



PETERLEE TOWN COUNCIL

Date of Issue: 7th March 2023

A Meeting of the Resources Committee will be held on Monday 13th March 2023 in The Banqueting Suites, Shotton Hall, Peterlee, SR8 2PH at 6.30pm

Mr I Morris F.S.L.C.C.

Town Clerk

A G E N D A

Any members of the public wishing to attend Shotton Hall to observe the meeting are strongly advised to contact the Council in advance to reserve a seat:
council@peterlee.gov.uk or 0191 5862491

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.

1. Apologies for Absence

Members are cordially invited to inform the Deputy Town Clerk of their apologies as soon as practicable.

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. To approve the minutes of the previous meeting

Members are recommended to approve the minutes of the previous meeting of the Resources Committee on Monday 16th January 2023 as a true and correct record.

(Minutes of previous meeting, copy attached)

4. To consider two items received and requested by Councillor Karen Hawley

(i) to Confirm or otherwise if the Scrutiny Committee has the power to make Council decisions

(ii) to request a room to be made available every day at Shotton Hall for Members use

5. 2022/23 financial year – third quarter budget summary report

To receive a report from the Town Clerk outlining the Council's budget position at the end of December 2022 (end of 2023/4 quarter 3).

(Report of the Town Clerk, copy attached)

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

HELD IN THE BRANDLING SUITE, SHOTTON HALL, PETERLEE

ON MONDAY 16TH JANUARY 2023 at 6.30PM

PRESENT:- COUN K HAWLEY (CHAIR)

Councillors M McCue, S Simpson, R Moore, F Black, K Duffy, B Fishwick, M A Cartwright & M Sanderson

13. Apologies for Absence

Apologies for absence were offered to the meeting and accepted from Councillors D Quinn, D Hawley, A E Laing, K Liddell, T Duffy, D Howarth & S McDonnell.

14. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. **RESOLVED the information given, be noted.**

15. To approve the minutes of the previous meeting

RESOLVED the minutes of the previous meeting of the Resources Committee held on Monday 14th November 2022 be approved as a true and correct record.

16. Exclusion of the Press and Public

RESOLVED in view of the confidential nature of the matter to be discussed, the committee pass the formal resolution to exclude the press and public from the meeting for the following item, pursuant to s.1, Public Bodies (Admissions to Meetings) Act 1960

17. Peterlee 75

Members received a presentation from the Town Clerk on proposals for a program of community events and activities to mark Peterlee's 75th anniversary, in partnership with East Durham Trust, East Durham Creates, East Durham College, the Apollo Pavilion CIC and Durham County Council. The Clerk asked Members to agree and confirm the next steps which were:-

- (i) For the Clerk to continue with the development of the Heritage Lottery funding bid with the main partner organisations;
- (ii) The Events Working Party consider the PTC events in more detail prior to submission to Council for approval;

RESOLVED the information provided be noted and approval be given for the Town Clerk to progress with the Heritage Lottery bid and next steps necessary to arrange the Peterlee 75 programme.

At the conclusion of this item the meeting was reopened to the press and public.

18. Peterlee Town Council draft budget and precept demand 2023/24

Members received a report from the Town Clerk with an update on the outline draft budget for the 2023/24 financial year and sought the Committee's agreement of a provisional precept figure subject to ratification by Council on 30th January 2023.

RESOLVED Members note the contents of this report and to:

- (i) **Recommend to Council that the 2023/24 precept be set at £1,606,537.05 which is equivalent to an increase in individual Band A households' council tax of £26.42 for the year or 51p per week (13%)**
- (ii) **Recommend to Council that the 2023/4 charges for general council services and activities be increased by a target amount of 15%**

19. Replacement of water softener – The Pavilion Sports & Community Centre

Members received a report from the Pavilion Centre Manager requesting approval for the purchase of a new water softener for the centre.

RESOLVED approval be given to the award of contract to NE Water Softeners Ltd of Hartlepool, for the supply and installation of a Kinetico CP210 sOD duplex unit at a total cost of £3,878.92 + VAT

Report to: Peterlee Town Council Resources Committee
Date of Meeting: 13th March 2023
Subject: 2022/23 financial year – third quarter budget summary report
Report of: Ian Morris, Town Clerk

Report Purpose: To provide the Committee with a budget summary report to the end of the third quarter of the 2022/23 financial year, in line the Council's Financial Regulations¹.

Background: Section 5.8 of the Council's Financial Regulations provides that as the Council's Responsible Financial Officer (RFO) I am required to provide a statement comparing actual expenditure to that planned in the budget for each head of the Council's budgets.

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 meeting between budget holders, Town Clerk and Finance Assistant;
- 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 second quarter of the 2022/23 Financial Year, i.e. as at 31st December 2022.

