



PETERLEE TOWN COUNCIL

Date of Issue: 6<sup>th</sup> September 2022

**A Meeting of the Resources Committee** will be held on **Monday 12<sup>th</sup> September 2022** 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**

**Due to the current COVID situation the capacity of the meeting room is reduced and public admission to the meeting will be limited. 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](mailto: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 13 June 2022 as a true and correct record.

(Minutes of previous meeting, copy attached)

4. Budget outturn report for first quarter of the 2022/23 financial year

To receive a report from the Town Clerk on the first quarter budget outturn report for the current financial year.

(Report of the Town Clerk, copy to follow)

5. 2023/24 Budget - early considerations

Matter referred to Resources Committee by the Council meeting of 16th August 2022: to receive a presentation from the Town Clerk on early considerations for the 2023/24 budget

(Presentation by the Town Clerk)

6. Commissioning of feasibility study and condition survey for Shotton Hall

To receive a report from the Town Clerk recommending the award of a contract for a feasibility study and condition survey for Shotton Hall.

(Report of the Town Clerk, copy to follow)

The press and public are welcome to attend this meeting

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

e mail: council@peterlee.gov.uk

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE RESOURCES COMMITTEE

HELD IN THE BRANDLING SUITE, SHOTTON HALL, PETERLEE

ON MONDAY 13<sup>TH</sup> JUNE 2022 at 6.30PM

PRESENT:- COUN K HAWLEY (CHAIR)

Councillors K Liddell, M McCue, S Simpson, S McDonnell, S P Franklin, R Moore, E Watson, S Meikle, K Duffy, T Duffy, B Fishwick, A E Laing, M A Cartwright, D Howarth & M Sanderson

1. Apologies for Absence

Apologies for absence were offered to the meeting and accepted from Councillors G Johnson, J Black, D Quinn & D Hawley.

2. 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.**

3. To approve the minutes of the previous meeting

**RESOLVED the minutes of the previous meeting of the Resources Committee held on Monday 14<sup>th</sup> March 2022 be approved as a true and correct record.**

4. The notes of the Finance Sub Committee of the 25<sup>th</sup> May 2022

**RESOLVED the notes of the Finance Sub Committee, be noted and the payments made be endorsed.**

5. Peterlee Music Fest 2022

The Corporate Services Manager gave Members an update with this event. Over the past few weeks a number of Councillors had raised their concerns about the impact that the current financial crisis was having on our local residents. The Council had discussed at various committee meetings that the financial situation has also impacted

on ticket sales for Peterlee Music Fest. With the agreement of Cllr Rob Moore as Council Chairman/Mayor and Cllr Karen Hawley as Chair of Resources Committee, the Peterlee Music fest was changed to be a free event.

To accommodate a large number of people the site of the Music Fest was now to be moved from the cricket pitch to the football field closest to the Pavilion. There would be an outdoor stage/PA system, a large marquee with a bar in it, and some food vendors. The proposed site plan had been circulated at the meeting and Members were asked if they had any feedback or any questions. There were questions which included details on the bar/refreshments; security arrangements, the Funk a deli Bistro being open; access for under 18s and the various food vans which would be on site. Volunteers were requested to assist with litter clearing on the Sunday morning. **RESOLVED the arrangements for the Music Fest 2022 be noted and the action taken by the Clerk in conjunction with the Chair and Vice Chair, be endorsed.**

**Report to:** Peterlee Town Council Resources Committee  
**Date of Meeting:** 12<sup>th</sup> September 2022  
**Subject:** 2022/23 financial year – first quarter budget summary report  
**Report of:** Ian Morris, Town Clerk

**Report Purpose:** To provide the Council with a budget summary report to the end of the first quarter of the 2022/23 financial year, in line the Council's Financial Regulations<sup>1</sup>.

**Background:** This budget report is intended to satisfy the requirement of s5.8 of the Council's Financial Regulations to provide Council with a report on income and expenditure against the Council's budget heads 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;
- 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 first quarter of the 2022/23 Financial Year, i.e. as at 30<sup>th</sup> June 2022.

