

Northumberland Association of Local Councils

ANNUAL REPORT 2015-2016

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Northumberland Association of Local Councils

2015-2016

PRESIDENT

David Woodard

Vice Presidents

Cllr Norman Dunn (NB until Nov 15)

Cllr Alex Wallace

Hon Treasurer

Miss Gillian Turner

Hon Auditor

Mr Peter Basnett

County Committee

Cllr M Anderton
Cllr G Askew
Cllr R Butler (chair)
Cllr K Dalton
Cllr J Dargue
Cllr E Dobson
Cllr C Forster
Cllr S Fenwick
Cllr T Hood
Cllr P Oliver
Cllr D Parker
Cllr J Potts
Cllr C Rawlings
Cllr J Reynolds
Cllr C Seymour
Cllr R Thompson
Cllr S Todd
Cllr A Wallace
Cllr J Whisson
Cllr M Wood

East Tynedale
Widdrington Station & Stobswood
Choppington
West Bedlington
Amble
Prudhoe
Woolsington
Ashington
Felton
Hexham
Morpeth
Blyth
Ponteland
Rothbury
Berwick Upon Tweed
Dinnington
Newbiggin by the Sea
East Bedlington
Cramlington
Greenhead

Secretary David Francis

As at March 2016

What we offer

We are an association of local (ie parish and town) councils, which draws membership from the historical county area of Northumberland, which also includes Newcastle and North Tyneside. Our over-riding aim is to develop and support active and effective local councils. This requires local councils to be aware of local needs and concerns, and to find a way of addressing them, whether by taking direct action themselves or by encouraging others to take the lead. Local councils have unlimited powers to raise money by precepting on the Council Tax, and this is an opportunity which can be used enthusiastically but prudently to support local initiatives and services.

To support local councils, we provide or arrange:

- A regular distribution of topical information, mostly by email
- Advice to clerks and councillors, on a wide range of topics: legal, managerial, financial, etc
- Training: mostly short events, but also support for the CiLCA qualification (Certificate in Local Councils Administration)
- Accreditation of applicants for the national Local Council Award scheme
- Initial processing of applications to the Transparency Fund (National ALC) and for loan consent (DCLG)
- Access to new opportunities, ranging from insurance policies, equipment schemes, ICT solutions.... and much more
- Advice to community groups on forming new councils
- Arranging representation on bodies such as the Standards Committee, and National Park and AONB governance bodies.

In addition to providing this direct help, we also undertake policy and partnership work, on behalf of the local councils' sector. This involves monitoring changes, policies and proposals which may impact on local councils, and working to influence the decisions which are made by local government, agencies and public utility providers. It also means working with other bodies to develop opportunities which can benefit local councils and their communities.

Although we are an independent body, we also form part of the National Association of Local Councils, from whom we draw specialist support on legal and policy topics, and to whom we pay an annual financial levy.

Chairman's Foreword

2015/2016 was the start of an era of change for the Association. As David says in this report, it was his final year as an employee and the Chief Officer/Secretary.

I want to record our thanks to David for the many years he has guided the Association. Those times have been periods of considerable change, both locally and nationally, for Community, Parish & Town Councils and wider local government. I am sure that were it not for David, we would have all found coping with these changes far harder.

The report sets out the wide range of issues where David has assisted Members of the Association.

I know that employment, finance and transparency issues are areas where the Association assists, if for no other reason than to provide a sounding board.

Looking forward, the Association will continue to provide assistance, support and training to our member Councils.

I also wish to thank my colleagues on the County Committee for their work and to our Honorary Treasurer, Gillian Turner, and Honorary Auditor, Peter Basnett, for their work. The Association would find life far harder without the admin support from the CAN staff to whom I extend our thanks and appreciation.

Cllr Ray Butler

Chair of the County Committee

About us

NALC is one of about forty county associations of local councils in England, which together form the National Association. 'Local council' includes parish, town, neighbourhood, community and village councils of which there are 156 in our area (Northumberland and Newcastle). All but 5 or 6 are members of our Association. NALC was formed in 1946 and, since 1951, has received administrative and professional support from CAN (Community Action Northumberland), thus sharing our 'overhead' costs, and reducing duplication in the provision of our seamless advisory work to support local communities.

