



20TH June 2023

In accordance with Paragraphs 8 & 10(2) (b) of Schedule 12 of the Local Government Act 1972 I hereby summon you to attend a Meeting of PETERLEE TOWN COUNCIL to be held in the COUNCIL CHAMBER, SHOTTON HALL, PETERLEE, SR8 2PH on MONDAY 26TH JUNE 2023 at 6.30pm

Ian Morris, F.S.L.C.C
Town Clerk (Proper Officer of the Council)

Members of the Committee and members of the public are reminded that the public part of the meeting may be recorded in both audio and video, and photographs may be taken.

Members of the public are very welcome to attend our meetings. Due to ongoing precautions for COVID and other seasonal illnesses we have a limited number of designated public seating and so any members of the public wishing to attend Shotton Hall to observe the meeting are advised to contact the Council in advance so that we can reserve a seat for you: council@peterlee.gov.uk or 0191 5862491

BUSINESS TO BE TRANSACTED

1. Apologies for Absence
2. Public Participation Session
A session to allow members of the public an opportunity to put questions to the Council. This item of business to last no more than 15 minutes, as per Council Standing Orders.
3. To receive declarations of interest
Members are reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. Please seek advice from the Town Clerk or Deputy Town Clerk prior to the meeting if in doubt. Members are reminded that they can check their published declaration of interests here: <https://bit.ly/2wVyeLA>
4. To Approve the Minutes of the last meeting of the 15th May 2023

The minutes of the previous meeting are attached for consideration and approval as a true and correct record. (attached)

Matters Arising from the Minutes

Minute Number 17 – Committees and Sub Committees

- (a) Human Resources Sub Committee – 14 members, only 11 nominated at the meeting and so three places remaining for nominations.
- (b) Scrutiny Committee 14 members only 12 nominated and therefore 2 places remaining for nominations.

5. Internal Auditor's Reports

- (i) Internal Auditor's Progress Report for Quarter 4 2022/2022
- (ii) Annual Internal Auditor's Opinion

To welcome Tracy Henderson, Chief Internal Auditor & Corporate Fraud Manager and Nicola Cooke, Audit Manager and receive their reports for the 2022/3 financial year.

6. Wellbeing for Life (WBFL)

To welcome Shaun Gooch, WBFL East Hub Co Ordinator to the meeting.
(associated material attached for reference)

7. Notes of the Finance Sub Committee of the 12 June 2023

To confirm and endorse the resolution of the Finance Sub Committee to approve BACS payments paid.

8. The Minutes of the Resources Committee of the 12th June 2023

The minutes of this meeting are attached for information purposes only (attached)

9. Proposed new electoral arrangements for Durham County Council

To discuss the proposed changes to the town's electoral divisions for County Council seats. Members are advised to review the proposals online prior to the meeting, see pages 27-29 here: https://www.lgbce.org.uk/sites/default/files/2023-05/durham_-_dr_-_report_v2.pdf

10. 2022/23 Year End budget outturn report

Members will be asked to review and approve the 2022/3 financial year budget outturn report. (Report of the Town Clerk, attached)

11. Peterlee Town Council Annual Return 2022/23

Members will be asked to consider the following items that comprise the Council's Annual Return for the 2022/3 financial year (copies attached to this agenda):

- (i) Annual Internal Audit Report – to receive and note
- (ii) Annual Governance Statement – to approve
- (iii) Accounting Statements – to approve

Following approval, the Chairman and Town Clerk to sign the Annual Governance Statement and the Chairman will sign the Accounting Statements.

12. Proposals for a long-term lease with Peterlee Cricket Club

To consider proposals for the granting of a long-term lease to Peterlee Cricket Club for the use of the cricket oval, scoreboard and associated assets.

(Report of the Town Clerk, attached)

13. Policies

To confirm and adopt the following policies:-

- (a) Appeals policy & guidance [To view the updated policy please use this link](#)
- (b) Probationary period policy [To view the updated policy please use this link](#)
- (c) Working in the sun policy [To view the updated policy please use this link](#)
- (d) Document retention policy [To view the updated policy please use this link](#)
- (e) Equality and diversity policy [To view the updated policy please use this link](#)
- (f) Safeguarding policy [To view the updated policy please use this link](#)
- (g) Drugs, Alcohol and Substance misuse [To view this updated policy please use this link](#)

14. Spokesperson of the North East Party's Report

15. Spokesperson of the Labour Political Party's Report

16. Spokesperson of the Independent Members Report

The press and public are welcome to attend this meeting. Space in the public gallery is limited and you are advised to contact the council in advance if you do wish to attend.

Contact: Ian Morris, Chief Officer & Town Clerk, Peterlee Town Council, Shotton Hall, Peterlee Co Durham SR8 2PH

e mail: council@peterlee.gov.uk

PETERLEE TOWN COUNCIL

MINUTES OF THE ANNUAL MEETING OF THE TOWN COUNCIL

HELD IN THE BRANDLING SUITE, SHOTTON HALL, PETERLEE

ON MONDAY 15TH MAY 2023 AT 6.30PM

PRESENT: A E LAING (Chair)

K Liddell, M McCue, S Simpson, R Burnip S McDonnell, S P Franklin, R Moore, H A Stockport, E Watson, , F J Black, D Hawley, K Hawley, R Scott, S Meikle, K Duffy, T Duffy, B Fishwick, M A Cartwright, D Howarth, D Quinn & M W Sanderson

MEMBERS WERE REMINDED OF THE NEED TO DISCLOSE ANY INTEREST PREJUDICIAL OR PERSONAL IN ACCORDANCE WITH THE CODE OF CONDUCT.

Prior to commencement of the meeting Councillor Moore presented Mayor's Awards to Councillors Hawley and Howarth in recognition of their work volunteering with various projects in the town.

1. To Elect a Chairman for the Ensuing Year

Members were asked to elect a Chairman for the ensuing year. **RESOLVED that Councillor A E Laing be elected as Chairman/Town Mayor for the ensuing year.**

Councillor Laing thanked the former Mayor Councillor Moore for a fantastic year of office, and she stated that he had made Peterlee proud with the way he carried out his duties. She thanked her colleagues for electing her as Chairman and Town Mayor, and assured she would do her best to serve the Town. **RESOLVED the information given, be noted.**

2. To Sign and complete the Declaration of Acceptance of Office

Cllr Laing signed the Declaration of Acceptance of Office to the role of Chairman. **RESOLVED the information given, be noted.**

3. Apologies for Absence

No apologies for absence had been submitted. **RESOLVED the information given be noted.**

4. Presentation to Former Mayor of Peterlee to Mark his Year of Office

Councillor R Moore was awarded with a medal to mark his year of office. Councillor Moore thanked everyone for their support and said the highlight of his year had been making the proclamation of the King on behalf of the Council. **RESOLVED the information given, be noted.**

5. Register of Disclosable Pecuniary Interests & other Registerable Interests

Members were reminded that they should each review and update their 'register of interests' forms held by the Monitoring Officer at Durham County Council. Members were asked to contact the Deputy Clerk for assistance if required. **RESOLVED all Council Members to review and update their register of interest forms as required.**

6. To Elect a Vice Chair/Deputy Town Mayor

Nominations for the post of Vice Chairman were invited. **RESOLVED Councillor D Howarth be elected to the position of Chair/Deputy Mayor for the ensuing year.**

7. To Announce a Spokesperson for the majority party

RESOLVED Councillor MA Cartwright be acknowledged as the spokesperson for the North East Party.

8. To Announce a Spokesperson for the minority party

RESOLVED Councillor R Scott be named as the spokesperson for the Labour Party; and, RESOLVED Councillor K Hawley be named as the spokesperson for the independent group.

9. The Minutes of the Last Meeting, a copy of which had been previously circulated to each Member, were approved as a true and correct record.