**Q1 summary:** The 2022/23 quarter 1 overall budget outturn per budget head is provided in Appendix 1 to this report.

Key issues to bring to Members attention include:

- Energy cost increases are already beginning to add pressure on budgets with Q1 energy costs (ie energy bills paid in the three months April – June 2022) up 52% compared to the same period in the previous financial year:

|             | Q1 2021/22 | Q1 2022/23 | Difference | % change |
|-------------|------------|------------|------------|----------|
| Gas         | £3,103     | £5,316     | £2,213     | +71%     |
| Electricity | £11,042    | £16,217    | £5,175     | +47%     |
| Total       | £14,145    | £21,533    | £7,388     | +52%     |

- Shotton Hall banqueting suites have brought in a net income higher than the projected budget figure for the first quarter, with the overall budget position up £9,177 compared to the budget projection;

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<sup>1</sup> Council's financial regulations are available from the Town Clerk on request or here: <http://www.peterlee.gov.uk/wp-content/uploads/sites/37/2019/03/Financial-regs-amended-March-2019.pdf>

- The Pavillion has performed broadly on-budget, with hire income a little higher than target but bar and bistro income lower than target. At this stage in the financial year the overall position for the Pavilion is around £1,800 over budget which is well within tolerance and not considered to be a cause for concern;
- The Neighbourhood Services general budget is in a better position than forecast to the tune of around £35,000, due predominantly to the receipt of grant funding for the Eden Lane Community Woodland project;

**Q1 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

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

N.B. Members' attention is drawn in particular to columns F and H which provide the *pro rata* (i.e. quarter 1 position) variances.

| A:<br>Code | B: Budget Head                             | C: 2022/23<br>Budget | D: Q1<br>budget | E: Q1<br>Actual | F: Q1<br>Variance | G: % of<br>Budget | H: pro rata<br>variance<br>% |
|------------|--|----------------------|-----------------|-----------------|-------------------|-------------------|------------------------------|
| 101        | Central & Civic HQ Costs                   | £630,876             | £138,261        | £134,747        | -£3,514           | -1%               | -3%                          |
| 102        | Democratic Costs                           | £31,000              | £7,500          | £6,525          | -£975             | -3%               | -13%                         |
| 103        | Corporate Management                       | £20,500              | £3,702          | £4,098          | £396              | 2%                | 11%                          |
| 105        | Other Costs and Income                     | -£1,680,829          | -£834,384       | -£834,499       | -£115             | 0%                | 0%                           |
| 201        | Shotton Hall banqueting suites             | £72,802              | £23,992         | £14,815         | -£9,177           | -13%              | -38%                         |
| 221        | The Pavilion Sports & Community Centre     | £228,485             | £48,371         | £50,174         | £1,803            | 1%                | 4%                           |
| 240        | Sport & Leisure (pitches & equipment, etc) | £126,872             | £30,468         | £27,205         | -£3,263           | -3%               | -11%                         |
| 241        | Hill Rigg House                            | £12,571              | £1,799          | £3,100          | £1,301            | 10%               | 72%                          |
| 242        | Lowhills Bowls Pavilion                    | £549                 | -£1             | -£1             | £0                | 0%                | 0%                           |
| 261        | Rugby Club site                            | -£6,001              | -£6,001         | -£6,032         | -£31              | 1%                | 1%                           |
| 262        | Eden Lane Parks Depot                      | £30,783              | £12,295         | £8,955          | -£3,340           | -11%              | -27%                         |
| 293        | Eden Lane Bowls Pavilion                   | £1,893               | £222            | £104            | -£118             | -6%               | -53%                         |
| 280        | Woodhouse Park                             | £73,053              | £21,702         | £15,935         | -£5,767           | -8%               | -27%                         |
| 290        | Sports Development                         | £50,541              | £14,620         | £13,941         | -£679             | -1%               | -5%                          |
| 301        | Neighbourhood Services general budget      | £201,928             | £55,235         | £19,887         | -£35,348          | -18%              | -64%                         |
| 325        | Cemetery Service                           | £34,908              | £8,226          | £5,700          | -£2,526           | -7%               | -31%                         |
| 350        | Allotments                                 | £16,076              | £381            | -£425           | -£806             | -5%               | -212%                        |
| 410        | Town Activities                            | £39,000              | £25,000         | £25,256         | £256              | 1%                | 1%                           |
| 430        | Town Events                                | £51,300              | £27,500         | £32,973         | £5,473            | 11%               | 20%                          |
| 901        | Capital Projects                           | £71,000              | £0              | -£3,884         | -£3,884           | -5%               | n/a                          |

