



18th June 2024

Dear Councillor,

I hereby summon you to attend a meeting of **Peterlee Town Council** on **Monday, 24th June 2024** In the **Council Chamber, Shotton Hall, Peterlee, SR8 2PH** at **6.30pm**

Mr I Hall
Town Clerk

Members of the public are very welcome to attend our meetings. We have a limited number of designated public seating in our Council Chamber and so any members of the public wishing to attend 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.

AGENDA

1. Apologies for Absence

2. 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>

3. Public Participation

Members of the public will have an opportunity to put questions to the Council. This item of business to last no more than 15 minutes, as per Council Standing Orders.

4. Minutes

To approve the Minutes of the following meetings:-

- a. Chief Officer Appointments Panel, 15th May 2024
- b. Finance Sub-Committee, 20th May 2024
- c. Annual Council, 20th May 2024
- d. Resources Committee, 10th June 2024

5. Internal Auditor's Report

Report Attached.

6. 2023/24 Financial Year – End of Year Budget Summary Report

Report of Town Clerk (attached)

7. Annual Governance and Accountability Return 2023/24

Members will be asked to consider the following items that comprise the Council's Annual Return for the 2023/4 financial year (copies attached):

- a. Annual Internal Audit Report (page 3) – to receive and note
- b. Annual Governance Statement (page 4) – to approve
- c. Accounting Statements (page 5) – to approve

8. Eden Hill Skatepark Project, Request for Staged Payments

Report of Town Clerk (attached)

9. Service Review

Report of Town Clerk (attached)

10. Review of 'Peterlee' Magazine

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE CHIEF OFFICER APPOINTMENTS PANEL

HELD IN THE COUNCIL CHAMBER, SHOTTON HALL, PETERLEE

ON WEDNESDAY 15th MAY 2024 at 9.00 AM

PRESENT:- Councillors R. Burnip, M. Cartwright, D. Hawley, K. Hawley, D. Howarth, A. Laing, R. Moore, R. Scott and S. Simpson

Also Present: D Leask (NEREO) and D. Anderson (Locum Democratic Services Manager)

1. **Apologies for Absence**
All members of the Committee were present.

2. **Appointment of Chairman**

RESOLVED that Councillor R Moore be appointed as Chairman of the Panel.

3. **To receive declarations of interest**
No declarations of interest were received.

4. **Exclusion of Press and Public**

RESOLVED that in view of the confidential nature of the items to be discussed, the committee passed the formal resolution to exclude the press and public from the meeting, pursuant to the Public Bodies (Admissions to Meetings) Act 1960 & the Local Government (Access to Information) Act, Part 1, due to the commercial and personal information contained in the report.

N.B. D. Anderson left the meeting during deliberations on the appointment of the Chief Officer.

5. **Appointment of Chief Officer / Town Clerk**
The Panel deliberated the most suitable candidate to be appointed to the post of Chief Officer / Town Clerk, taking into account application forms, presentations, interviews and testing which had been undertaken as part of the selection process.

RESOLVED: It was unanimously resolved that the post of Chief Officer / Town Clerk be offered to Mr I Hall.

PETERLEE TOWN COUNCIL

FINANCE SUB-COMMITTEE

MONDAY, 20th MAY 2024

Present:- K Liddell, S Simpson & R Burnip

12. ACCOUNTS FOR PAYMENT

Members were provided with the accounts and invoices for May 2024 to be paid by BACS in the sum of £71,549.59. Following checking of the documents provided, it was **RESOLVED that the accounts presented be paid.**

PETERLEE TOWN COUNCIL

Minutes of the **Annual Town Council** meeting held on **Monday, 20th May 2024** at 6.30pm in The Brandling Suite, Shotton Hall, Peterlee.

Present: Councillor A. Laing (Mayor) and Councillors J. Black, R. Burnip, M. Cartwright, K. Duffy, T. Duffy, B. Fishwick, S. Franklin, D. Hawley, K. Hawley, D. Howarth, K. Liddell, M. McCue, R. Moore, M. Sanderson, R. Scott, S. Simpson, A. Stockport and E. Watson

Also Present Ian Hall, (Chief Officer and Town Clerk) and David Anderson (Locum Democratic Services Manager)

4 members of the public were in attendance.

C.1/24 ELECTION OF MAYOR FOR THE ENSUING YEAR

Nominations were received and seconded for Councillor S. Franklin and Councillor D. Howarth.

Councillor K Duffy read out a statement objecting to the nomination of Councillor Howarth as Mayor. Other Councillors spoke in favour of Councillor Howarth's appointment as Mayor.

A vote was taken by way of show of hands.

Councillor S. Franklin	8 votes
Councillor D. Howarth	10 votes

RESOLVED: That Councillor D Howarth be elected Mayor for the ensuing year.

Following election as Mayor Councillor Howarth signed a Declaration of Acceptance of Office.

C.2/24 APOLOGIES FOR ABSENCE

Apologies for absence were offered from Councillors S. Meikle and D. Quinn.

RESOLVED: That the apologies be noted.

C.3/24 PRESENTATION TO OUTGOING MAYOR

Councillor Howarth congratulated Councillor Laing on her successful term of office and presented her with a Past Mayor's Medal.

C.4/24 DECLARATIONS OF INTEREST

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise and also to update their declaration forms on an annual basis.

No interests were declared.

C.5/24 ELECTION OF DEPUTY MAYOR FOR THE ENSUING YEAR

Nominations were received and seconded for Councillor R. Burnip and Councillor B Fishwick.

A vote was taken by way of show of hands.

Councillor R. Burnip 11 votes
Councillor B Fishwick 8 votes

RESOLVED: That Councillor R. Burnip be elected Deputy Mayor for the ensuing year.

Following election as Deputy Mayor Councillor Burnip signed a Declaration of Acceptance of Office.

C.6/24 MINUTES

- a. Council held on 22nd April 2024
- b. Scrutiny Committee held on 3rd May 2024

RESOLVED: That the Minutes of the above meetings be approved as a correct record and recommendations contained therein be adopted.

C.7/24 DATES OF MEETINGS FOR THE FORTHCOMING YEAR

Members considered a schedule of meetings for the forthcoming year, which had been previously circulated.

RESOLVED: That the schedule of meetings be approved.

C.8/24 TERMS OF REFERENCE OF COMMITTEES ETC

Members considered a report detailing the terms of reference of committees etc, which had been previously circulated. It was noted that no amendments had been recommended by officers.

RESOLVED: That the terms of reference be approved.

APPOINTMENTS TO COMMITTEES, SUB-COMMITTEES, WORKING PARTIES

C.9/24 RESOURCES COMMITTEE

It was proposed that all 22 members be appointed to the Resources Committee.

Appointment of Chairman

Councillor R Moore was nominated and seconded as Chairman of the Committee. No further nominations were made.

Appointment of Vice-Chairman

Councillors M. Cartwright and R Burnip were nominated and seconded as Vice Chairman of the Committee.

A vote was taken by way of show of hands.