10. Review and Adoption of The Town Council's Standing Orders and Financial Regulations

Members were asked to review the Council's Standing Orders and Financial Regulations that had previously been circulated and the Clerk confirmed there were no major amends to them. **RESOLVED the Standing Orders and Financial Regulations be adopted.**

11. To Confirm the Dates of the Meetings for the Forthcoming Year

Members agreed and confirmed the dates of the meetings for the forthcoming year. **RESOLVED the dates of the meetings for the 2023/24 civic year, be confirmed.**

12. Review of the Terms of Reference for committees

Members were asked to review the terms of reference for the Town Council's committees. **RESOLVED the terms of reference as circulated, be accepted.**

13. To confirm the arrangements for insurance cover in respect of all insured risks
Members were asked to note the insurance arrangements with Zurich Municipal for the forthcoming year. **RESOLVED the insurance arrangements for the Council, be noted.**
14. Review of inventory of land and assets including buildings and office equipment
The Town Clerk circulated a summary of the Town Council's assets as provided through the year end accounting process. **RESOLVED the information given, be noted.**
15. Review of the Council's complaints procedure
Members were asked to review the Council's complaints procedure, along with the associated vexatious complaints policy. **RESOLVED the complaints procedure and policy for handling complaints, be confirmed.**
16. Review of the Council's procedure for handling requests made under the Freedom of Information Act 2000
Members were asked to review the Council's procedures for handling FOI requests under the Freedom of Information Act 2000. **RESOLVED the procedure be confirmed.**
17. Committees, Sub Committees, Working Parties and their Chair and Vice Chair
RESOLVED the following be approved as Chair, Vice Chair and members of the following:-
- Council (all 22 members) - Chair A E Laing, Vice Chair D Howarth
 - Resources Committee (all 22 members) - Chair R Moore, Vice Chair R Burnip
 - Community & Environment Committee (all 22 members) - Chair R Moore, Vice Chair R Burnip
 - Human Resources sub-committee (14 members) – Chair R Scott, Vice Chair D Howarth plus M McCue, R Burnip, D Howarth, K Hawley, S Simpson, D Hawley, K Liddell, R Moore, A E Laing & D Quinn
 - Appeals sub-committee (5 members) - Chair M McCue, Vice Chair K Liddell plus D Hawley, A E Laing & K Hawley.
 - Disciplinary sub-committee (7 members) - Chair R Moore, Vice Chair D Howarth plus S Simpson, R Burnip, A Stockport, R Scott and S Meikle.
 - Town Clerk's Appraisal sub-committee (5 members) - Chair A E Laing, Vice Chair D Howarth plus M McCue, K Hawley, & R Scott.
 - Health & Safety working party – all 22 members, Chair M McCue, Vice Chair S Simpson
 - Events Working Party (all 22 members) - Chair R Burnip Vice Chair K Hawley
 - Finance sub-committee (7 members, to be signatories on the Council bank

account) K Liddell, T Duffy, S Simpson, K J Duffy, G Johnson, A Stockport & R Burnip

- Scrutiny Committee (14 members) - Chair K Hawley & Vice Chair R Moore plus A E Laing, M McCue, R Scott, S Simpson, D Howarth, S Meikle, K Liddell, D Hawley, R Burnip & A Stockport

18. Delegates to Other Bodies

RESOLVED the following members be appointed as representatives of the Town Council to serve on the following bodies:-

- County Durham Association of Local Councils- Councillors D Howarth & D Hawley, plus the Town Clerk
- East Durham Association of Parish & Town Councils - Councillors D Howarth, A E Laing & M McCue
- Passmore Pavilion Local Steering Group - Councillor M McCue
- Peterlee Cricket Club - Councillor D Hawley

19. General Power of Competence

RESOLVED the Council confirm its ongoing eligibility to use of the General Power of Competence as per the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012 and Localism Act 2011, on the basis that both the Clerk and Deputy Clerk hold the mandatory Certificate in Local Council Administration (CILCA) qualification and that more than 2/3 of the Council stood for election in May 2021.

20. Spokesperson for the North East Party Members report

Councillor Cartwright stated that she could see a light at the end of the tunnel as we got through the worst of the COVID pandemic. She noted that the Council was doing its best to support local people in various ways including warm hubs, litter picking and environmental projects and she thanked Councillors T Duffy and Fishwick for their recent flower-planting in the town. She wished everyone good luck for the ensuing year.

RESOLVED the report be noted.

21. Spokesperson of the Labour Party Members report

Councillor Scott stated that he was pleased to report a well-attended coronation party in the Methodist Church. He referred to the recent local election results and his concerns about the voter ID requirements that seemed to have discouraged people to vote and be involved in local elections in other parts of the country. **RESOLVED the report be noted.**

22. Spokesperson of the Independent Party Members report

Councillor Hawley thanked volunteers working with the Warm Welcome Café at Shotton Hall which she reported was growing in its success. **RESOLVED the report be noted.**

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PETERLEE TOWN COUNCIL MEETING

26 June 2023

INTERNAL AUDIT PROGRESS REPORT

REPORT OF THE HEAD OF INTERNAL AUDIT

Purpose of the Report

1. The purpose of this report is to advise Members on work undertaken by Internal Audit between 01 April 2022 and 31 March 2023 with coverage provided in accordance with our agreed SLA. The report aims to:
 - Provide a high level of assurance, or otherwise, on internal controls operating across the Council that have been subject to audit.
 - Advise the Committee of significant issues where controls need to improve to effectively manage risks.
 - Advise the Committee of any amendments to the approved Internal Audit plan.
 - Advise the Committee of changes to audit processes and terminology.
 - Track progress on the response to internal audit reports and the implementation of agreed internal audit recommendations.
 - Provide an update on our performance indicators comparing actual performance against planned.
2. The appendices attached to this report are summarised below.

Appendix 1	Risks and Implications
Appendix 2	Progress against the Internal Audit Plan
Appendix 3	Internal Audit Performance Indicators

Progress against planned work

3. A summary of the agreed plan showing the status of each audit at the time of writing this report is attached at Appendix 2.
4. The Appendix shows that all of the reviews are complete and a summary of the reports issued are as follows;

Review of Key Financial Systems, Members Allowances and GDPR

5. The review for Key Financial Systems covering the period 01 April 2022 to 14 March 2023 found that the following arrangements were working effectively:
 - Income collection and banking.
 - Debtors
 - Debt Recovery
 - Creditors
 - Payroll
 - Budgetary control
 - Assets

6. In relation to Members Allowances the audit found that good practices were in place

- The Council's Constitution covers members allowances and expenses.
- Members Allowances are posted on the website. A Members Code of Conduct is in operation including details relating to expected conduct, register of interests and gifts and hospitality. This policy was adopted on 26 July 2021.
- There is a Town Councillor Welcome Pack dated 2017 which includes an introduction, register of interest details, Code of Conduct, meetings, members allowances, Freedom of Information, roles and principles.
- Members are given lots of documentation when they become a member such as a Good Councillor Guide, Register of interest forms, new starters forms, new councillor letter with start date, openness information and welcome pack mentioned above.
- The maximum allowance as stated by the Durham County Council Remuneration Panel is £1330 per annum. Peterlee Town Council pay £1206.84.
- No mileages or subsistence payments were paid in the period reviewed.
- Appropriate information is published on the website in relation to Members Allowances.
- Freedom of Information requests are included on the website. Only one related to members in 2018 regarding attendance. This was responded to and now details of attendance are routinely reported on the website.
- Members included in the payroll – there were 22 members at time of review – all were traced to the payroll. There were not any additional members who were paid allowances.
- One member left and the payroll record was promptly updated and the allowance payment ceased.
- There are no special responsibility payments made and it was confirmed by the town Clerk that these were not applicable.

