



15th January 2019

In accordance with Paragraphs 7 & 10(2) (b) of Schedule 12A of the Local Government Act 1972 I hereby summon you to attend a **Special Meeting of PETERLEE TOWN COUNCIL** to be held in the **Council Chamber**, Shotton Hall, Peterlee, SR8 2PH, on **Monday 21st January 2019 at 6.30pm**

Ian Morris M.C.I.H., P.S.L.C.C

Town Clerk

(Proper Officer of the Council)

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

BUSINESS TO BE TRANSACTED

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. 2019/20 Draft Budget and precept demand

Members shall consider a report of the Town Clerk outlining the draft budget for the 2019/20 financial year and shall be asked to approve a recommendation to set the precept at £1,280,443, equivalent to £289.00 per Council Tax Band D property, (equivalent increase of 0%).

Report to: Peterlee Town Council

Date: 21st January 2019

Report of: Ian Morris, Town Clerk

Subject: Peterlee Town Council budget and precept demand 2019/20

Report Purpose: To seek Members approval of the outline budget for the Town Council for 2019/20 and to set the precept level for 2019/20 at £1,280,443, equivalent to a 0% precept increase for Council Tax payers.

Background: At the Council Committee meeting on Monday 11th December 2018 Members received a presentation from the Town Clerk that set out the key principles, financial pressures and opportunities facing the council in setting the 2019/20 budget and precept demand. The presentation included a visual illustration of the 'budget on a page' which highlighted the main budget issues facing the Council in 2019/20.

Members discussed various issues relating to the 2019/20 budget during that meeting and asked for further detail of the individual budget headings within the 2019/20 budget.

This report sets out the draft budget for 2019/20, with the headlines for the budget provided in the report and the detailed draft budget provided in Appendix 2.

Members are asked to note that this detailed draft budget is subject to change and will be brought back to Resources Committee and full Council in February 2019 for further consideration and approval. The detailed draft budget has been appended this report to provide context to the main outline budget figures provided in the body of this report.

Headlines:

Total budgeted expenditure 2019/20:	£2,861,892 (up £326,007 from 2018/19 budget)
Total budgeted income (before precept):	£929,864 (down £117,215 from 2018/19 budget)
Use of Reserves:	£668,908 (up £447,170 from 2017/18 budget)
Precept demand:	£1,280,443 (up £6,358 from 2017/18)
Average Council Tax band B cost:	£289.00 (up 0% from 2018/19)

Commentary: The draft budgets provide for a total turnover (gross expenditure) of £2,861,892 for 2019/20, an increase in total expenditure of £326,007 from 2018/19 financial year's budget position.

In the 2019/20 budget a number of pressures including:

- annual pay award and increments (c£45,000);
- a reduction in Local Council Tax Support Scheme (LCTSS) funding from Durham County Council (c£6,000);
- an increase in expenditure on Town Activities & Events (c£10,000);
- an increase in funding for the CAB Caseworker project (£7,000);
- a substantial capital program including the play area investment strategy, Shotton Hall refurbishment and resurfacing of the MUGA at the Pavilion Sports & Community Centre (c£618,000); and
- other inflation (c£20,000)

have been offset by:

- the deletion of the vacant 'Head of Operations' role from the council's staffing structure (c£42,000);
- termination of the Town Centre office lease (c£22,000);
- efficiencies/savings in discretionary revenue budgets identified by Senior Managers (c£11,500);
- an increasing council tax base (c£6,000), and
- use of reserves (c£669,000).

The draft 2018/19 budget requires a precept sum of £1,280,443 which will equate to a Council Tax band D payment of £289.00 – the same figure as 2017/18 and 2018/19 - thus delivering a 'freeze' of the Town Council's element of the Council Tax precept for local residents.

Reserves: The forecast reserves at the end of 2018/19 will be in the region of £1,300,000 – subject to confirmation of year-end expenditure.

These estimated reserves can be considered as:

General Fund	£606,000
Earmarked Reserve	£426,121
Useable Capital Receipt*	£268,398

*(Restricted for use on Capital Expenditure)

The £668,908 use of reserves identified in the draft budget will be drawn against both the useable capital receipt and earmarked reserves funds, resulting in an estimated reserves balance at the end of 2018/19 of around £631,000 (subject to confirmation of year end expenditure).

The Council will review the use of reserves policy following the closure of the 2018/19 accounts in May/June 2019.

Risk: The 2019/20 budget has been prepared in accordance with the financial principle of 'prudence', and the council's Senior Management Team has been directly involved in setting the budgets for their service areas. The key budget principles and headlines are being communicated to individual members of staff through presentations and team meetings.