NALC is governed by a County Committee composed of representatives appointed by our member-councils. The current chairman is Ray Butler and he is supported by 3 vice Chairmen, chosen from each area of Northumberland. Throughout this year, the variety of support services for NALC has been provided by CAN via its Director, David Francis.

The past year was busy, in terms of both the advice and support provided to our member councils, and also our work in representing the interests of the local councils' sector in its dealings with a variety of departments, agencies and programmes. Supporting local councils to initiate new projects was as demanding as ever, but so too were calls for our help to address problems and disputes, and overcome a range of bureaucratic challenges.

Supporting individual councils

A major part of our work is concerned with providing information and advice, on request, to individual councils. In recent years, we have been providing a monthly e-newsletter which, together with our training events and roadshows, has given most councils most of what they need, for most of the time. The requests for help therefore have tended to be either for more-complex problems, or to provide clarification and assurance about a proposed course of action, or to supply councils with the appropriate specialist briefing documents to address a particular problem.

Our access to the support provided by our National Association has been invaluable, not only with the regularly-updated range of Legal Topic Notes, but also with their expert input to our 'casework' advice, the publication of 'good-practice' guides, and the provision of good-practice initiatives such as the Local Council Awards Scheme and the CiLCA qualification (Certificate in Local Council Administration).

Last year, the array of topics on which individual councils sought our advice was as great as ever. 'Transparency', and also coping with people's 'challenging behaviour' in local communities, were particularly demanding. However, examples of the wide range of topics on which we advised included, for example:

- VAT reclamation
- Acquiring and managing new property
- Clerk recruitment and other employment matters
- Accounting, taxation and book-keeping

- Charity trusteeship
- Commons and village greens
- Broadband initiatives
- Affordable housing
- Conducting feasibility studies and opinion surveys
- Establishing committees
- The legality of expenditure
- Filling casual vacancies
- Handing complaints from the public
- Understanding Neighbourhood Planning and the emerging local plan
- Freedom of Information, and confidentiality
- Adopting or amending standing orders
- Managing grants
- Conflicts of interest
- Officer delegation
- Supporting community groups
- and many more.

Employment support

In our experience, many local councils are unclear about their roles and responsibilities as employers. We receive a steady stream of requests for help, on topics such as staff recruitment, salary grading, line management, qualifications, discipline/grievance, payroll administration and temporary cover. In addition, recently there have been several more problematical cases, in different parts of the county, which generated significant stress and also adverse media coverage. These generally involved significant internal difficulties within a council, between an employee and one or more councillors.

During the year, we prepared and published some good-practice guidance and model documents, on staff recruitment, a model job description/person specification and pensions/gratuities. We have been awaiting the publication of new model policies and procedures by our National Association, which can be adopted (amended as appropriate) by local councils, without constantly having to 'reinvent the wheel'. Shortly after the end of the year, we welcomed the publication of an updated version of the national publication Being a Good Employer.

Our chairman has also requested the County Council to make its HR expertise available to local councils. Some of our councils do already benefit from the County Council's payroll administration service and also its councillor-development training.

Transparency

Local councils have long been subject to a number of requirements concerning 'transparency', including the public's right to attend council meetings, to view financial records, to raise questions with the external auditor and to request copies of the minutes of meetings. This regime was extended early in the 2000's with the Freedom of Information Act (which enabled the public to request and receive copies of almost all information held on file by a council) and more recently by new public rights to record and broadcast the proceedings of council meetings.

In 2015, further steps were taken to make transparent the affairs of 'small' (below £25k pa) councils, by requiring them to publish on a website a specified range of information. The DCLG (Department for Communities and Local Government) created confusion by putting out contradictory messages about the timing of this new regime. We asked DCLG both for greater clarity, and for an appropriately flexible approach to the timing of its implementation, which was soon forthcoming. Despite its allegedly 'mandatory' introduction from 1 April 2015, the DCLG has emphasised that that date is just the start of a 3-year process for the gradual introduction of the regime, giving sufficient time for the establishment and operation of a new fund, and for councils to receive appropriate training.

