



**City of Durham
Charter Trustees for the City of Durham**

Ref: JM

17 January 2017

To: The Mayor and Members of the
CHARTER TRUSTEES FOR THE CITY OF DURHAM
(Councillors E Bell, B Moir, J Armstrong, D Bell,
J Blakey, A Bonner, J Chaplow, P Conway, K Corrigan,
N Foster, D Freeman, O Gunn, D Hall, G Holland,
A Hopgood, B Kellett, N Martin, M Nicholls, R Ormerod,
M Plews, M Simmons, D Stoker, P Taylor, J Turnbull
and M Wilkes).

Dear Sir/Madam

A Meeting of the **CHARTER TRUSTEES FOR THE CITY OF DURHAM** will be held in the Committee Room 1B, County Hall, Durham, on Wednesday 25 January 2017 at 12.00 pm.

Please Note: In the event that Full Council runs beyond 12.00pm, the Charter Trustee meeting will commence immediately following the County Council meeting.

BUSINESS

1. Apologies for Absence
2. Minutes of the meeting held on 7 December 2016 (Pages 3 - 6)
3. Declarations of interest, if any
4. Revenue Outturn for the period ending 31 December 2016 and Projected Outturn to 31 March 2017 - Report of the Treasurer (Pages 7 - 10)

5. Yearly Approval of Risk Assessment of Governance Arrangements - Report of the Clerk to the Charter Trustees (Pages 11 - 16)
6. Potential Costs of Display Cabinets for Mayoral Robes - Report of the Clerk to the Charter Trustees (Pages 17 - 20)
7. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Yours faithfully

Clerk

CHARTER TRUSTEES FOR THE CITY OF DURHAM

At the **Meeting** of the **Charter Trustees for the City of Durham** held in the Committee Room 1B, County Hall, Durham, on Wednesday 7 December 2016 at 12.00 pm

Present: The Right Worshipful the Mayor of Durham, Councillor E Bell (in the Chair) and Councillors J Armstrong, J Blakey, J Chaplow, P Conway, N Foster, D Freeman, G Holland, A Hopgood, B Kellett, N Martin, M Plews, M Simmons, P Taylor, J Turnbull and M Wilkes

1 Apologies for Absence

Apologies for absence were received from Councillors D Bell, K Corrigan, O Gunn, B Moir, and R Ormerod.

2 Declarations of interest

There were no declarations of interest.

3 Minutes

Minutes of the meeting held on the 26 October 2016 were confirmed as a correct record and signed by the Mayor.

Referring to item 4 from the minutes of the meeting held on the 26 October 2016, Councillor Hopgood enquired if any quotations had been obtained regarding the commissioning of purpose built display cabinets to store Mayoral robes. The Clerk advised that the matter was ongoing and he would endeavour to provide details for the next meeting.

Referring to item 5 from the minutes of the meeting held on the 26 October 2016, the Clerk informed Charter Trustees that there had been correspondence with the Secretary to the Bodyguard regarding a protocol and amicable arrangements have been made.

4 Date for Mayor making and AGM 2017

Charter Trustees considered a report of the Clerk to Charter Trustees proposing the new date for Mayor Making 2017 after a request was made at the meeting held on the 26 October 2016 to consider a later date (for copy see file of minutes).

The Clerk advised that the Mayor had agreed and the Town Hall had been provisionally booked for Mayor Making to be held on Wednesday 7 June 2017.

Resolved:

That the information contained in the report be noted.

5 2017/18 Budget

Charter Trustees considered a report of the Treasurer that provided information to enable Charter Trustees to determine the appropriate budget requirement for the Charter Trust for 2017/18 and the basic level of council tax required for 2017/18 (for copy see file of minutes).

The Treasurer referred to the meeting on 8 January 2014 where Trustees agreed to the utilisation of reserves to maintain the Band D equivalent council tax at £1.90 in each financial year from 2014/15 to 2018/19.

It was reported that the council tax base for 2017/18 would increase slightly and the Local Council Tax Support Scheme Grant for 2017/18 had decreased by £1,289. In order to maintain the precept, a transfer of £11,962 from reserves would be required, with the total level of reserves estimated to reduce to £56,161 from 31 March 2018.

Trustees agreed to formally accept the council tax requirement of £47,534 and precept of £1.90 for 2017/18.

Resolved:

That the council tax requirement of £47,534 and a £1.90 precept for 2017/18 be agreed.

The Mayor agreed that in order to keep members informed, the next items of business could be reported.