Councillor M. Cartwright 8 votes
Councillor R Burnip 11 votes

- RESOLVED:**
1. That all 22 members be appointed to the resources Committee
 2. That Councillor R. Moore be appointed Chairman of the Resources Committee for the forthcoming year.
 3. That Councillor R. Burnip be appointed Vice-Chairman of the Resources Committee for the forthcoming year.

C.10/24 COMMUNITY & ENVIRONMENT COMMITTEE

It was proposed that all 22 members be appointed to the Community & Environment Committee.

Appointment of Chairman

Councillors M. Cartwright and R. Scott were nominated and seconded as Chairman of the Committee.

A vote was taken by way of show of hands.

Councillor M. Cartwright	8 votes
Councillor R. Scott	11 votes

Appointment of Vice-Chairman

Councillors M. Cartwright and R. Burnip were nominated and seconded as Vice-Chairman of the Committee.

A vote was taken by way of show of hands.

Councillor M. Cartwright	8 votes
Councillor R. Burnip	11 votes

- RESOLVED:**
1. That all 22 members be appointed to the Community & Environment Committee
 2. That Councillor R. Scott be appointed Chairman of the Community & Environment Committee for the forthcoming year.
 3. That Councillor R. Burnip be appointed Vice-Chairman of the Community & Environment Committee for the forthcoming year.

C.11/24 HUMAN RESOURCES COMMITTEE

N.B. During discussion of this item Councillors K Duffy, T Duffy and S Franklin left the meeting. Members wished it to be minuted that whilst leaving the meeting Councillor T. Duffy referred to members as 'Muppets' and that they found the comment offensive.

The members of the North East Party that remained in the meeting wished to distance themselves from Councillor T. Duffy's comment.

- RESOLVED:**
1. That the following members be appointed to the Human Resources Committee

Councillors R. Burnip, M. Cartwright, D. Hawley, K. Hawley, D. Howarth, A. Laing, K. Liddell, M. McCue, S. Meikle, R. Moore, D. Quinn, R. Scott, S. Simpson, A. Stockport
 2. That Councillor R. Moore be appointed Chairman of the Human Resources Committee for the forthcoming year.
 3. That Councillor M. McCue be appointed Vice-Chairman of the Human Resources Committee for the forthcoming year.

C.12/24 DISCIPLINARY HEARINGS PANEL

- RESOLVED:**
1. That the following members be appointed to the Disciplinary Hearings Panel

Councillors R. Burnip, A. Laing, K. Liddell, R. Moore, R. Scott, S. Simpson, A. Stockport

2. That Councillor R. Moore be appointed Chairman of the Disciplinary Hearings Panel for the forthcoming year.
3. That Councillor A Laing be appointed Vice-Chairman of the Disciplinary Hearings Panel for the forthcoming year.

C.13/24 APPEALS PANEL

- RESOLVED:**
1. That the following members be appointed to the Appeals Panel
Councillors M. Cartwright, R. Fishwick D. Hawley, K. Hawley and M. McCue.
 2. That Councillor M. McCue be appointed Chairman of the Appeals Panel for the forthcoming year.
 3. That Councillor R. Fishwick be appointed Vice-Chairman of the Appeals Panel for the forthcoming year.

C.14/24 TOWN CLERKS APPRAISAL PANEL

- RESOLVED:**
1. That the following members be appointed to the Town Clerks Appraisal Panel
Councillors K. Hawley, D. Howarth, A. Laing, M. McCue and R. Scott.
 2. That Councillor A. Laing be appointed Chairman of the Town Clerks Appraisal Panel for the forthcoming year.
 3. That Councillor D. Howarth be appointed Vice-Chairman of the Town Clerks Appraisal Panel for the forthcoming year.

C.15/24 HEALTH & SAFETY SUB-COMMITTEE

- RESOLVED:**
1. That all 22 members be appointed to the Health & Safety Sub-Committee
 2. That Councillor M. McCue be appointed Chairman of the Health & Safety Sub-Committee for the forthcoming year.
 3. That Councillor S. Simpson be appointed Vice-Chairman of the Health & Safety Sub-Committee for the forthcoming year.

C.16/24 EVENTS WORKING PARTY

- RESOLVED:**
1. That all 22 members be appointed to the Events Working Party
 2. That Councillor R. Burnip be appointed Chairman of the Events Working Party for the forthcoming year.
 3. That Councillor K. Hawley be appointed Vice-Chairman of the Events Working Party for the forthcoming year.

C.17/24 FINANCE SUB-COMMITTEE

- RESOLVED:** 1. That the following members be appointed to the Finance Sub-Committee. Members of the Sub Committee will be signatories on the Council bank account.

Councillors R Burnip, T Duffy, K Duffy, K Liddell and S Simpson,

C.18/24 SCRUTINY & PROGRESS COMMITTEE

- RESOLVED:** 1. That the following members be appointed to the Scrutiny & Progress Committee

Councillors J. Black, R. Burnip, M. Cartwright, K. Hawley, D. Howarth, A. Laing, K. Liddell, M. McCue, S. McDonnell, S. Meikle, R. Moore, M. Sanderson, S. Simpson and A. Stockport

2. That Councillor A Laing be appointed Chairman of the Scrutiny & Progress Committee for the forthcoming year.
3. That Councillor R. Moore be appointed Vice-Chairman of the Scrutiny & Progress Committee for the forthcoming year.

C.19/24 DELEGATES TO OTHER BODIES

- RESOLVED:** 1. That Councillors M. Cartright and M. McCue, together with the Town Clerk, be appointed to County Durham Association of Local Councils.
2. That Councillors D Howarth, A Laing and R. Scott be appointed to the East Durham Association of Parish & Town Councils.
3. That Councillor S. Meikle be appointed to the Passmore Pavilion Local Steering Group.
4. That Councillor D Hawley be appointed to Peterlee cricket Club.

C.20/24 REVIEW AND ADOPTION OF POLICIES AND PROCEDURES

Members reviewed the following policies and procedures.

- a. Standing Orders
- b. Financial Regulations
- c. Scheme of Delegation
- d. Complaints Procedure
- e. Procedures for Handling Requests made under the Freedom of Information Act 2000

Members noted that NALC had recently published new model Financial Regulations. A further review based on the updated model would be presented to Council for adoption in due course.

- RESOLVED:** That the above Policies and Procedures be approved and adopted.

C.21/24 REVIEW OF INVENTORY OF LAND AND ASSETS

Members reviewed an inventory of land and assets held by the Town Council, which had been previously circulated.

RESOLVED: That the inventory of Land and Assets be approved.

C.22/24 EDEN HILL SKATEPARK PROJECT

Consideration was given to a report , which had been previously circulated., regarding the award of a contract for the provision of a new skatepark Eden Hill.

Members noted that Wheelscape were an established skatepark design and installation company with a substantial portfolio of case studies of similar projects around the country. They had identified a credible proposal for increasing the Council's existing funding of £90,000 up towards a target of £150,000 for the project. However, funding of only £110,000 had been secured. Members considered a revised design which could be accommodated within the available budget.

RESOLVED: That the revised skatepark design be approved and Wheelscape be appointed to install the skatepark at a cost of £110,000

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PETERLEE TOWN COUNCIL

Minutes of the meeting of the **Resources Committee** on **Monday, 10th June 2024** at 6.30pm in the Council Chamber, Shotton Hall, Peterlee.