By 2017, all sub-£25k pa local councils will need to publish on a website a range of key information, including financial transactions, papers relating to council meetings, and governance provisions. To facilitate this, in the Autumn of 2015, a new national Transparency Fund was launched, to provide grants to all eligible councils, to meet the costs of establishing websites, purchasing computers and peripherals, receive advice/training and upload the relevant information. By the end of the year 2015-16, a handful of our councils had already benefitted from the Fund, but many more will benefit in the two succeeding years.

To promote awareness of the Transparency regime, and of the Fund itself, we ran a number of events for clerks and councillors, throughout the county. With no prompting from us, at these events a number of councils asked us to provide them with a ready-made ICT portal which could host a website for them, both cost-effectively and with the benefit of on-going professional back-up. We therefore conducted a follow-up survey, which revealed support from about 50 of our councils for such a portal. The national Transparency Fund has since provided a grant to meet our initial costs, and we expect the portal to be established in Autumn 2016.

Audit reform

Several years ago, the DCLG began a process to reform the external audit arrangements of local authorities. From 2018 the smallest of councils (sub £25k pa) will no longer normally undergo an annual external audit. Local councils whose income or expenditure exceeds £25k pa will be able to choose their own external auditors, in place of the Government-appointed BDO Stoy Hayward, who are based in Southampton. Late in 2015, all local councils in England were asked whether they would be happy to be audited by new arrangements which our National Association

has been establishing. In our area, only one council decided to make its own arrangements.

We have not been entirely convinced that the cessation of a normal annual audit for the sub-£25k pa councils is sensible: there is plenty of scope for a council to go off the rails, financially, which may not be readily picked-up by the new Transparency website arrangements.

One by-product of the reform of local councils' audit was the cessation of the requirement for the separate audit of the accounts of joint committees. This change then exposed a number of problems in the operation of several of the joint burial committees in our area, which over a period of years had developed a 'separate existence': that is, they had been functioning as if they were independent bodies, and not part of the sub-structure of their parent councils. We provided support to a number of councils and joint committees, to reinstate lawful practices but, by the end of the year, some joint committees in Northumberland (and, indeed, elsewhere in the country) had still not addressed these issues.

Working with the County Council

Early in the life of the reorganised unitary County Council, partnership arrangements had been put in place whereby senior people from NALC met regularly with NCC's Executive (now called Cabinet) and with the chairmen of the 3 Area Committees. As well as these scheduled meetings, we had been in frequent dialogue with individual portfolio holders and senior officers, to plan and deliver specific pieces of work, and to anticipate and head-off matters before they became a major problem. In our previous Annual Report, we referred to the County Council's dissolution of these liaison arrangements, and their replacement by a new Liaison Group, consisting of a number of chairmen/mayors of larger councils who had been specifically invited by NCC, and several back-bench County Councillors. In addition, frequent meetings now take place, between key senior staff from the Local Services team, with individual larger councils, 4 or 5 of which have led to the creation of formal, co-funded Partnership Agreements.

During the year, we made representations to the County Council, on a number of issues, such as its budget plans, the commissioning of subsidised public transport, the draft Local Development Plan, various Development Management protocols, car parking regulation and public toilet closures.

The Government's continuing cutbacks of local government finance will pose a growing challenge to the maintenance of just about every council service. There is scope to revive the strategic relationship between our two tiers, which would enable local councils to plan and budget sensibly to support and improve a variety of activities and services which are vulnerable to closure or significant reduction.

Planning Matters

We reported last year on the stringent steps which the County Council took to expedite significantly its processing of planning applications. These included a more-rigorous filtering of applications for consideration by a planning committee, the rationalisation of the various planning committees, and greater transparency in decision-making by planning staff. During the year, a mini-review confirmed that the process had indeed become more efficient. However, many local councils felt that the quality of planning decisions had suffered, with officers and committees giving approval to many more contentious proposals.

More positively, we were able to work constructively with Development Management staff on the compilation and implementation of several new 'planning protocols', which opened-up to local councils some new opportunities to contribute to negotiations regarding 'pre-apps' (ie semi-formal discussions with developers, prior to the formal application being submitted), section 106 agreements and major developments. This was supplemented by further NCC training events on planning topics, held at various venues throughout the county, which we greatly appreciated. We hope that training on planning topics can become much more regular in the future.