7. A specific GDPR review was carried out and resulted in a Substantial audit opinion. The inclusion of GDPR in this audit found that good practices continued to be in place:

- All relevant members of staff have received GDPR and Data Protection training.
- Staff are aware of the protocol to follow in the event of data breaches occurring
- Privacy notices are established, are published on the Council's website and have been communicated to all relevant staff and Members of the Council
- Where appropriate, consent had been obtained from data subjects for the their data to be used.
- A Service Information Asset Register is in place which records what data is held, by whom, the location of the data, the person responsible for the data, and the retention process.
- Processes are in place to ensure that data held is up to date.
- Information is held on a structured network with various access levels to ensure that only appropriate individuals can see relevant data.

8. Our work provided a Substantial Assurance opinion with only one best practice recommendation made.

Review of Activities and Events

9. Testing was undertaken on the following areas:-
- Adequate Arrangements
 - Cost of Events
 - Appropriate Permits
 - Attendance
 - Negative Impact Arrangements
 - Arrangements in place prior to event
10. The audit work carried out provided a Substantial level of assurance, with one medium priority and one best practice recommendations made.

Review of Shotton Hall Bar

11. The audit examined the arrangements in place for the bar facilities at Shotton Hall with regards to the organisation and delivery of hires and events such as weddings, christenings, engagements and birthday parties, and the associated income collection. The bar is opened for hired/pre-booked events only.
12. The audit work carried out provided a Substantial level of assurance with no recommendations made.

Review of Capital Accounting

13. The review examined Capital expenditure incurred to ensure that it was in line with Council objectives and financial regulations.
14. The audit work carried out provided a Substantial level of assurance with no recommendations made.
15. Assurance reviews incorporate a consideration of the Council's Risk and Governance arrangements within each activity inspected.
16. The assurance level, if applicable, for each piece of work where a final report has been issued is shown in Appendix 2.

Amendments to Annual Audit Plan

17. There were no amendments made to the 2022-23 internal audit plan.

Outstanding management response to draft reports

18. There are no management responses to outstanding Draft Reports overdue.

Response to Audit Recommendations

19. To provide independent assurance that adequate progress is made in the implementation of agreed recommendations at the appropriate service operational level, all high and medium recommendations contained within the action plans of individual audit reports are followed up by internal audit. In addition, listings of all recommendations outstanding at the end of each quarter are produced and issued to the Town Clerk to assist the Council in its own internal monitoring processes.
20. To allow the progress made at an operational level to be tracked and monitored, the numbers of all recommendations made arising from each audit completed, and evidenced as implemented, are shown in Appendix 4. It should be noted that Internal Audit will not follow up Best Practice matters raised.
21. A summary of outstanding audit recommendations, i.e. those not implemented within original agreed or revised target dates, as evidenced through Internal Audit follow up, is given in the table below:

Risk	Actions	Total	Implemented			Overdue	Target	Overdue
Category	Raised	Due	(Due)	(Not due)	Total	Original	Revised	Revised
2018/19								
High	3	3	3	0	3	0	0	0
Medium	26	26	26	0	26	0	0	0
Total	29	29	29	0	29	0	0	0
2019/20								
High	0	0	0	0	0	0	0	0
Medium	2	2	2	0	2	0	0	0
Total	2	2	2	0	2	0	0	0
2020/21								
High	0	0	0	0	0	0	0	0
Medium	11	11	11	0	11	0	0	0
Total	11	11	11	0	11	0	0	0
2021/22								
High	0	0	0	0	0	0	0	0
Medium	5	5	2	3	5	0	0	0
Total	5	5	2	3	5	0	0	0
2022/23								
High	0	0	0	0	0	0	0	0
Medium	1	0	0	0	0	0	0	0
Total	1	0	0	0	0	0	0	0

22. There are no recommendations overdue against original target implementation dates.

Unplanned work carried out this quarter

23. There has been no unplanned activity carried out during the period.

Reports issued with a Limited Assurance Opinion

24. There were no reports issued in the period that resulted in a Limited Assurance Opinion.

Performance Indicators

25. A summary of target performance indicators is given in Appendix 3.

Recommendation

26. Members are asked, when deliberating over the content of the report, to:
- consider the outturn position on progress made in delivering the internal audit plan for 2022/23 together with that made by managers in responding to the work of internal audit to gain assurance on the adequacy and effectiveness of the internal control environment.

Nicola Cooke, Audit Manager, Tel: 03000 269665

Appendix 1: Risks and Implications

Finance -

The programme of work undertaken by Internal Audit supports the Council in maintaining safe and efficient arrangements for the proper administration of its financial affairs

Staffing –

None

Risk -

None

Equality and Diversity / Public Sector Equality Duty -

None

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

None

Procurement -

None

Disability Issues -

None

Legal Implications -

None

Other Risks

Control risks identified / considered in relation to reviews undertaken

Appendix 2: Summary of the status of work undertaken and recommendations made and implemented

INTERNAL AUDIT SERVICES				High		Medium		Best Practice
Reviews	Schedule	Status	Opinion	M	I	M	I	M
Corporate Governance Risks								
Corporate Governance Arrangements	Q1-4	Complete		0	0	0	0	0
Risk Management Arrangements	Q4	Complete		0	0	0	0	0
Financial Management								
Key Financial Systems	Q4	Final Report	Substantial	0	0	0	0	1
Capital Accounting	Q1	Final Report	Substantial	0	0	0	0	0
Members Allowances	Q4	Final Report	Substantial	0	0	0	0	0
GDPR	Q4	Final Report	Substantial	0	0	0	0	0
Activities and Events	Q3	Final Report	Substantial	0	0	1	0	1
Shotton Hall Bar	Q3	Final Report	Substantial	0	0	0	0	0
Unplanned Activities								
None								
Management								
Audit Planning and Reporting	Q1-4	Completed	N/A	0	0	0	0	0
Total				0	0	1	0	2

Appendix 3 Performance Indicators for 2021/22

Efficiency			
Objective: To provide maximum assurance to inform the annual audit opinion			
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Actual
Planned audits completed	% of planned assurance work from original approved plan complete to draft report stage as at 31 March 2022	90% (Quarterly)	100% (6 out of 6 reviews complete)
Timeliness of Draft Reports	% of draft reports issued within 30 calendar days of end of fieldwork/closure interview Average time taken is also reported for information	90% (Quarterly)	100% (6 out of 6 report issued)
Timeliness of Final Reports	% of final reports issued within 14 calendar days of receipt of management response Average time taken is also to be reported for information	95% (Quarterly)	100% (6 out of 6 report issued)
Terms of Reference	% of TOR's agreed with key contact in advance of fieldwork commencing	95% (Quarterly)	100% (6 out of 6 TOR's issued)
Quality			
Objective: To ensure that the service is effective and adding value			
KPI	Measure of Assessment	Target & (Frequency of Measurement)	
Recommendations agreed	% of Recommendations made compared with recommendations accepted	95% (Quarterly)	100% (3 out of 3 recommendations accepted)
Post Audit Customer Satisfaction Survey Feedback	% of customers scoring audit service good or above (3 out of 5) where 1 is poor and 5 is very good Average score is also reported for information	100% (Quarterly)	100% (6 out of 6 returns) Average score 4.9
Customers providing feedback Response	% of Customer returning satisfaction returns	70% (Quarterly)	100% (6 returns from 6 surveys issued in 2022/23)



PETERLEE TOWN COUNCIL MEETING

26 June 2023

INTERNAL AUDIT ANNUAL REPORT 2022/23

REPORT OF THE HEAD OF INTERNAL AUDIT

Purpose of the Report

1. The purpose of this report is to present the Annual Internal Audit Report for 2022/23, which is attached as Appendix 2.