Present: Councillor R. Moore (Chairman) and Councillors J. Black, M. Cartwright, B. Fishwick, D. Hawley, K. Hawley, D. Howarth, A. Laing, K. Liddell, M. McCue, R. Scott and S. Simpson.

Also Present Ian Hall, (Chief Officer and Town Clerk) and David Anderson (Locum Democratic Services Manager)

No members of the public were in attendance.

R.1/24 APOLOGIES FOR ABSENCE

Apologies were noted from Councillors R. Burnip, S. Franklin, S. McDonnell and M. Sanderson,

R.2/24 DECLARATIONS OF INTEREST

No interests were declared.

R.3/24 MINUTES

The Minutes of the meeting held on 8th April 2024 were noted.

R.4/24 REQUEST TO USE COUNCIL LAND FOR A FUNFAIR

Consideration was given to a report, which had previously been circulated, detailing a request from Nobles Amusements to use land at Helford Road in August/September to hold a funfair.

RESOLVED: That the request from Nobles Funfairs to use land at Helford Road be approved and the Town Clerk negotiate terms.

R.5/24 SALE OF CITROEN BERLINGO (NL16 NHY)

Consideration was given to a report, which had been previously circulated, proposing that the Citroen Berlingo (NL16 NHY) be disposed of via WeBuyAnyCar.com and, if operationally necessary, replace it with a vehicle from Northgate via a procurement arrangement with Durham County Council.

RESOLVED: That Citroen Berlingo (NL16 NHY) be disposed of via WeBuyAnyCar.com and, if operationally necessary, replaced with a vehicle from Northgate via a procurement arrangement with Durham County Council

R.6/24 CAPITAL PROJECTS

Consideration was given to a report, which had been previously circulated, relating to the following capital projects: -

1. Installation of Air Conditioning at the Pavilion
2. Erection of Fence at Peterlee Town Council Owned Practice Pitch, Eden Lane
3. Installation of a Wind Turbine and new batteries at Thornhill Gill Community Building
4. Replacement of the MUGA at Eden Lane

It was proposed that the installation of air conditioning at the Pavilion be agreed in principle, subject to funding being secured. It was envisaged that this project could be from funds other than S106 monies.

Members noted that there were limited S106 funds currently available and therefore were requested to prioritise projects 2-4 above.

Members expressed concern regarding the proposal to install a wind turbine at Thornhill Gill Community Building. They were of the opinion that substantial Council funding had been used to create the community building. An offer for the Town Council to install a generator to assist the operation of the solar panels had previously been rejected by the proposer of the project. Members suggested that the proposer source alternative funding, possibly from Neighbourhood Budget. It was also commented that the project would require planning permission and that no consultation had taken place with neighbouring residents.

The Town Clerk expressed concern that Council funding had been used to create the building, but it could not be fully utilised as the solar panel supply was inadequate to keep the batteries charged. The batteries required replacing as there was insufficient power generated from the solar units to keep a minimum charge.

A motion was moved and seconded to reject the proposal to install a wind turbine at Thornhill Gill be rejected.

Votes to reject the project 9
Votes for the project 0

The project was therefore rejected.

- RESOLVED:**
1. That the installation of Air Conditioning at the Pavilion be approved in principle, subject to subject to funding being secured.
 2. That the proposal to install a wind turbine at Thornhill Gill be rejected.
 3. That the following projects be approved with equal priority, and funding be sought from available S106 monies.
 - i. Erection of Fence at Peterlee Town Council Owned Practice Pitch, Eden Lane
 - ii. Replacement of the MUGA at Eden Lane

C.7/24 PERMISSION TO SUPPORT SANTA'S WISH 2024

Consideration was given to a request for the Town Council to support Santa's Wish 2024 as in previous years.

RESOLVED: That the Town Council support Santa's Wish 2024 as in previous years.

R.8/24 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That in accordance with the provision of Section 1 of the Public Bodies (Admission to Meetings) Act 1960, as amended by Section 100 of the Local Government Act 1972, the press and public be excluded for the remaining item by reason of the confidential nature of the business to be transacted.

R.9/24

APPOINTMENT OF CONSULTANTS FOR A STAFFING REVIEW

Consideration was given to a report, which had been previously circulated, proposing the extension of NEREO's current contract to support the process of reviewing the Council's vision, aims and objectives and subsequently its staffing structure.

RESOLVED:

That NEREO's current contract be extended to support the process of reviewing the Council's vision, aims and objectives and subsequently its staffing structure.

DRAFT



Section 1 – Introduction and coverage

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Section 1 – Introduction and coverage

You have instructed Clive Owen LLP to undertake Internal Assurance for Peterlee Town Council. This report summarises work carried out by Clive Owen LLP during 2023 / 24, as part of the three-year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2026.

The report provides assurance on the effectiveness of the Council's control environment, risk management and corporate governance arrangements in place during the year.

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".

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".

Anything which should be brought to your attention and / or recommendations for the possible improvements are summarised by use of a 'traffic light' system. The key is as follows:

Status	Risk Level	Classification
RED	High Risk Identified	A fundamental system or control weakness has been identified which presents unacceptable risk to the current systems and internal controls. Management must ensure this recommendation is addressed as a matter of priority.
AMBER	Medium Risk Identified	The current systems and internal controls are effective but there is scope for further improvement where specific weaknesses have been identified whose impact presents potential risks or non-compliance with statutory guidance or legislation.
YELLOW	Low Risk Identified	Systems and controls are designed and in place but could benefit from improvement in design or application. We acknowledge that controls are in place, but attention may be required to ensure these are applied effectively at all times.
GREEN	No Risk Identified	The relevant systems and internal controls in place are well managed and applied effectively. No recommendations have been made.

NOTE TO COUNCIL:

If it is reported on two previous occasions that a particular control tested has been 'amber' then it will automatically be reported as 'red' on the next report if no improvements to the internal control have been made.

If a control has been reported as 'red' this particular test will be revisited at the next termly visit to assess whether new procedures have been introduced.

Section 2 – Executive summary

Introduction

The visit to Peterlee Town Council took place on 21 and 22 February 2024 for the purposes of carrying out tests in accordance with the agreed schedule of work (which incorporates the testing of the main financial areas of the Council function).

A summary of the findings from the reviewed areas is shown below:

Area Reviewed	Current Systems and Internal controls are appropriate	Current Systems and Internal controls are applied effectively	Yellow – low risks identified	Amber – medium risks identified	Red – high risk identified	Status
Procurement	a	a (Subject to low risk recommendation made)	1	0	0	YELLOW
Sales Invoice Procedures	a	a	0	0	0	GREEN
Income and Cash Handling	a	a	0	0	0	GREEN
Month End and Budget Monitoring	a	a	0	0	0	GREEN
Payroll	a	a	0	0	0	GREEN
Asset and Investment Register	a	a	0	0	0	GREEN
Total			1	0	0	

Section 3 – Previous recommendations

This is the first visit to Peterlee Town Council by Clive Owen LLP so there are no previous recommendations to be reviewed.