Localisation of Council Tax Benefits

In 2013 the Government moved the responsibility for the administration of Council Tax Benefits from the Department for Work and Pensions, to principal authorities. As part of the changes, those households that received these Benefits were removed from the official 'Council Tax base', which meant that the precept levied by each local authority is now paid by a smaller number of households. The Government attempted to compensate all authorities, including local councils, by providing grant aid which was channelled via the Billing Authority. Regrettably the Government did not make it compulsory for this grant to be passed to local councils.

Fortunately, Newcastle City Council's has continued to pass a share of this grant to the parishes, but the County Council's has retained all of this grant, which is estimated to be a total loss to local councils in Northumberland of £628k pa. So far, the Government has been reluctant to apply any realistic pressure on authorities such as Northumberland.

In a Government-commissioned review of the 'Localisation of Council Tax Benefits' scheme, we and many other bodies did raise our concerns about this situation. However, the DCLG has declined to alter the system, other than to ask the Billing Authorities to be more transparent on their retention of 'parish grants'.

Events

During the year, we ran 10 training events for staff and members of local councils, at a variety of venues around the county. These included:

- New Chairmen: 2 events; 10 participants
- New Councillors: 3 events; 20 participants
- New Clerks: 3 events; 12 participants
- Financial Management: 2 events; 12 participants

These tend to be 'staple topics', for which there is always a demand. However, we are also happy to offer training/ awareness-raising events on other subjects, where there is sufficient interest. Please contact our office, with your suggestions or demands!

Local Council Awards

As part of our 'roadshow' at the start of the year, we promoted the new Local Council Awards scheme, which replaced the Quality Council scheme. LC Awards are designed to recognise good-practice in our sector. They are available at three levels, starting with the Foundation level. Assessment is undertaken locally, by a panel appointed by our Association, convened by David Francis. During the year, we were pleased to be able to make our first Award: to Morpeth Town Council. We are encouraging all councils in our area to consider applying for the Award.

Tyneside

There are six local councils in Newcastle City area, all of which are members of our Association. We meet with the City Council's Democratic Services Manager and the local council clerks 2 or 3 times per year to explore issues and opportunities of common interest. One of the issues which we tackled this year was the electoral review of the City Council, whose main focus was to achieve an appropriate pattern of City wards, removing any significant inequalities in the number of electors in each ward. We assisted the local councils to persuade the City Council to modify its proposed 'map', to reflect the parish boundaries in the North West part of the City. The final decision will be made by the Local government Boundary Commission for England.

We also provided support to a group of residents who are developing the case for a new town council to be established for Whitley Bay, possibly including also Cullercoats and Tynemouth (subject to local opinion). Interest for this has waxed and waned over the past 30 years. If it comes to fruition, it will be the first local council ever to be created in the North Tyneside metropolitan borough area.

North East

During the year, we co-hosted a regional conference with our neighbouring county associations- Durham and Cleveland- on the theme of the new shape of regionalism and devolution. This involved presentations on the new Combined Authorities and the Local Enterprise Partnerships. Since the hasty dissolution of the Government Offices for the Regions and of the Regional Development Agencies in 2011, there has been a gradual evolution of new, alternative regional arrangements, mostly with limited resources and with less influence than their predecessors.

During the year, we explored the emerging 'devolution deal' for the North East, which is being led by the 7 principal authorities in Northumberland, Durham and Tyne-and-Wear. The North East Combined Authority has not captured the hearts and minds of local people, and it is not certain whether a directly-elected regional mayor would improve this regional governance, or simply complicate matters further. The amount of 'new' government money on offer is relatively modest, and on a significantly smaller scale than the pre-2011 arrangements.

National Association

We are one of about 40 county associations which, together, form the National Association. Our national body is extremely important: in equipping us to help local councils in our area, and in highlighting good practice, new opportunities and influencing the Government and other bodies on behalf of local councils. The annual levy which we pay to the National Association is calculated on the number of electors in the parishes within our membership.

A wide range of National ALC briefings is available on its website, passport-protected access to which is open to our member councils. Over the year, we sought advice from the National Association's Legal team on several occasions, on matters which were beyond our expertise. We also benefitted from the Transparency Fund, which the Association is administering on behalf of the Government.

The National AGM, held in October 2015, decided to change the basis of its membership and governance so that individual local councils could be direct members of the National, as well as a county, association. The full constitutional implications have not yet been resolved, but they are expected to be implemented in 2017.