Q3 summary: The 2022/23 quarter 3 overall budget outturn per budget head is provided in Appendix 1 to this report. In basic terms, net expenditure is lower than the *pro rata* forecast budget expenditure for the first 9 months by just under £64,000 - equivalent to 2.9% of the total expenditure budget for the year.

Energy costs continue to be a real concern, with gas and electricity costs up by £32,103 compared to the same period in 2021/22 – representing a 175% increase in gas costs and 225% increase in electricity costs. By the end of December 2022 the Council had already spent 77% of its gas budget and 92% of its electricity budget for the year due to the increase in unit energy costs.

The substantial increases in energy and other expenditure due to the unforeseen inflation issues in the wider economy has been masked to

¹ Council's financial regulations are available from the Town Clerk on request or here: <https://www.peterlee.gov.uk/wp-content/uploads/sites/37/2022/05/Financial-Regulations-Reviewed-May-2022.pdf>

some extent by additional un-forecast external grant funding from a number of sources including the grants received for the Eden Hill Community Forest and other tree planting in the town.

The ongoing energy and other expenditure is of real concern, and Managers are continuing to monitor their budgets closely during the final quarter of the financial year.

Q3 variances: 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.

Recommendation: Members are recommended to note the content of this report and Appendices 1 and 2 which set out the quarter 2 variances by budget head and summary explanations for each variance over 15%.

Appendix 1: 2022/23 quarter 3 variance table by budget heads

Code Budget Head	Budget	Q3 forecast	Q3 Actual	Q3 Variance	% of Budget	Pro rata variance %
101 Central & Civic HQ Costs	£630,876	£497,449	£487,543	-£9,906	-2%	-2%
102 Democratic Costs	£31,000	£22,500	£20,167	-£2,333	-8%	-10%
103 Corporate Management	£20,500	£18,006	£23,290	£5,284	26%	29%
105 Other Costs and Income	-£1,680,829	-£1,670,169	-£1,670,103	£66	0%	0%
201 Shotton Hall banqueting suites	£72,802	£58,976	£44,919	-£14,057	-19%	-24%
221 The Pavilion	£228,485	£158,839	£213,185	£54,346	24%	34%
Sport & Leisure(pitches & equipment, etc)	£126,872	£92,354	£112,590	£20,236	16%	22%
241 Hill Rigg House	£12,571	£5,572	£3,582	-£1,990	-16%	-36%
242 Lowhills Bowls Pavilion	£549	£0	£0	£0	0%	n/a
261 Rugby Club site	-£6,001	-£6,000	-£5,726	£274	-5%	-5%
262 Eden Lane Parks Depot	£30,783	£23,885	£19,570	-£4,315	-14%	-18%
293 Eden Lane Bowls Pavilion	£1,893	£666	£379	-£287	-15%	-43%
280 Woodhouse Park	£73,053	£54,106	£42,564	-£11,542	-16%	-21%
290 Sports Development	£50,541	£44,140	£46,199	£2,059	4%	5%
Parks Department general budget	£201,928	£143,305	£117,418	-£25,887	-13%	-18%
325 Cemetery Service	£34,908	£24,678	£33,265	£8,587	25%	35%
350 Allotments	£16,076	£7,143	£5,425	-£1,718	-11%	-24%
410 Town Activies	£39,000	£29,000	£30,783	£1,783	5%	6%
430 Town Events	£51,300	£47,800	£81,298	£33,498	65%	70%
901 Capital Projects	£71,000	£30,000	£39,801	£9,801	14%	33%
Total budget position	£7,307	-£417,750	-£353,851	£63,899		

Appendix 2: material (>15%) variances for quarter 3 by budget head

NB – negative variances are enclosed in (parenthesis) and indicate an underspend, whether through reduced expenditure or increased income or both.

Code	Budget Head	Q3 Variance	Q3 Variance %	Summary Explanation
103	Corporate Management	£5,284	29%	Higher than forecast banking and audit fees
201	Shotton Banqueting Suites (net)	(£14,057)	24%	Higher than forecast income from commercial hospitality operations
221	The Pavillion Sports & Community Centre	£54,346	34%	Higher staffing costs due partially to double maternity cover; higher than forecast utility costs; underperformance against income targets.
262	Eden Lane Depot	(£4,315)	18%	Underspend on alarms & CCTV recharge
280	Woodhouse Park	(£11,542)	212%	Underspend on alarms & CCTV recharge; underspend on staffing recharge
301	Parks General Budget	(£25,887)	18%	Un-forecast trees grant funding; overspend on staffing recharge
325	Cemeteries & Burials	£8,587	35%	Lower than forecast income from burials etc; increased staffing costs
350	Allotments	(£1,718)	24%	Underspend on miscellaneous expenditure
430	Town Events	£33,498	70%	Overspend/reduced income on 2022 Peterlee Music Festival
901	Capital Projects	£9,801	33%	Lower than forecast income from disposal of assets