

Life Cycle of a Local Council

Parish and town (local) councils follow a certain calendar. Below is an explanation of that calendar and the reasons behind it.

The cycle of a local council is on a four year basis. An election takes place every four years so prior to this election, all councillors step down. The same individuals may be re-elected but they start over again with a new four year term.

Whilst this four year basis is for the electoral process, the everyday work of a local council takes place on a yearly cycle. Some town or city councils refer to this as the Civic Year.

May

The council year begins in May. Local elections take place in May so this is when a new council begins. It follows the year to the following April.

This council year begins with the first, or the annual (depending on whether or not it is an election year) meeting of the council. Under paragraph 7 of schedule 12 of the Local Government Act 1972, local councils are obliged to hold this meeting. In a year in which an election is held, this meeting must be held on or within fourteen days after the day on which the newly elected councillors take office. The day upon which the newly elected councillors take office is four days after the election takes place.

June

Many but not all councils renew their insurance on 1st June each year. This date is not set in the law but rather historical and does not apply to all councils. It is, however, a common date for the renewal of local council insurance. Regardless of the renewal date, local councils should ensure they have insurance cover.

Employers' liability is mandatory for councils under the provisions of the Employers' Liability (Compulsory Insurance) Act 1969.

Under the provisions of Section 114, Local Government Act 1972 a council shall take out a security for employees who are dealing with money, and may take out a security for other employees, for the faithful execution of the office, and for the due accounting for all money or property which may be entrusted to that employee(s).

Insurance companies will rarely, if ever, provide cover without Public Liability Insurance being included. It is important that a council has public liability insurance.

Prior to the insurance renewal, councils will be considering the update of Asset Registers and Risk Assessments which need to be in place.

Following the end of the accounting year at the end of March, the Responsible Financial Officer of the council will be preparing the accounts. These accounts must be approved by 30th June. Councils must also complete an Annual Return.*

Summer months

The External Auditor will provide a date of audit, prior to which members of the public (i.e. electors for the area), may ask questions or raise objections about the accounts. There will be a twenty working day period in which the accounts and supporting documents will be available for public inspection and this will be notified on notice-boards and on council websites. This notice will include the times and places they will be available during this period.

Once this period has expired, the audit takes place. As soon as possible after the audit the council must publicly display its statement of accounts and auditor's certificate.

A notice of public rights of inspection will then be displayed for at least 14 days. This notice will say that the audit has been completed and the annual return is available for inspection. All of the above must have taken place by 30th September (see below).

September

If the council is responsible for the organisation of Bonfire or Fireworks' events for Guy Fawkes' Night celebrations on or near 5th November, consideration should be taken to ensure there is insurance cover for these events around September.

No later than 30th September local councils must publish the accounting statements (by means other than solely by reference in the minutes of meetings), together with any certificate, opinion, or report issued, given or made by the auditor. They must also display a notice containing these documents in a conspicuous place or places in their area for a period of at least 14 days.

October

If you are a community group or charitable organisation hoping to request a grant from the local council for the coming financial year, now would be the time to request a copy of the council grants' policy or application or consider putting in a request. Asking for a grant mid-year when a council hasn't budgeted for the expenditure could result in the request being declined.

Looking Further

* More information on Local Council finance can be found in guidance sheet 11 – Local Council Financial Affairs.

In October, the budgeting process will begin. This process will be initiated by the responsible financial officer (who is often, but not always the clerk to the council) preparing comparisons with previous years and forecasting of expenditure for the coming year.

Councils will start to think about obtaining quotes for contracts (e.g. grounds or other maintenance) for the coming financial year.

This will lead to the setting of the **precept** (the local council's share of the council tax) which is based on the budget.

November

The budgeting process and plans for the setting of the precept continue.

Insurance companies should be notified of Christmas events not otherwise covered by standard insurance provision.

December

Local Councils often, but not exclusively, set their precept for the coming financial year. It is not a legal obligation to do it in this month but it is a common time.