Section 4 – Testing and recommendations

Procurement

Ordering Goods and Services

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Chapter 11 of the Peterlee Town Council Financial Regulations includes the following guidance:

“An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate.

Copies of orders shall be retained.

Order books shall be controlled by the Clerk / RFO.

All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions”.

The process for ordering of goods and services was discussed with the Finance Officer and the Peterlee Town Council Financial Regulations 2023 (chapters 7 and 11 specifically relate to procurement and invoice payments) were reviewed to ensure compliance.

Each department within the Council has their own designated purchase order book that they use for the procurement of goods and services. These books are triplicated and include:

1. A white copy of the order which goes to then supplier (if not emailed)
2. The pink copy of the order is attached to the invoices
3. The blue copy stays in the order book

Each order has a unique purchase order number and requires information such as:

- Department
- Authorised signature
- Supplier
- Date of request
- Unique order number
- Nominal code to which the expenditure is to be allocated
- Order details such as amounts, description of items, and costs
- Deliver to address

Section 4 – Testing and recommendations

Procurement (continued)

Ordering Goods and Services (continued)

The authorisation levels for individual orders as shown in the Peterlee Town Council Financial Regulations are:

- The Clerk can authorise any items up to and including £2,500.00
- The Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items between £2,500 and £5,000, or
- A duly delegated committee of the Council for items between £2,500 and £5,000.
- Anything over the £5,000 has to be approved by Council (unless this is an emergency requirement)

Once the order has received appropriate authorisation, the order number is either emailed or provided to the supplier via telephone.

On receipt of the goods, the team who ordered the goods are required to confirm the delivery and their satisfaction that the order is complete. Any delivery notes are annotated and attached to the pink copy of the purchase order and any invoices that are received by the Finance Officer.

The copy order, any delivery notes, and invoices received are all sent to and collated by the Finance Officer for reconciling and payment. Each invoice is stamped with the following detail:

- Nominal code
- Cost centre
- Delivery of goods confirmed
- Invoice examined and passed for payment (these are the initials of members who approve the invoices for payment)

A list of purchase ledger payments is created by the Finance Officer which summarises each of the invoices for payment:

- Supplier and invoice details
- Invoice date and invoice number
- Amount due
- Amount paid
- Balance outstanding

The invoice batches are taken to members where at least 2 are required to review and initial each invoice to authorise for payment.

Section 4 – Testing and recommendations

Procurement (continued)

Ordering Goods and Services (continued)

All invoices which have been authorised by the members are then entered onto the main accounting system by the Finance Officer to generate the BACS payments using the Co-op online banking system.

It was noted that the Corporate Services Manager and the Deputy Town Clerk can also both create BACS runs should then need arise.

Access to the online banking is restricted to the use of specific tokens and passwords.

The Finance Officer uploads the CSV file to the bank confirming both the amounts to be paid and the date of payment.

However it was noted that there are no further checks carried out or a review of the BACS information entered by the Finance Officer to ensure the details are correct and match the authorised invoice payment listing.

It appears that the Finance Officer has overall single control on the payment process.

Recommendations

It would be normal procedures that, one member of staff uploads the list of invoice payments to be made onto the online banking system and then, for separation of duties and as a double check, another different member of staff would check and confirm the payments were okay to be made.

<u>Management Response and Agreed Action</u>	<u>Designated Responsible Officer</u>	<u>Target Date for Action Implementation</u>	
<i>Moving forward the finance officer will be training another member of staff on the processes and procedures and they will check and confirm payments.</i>	<i>Ian Hall - Chief Officer and Helen Young - Finance Officer</i>	<i>June 2024</i>	YELLOW

Section 4 – Testing and recommendations

Procurement (continued)

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Order Completion and Invoice Payments

A sample of payments was selected to ensure that orders have been generated, purchases have been duly authorised and are appropriate, and invoices have been correctly processed for payment, including any VAT elements.

Order No	Invoice date	Supplier	Gross Amount £	Details of Order / Invoice	Invoice number	Delivery certified?	Stamped and dual authorised?	Recorded in accounting system inc VAT
12689	30.11.2023	Thomas Owen	277.09	Cleaning materials	NSOR00092609/1	P	KL & SS 18.12.2023	Yes, £230.91 + £46.18 vat
12179	24.11.2023	Aitkens Sportsturf Limited	199.20	2 x 5 litre Vision Clean Max Pro Moss killer	24817	P	KL & SS 18.12.2023	Yes, £166.00 + £33.20 vat
13202	07.12.2023	CMS UK	361.20	Investigate under floor heating issues	INV009385	P	KL & SS 18.12.2023	Yes, £301.00 + £60.20 vat
12920	24.10.2023	Big Gorilla Signs	2,763.85	PPE Clothing	Inv-0268	P	KL & SS 18.12.2023	Yes, £2,303.21 + £460.64 vat
12833	06.12.2023	Hartz Entertainments	620.00	Kids entertainments at Xmas Lights switch on 01.12.2023	1033	P	KL & SS 18.12.2023	Yes, £620.00 no vat element
12913	24.11.2023	Teak Garden Furniture Limited	1,459.20	Handmade solid teak 1500 leviathen bench for Eden Lane Cemetary	24 / 11 / 06245	P	KL & SS 18.12.2023	Yes, £1,216.00 + £243.20 vat
12831	19.12.2023	Chevron Traffic Management	864.00	Signage for Christmas light switch on	210209	P	SS, KD & RB 22.01.2024	Yes, £720.00 + £144.00 vat
13165	17.01.2023	Ready Fresh	41.80	Milk and cheese for the Pavillion	073357	P	SS, KD & RB 22.01.2024	Yes, £41.80 no vat
12692	18.012.2023	Regal Print	174.00	20 x A5 purchase order books	RPL28574	P	SS, KD & RB 22.01.2024	Yes, £145.00 + £29.00 vat

Section 4 – Testing and recommendations

Procurement (continued)

Order Completion and Invoice Payments (continued)

From the review of the above sample of invoices it is evident that:

- Official orders are used and suitably authorised where required in line with the Financial Regulations guidance on procuring goods or services
- Pink copies of purchase orders are attached to both the invoices and where possible the delivery notes
- Each invoices has been duly stamped to show the nominal and budget code
- Each invoice also has at least the initials of 2 members on to confirm the payment authorisation
- Each invoice had been correctly entered on the main finance system including VAT elements where applicable.

It appears from the sample above that very effective controls are in place.

Section 4 – Testing and recommendations

Procurement (continued)

Miscellaneous nominal codes

G The nominal ledger on the main accounting system was reviewed and discussed with the Finance Officer to ensure there was not a large miscellaneous code and that expenditure is being split correctly.

Expenditure appears to be separated into sufficient nominal areas and the Finance Officer confirmed that invoices are allocated to an appropriate expenditure code.

This helps to improve the accuracy of the quarterly budget reports that are produced.

Section 4 – Testing and recommendations

Sales Invoice Procedures

G

Raising of Sales Invoices

The procedures involved in the requesting of, and then raising of sales invoices were reviewed and discussed with the Finance Officer.