Background

2. This report fulfils the requirements of Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and report that can be used by the Committee to inform its Annual Governance Statement.
3. The Annual Opinion makes conclusions on the overall adequacy and effectiveness of the Council's Framework of governance, risk management and control.
4. Based on work undertaken the Chief Internal Auditor and Corporate Fraud Manager is able to provide a Substantial overall assurance opinion on the adequacy and effectiveness of internal control operating across the Council in 2022/23.
5. This Substantial opinion identifies that there is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk
6. There are no adverse implications for the Annual Governance Statement arising from any of the work that Internal Audit has undertaken in 2022/23. All of the risks raised within Internal Audit reports have been accepted. Internal Audit's recommendations, or alternative proposed actions made by Management in response to the risk issues, have been agreed to be implemented. Full implementation of the agreed actions will realise the benefits of the control improvements detailed in each individual audit report.

Recommendation

7. Members consider the content of the Annual Internal Audit Report and the overall 'Substantial' opinion provided on the adequacy and effectiveness of the Council's control environment for 2022/23.

Nicola Cooke, Audit Manager, Tel: 03000 269665

Appendix 1: Risks and Implications

Finance

The broad programme of work undertaken by Internal Audit supports the Council in maintaining safe and efficient arrangements for the proper administration of its financial affairs.

Staffing

None

Risk

None

Equality and Diversity / Public Sector Equality Duty

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

None

Procurement

None

Disability Issues

None

Legal Implications

None

Other Risks

Control risks identified / considered in relation to reviews undertaken



Internal Audit Annual Report 2022-2023

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Appendix B	Key Advice and Consultancy Work Undertaken
Appendix C	Assurance Opinion Methodology
Appendix D	Summary of Assurance Work

Introduction

1. This report summarises work carried out by Durham County Council Internal Audit and Risk Service during 2022/23, as part of the three year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2023.
2. The report provides assurance on the effectiveness of the Council's control environment, risk management and corporate governance arrangements in place during the year.
3. The requirement for an internal audit function is implied by Section 151 of the Local Government Act 1972 which requires all relevant bodies to, "make arrangements for the proper administration of their financial affairs and ensure that one of its officers has responsibility for the administration of those affairs".
4. The Accounts and Audit Regulations 2015 require those bodies to "undertake an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper practices in relation to internal control".
5. All Internal Audit work carried out in 2022/23 was in accordance with proper internal audit practices as described within the Public Sector Internal Audit Standards (PSIAS).
6. This report fulfils the requirements of PSIAS and the CIPFA Local Government Application Note for the Chief Internal Auditor and Corporate Fraud Manager to deliver an annual audit opinion and a report that can be used by the Committee to inform its Annual Governance Statement.
7. The report sets out:
 - The annual internal audit opinion on the overall adequacy and effectiveness of the governance, risk and control framework (the control environment).
 - A summary of the audit work carried out from which the opinion is derived.
 - Details of the quality assurance arrangements in place during 2022/23.

Service Provided and Audit Methodology

8. Internal Audit is an independent, objective assurance and consultancy activity designed to add value and improve an organisation's operations.
9. The primary objective of Internal Audit is to provide an independent and objective opinion on the Council's control environment which is comprised of the systems of governance, risk management and internal control.
10. The audit strategy to provide independent assurance, is summarised as follows:
 - To carry out planned assurance reviews of the effectiveness of the management of operational risks in all key service activities/systems.
 - To carry out assurance reviews of the management of strategic risks where the effective management of risk is heavily dependent on identified controls.
 - To carry out annual reviews of key risks where a high level of assurance is required to demonstrate the continuous effectiveness of internal controls, for example those associated with key financial and non-financial systems.
 - To use a Control Risk Assessment (CRA) methodology to focus audit resources on providing assurance on key controls where there is little or no other independent assurance on their adequacy or effectiveness.

Types of Audit Work Carried Out in 2022/23

Assurance Reviews

11. Assurance reviews are those incorporated into annual audit plans where the CRA methodology is to be applied. They also include service requests to provide assurance on more specific risks within a particular service activity.
12. On completion of each assurance review an opinion on the adequacy and / or the effectiveness of the control framework in place is provided to inform the annual audit opinion.
13. The audit methodology for arriving at audit opinions on individual assurance reviews is attached at **Appendix C**.

Advice and Consultancy Work

14. In addition to planned assurance reviews, provision may also be made in annual audit plans to support service managers by undertaking advice and consultancy type work. The outcomes from this work can also provide assurance on the control framework even though an assurance opinion is not provided on the completion of this work.

Counter Fraud Work

15. Provision is made within audit reviews undertaken to support service managers at an operational level to mitigate the strategic risk of fraud and corruption. Control weaknesses identified when fraud is suspected or proven also impacts on the overall opinion on the adequacy and effectiveness of the internal control system.

Audit Quality Assurance framework

16. The Internal Audit performance and quality framework reflects the requirements of the PSIAS.
17. Key elements of the quality assurance framework operating during 2022/23 include:
 - Independent quality reviews undertaken by Audit Managers as a matter of routine and periodically by the Chief Internal Auditor and Corporate Fraud Manager to ensure consistent application of agreed processes and procedures and to ensure expected quality standards are maintained.
 - Key contacts, determined by the Council, agree the Terms of Reference for each audit review and are able to challenge the findings and content of draft reports prior to them being finalised.
18. A summary of performance against agreed indicators is given in **Appendix A**.
19. As at the 31 March 2023, the 100% of planned work completed indicated that the service achieved 100% of the audit plan against a 90% target.
20. The non-statutory 'guidance' on internal audit for smaller authorities referred to in the Accounts and Audit Regulations 2015 is set out in Section 4 of 'Governance and Accountability for Smaller Authorities in England'. It recommends that in order to deliver an effective internal audit, 'smaller authorities should, at least annually, carry out a review of the effectiveness of their internal audit arrangements'.
21. The PSIAS require that an annual review of the effectiveness of Internal Audit is carried out, with an external assessment every five years. Following a self-assessment by the Interim Chief Internal Auditor and Corporate Fraud Manager, in June 2021, which established that the service continues to conform with the PSIAS, an external quality assessment of the Internal Audit Service's conformance to the Public Sector Internal Audit Standards (PSIAS) and CIPFA Local Government Application Note during 2021/22 was carried in February 2022 by the Chartered Institute of Public and Finance and Accountancy (CIPFA).
22. For 2022/23, with regards to compliance with the key elements of the PSIAS the following matters were considered:
 - The structure and resourcing level, including qualifications and experience of the audit team;
 - The extent of conformance with the PSIAS in producing quality work;
 - Ensuring audit work was successfully delivered in the most appropriate areas on a prioritised (risk) basis;
 - The overall performance of the Internal Audit team.
23. The opinion delivered by CIPFA's external assessment is that **'Durham County Council's Internal Audit Service's self-assessment is accurate and as such we conclude that they FULLY CONFORM to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note'**.

24. For 2021/22, this demonstrated that the Section was conforming to the Code's requirements. For 2022/23, a further self-assessment exercise will be carried out.

Summary of audit work carried out

Assurance Work

25. Our work programme for the year was determined by the approved Internal Audit Plan. The assurance opinion takes in account the individual opinions provided across all reviews undertaken in year, together with the most recent opinion for those activities not included in the plan in order to provide a better informed opinion on the entire control environment, a summary of which is attached at **Appendix D**.