## **Appendix 2: material (>15%) variances for quarter 1 by budget head**

NB: negative variances indicate an underspend, whether through reduced expenditure or increased income or both.

| A:<br>Code | B: Budget Head                        | G: pro rata<br>variance % | H: variance £ | Explanation  |
|------------|---------------------------------------|---------------------------|---------------|--|
| 201        | Shotton Hall banqueting suites        | 38%                       | -£9,177       | Higher than forecast net income from commercial activity |
| 241        | Hill Rigg House                       | 72%                       | £1,301        | Unexpected repair costs                                  |
| 262        | Eden Lane Depot                       | -27%                      | -£3,340       | Lower than forecast cleaning costs                       |
| 261        | Rugby Club site                       | 254%                      | -£3,816       | Mast hire income received at start of year               |
| 293        | Eden Lane Bowls                       | -53%                      | -£118         | Lower than budgeted costs in Q1                          |
| 301        | Neighbourhood Services General Budget | -64%                      | -£35,348      | Woodland grant income in Q1                              |
| 325        | Cemetery Service                      | -31%                      | -£2,526       | Higher income than forecast                              |
| 350        | Allotments                            | -212%                     | -£806         | Not yet incurrent any substantial expenditure            |
| 430        | Town Events                           | 20%                       | £5,473        | Higher net cost of Music Festival                        |

**Report to:** Peterlee Town Council Resources Committee

**Date:** 12<sup>th</sup> September 2022

**Report of:** Town Clerk

**Report Title:** Award of contracts for a feasibility study and condition survey, Shotton Hall

**Purpose:** This report seeks Members' approval for the award of a contract to Atkins Ltd, for a feasibility study and condition survey for Shotton Hall at a contract value of £11,950 + VAT.

**Background:** As members will be aware, the Council's Scrutiny Committee has previously considered options for the future of Shotton Hall and in September 2021 the Committee made a formal recommendation that the Town Council should retain Shotton Hall and repurpose it as a community asset. In November 2021 the Council's Resources Committee considered this recommendation and resolved that further work be carried out to consider options and costs as well as potential funding sources for the required capital works.

The Town Clerk worked with the Durham County Council (DCC) Corporate Procurement Team to produce a comprehensive brief for consultancy work to review the various existing condition survey data, undertake new surveys as required, and provide a costed options report based on a number of scenarios for future use of the building.

The first procurement process was targeted at a number of consultancy firms from an existing public sector consultancy framework. Unfortunately, only one expression of interest was received from that list and so the process was relaunched as an open public procurement process. 29 potential suppliers requested access to the contract documentation and four suppliers submitted formal expressions of interest for the work.

The feedback from the expressions of interest was that the initial brief was too open-ended to allow for accurate costing, and so a new brief was produced that was based on stages 0-6 of the RIBA Plan of Work 2020<sup>1</sup>.

Unfortunately when the revised brief was issued to the four consultancy firms none of them returned a costed proposal. As a result the Town Clerk looked for alternative options to secure the consultancy support required to progress the Council's decision-making for Shotton Hall.

