this item be deferred to a future meeting.

**8. KEY STRATEGIC RISKS 2016-17**

A list of the current key strategic risks had been previously submitted to Members for consideration prior to incorporation into the Annual Report and Council Plan for 2017.

RECOMMENDED the Council accept the current Key Strategic Risks.

**9. RISK ASSESSMENTS – ANNUAL REVIEW**

The Committee considered a summary copy of the annual review of the risk assessments for the financial year 2016/17 in respect of all services. The risk assessments for each individual risk had been assessed previously by the relevant Committees and Sub-Committees and this annual review was a requirement of external audit.

RECOMMENDED the Council accept the annual review of the risk assessments carried out in respect of all Town Council services.

**10. BUDGET STRATEGY – MEDIUM TERM FINANCIAL PLAN**

The Committee considered the Town Clerk's report which identified the key financial issues the Council were to face over the next three years. This initial draft of the Medium Term Financial Plan took account of central Government advice, the loan repayment policy and borrowing strategy, the revised budget for 2016/17 and the budget for 2017/18, budget issues for 2018/19 and risk management issues and the Town Council's financial strategies.

The document had been prepared for initial discussion by Members and also for initial guidance. In discussion, Members acknowledged that in the coming months, there would be more clarity in relation to schemes at Dawdon, and it would be appropriate to include that further detailed information on those schemes in this document to provide greater clarity for residents.

RECOMMENDED the Council accept the Medium Term Financial Plan at this stage and it be further considered at the meeting of the Clerks Advisory Sub-Committee in May.

**11. PRESS OPPORTUNITIES**

RECOMMENDED that:

- (i) The excellent reports from the auditor be publicised demonstrating that Seaham Town Council is thriving.
- (ii) The success of the Town Hall should be publicised to the community.

**12. RESOLUTION TO EXCLUDE THE PRESS AND PUBLIC**

RECOMMENDED in view of the confidential nature of the item to be discussed, the formal resolution be hereby passed to exclude the press and public from the meeting pursuant to the Public Bodies (Admissions to Meetings) Act, 1961.

**13. OLDFIELDS ANNUAL REPORT**

The Chair welcomed Mr Bill Oldfield and Mr Peter Wood of Oldfields to the meeting. Mr Oldfield and Mr Wood thanked the Town Council for the opportunity to attend the meeting and report to Councillors. Mr Wood reminded Members that Mr Oldfield and himself report to the Town Hall Working Party on a quarterly basis. Mr Wood then delivered his report as follows:

- He began by stating that 2016 had been a very successful year and that 2017 was looking to be a very busy year with weddings, christenings and other social uses. Bookings are also being taken for 2018 and enquiries have been received for 2019.
- The 2016 festive season was well received by the community and it is envisaged that functions during that time period will increase year on year as Oldfields and the Town Hall become more established.
- Oldfields are currently working with five amateur dramatics groups, Phoenix Productions, In Your Face Theatre, Vane Tempest Amateur Dramatics, Seaham Theatre and MT Arts. There are also a number of fitness classes and dancing classes. Major companies such as Mission Foods and Prima Cheese have re-booked their Christmas parties again for 2017 which is the third year running.
- Work is underway with Business Durham the business arm of Durham County Council and the North East Chamber of Commerce to increase business bookings for the Town Hall.
- Financially, year on year from 2015 to 2016 there was an increase in income of 24.5% to the Town Council. In January and February of 2017 there has been an increase in income 85% and 91% respectively over the same months in 2016. This unprecedented increase has been as a result of a targeted initiative to market winter weddings and free capacity during a previously under-utilised time of year. It was noted that such a massive year on year increase could not be expected for the remaining months of 2017.

- Operationally, business processes have been improved and the Oldfields function has received a substantial assurance rating from the Council's Internal Auditor. As a result of feedback from the Internal Auditor the reporting mechanism with the Council has been altered to make it clearer, use less paper and be quicker to complete.
- After a recent inspection the Oldfields operation at Seaham Town Hall has received a five star rating from Durham County Council Environmental Health department.
- Customer feedback continues to be excellent. On social networks an excellent star rating of 4.9 out of 5 has been achieved for the events, service provided and the Town Hall facility itself which as a venue is proving to be very well received.

At this point Members were invited to ask any questions and the following comments were made:

- (i) A Member asked Oldfields what their projected business plan showed for trading for the forthcoming year and what progress had been made with regard to improving the café?

*Mr Oldfield stated that the café had been a challenge and that it had not operated at a profit throughout 2016. For 2017 the functioning of the café has been reviewed and so a specific manager has been recruited to focus on the café with an incentive system for them to encourage positive improvements in how it operates. This has literally commenced within the last week and although a period of learning is envisaged it is expected that with this new focus the café will perform better this year and hopefully this will enable it to be open longer.*

In response, a Member asked what the vision was for the café?

*Mr Wood stated that for the first two years it had been an addendum to the park but he would love to run it as a business café however that presented certain issues. He had contacted the Deputy Town Clerk with a view to checking the viability of having wifi in the café. This would enhance its appeal allowing people to use it as an office or hot desk however it's size makes it tough to market on that basis. With regard to sitting in to eat and drink, again the issue is that the café is not very big to accommodate large numbers for a period of time. One possibility is for small local groups to meet within the café and this potential is being explored.*

In response, a Member highlighted the facility within the Town Council office to produce high quality printed documents.