Advice and Consultancy Work

26. All planned reviews are designed to add value as they provide independent assurance, through evaluation and challenge, on the adequacy and effectiveness of arrangements in place to manage risks. This evaluation and challenge supports the effective and efficient use of resources and VFM.
27. Through our advice and consultancy work we are able to add value pro-actively and reactively.
28. Reactive work involves responding to ad-hoc requests for advice and reviews added to the plan to address new or emerging risks. It also includes responding to potential fraud or irregularities and we ensure that all such incidents are properly investigated and that appropriate action is taken by managers, whether or not fraud or malpractice is proven.
29. A summary of key advice and consultancy work completed during the year is attached at **Appendix B**

Key Areas for Opinion

30. The key areas of the control environment where assurance is required to inform our overall opinion are:
- Financial Management
 - Risk Management
 - Corporate Governance
31. Assurance has been provided on some aspects of key financial systems during the year. Reviews undertaken considered creditors, debtors, income collection and banking, payroll, main accounting and budgetary control.
32. Assurance reviews incorporate a consideration of the Council's Risk and Governance arrangements within each activity inspected.
33. The Council's Strategic Risk Management arrangements were reviewed in year and confirmed that the previous audit recommendations made have been implemented.

Audit Opinion Statement

34. The Council has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives.
35. Internal Audit is required to provide an opinion on the Council's risk management, control and governance process.
36. In giving this opinion it should be noted that assurance can never be absolute and therefore only reasonable assurance can be provided that there are no major weaknesses in these processes.
37. In assessing the level of assurance to be given, we based our opinion on:
 - All audits undertaken during the year
 - Follow up action on audit recommendations
 - Any significant recommendations not accepted by management and the consequent risk
 - Limitations which may have been placed on the scope of the internal audit
 - Reliability of other sources of assurance when determining the scope of audit reviews.
38. Based on work undertaken, and in particular that relating to core financial systems, the Chief Internal Auditor and Corporate Fraud Manager is able to provide a Substantial overall assurance opinion on the adequacy and effectiveness of internal control operating across the Council in 2022/23.
39. This Substantial opinion identifies that there is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk
40. Where Internal Audit has identified areas for improvement, recommendations are made to minimise the level of risk, and action plans for their implementation were drawn up and agreed by management. Whilst the % of actions implemented within target dates is high, in many cases there is a time gap between a control weakness being reported and the date determined by management for when the action can practically and realistically be implemented. Consequently, the added assurance provided on implementation cannot always be recognised and evidenced in arriving at our overall annual assurance opinion. .

PERFORMANCE INDICATORS

Efficiency		Objective: To provide maximum assurance to inform the annual audit opinion	
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Q4 Actual
Planned audits completed	% of planned assurance work from original approved plan complete to draft report stage as at 31 March 2022.	90% annually	100% (6 out of 6 reviews complete)
Timeliness of Draft Reports	% of draft reports issued within 30 Calendar days of end of fieldwork/closure interview Average time taken is also reported for information	90% (Quarterly)	100% (6 out of 6 reports issued)
Timeliness of Final Reports	% of final reports issued within 14 calendar days of receipt of management response Average time taken is also reported for information	95% (Quarterly)	100% (6 out of 6 reports issued)
Terms of Reference	% of TOR's agreed with key contact in advance of fieldwork commencing	95% (Quarterly)	100% (6 out of 6 TOR's issued)
Quality		Objective: To ensure that the service is effective and adding value	
KPI	Measure of Assessment	Target & (Frequency of Measurement)	
Recommendations agreed	% of Recommendations made compared with recommendations accepted	95% (Quarterly)	100% (3 out of 3 recommendations accepted)
Post Audit Customer Satisfaction Survey Feedback	% of customers scoring audit service good or above (3 out of 5) where 1 is poor and 5 is very good Average score is also reported for information	100% (Quarterly)	100% (6 out of 6 returns) Average score 4.95
Customers providing feedback Response	% of Customer returning satisfaction returns	70% (Quarterly)	100% (6 returns from 6 surveys issued in 2022/23)

ADVICE AND CONSULTANCY WORK UNDERTAKEN IN 2022/2023

Whilst no formal advice and consultancy reviews have been undertaken for the Council during 2022/23, Internal Audit has maintained its links with the Council's key officers to discuss ongoing matters on an ad hoc / informal basis.

ASSURANCE OPINION METHODOLOGY

Findings

Individual findings are assessed on their impact and likelihood based on the assessment rationale in the tables below:

Impact Rating	Assessment Rationale
Critical	A finding that could have a:
	Critical impact on operational performance (Significant disruption to service delivery)
	Critical monetary or financial statement impact (In excess of 5% of service income or expenditure budget)
	Critical breach in laws and regulations that could result in significant fine and consequences (Intervention by regulatory body or failure to maintain existing status under inspection regime)
	Critical impact on the reputation of the Council (Significant reputational damage with partners/central government and/or significant number of complaints from service users)
	Critical impact on the wellbeing of employees or the public (Loss of life/serious injury to employees or the public)
Major	A finding that could have a:
	Major impact on operational performance (Disruption to service delivery)
	Major monetary or financial statement impact (1-5% of service income or expenditure budget)
	Major breach in laws, regulations or internal policies and procedures (non compliance will have major impact on operational performance, monetary or financial statement impact or reputation of the service)
	Major impact on the reputation of the service within the Council and/or complaints from service users
Minor	A finding that could have a:
	Minor impact on operational performance (Very little or no disruption to service delivery)
	Minor monetary or financial statement impact (less than 1% of service income or expenditure budget)
	Minor breach in internal policies and procedures (non compliance will have very little or no impact on operational performance, monetary or financial statement impact or reputation of the service)
Likelihood	Assessment criteria
Probable	Highly likely that the event will occur (>50% chance of occurring)
Possible	Reasonable likelihood that the event will occur (10% - 50% chance of occurring)
Unlikely	The event is not expected to occur (<10% chance of occurring)

Overall Finding Rating

This grid is used to determine the overall finding rating.

LIKELIHOOD			
Probable	M	H	H
Possible	L	M	H
Unlikely	L	L	M
	Minor	Major	Critical
	IMPACT		

Priority of our recommendations

We define the priority of our recommendations arising from each overall finding as follows;

High	Action required, that is considered imperative , to improve the control environment so that objectives are not exposed to unacceptable risks through lack of or weaknesses in critical or key controls.
Medium	Action required to improve the control environment so that objectives are not exposed to risks through weaknesses in controls.
Best Practice	The issue merits attention and its implementation will enhance the control environment.

Overall Assurance Opinion

Based upon the ratings of findings and recommendations arising during the audit as summarised in the risk matrix above we define the overall conclusion of the audit through the following assurance opinions:

Substantial Assurance	There is a sound system of control. Any weaknesses identified expose some of the system objectives to minor risk.
Moderate Assurance	Whilst there is basically a sound system of control, there are some weaknesses, which expose objectives to risk.
Limited Assurance	There are weaknesses in key areas in the system of control, which expose objectives to unacceptable levels of risk.

				APPENDIX D
SUMMARY OF ASSURANCE WORK CARRIED OUT				
Audit Area				Latest Opinion
Core Financial Systems				2022/23
Creditors				
Debtors				
Income collection and banking				
Payroll				
Main accounting and budgetary control				
Risk Management				2022/23
General Data Protection Regulations (GDPR)				2022/23
Cemetery				2020/21
Pavilion - Income Collection and Banking				2021/22
Leisure Gardens				2020/21
Parks (note follow up review in 2019/20 identified all actions implemented)				2021/22
Activities and Events				2022/23
Shotton Hall Bar and Catering				2022/23
Capital				2022/23
Overall Opinion				
Assurance Opinion Key	Substantial	Moderate	Limited	

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

HELD IN THE COUNCIL CHAMBER, SHOTTON HALL, PETERLEE

ON MONDAY 13TH JUNE 2023 at 6.30PM

PRESENT:- COUN R MOORE (CHAIR)

Councillors: M McCue, S Simpson, H Stockport, FJ Black, K Hawley, R Scott,
B Fishwick, A Laing, D Howarth

25. Apologies for Absence

Apologies for absence were noted from Councillors K Liddel, R Burnip, S McDonnell, S Franklin, D Hawley, K Duffy, T Duffy, M Cartwright, D Quinn & M Sanderson

26. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. Cllr FJ Black declared an interest in item 31 Draft Tenancy Agreement & Allotment Rules **RESOLVED the information given, be noted.**

27. To approve the minutes of the previous meeting

RESOLVED the minutes of the previous meeting of the Resources Committee held on Monday 13th March 2023, be approved as a true and correct record.