Sales invoices can be raised for charges relating to various provisions including:

- The use of the Pavilion facilities such as
 - the bar and bistro for special events / parties
 - meeting rooms / halls for aerobics / exercise classes or staff awareness training courses ran by the various local authorities
- The use of MUGA facilities for hire
- The use of football pitches for hire
- Services such as allotment rent charges
- Grant invoice recharges
- Secondment of staff charges

The Rialtas Finance System incorporates a booking system which staff have access to so they can generate sales invoices for on-going bookings.

For any non-booking / the one-off ad hoc invoices that are not on the booking system, these are usually requested by the managers to the Finance Officer via an email. The request should always include the following detail:

- Name of client / club / lettee
- Description of the charge (such as office rent, aerobics classes, pitch fees, allotment rents etc)
- Period / frequency of how often the invoice should be raised (such as quarterly, half yearly or annual)
- Date for the invoice
- Amount
- Vat element
- Total amount of the invoice

The invoices are raised on the finance system and e-mailed out to the client with a copy retained on file annotated with the date it has been issued.

Sales Invoice Procedures (continued)

Raising of Sales Invoices (continued)

When the invoices are paid, each invoice is annotated with the following detail:

- The date the invoice was paid
- The method by which the invoice was paid (such as cash, cheque, or BACS)

Following the completion of the monthly bank reconciliation by the Finance Officer, she then runs a sales invoice report to show all un-paid sales invoices by customer. These are issued with an account statement to prompt them to make payment.

All invoices are stored on file in the main finance office for ease of access should the need arise.

Section 4 – Testing and recommendations

Sales Invoice Procedures (continued)

G

Sales Invoicing

A sample of sales invoices raised for facilities including charges for letting of facilities including the bar / bistro, meeting rooms / halls, the MUGA, and other ad-hoc invoices were reviewed to ensure that they had been raised correctly and annotated when the payment had been received before being reconciled as part of the month end process by the Finance Officer.

Date Raised	Customer	Sales Invoice No	Cost Centre and Nominal Code Description	Value £	Paid	Reconciled to Bank Statements	Correctly recorded on Finance System
16.11.2023	Handmadebyhells	10605	Hire income - S/Hall Banqueting Suite	720.00	Yes – paid 20.11.2023	P	P
29.11.2023	E Williams	10606	Hire income – Hill Rigg House	30.00	Yes – paid 27.12.2023	P	P
29.11.2023	Chris Hind	10607	Helford Road MUGA – sport and leisure	140.00	Yes – paid 04.12.2023	P	P
29.11.2023	James Lowery	10608	Helford Road MUGA – sport and leisure	175.00	Yes – paid 13.12.2023	P	P
29.11.2023	Easington Colliery Under 10's	10613	Helford Road MUGA – sport and leisure	175.00	Yes – paid 29.11.2023	P	P
29.11.2023	Hartlepool BC	10614	Hire income – The Pavilion	1,200.00	Yes – paid 27.12.2023	P	P
29.11.2023	North Tees & Hartlepool NHS Trust	10627	Hire income – The Pavilion	175.00	Yes – paid 22.12.2023	P	P
22.12.2023	East Durham Funeral service	10653	Hire income – The Pavilion	75.00	Yes – paid 22.12.2023	P	P

From the sample of sales invoices reviewed there were no issues identified. There is a debt recovery process in place for unpaid accounts and this is adhered to.

Section 4 – Testing and recommendations

Income and Cash Handling

Income Guidance

G

Chapter 10 of the Peterlee Town Council Financial Regulations approved in May 2023 includes pointers such as:

- 10.1 *The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.*
- 10.2 *Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.*
- 10.4 *Any sums found to be irrecoverable, and any bad debts shall be reported to the Council and shall be written off in the year.*
- 10.5 *All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers regularly*
- 10.6 *The origin of each receipt shall be entered on the paying-in slip.*
- 10.8 *The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.*
- 10.9 *Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.*

Sources of Income Received

G

The main sources of income received by the council was discussed with the Finance Manager and includes:

- Bar takings (from the pavilion)
- Allotment rents
- Cemetery purchases
- Fishing Day Passes
- Garage rentals
- Log sales
- Sales invoices
- Various public events tickets and stalls

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

G

Income Safeguarding and Financial Security

The documented process of collecting and recording income from receipt to entering onto the accounting system, then banking was reviewed and discussed with the Finance Officer.

Any cash, cheques or card payments that are made by the public at the main council office reception are all taken and recorded in a duplicate receipt book, with each receipt showing:

- Date
- Receipt number (these are all in sequential order)
- Received from
- Detail / reason for payment
- Whether cash, cheque, or credit card
- Amount received
- Signed by the PTC employee

A white copy of each receipt is provided to the customer with the lower yellow copy retained in the receipt book.

The cash, cheques and credit card transactions are then entered onto a large A3 cash book which shows:

- Date of receipt
- Payee
- Cash amount
- Cheque amount
- Total taken

The cash and cheques are then stored in the main finance office safe until banking is possible (with access to the safe restricted to finance and senior personnel only).

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

Income Safeguarding and Financial Security (continued)

When banking is to take place, the cash book is then ruled off under the most recent transaction showing the total amount of the cash and cheques received since the last banking took place.

These amounts are then reconciled against the takings that have been stored in the safe. The insurance limits for storage of cash in the safe were reviewed and confirmed that these are never exceeded as banking takes place on a frequent basis depending on how much is in the safe.

Cash is taken and deposited into the local post office and any cheques that have been received are posted to the bank (a copy of each cheque is retained with a copy of the deposit slip)

The Pavilion also takes cash for events such as keep fit classes, bar takings, bistro and via reception.

These takings are kept in the safe at the Pavilion until Loomis collect and take to the bank. The takings are recorded on a weekly breakdown sheet detailing:

- Coin / note denominations
- Bistro takings
- Bar takings
- Reception takings
- Total of each denomination
- Total cash
- Total cheques

A copy of the breakdown sheet is retained along with a copy of the deposit slip showing the matching amounts banked. Should there be any cheques taken then a copy of this is also retained with the breakdown summary and deposit slip.

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

G

Miscellaneous receipts and banking

A sample of various income streams were reviewed to ensure that:

- Transactions are completed on the receipt book
- The totals on the receipt book tally with the weekly banking sheet
- All transactions recorded have been banked promptly and in full and agree to bank statements.

Date Income received	Details	Value £	Total Amount Banked £	Deposit Slip Copied	Date Banked	Matches Income Records	Reconciled to Bank Statement	Recorded On Finance Systems
17.01.2024	Horden parish council invoice - recreational ground	1,908.00	1,908.00	Yes	22.01.2024	P	P	P
12.12.2023	Purchase member bench – M Sinclair	1,460.00	3,302.12	Yes	16.01.2024	P	P	P
12.01.2024	Santa's wish income	535.12	3,302.12	Yes	16.01.2024	P	P	P
27.01.2024	Bistro takings w/e 28.01.2024 – see note 1	363.95	1,235.18	Yes	29.01.2024	P	P	P
31.10.2023	Northern electric	241.80	349.35	Yes	30.11.2023	P	P	P
30.11.2023	DCI Gas installations donation	500.00	3,302.12	Yes	16.01.2024	P	P	P
16.10.2023	Fishing day pass – Mr Wood	15.00	785.40	Yes	26.10.2023	P	P	P
10.10.2023	Halloween tickets	15.00	785.40	Yes	26.10.2023	P	P	P

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

Miscellaneous receipts

Note 1 – the weekly summary takings sheet for the Pavilions for the period week ending 28.01.2024 was completed and the deposit slip had been completed and signed off prior to collection with a copy retained on file.