6 Councillor Mac Williams

The Mayor placed on record his thanks and appreciation to Councillor Williams for his dedicated service and it was agreed that a formal letter be sent to Councillor Williams on behalf of Charter Trustees.

Resolved:

That a formal letter of thanks and appreciation be sent to Councillor Williams on behalf of Charter Trustees.

Councillors Holland and Martin left the meeting.

7 Award of Honorary Freeman of the City

Councillor Wilkes suggested that consideration be given to whether the award of Freeman of the City would be suitable for anyone of three possible candidates in recognition of their services to the community which was within the remit of the Charter Trustees to gift.

The Clerk advised that he would examine the statutory criteria and consider when a suitable report could be presented to Charter Trustees. Councillor Wilkes offered to prepare a biography for each member.

Councillor P Taylor suggested that advice be sought to ensure there would be no implications regarding purdah.

Resolved:

That the Clerk would examine the relevant criteria and consider when a suitable report could be presented to Charter Trustees for consideration.

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Charter Trustees for the City of Durham

25 January 2017

Revenue Outturn for the period ending 31 December 2016 and Projected Outturn to 31 March 2017



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to provide information on the:
 - actual expenditure compared to the profiled budget for the period ending 31 December 2016;
 - forecast of expenditure to 31 March 2017 in comparison to the 2016/17 original budget.

COMPARISON OF REVENUE OUTTURN WITH BUDGET

- 2 At 31 December 2016 actual net expenditure was £46,236; an underspend of £9,298 (or 16.74%) against a profiled budget of £55,534.
- 3 It is anticipated that actual expenditure at 31 March 2017 will be slightly lower than the original budget of £65,567 by £5,377 (or 8.20%). The sum required to be drawn from reserves to balance the budget is therefore expected to reduce from £10,550 to £5,173.
- 4 An analysis of the expenditure over subjective budget headings is set out in Appendix 2.
- 5 Explanations regarding the main variances between actual expenditure and the budget are provided below:

SUPPLIES AND SERVICES

- 6 The total expenditure on supplies and services is £2,466 less than the profiled budget to date. Based upon the activity levels to date, the supplies and services outturn figure at 31 March 2017 is expected to be £17,535; an underspend of £507 (or 2.81%) in comparison to the annual budget.

INCOME

- 7 It is anticipated that actual income will be £5,116 at the financial year end which is £5,076 more than the original budget. This is mainly due to the fact the original budget was nil for the Mayor's civic dinner held in April 2016, which generated income of £2,550. Also a second civic dinner is being planned for March 2017 for which has been estimated to generate a similar amount of income.

FORECAST OF OUTTURN

- 8 The latest forecast of expenditure to 31 March 2017 is £60,190, an underspend of £5,377 (or 8.20%) against the net expenditure budget of £65,567.

GENERAL RESERVE

- 9 The general reserve balance at 1 April 2016 was £68,673. With a projected underspend of £5,377, the amount required to be drawn from reserves would be £5,173, rather than the original budget figure of £10,550. Consequently, the reserve balance would decrease to £63,500 as at 31 March 2017.

VAT

- 10 As at 31 December 2016 the total VAT paid and reclaimed was £2,284.71.

RECOMMENDATIONS

- 11 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- note the outturn position for the period ended 31 December 2016;
 - note the forecast of outturn to 31 March 2017;

Contact: Joanne Watson, Tel. 03000 266240

RISKS AND IMPLICATIONS

Finance

The report provides information on the:

- actual expenditure compared to the profiled budget to 31 December 2016
- forecast of expenditure to 31 March 2017 in comparison to the 2016/17 original budget