28. Provision of stalls for charitable organisations at Town Council events

Item requested by Cllr K Hawley. The Council's Corporate Services Manager confirmed that due to previous incidents of no-shows at some council events, charitable organisations requesting stalls at Council events were now being asked to make a refundable deposit. Members endorsed this approach, and it was **RESOLVED that charitable organisations would be charged a £10 refundable deposit for stalls at Council events, to be refunded only if the organisation did attend the event.**

29. Community Business Model consultancy support

Members considered the report from the Town Clerk regarding proposal from the Plunkett Foundation for a feasibility study into establishing a community business model in Peterlee. **RESOLVED that the contract be awarded to the Plunkett Foundation at a cost of £8,300 + VAT as set out in the proposal document.**

30. Health & Safety Policy

Members considered the updated Health & Safety Policy that had previously been circulated. Cllr Moore confirmed that the proposed policy had been considered by the Health & Safety Working Party on 22nd May 2023. **RESOLVED that the Health & Safety Policy be adopted by the Town Council with immediate effect.**

31. Draft tenancy agreement and rules for Leisure Gardens

Members considered the draft tenancy agreement and rules for Leisure Gardens that had been previously circulated. The Town Clerk confirmed that both of the Council's leisure gardens sites were being managed by the Council, and that the new tenancy agreements and rules document were intended to help both the gardeners and the Council to understand the rights and responsibilities of being a leisure garden tenant. Cllr J Black had previously declared an interest and did not take part in the discussion or vote on this item. **RESOLVED that the tenancy agreement and rules be approved and issued to leisure gardeners as soon as practicable.**

32. Planning Application – 1 Hailsham Place DM/23/01429/FPA

Members considered this planning application to convert the existing betting shop into a drinking establishment. Members raised a number of concerns about the proposal including the high number of existing drinking establishments in the town, the proximity of the site to the youth club and nursery buildings, and the impact on pedestrian and cycle access to this important gateway into the town centre. **RESOLVED that the Town Clerk issue an objection to the planning application on behalf of the Council. FURTHER RESOLVED that Cllr A Laing represent the Town Council to voice these objections at DCC Planning Committee, if called.**

33. Christmas Tree – Peterlee roundabout

Members considered the options around the provision of a Christmas tree on the Burnhope Way/Essington Way town centre roundabout this year. It was noted that the Town Council does not own the roundabout, and that there have been issues with the quality of trees supplied by the County Council in recent years. **RESOLVED that the Town Council will not fund a Christmas tree being placed on the Burnhope Way/Essington Way town centre roundabout this year.**

Report to: Peterlee Town Council

Date of Meeting: 26th June 2023

Subject: 2022/23 financial year – end of year budget summary report

Report of: Ian Morris, Town Clerk

Report Purpose: To provide the Council with a budget summary report for the 2022/23 financial year, in line the Council's Financial Regulations¹.

Background: Section 5.8 of the Council's Financial Regulations requires that Members are provided with a statement comparing actual expenditure to that planned in the budget for each head of the Council's budgets on a quarterly basis.

The working process that enables this report is as follows:

- End of Quarter budget report produced and circulated to Budget holders by Finance Team;
- 1:1 meetings between budget holders, Town Clerk and Finance Officer;
- Variance report produced and discussed with each budget holder;
- Report to Council for discussion and approval.

This report represents the Council's position at the end of the 2022/23 Financial Year, i.e. as at 31st March 2023.

Summary: The 2022/23 overall budget outturn per budget head is provided in Appendix 1 to this report.

A number of individual budget heads have variances in excess of the 'material' 15% limit prescribed in the Financial Regulations. Summary explanations for these material variances are provided in Appendix 2 to this report.

The Town Council approved a budget for the 2022/23 financial year that was forecast to result in a net expenditure of £7,303 which would be funded from reserves.

The actual budget outturn net expenditure for the year was a surplus of £105,632, driven substantially by an unforecasted and one-off insurance refund of almost £151,000 during the year. The effect of this windfall income was to off-set a number of additional budget

¹ A copy of the Council's Financial Regulations are available from the Town Clerk or Deputy Town Clerk or can be viewed online here: <https://www.peterlee.gov.uk/wp-content/uploads/sites/37/2022/05/Financial-Regulations-Reviewed-May-2022.pdf>

costs during the year including a staff pay settlement and the very high levels of inflation in key expenditure items such as energy, fuel, goods and services.

The year-end position can be summarised as:

	Budget	Actual
Total Income	£ 2,207,534	£ 2,305,952
Total Expenditure	£ 2,214,837	£ 2,200,320
Net expenditure	(£7,303)	£105,632

As Members will be aware from the Council's Annual Accounts, the overall movement in reserves for the 2022/23 financial year is an increase of £104,635 from £317,712 to £422,347. These reserves are made of up earmarked reserves and a general reserve as follows:

General Reserve:	£348,660
<u>Earmarked reserves:</u>	<u>£73,687</u>
<u>Total Reserves</u>	<u>£422,347</u>

Members of the committee are reminded that the current prudent level of general reserves set in the Council's Use of Reserves Policy is £428,000. This is not a major cause for concern at present, and the reserves are there for to provide a 'buffer' against unplanned issues such as the continued impact of the COVID pandemic and recent economy crisis.

The Town Council has set a budget for the current 2023/24 financial that is intended to make further contributions to both general and earmarked reserves. A revised Use of Reserves Policy will be presented to the Council's Resources Committee for consideration later in 2023.

Recommendation: Members are recommended to note the content of this report and the Council's 2022/23 budget outturn position.

Appendix 1: 2022/23 budget variance table by budget heads.

(N.B. In the variance columns, E & F, a negative figure represents a saving/underspend against budget and a positive figure represents an overspend against budget)

A: Code	B: Budget Head	C: 2022/23 Budget	D: Q4 Actual	E: Variance	F: % of Budget
101	Central & Civic HQ Costs	£630,872	£628,051	£2,821	0%
102	Democratic Costs	£31,000	£26,642	£4,358	-14%
103	Corporate Management	£20,500	£25,646	£5,146	25%
		-	-	-	
105	Other Costs and Income	£1,680,829	£1,820,774	£139,945	8%
201	Shotton Hall banquetting suites	£72,802	£68,383	£4,419	-6%
221	The Pavillion	£228,485	£309,907	£81,422	36%
240	Sport & Leisure(pitches & equipment, etc)	£126,872	£144,756	£17,884	14%
241	Hill Rigg House	£12,571	£7,754	£4,817	-38%
242	Lowhills Bowls Pavilion	£549	£0	£549	-100%
261	Rugby Club site	£6,001	£5,862	£139	-2%
262	Eden Lane Parks Depot	£30,783	£26,812	£3,971	-13%
293	Eden Lane Bowls Pavilion	£1,893	£1,118	£775	-41%
280	Woodhouse Park	£73,053	£56,930	£16,123	-22%
290	Sports Development	£50,541	£54,214	£3,673	7%
301	Parks Department general budget	£201,928	£182,495	£19,433	-10%
325	Cemetery Service	£34,908	£43,277	£8,369	24%
350	Allotments	£13,076	£7,985	£5,091	-39%
410	Town Activies	£39,000	£31,914	£7,086	-18%
430	Town Events	£51,300	£85,819	£34,519	67%
901	Capital Projects	£71,000	£19,301	£51,699	-73%

Appendix 2: material (>15%) variances by budget head

Code	Budget Head	Variance	Variance %	Summary Explanation
103	Corporate Management	£5,146	25%	Audit Fees and banking charges higher than budgeted.
221	The Pavilion	£81,422	26%	Additional staffing, energy and other cost pressures; lower than budgeted income.
241	Hill Rigg House	(£4,817)	38%	Lower cleaning, security and repairs costs than budgeted.
293	Eden Lane Bowls Pavilion	£775	41%	Repairs.
280	Woodhouse Park	(£16,123)	22%	Staffing allocation and security costs both lower than budgeted.
325	Cemetery	£8,369	24%	Staffing costs higher than budget, income lower than budget.
350	Allotments	(£5,091)	39%	miscellaneous expenditure lower than budget; income higher than budget.
410	Town Activities	(£7,086)	18%	Lower concessionary use than budget.
430	Town Events	£34,519	67%	Higher expenditure and lower income on Peterlee Music Festival 2022.
901	Capital Projects	(£51,699)	73%	Delay in a number of capital projects offset by increased costs for vehicles and Shotton Hall repairs.

