



Northumberland

County Council

AUDIT COMMITTEE

28 NOVEMBER 2018

INFORMATION REPORT – TOWN & PARISH COUNCILS

Report of Allison Mitchell – Chief Internal Auditor

Purpose of report

This report has been prepared at the request of Chair of Audit Committee to provide information for Audit Committee on the legislative framework applying to town and parish councils; information on the number of town and parish councils within the county of Northumberland; and the legal and jurisdictional framework governing the relationship between Northumberland County Council and town and parish councils within the Northumberland area.

Recommendations

As an information report only, it is recommended that Audit Committee note the contents of the report.

Link to Corporate Plan

The work of the Audit Committee supports achievement of all priorities included in the Northumberland County Council Corporate Plan 2018-21. This is an information report for Audit Committee.

Key issues

What are town and parish councils?

1. A parish council is the first tier of local government. Parish councils are elected corporate bodies, have specific tax raising powers, and are responsible for areas known as civil parishes. A parish council serving a town may be called a town council, but such a body has the same powers, duties and status as a parish council.
2. Town and parish councils have the power to provide additional services for their area and to be consulted about issues that affect their localities. Parish and town councils vary widely in size, activities and circumstances. Most of them are small – in 2010, around 80% represented populations of less than 2,500; and two thirds spent under £25,000 per year.

3. The National Association of Local Councils has defined the activities of town and parish councils as falling into three main categories:
 - representing the local community
 - delivering services to meet local needs, and
 - improving quality of life and community well being.
4. In Northumberland, town and parish councils operate a range of services, including parks, playing fields, cemeteries, closed churchyards and allotments. This is discussed in more detail below.

Funding

5. Parish councils are primarily funded by levying a local precept (tax), although they can also apply for grants and loans. The Parish Council itself determines the level of the precept. There is no limit to the amount that can be raised, but the money can only be raised for a limited number of purposes (see powers and duties below). This is then collected by the principal local authority (which in Northumberland is Northumberland County Council) on each town or parish council's behalf. The precept is collected alongside the council tax paid by the residents of the parish.
6. Once established, the parish council itself is responsible for meeting all its expenditure, including the cost of premises, staffing and providing services.

Powers and Duties

7. The Local Government Act 1894 established parish councils and outlined their powers and duties to provide a variety of local services. Initially parish councils could only provide the services specifically provided for in this legislation – providing any services other than those set out in the Act would have been *ultra vires* (i.e. beyond the powers and duties of the parish council).
8. Later legislation, ultimately codified in the Town and Country Planning (Development Management Procedure) Order, recognised that parish councils would naturally be interested in development planning in their parish. Legislation gave town and parish councils the right to be informed and consulted on applications for such development.
9. The Localism Act 2011 widened the remit of town and parish councils by introducing a "General Power of Competence" (GPC) for "eligible" parish councils. This gives those town and parish councils who resolve to adopt the GPC a new power: to 'do anything that individuals generally may do' as long as that is not limited by some other Act.
10. The Localism Act 2011 also introduced new rights and powers to allow local communities to shape new development by coming together to prepare neighbourhood plans.

Town and parish councils in Northumberland

11. In Northumberland, there are currently 148 town and parish councils. The following services are responsibilities delivered by town and parish councils across Northumberland:
- Allotments
 - Annual planting
 - Bus shelters
 - Litter bins
 - Play parks
 - Public seats
 - Seasonal lighting
 - War memorials

Relationship with the County Council

12. Northumberland County Council is a separate and distinct body to the town and parish councils within Northumberland. The County Council's remit with regard to town and parish councils is:

- (a) to levy and collect any precept notified to the County Council by the town or parish council, and to pass this funding on to the town and parish council concerned
- (b) under the Localism Act 2011, for the Monitoring Officer to establish and maintain a register of members' interests and to consider allegations of misconduct against parish and town councillors in Northumberland.

It may be that town or parish councils request additional services (on a commercial or traded basis) from the County Council.

13. In 2009, following local government reorganisation in Northumberland, the new unitary Northumberland County Council (NCC) adopted a "local council charter". The purpose of the charter was to set out expectations on how the County Council and town and parish councils would interact on matters such as communication, engagement, finance, and local services and assets.

Audit Arrangements within Town and Parish Councils

14. As town and parish councils are distinct entities, separate to the County Council, town and parish councils are not covered by either the internal or external audit arrangements which are in place for the County Council. The County Council's internal and external auditor therefore have no jurisdiction over the affairs of town and parish councils.
15. Town and parish councils are responsible for making arrangements for the appointment of their own external auditor, under the Local Audit and Accountability Act 2014. The Accounts and Audit Regulations 2015 would govern the Internal Audit requirements of a town or parish council.

Implications

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| Policy | As an information only report, there are no policy implications from the report. |
| Finance and value for money | As an information only report, there are no Finance implications from the report. |
| Legal | The legislative framework (and jurisdiction of the County Council) are set out in the main body of the report. |
| Procurement | No implications from this report. |
| Human Resources | No implications from this report. |
| Property | No implications from this report. |
| Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> | An equalities impact assessment is not applicable to this report as it does not constitute a key decision. |
| Risk Assessment | No implications from this report. |
| Crime & Disorder | No implications from this report. |
| Customer Consideration | No implications from this report. |
| Carbon reduction | No implications from this report. |
| Wards | All (information only) |

Background papers:

Localism Act 2011

Local Audit and Accountability Act 2014

The Accounts and Audit Regulations 2015, April 2015

Report sign off.

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| Monitoring Officer/Legal | N/A |
| Executive Director of Finance & S151 Officer | N/A |
| Relevant Executive Director | N/A |
| Chief Executive | N/A |
| Portfolio Holder(s) | N/A |

Author and Contact Details

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