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

None

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

**ACTUAL OUTTURN COMPARED TO THE PROFILED BUDGET TO
31 DECEMBER 2016 AND PROJECTED OUTTURN TO 31 MARCH 2017**

Annual Budget 2016/17	Budget Head	Profiled budget to date	Year to date Actual	Projected Outturn	Variance (Projected Outturn v Annual Budget)
£		£	£	£	£
	Employees				
3,500	Mayor's Allowance	3,500	0	3,500	0
1,500	Deputy Mayor's Allowance	1,500	0	1,500	0
	Premises				
3,449	Town Hall	3,449	3,449	3,449	0
	Transport				
6,212	Civic Car	4,659	5,227	6,212	0
1,236	Bus Hire	927	953	1,230	-6
2,944	Sergeants at Mace/ Bodyguard	2,944	2,900	2,900	-44
	Supplies and Services				
15,994	Mayor's Hospitality	11,996	10,102	15,994	0
412	General Office Expenses	309	244	412	0
1,301	Insurance	1,301	829	829	-472
335	External Audit	335	300	300	-35
	Support Services				
16,276	Administration	12,207	12,399	16,532	256
12,448	Support Services	12,448	12,448	12,448	0
	Income				
0	Mayor's Civic Dinner	0	-2,550	-5,050	-5,050
-40	Investment income	-40	-66	-66	-26
65,567	Net Expenditure	55,535	46,236	60,190	-5,377
-8,229	Council Tax Support Grant	-8,229	-8,229	-8,229	0
-10,550	Transfer to / -from Reserves	0	0	-5,173	5,377
46,788	Net budget	47,306	38,007	46,788	0

Charter Trustees for the City of Durham

25 January 2017

Yearly approval of Risk Assessment of governance arrangements



City of Durham

Report of Bryan Smith, Clerk to the Charter Trustees

Purpose of the Report

1. To request Charter Trustees approval of Risk assessment for governance arrangements.

Background

2. Charter Trustees will recall that a previous requirement of the external auditors BDO was to carry out a risk assessment process to review effectiveness of internal controls and review annually before the end of each financial year. Such risk assessment is to be reviewed and minuted as evidence of each review. Accordingly the attached Risk Assessment matrix is presented to Charter Trustees for review and approval prior to end of March 2017.
3. The Clerk and DCC Risk, Insurance and Governance Manager have together reviewed and slightly updated the Risk Assessment matrix as approved last year. There are no significant changes to the risk profile.

Recommendation

4. That the Risk Assessment for governance arrangements be approved and accepted for year end March 2017.

Contact: Bryan Smith Tel: 03000 269717

Appendix 1: Implications

Finance – Detailed within the report.

Staffing - None specific within the report.

Risk – The Risk assessment matrix is designed to monitor and keep under yearly review the governance arrangements for Charter Trustees business.

Equality and Diversity / Public Sector Equality Duty - None specific within the report.

Accommodation - None specific within the report.

Crime and Disorder - None specific within the report.

Human Rights - None specific within the report.

Consultation - None specific within the report.

Procurement - None specific within the report.

Disability Issues - None specific within the report.

Legal Implications - None specific within the report.

DURHAM CHARTER TRUST

RISK ASSESSMENT AND MANAGEMENT

Aim	Risk Identified	Existing Controls	Impact of Risk	Likelihood of Risk	Any Further Actions to required to Mitigate risk (include date and responsible person to implement action)
To ensure compliance with the statutory requirements, the Trust's financial regulations,code of conduct and Standing Orders (1,2,3,4,7)	Lack of knowledge of regulations and codes.	Ensure that all trustees have copies of relative acts, Code of Conduct and Standing orders. Highlight essential parts and provide training where possible.	L	L	
	Absence of Standing Orders	Ensure Standing Orders are produced, understood by trustees and reviewed at least once per year.	L	L	
	Actions by the Trust outside its powers	Ensure that all trustees have copies of relative acts. Highlight essential parts of Acts or summarise and provide training. Monitored by the legally qualified Clerk who attends each meeting.	H	L	
	Items purchased without proper tendering procedures resulting in accusations of commercial favouritism	Ensure all trustees are aware of regulations re estimates and full tender procedures. Introduce practice of estimates for all purchases over an approved figure. Scheme of Delegated Authorisations in place.	L	L	
	Payments made without prior approval and adequate control.	Ensure all payments are approved in Trust Meetings and recorded in minutes. Keep cash payments to a limit.	L	L	
	Lack of control of signatories to cheques	Keep authorised signatories to a practical minimum	L	L	
	Lack of knowledge of budgetary process and council regulations	Include regulations in Standing orders and issue to all Trustees. Place agenda item early in year to remind trustees of budget process and actions required. Delegate responsibility for Managing budgetary process to one trustee or to one trustee appointed as RFO.	M	L	
	VAT not properly accounted for, resulting in overclaims and large demands from Customs and Excise	Ensure appropriate publications held and that the Clerk/accountant has access to good knowledge of regulations. All items in cash book list. Agreement of any submitted returns	M	L	
To engage with stakeholders (8,10,11,13,15)	Lack of effective lines of communication with other stakeholders	Note all communication lines which are essential or beneficial and make information available to all Trustees. Establish contacts by name and wherever possible face to face. Transparency of meetings and discussions	M	L	