Annual Internal Audit Report 2022/23

PETERLEE TOWN COUNCIL
RECEIVED
20 JUN 2023

Peterlee Town Council

www.peterlee.gov.uk

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

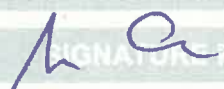
Date(s) internal audit undertaken

22/10/2022 06/06/2023 06/06/2023

Name of person who carried out the internal audit

Nicola Cooke

Signature of person who carried out the internal audit



Date

07/06/2023

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Annual Governance and Accountability Return 2022/23 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2022/23

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report** **must** be completed by the authority's internal auditor.
 - **Sections 1 and 2** **must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2023**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2023**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2023
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2022/23

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2023 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2022/23**, approved and signed, page 4
- **Section 2 - Accounting Statements 2022/23**, approved and signed, page 5

Not later than 30 September 2023 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2022/23

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2023.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not **fully** explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2022) equals the balance brought forward in the current year (Box 1 of 2023).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2023**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2023 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	✓	

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2022/23

Peterlee Town Council

www.peterlee.gov.uk

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During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>	✓		
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

DD/MM/YYYY DD/MM/YYYY DD/MM/YYYY

ENTER NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date

DD/MM/YYYY

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

****Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

Peterlee Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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Section 2 – Accounting Statements 2022/23 for

Peterlee Town Council

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	365,418	317,712	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	1,294,911	1,401,425	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	611,611	904,632	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	1,200,229	1,240,264	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	550,452	50,452	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	703,547	910,706	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	317,712	422,347	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	358,079	306,237	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long term investments and assets	6,488,820	6,598,860	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	897,720	887,554	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		<i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i>
11b. Disclosure note re Trust funds (including charitable)			✓	<i>The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE REQUIRED

Date

DD/MM/YYYY

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

Peterlee Town Council
ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2022/23

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2022/23

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YYYY

Report to: Peterlee Town Council

Date: 26th June 2023

Report of: Ian Morris, Chief Officer & Town Clerk

Subject: Disposal of Town Council land – Cricket oval and associated fixtures and structures, Helford Road

Report Purpose: This report seeks authority to dispose of the cricket oval, scoreboard, storage containers and other fixtures and fittings at Helford Road, Peterlee, to Peterlee Cricket Club CIC. The disposal, by way of a 30 year lease at a peppercorn rent, will improve the club's potential to access grants and loans to enable them to invest in the ground and cricket facilities.

Background: Members will be aware that Peterlee Cricket Club has its home at the Town Council's cricket oval next to The Pavilion Sports & Community Centre, off Helford Road. The Town Council provides the club with a wide range of support including free use of The Pavilion centre for changing facilities, club development support, and providing the club's grounds maintenance services including both outfield and wicket preparation.

The club does not currently have any formal rights to use the cricket oval, scoreboard, etc. and they do not pay any rent or other charge for the use of the grounds or facilities. The grounds maintenance service is provided under an annual service level agreement (SLA) with a fee of £2,000 in the current financial year. This is a substantial reduction in the actual cost of providing the service to the club, which is currently estimated to be in excess of £10,000 per year.

In 2019 the Town Council spent in the region of £25,000 installing a perimeter fence around the cricket oval to improve security and prevent unauthorised vehicle access to the site. In early 2022 the Town Council granted permission to the cricket club to install a temporary marquee and bar facility at the site to provide a social space and source of income generation for the club.

The club has asked for a formal long-term lease for the cricket oval to enable them to access potential grant funding and/or loans towards improved cricket facilities. The club incorporated as a CIC in 2022¹, enabling the club to enter into the lease agreement as an organisation in its own right as opposed to through trustees.

Proposed lease: The site for the proposed lease is provided in Appendix 2 to this document. It comprises the perimeter fence, the cricket oval including outfield and wickets, score board building, practice area and other related fixtures and fittings. For the avoidance of doubt, the proposed lease does not include the Pavilion Sports & Community Centre or the car parks adjacent to the building.

¹ Peterlee Cricket Club CIC company details here: [link to Peterlee CC CIC on Companies House website](#)

The key 'heads of terms' for the lease are:

- 30 year term;
- Permitted use: the playing of cricket and the reasonable activity of a community cricket club;
- Rent £1 (if demanded) to be reviewed every 5 years;
- Tenant not to make any internal or external alterations or additions to the site without the consent of the landlord;
- Tenant responsible for repair, cleaning and decoration of the site including landscaped and grassed areas, trees, fencing, etc;
- Tenant does not have an automatic right to renewal of the lease at the end of the 30 year period.

A copy of the draft heads of terms for the lease are attached as appendix 3 to this report.

Value:

Under sections 123 and 127 of the Local Government Act 1972 the Town Council is able to dispose of land so long as it does not do so for 'a consideration less than the best can be reasonably obtained'. It is possible to dispose of land at 'less than best consideration' (ie below the best market price) so long as the council is satisfied that value is being received in other ways that would justify forgoing monies that would otherwise come in to the public purse.

The General Disposal Consent (England) 2003 regulations² provide a general consent from the government to the disposal of any interest in Town Council land at less than best consideration where the council considers it will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area, subject to the condition that the undervalue (i.e. the difference between the consideration obtained and the best consideration that can reasonably be obtained) does not exceed £2million.

The Council commissioned a valuation report for the site for the uses specified in the draft lease from the Valuation Office Agency (VOA) and this report was received on 8th June 2023. The valuation report was prepared in accordance with the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book. It takes into account the current state of the proposed area and the associated structures. The valuer's opinion of market rent of the property as at 8th June 2023 is £2,000 per annum.

The proposed lease is for a 'peppercorn rent' (£1 a year, if demanded). As such, the Council needs to be satisfied that the economic, social or environmental well-being value of the proposed use of the site is greater than the £2,000 per annum (£60,000 over the 30yr lease period) that could theoretically be achieved through market rent.

² See the government guidance on disposal of land at less than market value here: [link to circular 06/03 guidance](#)

Public Notice: As the land in question is does not consist of public open space as per the definitions for the disposal regulations (it has been fenced-off from general access since 2019 and is managed by a membership sports club) the requirement that the intention to dispose must be advertised for two weeks in a local newspaper does not apply.

Recommendations:

Members are recommended to note the contents of this report and resolve to:

1. approve the leasehold disposal of the subject site to Peterlee Cricket Club CIC as per the heads of terms provided and at a peppercorn rent (£1 per annum, if demanded);
2. authorise the Town Clerk to complete all requisite legal documentation in relation to execution of the lease.

Appendix 1: Implications

Finance – The proposals contained within this report will provide an income of £1 per year (if demanded for the site) which represents an under-valuation of £1,999 per annum or just under £60,000 over the lifetime of the lease. The lease contains provision for a rent review on the 5th Anniversary of the lease and every 5 years thereafter, enabling the council to assess the rental situation at regular intervals throughout the 30 year lease period;

Staffing – No direct implications.