Members are reminded that the Council carried out a review of its approach to risk and the corporate risk register at the meeting on 22nd October 2018 which included

consideration of future year's activities and budgets. A risk assessment has been carried out to identify the key risks facing the council in setting the 2019/20 budget, and a summary of these risks was presented to the Council on 11th December 2018 as part of the budget key principles presentation. These risks include:

- the council does not maximise opportunities for commercial income generation and miss targets for increased turnover in its revenue-generating activities;
- insurance and other significant costs increasing;
- increasing property-related capital costs arising from building surveys;

A number of mitigating actions have been put in place to bring these risks within tolerance and alongside the adopted Use of Reserves Policy this will bring additional comfort to Members that the Council has adopted a prudent approach to the budget and future spending plans.

Quarterly budget monitoring by the Town Clerk and individual budget holders will be supplemented with budget reports to Resources committee and/or Council, ensuring that the budget and risks are properly monitored throughout the financial year. The Town Clerk has also agreed the Internal Audit Plan for 2019/20 and this was presented to the Resources Committee by the Audit Manager from DCC on 30th October 2018. The Internal Audit process provides a further level of risk mitigation and is intended to assure Members that financial and other risks are being routinely reviewed and addressed.

Recommendation:

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

1. Approve the Peterlee Town Council outline budget for 2019/20 as detailed in this report;
and
2. Set the precept figure for 2019/20 at £1,280,443, equivalent to a Band D Council Tax figure of £289.00 - a 0% increase from 2018/19.

Appendix 1: Implications

Finance – This report sets out the outline budget for the Town Council for the 2019/20 financial year, with a precept requirement of £1,280,443 (equivalent to a 0% increase for individual council tax payers) and a planned use of reserves of £668,908.

Staffing – The outline budget includes provision for deletion of the vacant Head of Operations role from the Council's staffing structure.

Risk – see section on risk in the main report.

Equality and Diversity, Cohesion and Integration – none

Crime and Disorder – none

Consultation & Communication – The outline budget has been developed with the Council's management team and has included direct engagement of staff in discussions about budget requirements for 2019/20.

Procurement – none

Legal – the legal power to raise a precept is enshrined in a statute, predominantly the Local Government Finance Act 1992 (c1V) and Localism Act 2011 (s78);

Appendix 2: Detailed draft budget 2019/20

Peterlee Town Council
2019/20
Forward Budget Detail - By Centre

Note :- (-) Net Expenditure means INCOME is greater than EXPENDITURE

	2018/19	201920
	£	£
101 Central & Civic HQ Costs		
4000 Salaries, Wages, Superan, NI	358205	320251
4003 Overtime	1575	1000
4010 Cleaning Wages	5754.677	6860
4011 Facilities Staff - Wages	10000	10000
4099 Pension Cont - Former Staff	0	0
4100 Training & Development - Staff	12000	15000
4175 Personnel Services	10000	7000
4190 Wages Processing DCC	8000	10000
4200 Electricity	3491	3316
4201 Gas	3990	3791
4202 Water	926	972
4205 Rates	3170	3329
4210 Alarm System & CCTV	300	300
4211 Ins XS/Vandalism	250	250
4220 Window Cleaning	400	400
4225 Cleaning Materials	7000	5000
4230 Furniture	3000	1500
4240 Miscellaneous Expenditure	1000	1000
4250 Repairs & Decoration	5000	5000
4350 Small Plant & Tools	1000	1000
4400 Telephones	2000	2000
4401 Mobile Phone	2600	2000
4405 Postage	3000	2500
4406 Petty Cash	200	200
4410 Office Machine Hire & Mtce	18000	18000
4412 Stationery & New Office Equip	10000	8000
4420 Publicity/Council Publications	2000	3000
4425 Insurance	70000	70000
4498 Health & Safety	3750	3750
4499 Occupational Health	3000	3000
4500 Fuel & Oils	13000	13000
4501 Road Fund Tax	650	650
4502 Vehicle Maintenance/Spares	8000	8000
4503 Motor Insurance XS	500	500
Total Over Head Expenditure	571761.7	530568
Total Income	0	0
Central & Civic HQ Costs - Net Expenditure	571761.7	530568