<div>Page 14</div> Aim	Risk Identified	Existing Controls	Impact of Risk	Likelihood of Risk	Any Further Actions to required to Mitigate risk (include date and responsible person to implement action)
To ensure that all trustees are aware of their responsibilities, possible liabilities and to provide adequate insurance cover for all possible risks. (4, 12, 14	Lack of Knowledge of possible culpability of Trustees	Create Standing Orders and familiarisation with those where greatest risk occurs.	L	L	
	Lack of education of trustees regarding culpability	As above plus delegate responsibility to one or two Trustees to assist newcomers to understand culpability. Attend any training courses available.	L	L	
	Inadequate insurance cover taken out - property, personal liability, employers liability.	Review risk assessment by including on agenda of Trust meetings at least yearly - Delegate responsibility for keeping up to date with insurance requirements to an individual trustee/ officer.	H	L	
To keep appropriate books of account accurately and up to date throughout the financial year (7,	VAT claims not made promptly or made incorrectly	Ensure Clerk/Accountant has up to date VAT official publications. Regular checks by Trustee appointed RFO Internal audit checks	M	L	
	Lack of knowledge of accounting requirements	Ensure all trustees are familiar with current financial regulations and include them in standing orders. Regularly review standing orders. RFO in place.	M	L	
	Lack of commitment to accounting requirements	As above plus RFO to produce financial reports to all meetings. Internal audit reports to be made available to all trustees and any recommendations to be acted upon.	M	L	
	Bank Charges unnecessarily incurred	RFO to carry out regular inspection of books of account. Internal audit to be undertaken periodically during financial year.	L	L	
	Inaccuracies in recording accounts, totals in books of account and bank reconciliations	RFO to ensure that books of account are formatted in such a way that internal controls are included and activated. Regular internal audits to advise on internal controls required.	M	L	
	Inaccuracies and interest losses caused by account transfers	Keep numbers of accounts to a minimum but ensure that any large balances are deposited into an interest bearing account	L	L	
	The most beneficial interest terms not being employed	Ensure that favourable interest rates are obtained/review against alternatives, but bear in mind any risks in changing accounts.	L	L	

Aim	Risk Identified	Existing Controls	Impact of Risk	Likelihood of Risk	Any Further Actions to required to Mitigate risk (include date and responsible person to implement action)
	Inadequate control of cash receipts	Avoid cash payments and receipts if possible. Provide insurance cover. If cash payments/receipts are unavoidable, always check to bank, use a properly controlled petty cash account and segregate duties wherever possible. No petty cash float and all transactions are put through relevant accountancy procedures via the council's accountancy team.	H	L	
	Books of account not kept up to date/invoices not posted properly	Regular checks by RFO and internal auditor with financial reports to all Trust meetings	M	L	
	Payments missed or delayed due to inadequate filing of invoices	As above	M	L	
To ensure that salaries paid to employees and amounts paid to contractors are paid in accordance with council regulations and adequately monitored.	Inappropriate rate of pay to employees (salary & hours paid etc) False employees	Ensure employee regulations are available and understood by Clerk. Check to payroll minutes and contracts by trustee appointed as RFO. Internal audit checks.	M	L	
	Tax an NI arrangements not in accordance with regulations	As above Check payroll records to PAYE/NI tables	M	L	
	Amounts paid to contractors not in accordance with contract and inadequately monitored	Internal checks on goods supplied/invoice calculations/payee details Checks by trustee appointed as RFO Appoint trustee to monitor contract work carried out.	M	L	
To ensure that year end accounts are prepared on the correct accounting basis, on time and supported by an adequate audit trail.	Lack of knowledge of Trust regulations and procedures	Include financial regulations in Standing Orders. Attend training seminars where available	M	L	
	Late or non submission of annual accounts	Include timetable in Standing Orders. Monitor progress against timetable and report to Trust meetings	M	L	
	Year end accounts not prepared, inaccurate or not in accordance with Trust requirements	Checks by RFO Internal audit checks	M	L	