DCC have an existing contract for professional consultancy services with Atkins Ltd, a multi-national company who provide a wide range of technical and management consultancy services<sup>2</sup>. The Town Clerk has secured agreement from DCC and Atkins

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<sup>1</sup> For a copy of the RIBA Plan of Work 2020 see <https://www.architecture.com/-/media/GatherContent/Test-resources-page/Additional-Documents/2020RIBAPlanofWorktemplatepdf.pdf>

<sup>2</sup> See <https://www.snclavalin.com/en/markets-and-services/services/consulting-advisory-and-environmental-services>

for a proposal for a trimmed-down version of the original brief (see appendix 1 to this report) which will be issued via the DCC contract and at the preferential DCC rates.

**Proposal:** Despite carrying out a full open public procurement process the Town Council was unable to secure a good quality costed proposal from a reputable consultancy firm to carry out a feasibility study and options appraisal for Shotton Hall.

The proposal is therefore to appoint Atkins Ltd to carry out the work (scope of duties summarised in appendix 2 to this report) using the existing DCC contract.

The cost of this work will be £11,950 + VAT

**Budget:** The current year's budget has provision of £10,000 for consultancy fees. Members are asked to note that Shotton Hall banqueting suites net income for the first quarter of 2022/23 is around £9,000 higher than budget target as such the consultancy costs shortfall is more than covered by this additional net income for the facility in the first quarter of the year.

**Recommendation:** Members are recommended to approve the award of a contract to Atkins Ltd, for a feasibility study and condition survey for Shotton Hall at a contract value of £11,950 + VAT.

## **Appendix 1: Summary Scope of Duties and Deliverables for the proposed study**

### **Scope Of Duties**

Atkins Ltd will provide a Building Surveyor, Mechanical and Electrical Engineer to provide the following duties:

1. Attend site to identify key issues
2. Consideration of construction options relating to the proposed end use of the property
3. Consult with stakeholders regarding the proposed end use.
4. Statutory considerations (Planning, Listed Building, Building Control etc.,)
5. Provide outline budget costs to include:
  - a. Building fabric repairs & MEP renewals
  - b. Capital refurbishment/reconfiguration costs
  - c. Fee and statutory approvals
  - d. Contractor preliminary costs
6. Undertake a building fabric & services defects inspection of the Civic Hall & 2No. banqueting suites only
7. Procure a measured survey of the Civic Hall & 2No. banqueting suites only
8. Procure a drone survey of the Civic Hall & 2No. banqueting suites only 1
9. Contingencies and risk management issues including preliminary risk register. Including CDM hazard identification with proposals for elimination/ reduction/ control;
10. Anticipated scheme budget costs to include
  - a. Building fabric & services replacements as required
  - b. Capital costs
  - c. Asbestos Removal
  - d. Fee and statutory approvals –
  - e. Preliminaries

### **DELIVERABLES**

Atkins Ltd will deliver the following:

1. Undertake 1 No. joint site inspection.
2. Undertake 1 No. site meeting with stakeholders on the same day of site inspection.
3. Produce a single combined condition survey for use in funding bids.
4. Produce a single Feasibility Study regarding the proposed end use
5. Single zip folder of the drone survey photography – prepared by others
6. Single zip folder of the measured survey plans – prepared by others

## **Appendix 2: Implications**

**Finance** – The report sets out recommendations for the commitment of £11,950 + VAT of which £10,000 will be covered from the existing consultancy services budget and the remainder from net income from Shotton Hall.

**Staffing** - No direct implications.

**Risk** – The development and delivery of the options for investment in Shotton Hall is a key action point in the Council's Corporate Risk register.

**Equality and Diversity / Public Sector Equality Duty** – No direct implications

**Accommodation** – The recommended appointment of Atkins Ltd will provide high quality consultancy support to the Council to enable it to make future decisions about future investment in Shotton Hall.

**Crime and Disorder** - No direct implications.

**Human Rights** - No direct implications.

**Consultation** – The output from the feasibility study and condition report can be used as part of the 'Big Conversation' on the Town Council's budget and service provision for 2023/4 and beyond.

**Procurement** – The initial use of both closed framework and then open public procurement processes did not return a satisfactory costed proposal and as such the recommendation is to direct award using an existing DCC contract with Atkins Ltd.

**Legal Implications** - No direct implications.

**Data Protection** - No direct implications.