January/February

If the precept has not already been set then it should be done.

It is usually in the months of January or February that a billing authority (the principal council responsible for sending out the council tax bills to residents) will ask local councils to submit their precept requests. This means that all budgets must be complete by this time in order that the local council knows how much it wants to request from its residents. The precept must be set by full council and not by a committee.

February/March

Once the local council has told the billing authority how much it would like to gather from its residents, it will start to think about the year-end.

The end of the financial year for a local council is 31 March. Leading up to this time the responsible financial officer will start to ensure that accounts are up together, invoices paid (debtors and creditors) and the information that informs the annual return is available.

April

At the year-end the internal audit should take place. This should not be restricted to only this time and should take place at other points during the financial year but it is

at the year-end that the person carrying out the internal audit (a capable person who must not have any involvement in the financial decision making, management or control of the council) signs the annual return.

If the council renews its insurance cover in June, then it is time to start thinking about updating risk assessments and asset registers (which of course are reviewed throughout the year as well).

01 March – 01 June

It is between these dates that the Annual Parish or Town Meeting must be held. This is a meeting for all residents of the parish or town. It is chaired by the chairman or mayor of the local council and usually called and minuted by the clerk to the council. Otherwise it is not a council meeting and members of the council have no involvement which is greater than any other elector for the area. The minutes for this meeting are signed at the next Parish or Town Meeting (which is often a year later).

Throughout the year

A local council will usually publish a calendar of its ordinary, scheduled meetings. These may be meetings of full council or meetings of committees or sub-committees. Dates for these meetings are set by the council rather than by any law or rules (except for the "first" or "annual" meeting – see above in May).

A council is required to submit "Real Time Information" on Pay As You Earn (PAYE) to Her Majesty's Revenue and Customs (HMRC) monthly. More information on this can be found at <http://www.hmrc.gov.uk/payerti/>

Internal Audit should be carried out at intervals throughout the year and not restricted to year-end.

THE COUNCIL YEAR

May

TASK	INFO
Annual meeting	At least 3 days' notice
	Election year - 14 days after
	Normal year – any day in May
Annual Parish Meeting	Takes place between 01 March and 01 June

June

TASK	INFO
Insurance renewal possibly on 01 June	Have risk assessments and asset registers up to date beforehand.
Approval of accounts	Must be done by 30 June
Annual Parish Meeting	Takes place between 01 March and 01 June

Summer Months

TASK	INFO
Audit date	20 working days before this date accounts must be available for inspection
Post audit	Statement of accounts and auditors certificate publicly displayed
	Notice of public rights of inspection for at least 14 days publicly displayed

September

TASK	INFO
Insurance provision for Bonfire night events	Insurance provider needs to know if any council run events are taking place
Publish accounting statements	By means other than reference other than in the minutes (i.e notice on notice board and website) and by (latest) 30 September

October/November

TASK	INFO
Budgeting process begins	Comparisons of previous years and forecast for coming year
Grants	Community groups/local charities make requests for grants for the coming financial year
Insurance provision for Christmas events	Insurance provider needs to know if any council run events are taking place
Contracts	Obtaining quotes for maintenance contracts, etc

December/January/February

TASK	INFO
Setting the precept	Billing authority will notify council of deadline for precept requests Precept set by full council
Start working towards year-end in February	

March/April

TASK	INFO
Year End	31 March
Post year end	Preparation of accounts for approval
	Year-end internal audit
Pre-insurance renewal	If this is 01 June, update Risk Assessments and Asset Register
Annual Parish Meeting	Takes place between 01 March and 01 June

Ongoing

TASK	INFO
HMRC Real Time Information and PAYE	Submitted to HMRC monthly
Internal controls	Regular financial review
	Internal audit at intervals depending on council size
	Bank reconciliations
Ordinary meetings of the council	At least 3 (plus annual meeting) per year. Publish a calendar