From the testing and review undertaken it appears that all income received is appropriately recorded, securely held prior to banking, and then banked in a timely manner.

Section 4 – Testing and recommendations

Month End and Budget Monitoring Procedures

G

Bank Reconciliation

Section 3.2 of the Peterlee Town Council Financial Regulation states that:

“On a regular basis, at least once in each quarter, and at each financial year end, one or more members, other than the Chairman, shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council and/or Resources Committee”

The reconciliations are usually carried out by the Finance Officer before being reviewed by the Town Clerk and Members on a monthly basis.

The most recent monthly bank reconciliations for the main Business Direct Plus bank account, were discussed before being reviewed.

<u>Bank Rec Ending:</u>	<u>Bank Statement Balance:</u>	<u>Unpresented items balance:</u>	<u>Adjusted Bank Balance:</u>	<u>Sage Cash Book Bank Balance:</u>	<u>Difference Between Bank and Cash Book £:</u>
31 December 2023	924,440.54	2,862.70	927,303.24	927,303.24	£0.00
30 November 2023	1,109,242.41	2,036.40	1,111,278.81	1,111,278.81	£0.00

The above reconciliations had all been completed by the Finance Officer.

The bank statements were also reviewed for any larger or unusual transactions but there were no issues identified.

Section 4 – Testing and recommendations

Month End and Budget Monitoring Procedures (continued)

G

Budgeting and Management Accounts

It was discussed and reviewed with the Finance Officer whether there is a requirement to compile financial information for the Council and if so what detail and how often.

Section 5.8 of The Peterlee Town Council Financial Regulations guidance, states that:

The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget.

These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose “material” shall be in excess of 15% of the budget.

The Finance Officer confirmed that budget information is available via the finance system to all managers to allow them to monitor expenditure across the financial year. The budget is compiled and monitored by the Finance Officer.

The Finance Officer complies the following data to be presented to the Members Policy and Resources Committee every quarter:

- A detailed income and expenditure by phased budget heading report which shows:
 - Cost centre
 - Cost centre description
 - Year to date actual
 - Year to date budget
 - Year to date variance
 - Total annual budget
 - Funds available
 - % spent to date

The most recent above information for the period ending 31 December 2023 (period 09) had been compiled by the Finance Officer and presented to the Town Clerk and other members of the SMT in February 2024 as per email confirmation.

Section 4 – Testing and recommendations

Payroll

G

The Council currently use Durham County Council for their payroll service.

Payroll Review Procedures

The process undertaken to process, review, authorise and make payroll payments was discussed with the Corporate Services Manager.

Staff don't claim any mileage and the only other claims are for overtime which are detailed on an exception sheet.

Any absences are recorded on the Bright HR system for records such as sickness or Time off in Lieu (TOIL).

The Admin Assistant checks the Bright HR system, and any entries are collated onto an excel spreadsheet – this details all instances of absence in case there are trigger points reached where salaries could be affected.

New starter forms are completed and submitted to Durham County Council as and when required and include data such as:

- Name, address and contact information
- Occupation, grade, date commenced and place of employment
- Full or part time,
- salaried or hourly rate,
- weekly time sheet and salary code and cost centre
- previous local authority service dates and locations

The employee and employee supervisor then both sign and date the form before it is processed.

The notification of leaver form are also completed showing the following detail:

- Employee details such as full name, payroll number, date of leaving and job title
- The authorising officer then completes the designated officer details to confirm the information is accurate.

These are then uploaded to payroll for processing.

Section 4 – Testing and recommendations

Payroll (continued)

These timesheets are then entered onto a Payroll Control Sheet which shows the following data:

- Employee name
- Payroll adjustment type (such as new starter, leaver, contract change, and any comments)
- Sickness absences / leave of absence recording (including employee number and name, absence start date, last day of absence, fit note attached and comments whether the absence relates to sickness or paid leave)

Weekly staff complete a timesheet which requires signing by both the employee and authorised by their line manager. These are then emailed to Durham County Council at the start of the following week and paid to the employee the following Thursday.

The Corporate Services Manager confirmed that any exception sheets are required to be with the payroll team by the 5th of the following month to allow them to be processed.

Any information that effects the monthly payroll is uploaded to Durham County Council using their secure portal, Egress.

Around the middle of the month the Corporate Services Manager receives the payroll reports for review and scrutiny.

A comparison of the previous months gross pay against the expected current month is undertaken to identify any variances. Should there be any issues then an email is sent to the payroll provider to make the necessary amendments which can relate to sickness or time off.

Should there be any issues requiring a correction, such as underpayments, then the payroll provider may be able to carry out supplementary payroll runs if not too late.

If there are no issues, or once any highlighted issues have been addressed, then Durham County Council run the full payroll which is sent across to the Corporate Services Manager. This creates reports for both monthly paid staff and causal paid staff.

These reports are stored on a specific section of the ICT network with only selected staff having access to the sensitive information.

Additional reports are sent through to the Finance Officer to allow checking that the third party payments come out the bank correctly.

Section 4 – Testing and recommendations

Payroll (continued)

G

Pension deductions

A sample of pension deductions from the Council payroll data was selected to ensure that the deductions have been calculated at the correct rates for the relevant gross salaries.

The information was taken from the December 2023 payroll reports.

Employee	Month	Gross Salary £	Pension scheme	Amount of ER's pension £	ER's rate used	Correct rate	Amount of EE's pension £	EE's Rate used	Correct rate
505396	December 2023	1,177.82	T & P CARE Pension	229.67	19.5%	P	64.78	5.5%	P
506318	December 2023	1,991.09	T & P CARE Pension	388.26	19.5%	P	115.48	5.8%	P
506330	December 2023	3,702.34	T & P CARE Pension	721.96	19.5%	P	251.76	6.8%	P
506334	December 2023	3,265.50	T & P CARE Pension	636.77	19.5%	P	212.26	6.5%	P
507010	December 2023	1,483.67	T & P CARE Pension	289.32	19.5%	P	86.05	5.8%	P
509441	December 2023	921.77	T & P CARE Pension	179.75	19.5%	P	50.70	5.5%	P
640117	December 2023	3,618.42	T & P CARE Pension	705.59	19.5%	P	246.05	6.8%	P

Of the sample selected all employer and employee pension deductions were calculated correctly based on the gross salaries.

Section 4 – Testing and recommendations

Payroll (continued)

Amendments

G

The Corporate Services Manager confirmed there have been minimal additional hours / overtime claims made, so a sample of the most recent forms from this payroll were reviewed to ensure that they were paid at the correct rate, that appropriately authorised documentation exists, and the amount paid agreed to the source documentation.