Risk – No direct implications.

Equality and Diversity, Cohesion and Integration – the proposed lease will support a local community sports team that provides sport and social involvement across a range of ages and abilities. The club has nominated safeguarding leads and a club development plan.

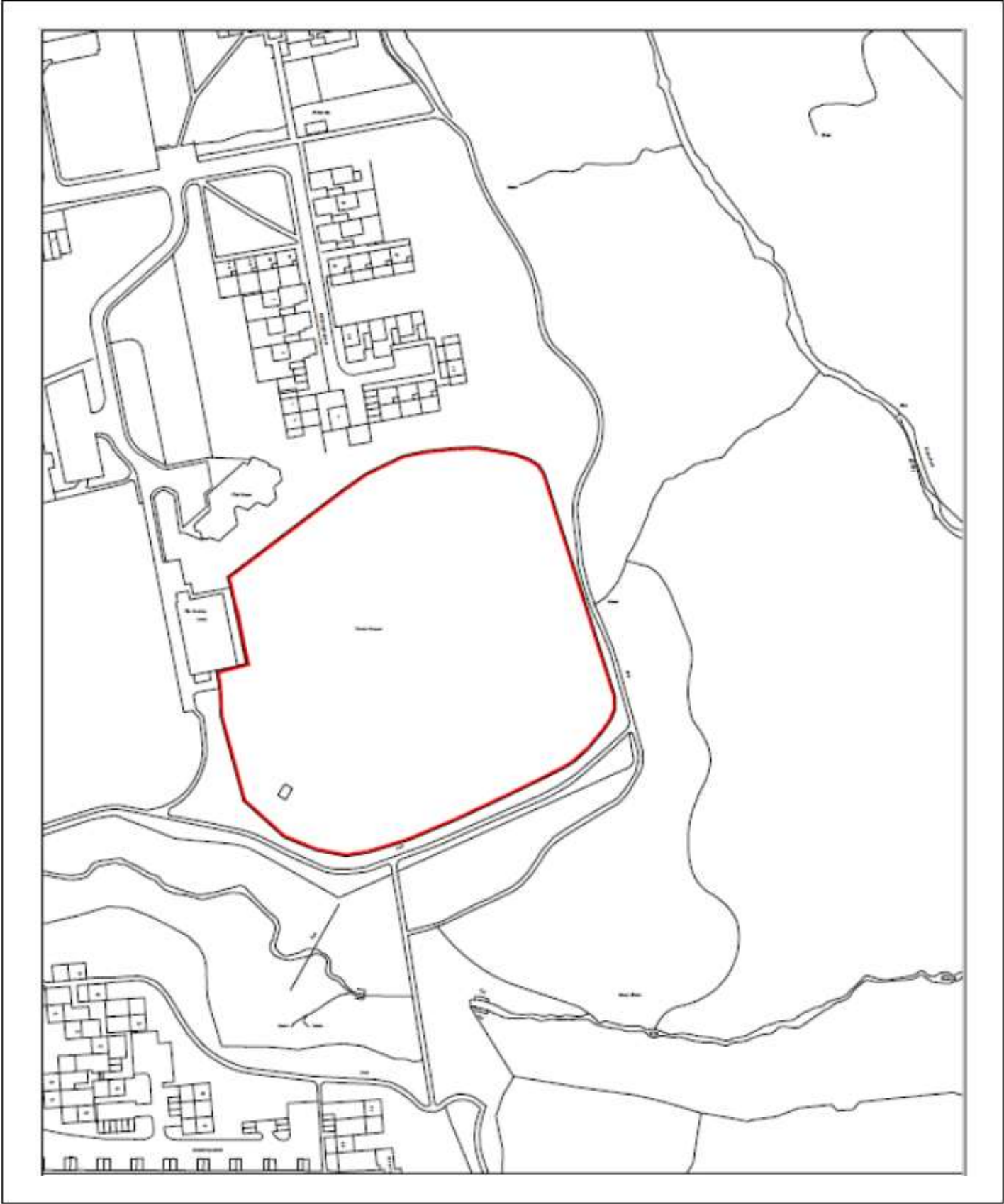
Crime and Disorder – No direct implications.

Consultation & Communication – the proposed lease heads of terms have been developed in close consultation with the cricket club.

Procurement – No direct implications.

Legal – the legal power for the Town Council to dispose of this land is enshrined withing s123 & 126 of the Local Government Act 1972 and the ability to dispose at less than market value is provided by the General Disposal Consent (England) 2003 regulations. In agreeing to dispose of the land at less than market value the Council must be satisfied that the undervalue will help to secure the promotion or improvement of the economic, social or environmental well-being of the area. The process followed for the proposed disposal is intended to comply with these regulations. The lease document will be developed with support from the Council's solicitors Wellers Law, one of the leading firms in the Local Council sector.

Appendix 2: Site Plan for Lease



NB for the avoidance of doubt, the site boundary line is marked by and includes the boundary fence and the grass bank directly below the Pavilion Bistro patio area and pathway.

DRAFT HEADS OF TERMS
Lease of the cricket field at Helford Road, Peterlee
June 2023

Landlord	PETERLEE TOWN COUNCIL Shotton Hall Peterlee Co Durham SR8 2PH Contact: Ian Morris, Chief Officer & Town Clerk
Tenant	PETERLEE CRICKET CLUB CIC 43 Wansbeck Gardens, Hartlepool, England TS26 9JH Contacts: James Pratt, Director; Andrew Laidler, Director; Howard Craggs, Director; Adele Craggs, Director
Demise	Land prepared as the cricket oval at Helford Road Peterlee detailed for identification purposes edged in red on the attached plan including use of storage container/scoreboard premise identified edged in blue and access roadway and car park (with others) shaded in brown for the purposes of a community cricket club.
Parking	The Tenant and others will have the right to park motor vehicles over the land shaded green on the attached plan.
Lease	A new 30 year lease from completion.

Break Clause	To be discussed – Tenant only
Rent	£1 per annum
Rent Review	There will be an upward only rent review every five years the basis of the review calculation to be agreed. Subject to the provision referred to above.
Insurance	<p>The Landlord is to be responsible for insuring the land as a whole against the usual commercial risks and the Tenant is to be responsible insuring the contents.</p> <p>Tenant to have in place full public liability insurance for their activities on the site, minimum £5million.</p>
Business Rates	The Landlord is to be responsible for the payment of business rates and other Local Authority taxes in respect of the land the subject of the Lease.
Utilities	The Landlord will be responsible for the payment of all utilities relating the Premises and land the subject of the Lease including CCTV and Alarms.
Repairs and Maintenance	The Tenant will be responsible for keeping the interior and exterior of the storage area/scoreboard and other structure/fixtures subject of the lease in good condition and for all maintenance, repairs and decoration of the interior of these premises. The tenant will be responsible for the maintenance and replacement of the boundary fence.
Tenant's Alterations	The Tenant is to submit any proposals to build/rebuild/alter/fit out and any signage proposals ("Tenant's works") for Landlord's approval which will not be unreasonably withheld.
Alienation	The Tenant shall not be permitted to assign or sub let the whole of the Premises and land.

	There is to be an absolute prohibition on the assignment or sub letting of part only of the Premises and land.
Change of Use	The Tenant will not be able to change the Use.
Use	The Tenant shall be permitted to use the premises and land for the playing of cricket and the reasonable activity of a community cricket club.
Legal Costs	Each party to be responsible for their own legal costs in connection with the transaction.
VAT	The Landlord has elected the property for VAT
Landlord's Solicitors	Wellers Hedleys Contact TBC Solicitor Telephone: 01372 750 118 Email: TBC
Tenant's Solicitors	TBC
Subject to	1) Contract 2) TBC 3) TBC