David Francis represents Northumberland on the National Council : a role which he is continuing, following his retirement.

Changing of the Guard

With David Francis' retirement due to take place at the end of March 2016, we took steps to plan for his succession. Ever since the creation of our Association in 1946, we have enjoyed a very close working relationship with the rural community council: originally, this was the Rural Department of the Northumberland and Tyneside Council of Social Service, subsequently becoming an independent body in 1951. We therefore reviewed with what is now CAN (Community Action Northumberland) the future of this relationship. As with his predecessor Alec Trotter OBE, David has been the chief officer of both CAN and NALC. However, we mutually concluded that, while retaining the close relationship, we would aim to split these roles into two part-time posts, and also stagger the recruitment process. Over the year, CAN's new chief officer (Andy Dean) was appointed in June 2015, and NALC's new chief officer (Stephen Rickitt) was appointed in April 2016. CAN and NALC continue to share a range of resources, including their office accommodation and staffing, as well as continuing to provide their long-established co-ordinated approach to supporting and developing local communities. Although NALC now has a slightly clearer identity, with its own email addresses, website and direct telephone number, Stephen Rickitt is employed by CAN, and operates as part of the CAN staff team.

On 31 March 2016, David Francis retired from his paid post as CAN's Director and as NALC's honorary chief officer, having completed just over 30 years' service in this combined role.

Thanks

NALC benefits from the goodwill and support of so many people. We particularly wish to mention:

- The members of NALC's County Committee, under the chairmanship of Ray Butler
- Our Honorary Officers, including David Woodard, Norman Dunn (who stood down during the year after many years of exceptional service), Alex Wallace, Gillian Turner and Peter Basnett.
- The staff in CAN's office, who also serve NALC, in an honorary capacity...especially Margaret Tweddell (Finance) and Louise Currie (Community Initiatives)
- Morpeth Town Council, who have provided us with premises for our meetings
- Numerous staff in the County Council who are committed to fostering a close relationship with local councils.
- Barry Rowland, formerly the County Council's Executive Director of Local Services, who made great efforts to develop the relationship with our sector
- Linda Scott, our 'link' into the City Council

- Our colleagues in the National Association, under the leadership of Ken browse (Chairman) and Jonathan Owen (Chief Executive)

NALC's finances

This year, 2015-16, marked the beginning of a new financial formula on which our members' subscriptions are based. This was agreed at our AGM in October 2014, following a review and consultation. Now, the income which our own Association (ie Northumberland cf National) needs, is based upon the Council Tax base of each parish, rather than on the number of electors. Because the Government had removed from the Council Tax base the households who receive Council Tax Benefits, this change in the formula created a pattern of 'winners and losers' whereby parishes with equal numbers of electors may pay a higher or lower subscription, depending on the pattern of CT Benefit claimants. An increase in income from membership subscriptions was also needed, to compensate for the cessation of County Council support which we had enjoyed, directly or indirectly, since the 1950s. To soften the change in the shorter-term, we have placed a 'cap' of £250pa on the rise in any subscriptions which, in effect, is being funded by our reserves.

Due to the changes described above, we expected to end the year with a deficit. However, our finances have been boosted by the receipt of grant income from the DCLG's national Transparency Fund, to reflect our role in supporting local councils to implement the new Transparency regime. This income is separate from the grants which we pay to individual councils, from the Transparency Fund. The impact of the Transparency Fund has been to boost both our income and expenditure by some £13-14k, and to make a net contribution of about £1200 to our finances, thus enabling us to arrive at a year-end surplus of £462.

However, we should note that the closing creditors, at the year-end, included three parish councils which had not yet paid their annual subscription for 2015-16, which we are pursuing. Depending on the outcome, this may potentially reduce the true surplus for the year.

We are particularly grateful to those who help maintain a firm grip on our finances, especially Margaret Tweddell in our office, our honorary Treasurer Gillian Turner and our honorary Auditor Peter Basnett.