Employee	Month	Amendment	Timesheet Form Completed Accurately and Authorised	Amount Paid £	Correct rate	Agreed to supporting documentation
640205	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on and 3 x 2.0 in November for Remembrance Day parade.	P	158.50 + 97.54 = 256.04	P	P
641778	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on	P	131.29	P	P
641132	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on	P	131.29	P	P
506670	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on and 3 x 2.0 in November for Remembrance Day parade.	P	124.84 + 76.82 = 201.66	P	P
509542	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on	P	114.95	P	P

Of the sample selected all amendments had been appropriately authorised and agreed to sample documentation retained on file.

Section 4 – Testing and recommendations

Payroll (continued)

Payroll Deduction Rates

G

A sample of third-party payroll deductions from the February 2024 salaries were selected to ensure that the various deductions have all been calculated at the correct rates based on individual tax codes and gross salaries.

Employee	Month	Tax code	Gross £	PAYE correctly calculated	EE NI correctly calculated	ER NI correctly calculated	Any Other deductions £	EE pension correctly calculated	ER pension correctly calculated
503162	February 2024	1257L	1,638.71	118.00	59.07	121.354	N/a	N/a	N/a
505094	February 2024	1419L	7,017.84	1,427.27	370.68	863.86	N/a	694.77	1,368.48
506318	February 2024	1257L	1,991.09	165.40	94.31	170.17	N/a	89.07	299.47
506330	February 2024	1267L	3,702.34	478.80	221.75	346.03	N/a	212.26	636.77
506334	February 2024	1261L	3,265.50	400.40	221.75	346.03	N/a	212.26	636.77
506669	February 2024	1256L	1,894.75	147.60	101.05	179.47	N/a	119.39	401.41
508033	February 2024	1135N	1,024.19	4.20	N/a	N/a	N/a	56.33	199.72
641129	February 2024	1389M	2,828.75	297.20	178.07	285.76	20.30 – Unison	183.87	551.61

No issues were identified from the sample reviewed above.

Section 4 – Testing and recommendations

Asset and Investment Register

G

Asset and Investment Register

Part of the “Annual Governance and Accountability Return 2023 / 24 Form 3” states that, as part of the Annual Internal Audit Report, one objective includes providing assurance that “*Asset and investments registers were complete and accurate and properly maintained*”.

The Council asset and investment register details the following information in categories of:

- Land and Buildings
- Non-operational Land And Buildings
- Vehicles and Equipment
- Play Equipment
- Burdon Suite
- Brandling Suite
- Outside offices
- Community assets

For each of the above categories the information includes:

- cost as of 01.04.2023,
- additions during year
- disposals during the year
- transfers during the year
- cost at end of 31.03.2024

from review of the Asset and Investment register there had only been a single addition, which was to the Vehicles and Equipment category – a Ferris Pedestrian Mower costing £7,500. There were no other additions or disposals highlighted.

From the review above it appears that the Asset and Investment register is suitably maintained.

Section 5 – Conclusion

Conclusion

Overall, the Council operates a very effective system of control over the various areas reviewed above and there is appropriate segregation of duties given the size of the Council team.

All tests were completed in accordance with the schedule of work and have been satisfactorily concluded subject to the recommendations raised.

The minor recommendation made from this visit relates to the separation of duties when authorising invoice BACS payments.

Clive Owen LLP

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CLIVE OWEN LLP

3 June 2024

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DATE

Report to: Peterlee Town Council
Date of Meeting: 24th June 2024
Subject: **2023/24 financial year – end of year budget summary report**
Report of: Ian Hall, Town Clerk

Report Purpose: To provide the Council with a budget summary report for the 2023/24 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 2023/24 Financial Year, i.e. as at 31st March 2024.

Summary: The 2023/24 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 2023/24 financial year that was forecast to result in a net expenditure of £18,889 which would be funded from reserves.

The actual budget outturn net expenditure for the year was a surplus of £61,924.

The year-end position can be summarised as:

	Budget	Actual
Total Income	£ 2,339,093	£ 2,172,802
Total Expenditure	£ 2,357,982	£ 2,110,878
Net expenditure	(£18,889)	£61,924

As Members will be aware from the Council's Annual Accounts, the overall movement in reserves for the 2023/24 financial year is an increase of

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>

£83,934 from £422,347 to £506,281. These reserves are made of up earmarked reserves and a general reserve as follows:

General Reserve:	£416,639
<u>Earmarked reserves:</u>	<u>£89,642</u>
<u>Total Reserves</u>	<u>£506,281</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 economy crisis.

The Town Council has set a budget for the current 2024/25 financial year 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 2024.

Recommendation: Members are recommended to note the content of this report and the Council's 2023/24 budget outturn position.

Appendix 1: 2023/24 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: 2023/24 Budget	Q4 forecast	D: Q4 Actual	E: Variance	F: % of Budget
					-	
101	Central & Civic HQ Costs	£691,684	£691,684	£648,084	£43,600	-6%
102	Democratic Costs	£31,000	£31,000	£24,548	-£6,452	-21%
103	Corporate Management	£22,550	£22,550	£20,995	-£1,555	-7%
		-	-			
		£1,853,76	£1,854,26			
105	Other Costs and Income	1	1	-£1,854,801	-£540	0%
201	Shotton Hall banqueting suites	£92,402	£92,402	£86,193	-£6,209	-7%
221	The Pavilion	£269,182	£269,182	£301,478	£32,296	12%
240	Sport & Leisure(pitches & equipment, etc)	£148,609	£148,609	£148,436	-£173	0%
241	Hill Rigg House	£21,669	£21,669	£13,428	-£8,241	-38%
242	Lowhills Bowls Pavilion	£499	£500	-£1	-£501	-100%
261	Rugby Club site	-£7,001	-£7,001	-£6,328	£673	-10%
262	Eden Lane Parks Depot	£40,322	£40,322	£30,871	-£9,451	-23%
293	Eden Lane Bowls Pavilion	£2,095	£2,095	£1,356	-£739	-35%
					-	
280	Woodhouse Park	£80,867	£80,867	£58,814	£22,053	-27%
290	Sports Development	£49,465	£49,465	£70,328	£20,863	42%
301	Parks Department general budget	£220,180	£220,180	£233,103	£12,923	6%
325	Cemetery Service	£36,982	£36,982	£45,567	£8,585	23%
350	Allotments	£13,457	£13,457	£10,083	-£3,374	-25%
410	Town Activities	£14,000	£14,000	£8,584	-£5,416	-39%
					-	
430	Town Events	£35,000	£35,000	£24,504	£10,496	-30%
901	Capital Projects	£66,000	£35,000	£73,747	£38,747	59%
					-	
					£806,24	
	Total budget position		£745,234	-£61,011	5	