*Mr Oldfield stated that being realistic because of its internal size, outside space and location, the café was not really viable as a destination venue. Its usage was always going to be fairly limited especially when it is raining and the park is empty it will not attract much business.*

*Mr Wood stated that with regard to what their projected business plan showed for trading for the forthcoming year the forecast in trading is an uplift of around 23% on the previous year. This would equate to an income of circa £33K to the Town Council which compares favourably to previous years (2016 circa £27K and 2015 circa £22K).*

- (ii) Members expressed their pleasure that the venue was performing so well and that performance was constantly improving.
- (iii) A Member stated that they were aware of cafés at the seafront selling pre-made picnic boxes and wondered if Oldfields were aware of such items and whether the café could provide them for sale to families etc. using the park.

*Mr Wood stated that they were planning to sell children's picnic boxes this year during the summer.*

- (iv) A Member stated that with regard to the café during inclement weather, even though parasols were already available, did Oldfields envisage having some sort of easily removable canvas awning?

*Mr Oldfield stated that it was a possibility and that such equipment had been given a great deal of thought before. The crucial issue is that such a structure must be easily erected and taken down as it can't be left up overnight in case of vandalism. Alternatively when the weather is nice customer don't want it there they want to enjoy the sunshine etc. It may be that some sort of wind-out awning attached to the building may be suitable as that could be pulled out or secured as necessary.*

At this point the Chair thanked Mr Oldfield and Mr Wood for their attendance to present their annual report. The Chair highlighted that Members had been made aware of some very useful and good ideas for generating additional business and that the projections appeared to be more than sound, almost awesome looking in terms of the kind of return for the Town Council.

Mr Oldfield and Mr Wood then left the meeting.

In discussion, Members noted that negative statements were being made in the Town about the Council's ambitions with the Town Hall. Members felt it was appropriate that it should be highlighted to residents how much this hall, a community building, was being used by the public. Apparently, it has been suggested that the former civic offices in Adelaide Row were fit for purpose but obviously it wasn't which is why the Council decided to create and move to the Town Hall. It has proved very eventful in that now the money received from the arrangement with Oldfields more than covers the repayments for the original borrowing to fund the building and this will continue to get better as the years progress. This demonstrates sound financial planning and control. In the not too distant past local groups said the hall would not be suitable to stage a performance, but now five amateur dramatics groups are very keen to have their performances here and can see the benefits of the building. These facts highlight to residents how successful the Town Hall has become as a community venue and many people comment on how good it is.



A Member restated that a business café could be an excellent asset to the community but acknowledged that such a facility had certain key requirements. Members acknowledged that the Town Hall had a number of rooms suitable for business hire and use.

The Chair highlighted that Mr Oldfield and Mr Wood indicated that an expansion of the café and the development of the business in a whole number of new areas which they are trying and exploring. These new areas are particularly exciting and they are bound to catch on and generate additional business for the café but what is really exceptional is the news as previously outlined in relation to their projections in terms of income. The message that can be communicated to the community is that based upon these projections for this year, running costs are more than being covered and the facility is potentially moving much earlier than expected which is the key thing. The Council was hopeful of this last year in terms of breaking even and the answer is that the Council may well be in the position that almost all of the expenses from the loan charges in relation to the building and other incidental costs are virtually being covered by the income generated from the association with Oldfields. Had the Council gone down an alternative route which other people are thinking about then the potential, which we all knew, is likely to be absolutely catastrophic. The Council would be looking at expenditure potentially of maybe at least treble, maybe quadrupling or even more than the loan charges with never any chance of recovering from that kind of problem. Prior to following this proven path advice was obtained from operators who managed similar facilities in different ways and certain ways just didn't work. It is appropriate to note that it is proven that the Council did make the right choice and it is important that message is communicated to the community. Not only has the Council made the right choice, it's beneficial for the Seaham community and most of all, what Mr Oldfield said was that the plaudits which are coming back are not from groups outside Seaham, it is people from the town saying this is a great community facility, for Seaham people and used by Seaham people. The way the theatre groups are expanding, that in itself is confirmation that the building is well used, well respected and wanted. It will be a massive community assets for many years to come.

In discussion, Members also acknowledged that booking for business meetings and seminars etc. were already happening. As the business builds up and the facility becomes more and more popular this aspect of usage will continue to grow. It was also acknowledged that many potential corporate clients already have established venues that they have used for maybe a decade or more and the challenge is to draw them to using the Town Hall instead. The message from Oldfields seems to be that those kind of clients are becoming aware of what is available here and they will hopefully start coming to Seaham for continual permanent bookings. Oldfields have a massive advertising campaign and they should be congratulated for what has been achieved so far and it is hoped that they can expand into those areas.

It was further acknowledged that the Council's decision three years ago to enter into a robust business arrangement with a known provider of hospitality services was a sound one as has been proven by the success of the venture and the speed of that success. At that time the Council knew it did not have the relevant expertise, for such a venture, in house and therefore followed a prudent and sensible approach by getting a recognised organisation with a good name and high standard in the hospitality field. Because of that Seaham Town Hall is widely considered to be an

exceptional venue in the area. This was as a result of Councillors providing clear direction to the Town Clerk and staff all the way through the project.

The Chair, in conclusion stated that it wasn't a misunderstanding on the part of the Town Council but actually a recognition that the only viable way in which this particular premises would represent value for money for the community and would not be running at a massive loss as had been suggested by people. The Town Hall has actually, much quicker than expected, become a very well used community facility which is well liked particularly by the people of Seaham. That usage is going to continue to grow and grow and provide substantial income for Seaham residents to offset against tax increases.

Members agreed that the success of the Town Hall should be publicised to the community.

**RECOMMENDED:**

- (i) The Council accept the report.
- (ii) That the success of the Town Hall should be publicised to the community.