<div>Page 16</div> <div>Aim</div>	Risk Identified	Existing Controls	Impact of Risk	Likelihood of Risk	Any Further Actions to required to Mitigate risk (include date and responsible person to implement action)
	Inadequate audit trail from records to final accounts	Checks by RFO Internal audit checks	M	L	
To identify, value and maintain all Trust assets and ensure that asset and investment registers are complete, accurate and properly maintained (5,6,	Lack of knowledge of assets of Trust	Ascertain and record all Trust assets in a permanent register	L	L	
	Assets lost or misappropriated Risk or damage to third party property or individuals	Establish who is responsible for security and maintainance of each asset. Public Liability Insurance in place. Maintain and update Register of assets Regular monitoring of location and use of assets- annual inspection.	M	L	
	Inadequate or inaccurate valuation of the Trust's assets	Periodic review of valuations and arrange professional valuations where appropriate. Maintain Register of assets.	M	L	
	Asset register not established or inadequately maintained	Maintain Register of assets to comply with Audit Commission requirements.	M	L	
To comply with appropriate Government legislation regarding disability, racial, equality, safeguarding children etc.	Lack of knowledge of applicable legislation	Check to have all appropriate legislation available. Review liabilities and responsibilities periodically at Trust meetings	M	L	
	Lack of public awareness of applicable legislation	Include details of legislation in any public consultations	L	L	
	Failure to comply with applicable legislation	Check to have all appropriate legislation available. Review liabilities and responsibilities periodically at Trust meetings	M	L	
To comply with appropriate Government legislation regarding Health and safety	Lack of information on properties, buildings and equipment	Ensure all current legislation and advice is held by Clerk. Include in asset register all properties for which Trust is responsible	M	L	
	Lack of knowledge of safety requirements	Ensure all current legislation and advice is held by Clerk. Report to Trust meeting as and when legislation produced	M	L	
	Lack of commitment to carrying out safety checks	As above plus Delegate responsibility for particular properties to individual trustees. Health and Safety Policy, procedures and training in place.	M	L	

Charter Trustees for the City of Durham

25 January 2017

Potential costs of display cabinets for Mayoral robes



City of Durham

Report of Bryan Smith, Clerk to the Charter Trustees

Purpose of the Report

1. To inform Charter Trustees of potential costs of display cabinets for Mayoral Robes.

Background

2. Charter Trustees will recall requesting estimates display cabinets for Mayoral Robes currently displayed at the Town Hall Durham.
3. The Town Hall premises manager has researched and provided the attached information for purchasing cabinets – see Appendix A which shows varying potential prices according to standard of cabinet and whether all glass or acrylic and whether providing light and temperature protection.
4. It has not been possible to identify any existing used cabinets but this is being kept under review.
5. Charter Trustees are asked to note the potential costs and debate whether any such purchase of display cabinets is suitable at this time.
6. Consideration would have to be given to suitable placement at the Town Hall owing to the size of two such cabinets.

Recommendation

7. Consideration be given to purchase of display cabinets for the past Mayoral robes at Town Hall.

Contact: Bryan Smith Tel: 03000 269717

Appendix 1: Implications

Finance – Detailed within the report.

Staffing - None specific within the report.

Risk – None.

Equality and Diversity / Public Sector Equality Duty - None specific within the report.

Accommodation - None specific within the report.

Crime and Disorder - None specific within the report.

Human Rights - None specific within the report.

Consultation - None specific within the report.

Procurement - None specific within the report.

Disability Issues - None specific within the report.

Legal Implications - None specific within the report.

Ideal requirements

- In keeping with the heritage nature and aesthetic of the site
- Secure and safe from damage from the public
- Conservation / Museum standard

Museum standard cases take into account conservation concerns regarding materials used; cheaper materials used in retail units often contain chemicals and volatile vapours. Museum cases also seal objects in to minimise air flow, environmental fluctuation and dust build up – not a major concern for retail.

Option 1 – Displaysense

Retail standard with aluminium base

1 x 800w x 600d x 2000h (Hinged Double Door) £465.00 ex VAT x 2

£1100 total approx (not including delivery which is calculated on a case by case basis)



Option 2 - Striking Displays

Retail standard with acrylic base

Units in acrylic costing £590 each + vat

Packing and dispatch UK mainland pallet £75 + vat

£1560 total approx.



Option 3 - Davison Woods

Museum Standard glass and oak displays

2 cases - 2100mm high x 900mm wide x 600mm deep

Unit glazed on 3 sides with 6mm glass, standard depth for museum display with a solid back. All internal surfaces will be fabric dressed Fermacell panels and the cabinet exterior finished in oak

Low heat and voltage internal spot lighting included. Fabric colours and cabinet detailing to be discussed at design stage.

Price per cabinet = £2200.00 + VAT

£5280 TOTAL (not inc delivery)



Option 4 – Clicknetherfield or Glasbau Hahn (over £10'000 per unit - estimated)

These are examples of international museum display specialists used in the UK by The Bowes Museum, V & A, British Museum and the Royal Armouries etc. These represent the gold standard and are used by most major museums worldwide.