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

Code	Budget Head	Variance	Variance %	Summary Explanation
102	Democratic Costs	(£6,452)	21%	Councillors Training, Participation Allowance & Civic Regalia budgets underspent
241	Hill Rigg House	(£8,241)	26%	Cleaning Wages & Electricity budgets underspent
242	Lowhills Bowls Pavilion	(£501)	100%	Miscellaneous Budget not spent
262	Eden Lane Parks Depot	(£9,451)	23%	Utilities & Stationery/Furniture budgets underspent
293	Eden Lane Bowls Pavilion	(£739)	41%	Cleaning Wages & Repairs budgets underspent
280	Woodhouse Park	(£22,053)	27%	Wages, Alarms & Repairs budgets underspent
290	Sports Development	£20,863	42%	Grants received in the prior year which have been spent this year are shown in earmarked reserves and not in the cost centre although the expenditure relating to these does
325	Cemetery	£8,585	23%	Cemetery income budget not achieved, and wages budget overspent
350	Allotments	(£3,374)	25%	Allotments income budget exceeded and underspend on Equipment/Supplies
410	Town Activities	(£5,416)	39%	Concessionary Use budget underspent
430	Town Events	(£10,496)	30%	Unallocated budget underspent
901	Capital Projects	£38,747	59%	Grants received in the prior year which have been spent this year are shown in earmarked reserves and not in the cost centre although the expenditure relating to these does

Annual Governance and Accountability Return 2023/24 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 2023/24

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 2024**.
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 2024**. 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 2024
 - 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 2023/24

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 2024 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 2023/24**, approved and signed, page 4
- **Section 2 - Accounting Statements 2023/24**, approved and signed, page 5

Not later than 30 September 2024 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) 2023/24

- 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 2024.
- 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 Chair, 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 2023) equals the balance brought forward in the current year (Box 1 of 2024).
- 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 2024**.

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 Chair of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at 31 March 2024 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 2023/24

PETERLEE TOWN COUNCIL

www.peterlee.gov.uk ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2024, 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 2023/24 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 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 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 2023-24 AGAR period, were public rights in relation to the 2022-23 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 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

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

D.M. Fletcher INTERNAL AUDITOR

Signature of person who carried out the internal audit

D.M. Fletcher

Date

3 June 2024

***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 2023/24

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 2024, 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.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
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.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			✓
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

***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 Chair and Clerk of the meeting where approval was given:

Chair

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

www.peterlee.gov.uk

ENTER PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2023/24 for

PETERLEE TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	317,712	422,348	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.
2. (+) Precept or Rates and Levies	1,401,425	1,570,996	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	904,632	602,723	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	1,240,264	1,271,465	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.
5. (-) Loan interest/capital repayments	50,452	50,452	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	910,706	789,878	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	422,347	484,272	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	306,237	506,831	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.
9. Total fixed assets plus long term investments and assets	6,598,860	6,606,360	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.
10. Total borrowings	887,554	876,925	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2024 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

DD/MM/YYYY

Date

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 Chair of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor’s Report and Certificate 2023/24

In respect of

PETERLEE TOWN COUNCIL

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 2024; 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 2023/24

(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 2023/24

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 2024.

*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: 24th June 2024

Report of: Ian Hall, Chief Officer & Town Clerk

Subject: **Eden Hill Skatepark Project, Request for Stage Payments**

Report Purpose: To consider a request from the contractor, Wheelscape/Active Legacy Ltd, to be paid in stages for the work.

Background: Council, at its meeting held on 20th June 2024, agreed to appointed Wheelscape/Active Legacy Ltd to install the skatepark at Eden Hill at a cost of £110,000. (Minute no C.22/24 refers).

The contractor has subsequently requested that they be paid in stages for the work as follows.

1st payment week 1 £30,000, 2nd payment week 4 £30,000, final payment on completion week 8 £30,000.

Detail: It is usual practice for the Council to pay for a project on its satisfactory completion. Staged payments are not usually agreed as it opens the Council to a degree of risk should the project not be completed for any reason.

The project is being funded from s106 monies, which will not be released by Durham County Council until the project is complete. This means that the Town Council will in effect fund the project until it is complete. If, for whatever reason, the project is not completed the Council will not be reimbursed from s106 monies.

The company has stated that these are their usual payment arrangements and cannot undertake the project without a staged payment agreement.

Recommendation: That Council consider the contractor's request for a staged payment agreement.

Appendix 1: Implications

Finance	Although the project is being funded from s106 monies, the Town Council would need to fund the staged payments until the project was complete. This opens the Town Council to risk should the project not be finished for any reason.
Staffing	No direct implications
Risk	See finance section above.
Equality and Diversity, Cohesion and Integration – No direct implications	
Crime and Disorder – no direct implications	
Consultation & Communication – Public consultation will be undertaken prior to the work commencing.	
Procurement	A procurement process was undertaken to award the contract.
Legal	No direct implications

Report to: Peterlee Town Council

Date: 24th June 2024

Report of: Ian Hall, Chief Officer & Town Clerk

Subject: **Service Review**

Report Purpose: To agree the outline timescales provided by NEREO for the review of the Council's vision, services and staffing structure.

Background: Resources Committee, at its meeting held on 10th June 2024, agreed to extend the existing contract with NEREO to support a review of the Council's vision and services and subsequently to design the required staffing structure to ensure delivery. (Minute No R.9/24 refers).

Detail: David Leask, NEREO, has provided a timeline of Key Activities for the review, which is attached at Appendix 2 for consideration.

Recommended: That Council agree the timeline of key activities at Appendix 2.

Appendix 1: Implications

Finance	Terms have previously been agreed by the Council, which can be accommodated within existing budgets.
Staffing	The Council's staffing structure will be redesigned following the review to ensure delivery of the Council's vision and services. Staff have been informed of the review and will be engaged during the review and will be consulted on any potential changes.
Risk	The Council needs to ensure that services are appropriate and relevant to the communities it serves and that it has a suitable staffing structure to deliver those services.
Equality and Diversity, Cohesion and Integration	– The review will be carried out in accordance with the Council's equality and diversity policies.
Crime and Disorder	– No direct implications
Consultation & Communication	– Consultation will be carried out with staff in the course of the review.
Procurement	The extension of the contract with NEREO was agreed by Resources Committee at its meeting held on 10 th June 2024.
Legal	The Council's legal duties will be adhered to during the course of the review.

Timeline of Key Activities for the Council's Service Review

Step 1:

- Begin the process once the new Chief Officer has been appointed and commenced duties.

Step 2:

- Chief Officer to coordinate the collection of all current council operational data, including employee data, financial information, asset lists, service delivery models, condition surveys etc..(3 weeks to complete)

Step 3:

- NEREO to Hold focus groups with the councillors to develop a future vision for what services the Council wants to provide, outsource, co-deliver etc.. and break this down by functions and services (there may be new services that the council doesn't currently deliver for example). This will then require council agreement. It is anticipated that this process will take around 3 weeks to complete with potentially 2 or 3 meetings involved.

Step 4:

- NEREO to carry out a Health check with existing staff on the operational side of the Council (for example are there any issues and challenges with the current structure). It is anticipated that this process will take around 2 weeks to complete with potentially 2 or 3 meetings involved.

Step 5:

- NEREO to design the required staffing structure to deliver the Council's future vision, including the identification of Job Evaluation and pay and grading reviews where required. It is anticipated that this process will take around 3 weeks to complete and will involve consultation with the Council members.

Step 6:

- NEREO begins the consultation process with staff (timescale will be determined during the restructure process)

Step 7:

- The Council will implement the new services and staffing structure