NORTHUMBERLAND ASSOCIATION OF LOCAL COUNCILS

Statement of Income & Expenditure

1 April 2015 - 31 March 2016

<u>2014-2015</u>		<u>2015-2016</u>	<u>2014-2015</u>		<u>2015-2016</u>
£	<u>Expenditure</u>	£	£	<u>Income</u>	£
12,086.69	National Association - Membership Fee	12,298.16	36,169.91	Membership Subscriptions	41,008.79
30,000.00	Community Action - Agency Fee	30,000.00	-		-
1,200.00	Local Council Review	1,012.00	1,480.50	Local Council Review	1,396.00
34.00	Publications & Printing	27.00	38.65	Publications	27.00
349.00	Meetings & Events	297.00	955.00	Training Events	471.73
-	General Activities	-	40.00	General Activities	-
-	Transparency Fund	13,405.63	-	Transparency Fund	14,596.08
-		-	3.07	Bank Interest	3.09
-		-	4,982.56	Excess of Expenditure over Income	-
-	Excess of Income over Expenditure	462.90	-		-
<u>43,669.69</u>		<u>57,502.69</u>	<u>43,669.69</u>		<u>57,502.69</u>

NORTHUMBERLAND ASSOCIATION OF LOCAL COUNCILS

Balance Sheet at 31 March 2016

<u>2014/2015</u>		<u>2015/2016</u>
£		£
	<u>CURRENT ASSETS</u>	
136.15	Sundry Debtors	414.70
7,311.40	Cash on Deposit	<u>7,454.00</u>
		7,868.70
	<u>LESS CURRENT LIABILITIES</u>	
46.75	Sundry Creditors	-
-	Receipts in Advance	<u>5.00</u>
		<u>5.00</u>
7,400.80		7,863.70
	<u>FINANCED BY</u>	
12,383.36	General Reserve - Accumulated Surplus	7,400.80
-	- Surplus for Year	462.90
4,982.56	- Deficit for Year	<u>-</u>
7,400.80		7,863.70

MEMBERS 2015-2016

Acklington	Embleton	Newton on the Moor &
Acomb	Falstone	Swarland
Adderstone	Featherstone	Norham
Allendale	Felton	North Sunderland &
Alnmouth	Ford	Seahouses
Alnwick	Glanton	Nunnykirk
Alwinton	Greenhead	Otterburn
Amble	Haltwhistle	Ovingham
Ancroft	Harbottle	Ovington
Ashington	Hartburn	Pegswood
Bamburgh	Hartleyburn	Plenmeller with Whitfield
Bardon Mill	Hauxley	Ponteland
Bavington	Hazlerigg	Prudhoe
Beadnell	Healey	Rennington
Belford with Middleton	Hebron	Rochester & Byrness
Bellingham	Heddon on the Wall	Rothbury
Belsay	Hedgeley	Sandhoe
Berwick upon Tweed	Hedley on the Hill	Shilbottle
Birtley	Henshaw	Shoreswood
Blakelaw & North	Hepple	Shotley Low Quarter
Fenham	Hepscott	Simonburn
Blanchland	Hexham	Slaley
Blyth	Hexhamshire	Stamfordham
Bowsden	Holy Island	Stannington
Branxton	Horncliffe	Tarset & Greystead
Brinkburn & Hesleyhurst	Horsley	Thirlwall
Broomhaugh & Riding	Humshaugh	Thirston
Broomley & Stocksfield	Ingram	Thropton
Brunswick	Kielder	Tillside
Bywell	Kirkwhelpington	Togston
Capheaton	Knarsdale with Kirkhaugh	Tritlington & West
Carham	Kyloe	Chevington
Cartington	Lesbury	Ulgham
Chollerton	Longframlington	Wall
Choppington	Longhirst	Wallington Demesne
Coanwood	Longhorsley	Warden
Corbridge	Longhoughton	Wark
Cornhill	Lowick	Warkworth
Corsenside	Lynemouth	West Allen
Cramlington	Matfen	West Bedlington
Craster	Meldon	Whalton
Cresswell	Melkridge	Whittingham, Callaly &
Dinnington	Milfield	Alnham
Doddington	Mitford	Whittington
Duddo	Morpeth	Whitton & Tosson
East Bedlington	Netherton with	Widdrington Station &
Edlingham	Biddlestone	Stobswood
Eglington	Netherwitton	Widdrington Village
Ellingham	Newbiggin by the Sea	Wooler
Ellington & Linton	Newbrough	Woolsington
Elsdon	Newton by the Sea	Wylam