102 Democratic Costs	2018/19	2019/20
4101 Training & Dev - Councillors	5000	2000
4125 Mayors Personal Allowance	1500	1500
4126 Mayors Civic Duties	1000	1000
4127 Participation Allowances	28000	28000
4470 Civic Regalia	500	500
4530 Twinning	1500	5000
Total Over Head Expenditure	37500	38000
Democratic Costs - Net Expenditure	37500	38000
103 Corporate Management	2018/19	2019/20
4426 Subs to L.A. Bodies	4000	4000
4430 Elections	5000	0
4450 Audit Fees	7500	10000
4455 Banking Pick Up Service	1500	1500
4458 Card Machine/Bank Fees	5500	7000
Total Over Head Expenditure	23500	22500
Corporate Management - Net Expenditure	23500	22500
105 Other Costs and income	2018/19	2019/20
4462 CAB Case Worker project	12000	19000
4463 Council Plan	10000	0
4464 Youth Provision	20000	20000
4460 General Fund	500	500
4461 Castle Eden Dene Centre	5000	5000
TBC Friends of the Parks project	0	5000
Total Over Head Expenditure	47500	49500
1045 Precept Received	1274085	1280443
1046 Precept Support Grant	257551	251222
1209 Bank Interest	2000	0
Total Income	1533636	1531665
Other Costs and income - Net Expenditure	-	-
	1486136	1482165
201 S/Hall Banqueting Suite	2018/19	2019/20
4000 Salaries, Wages, Superan, NI	104285	109261
4003 Overtime	5000	5000
4006 Building Maint. Contracts	1000	1000
4010 Cleaning Wages	11509.35	9146
4070 Wages - Shotton Hall Grounds	26179.74	27010
4174 Clothing & Uniforms	500	4000
4200 Electricity	11970	11372
4201 Gas	9975	9476
4202 Water	2756	2894
4205 Rates	10650	11183
4208 Licences	3500	3500

4209	Trade Refuse Costs	1200	1500
4210	Alarm System & CCTV	1000	1000
4211	Ins XS/Vandalism	250	250
4213	Hygiene Services	1125	1125
4215	Refreshments	1843	1843
4220	Window Cleaning	600	600
4230	Furniture	10000	10000
4240	Miscellaneous Expenditure	1000	1000
4250	Repairs & Decoration	10000	10000
4400	Telephones	0	0
4420	Publicity/Council Publications	4110	5000
4421	Shotton Hall Events	2835	2835
4424	Bond	0	0
	Total Over Head Expenditure	221288.1	228994
1305	Electricity Refunds - Caterer	4489	0
1306	Gas Refunds - Caterer	1520	0
1312	Miscellaneous Income	0	0
1319	Hire Income	71760	71760
	Refreshment		
1320	Income	2970	2970
1321	Hire of Equipment	2228	2228
1322	Shotton Hall Events	7425	7425
	Hire Chair covers		
1323	etc	3267	3267
1324	Hire disco lights etc	5495	5495
	Total Income	99154	93145
S/Hall Banqueting Suite - Net Expenditure		122134.1	135849
210	Shotton Hall Bar	2018 19	2019 20
4005	Bar Gas	498	388
4030	Bar Wages - Casuals	32396	25269
4214	Stocktaking Fees	858	669
4570	Bar Purchases	75184	58644
	Total Over Head Expenditure	108936	84970
1315	Bar Income	202703	158108
	Total Income	202703	158108
	Shotton Hall Bar - Net Expenditure	-93767	-73138
215	Shotton Hall Catering	2018 19	2019 20
	Catering		
4572	Expenditure	177188	138207
	Total Over Head Expenditure	177188	138207
1329	Catering Franchise	20000	0
1330	Catering Income	150579	117452
	Total Income	170579	117452
Shotton Hall Catering - Net Expenditure		6609	20755

The Pavilion (Inc Sports 221 Fac)		2018 19	2019 20
4000	Salaries, Wages, Superan, NI	166276	178211
4003	Overtime	4200	4000
4006	Building Maint. Contracts	3400	3500
4009	Bistro Expenditure	25600	36288
4010	Cleaning Wages	24745.11	26867
TBC	Cricket roller hire	0	1800
4056	Wages-Helford Rd Cricket Fld	7608.009	9577
4057	Wages-Helford Rd F/Fields	5680.998	3192
4061	Wages-Helford Road MUGA	3580.239	4061
4081	Wages-Helford Rd Grounds	8476.744	12770
4174	Clothing & Uniforms	600	600
4200	Electricity	17088.75	17943
4201	Gas	8588.475	8159
4202	Water	3990	3791
4205	Rates	13373.33	14042
4208	Licences	6000	6200
4209	Trade Refuse Costs	1100	1300
4210	Alarm System & CCTV	2400	2400
4211	Ins XS/Vandalism	250	250
4213	Hygiene Services	525	525
4216	Line Cleaning Costs	0	0
4217	Lift Maintenance Costs	2000	2000
4220	Window Cleaning	1000	1000
4230	Furniture	1000	1000
4240	Miscellaneous Expenditure	2000	2000
4250	Repairs & Decoration	3000	3000
4400	Telephones	2500	2500
4406	Petty Cash	100	0
4410	Office Machine Hire & Mtce	2500	3000
4412	Stationery & New Office Equip	1750	1750
4420	Publicity/Council Publications	1500	1500
4424	Bond	0	0
4581	Pool Table Costs	600	600
4584	Sattelite TV Costs	3500	3800
4585	Loan Repayment	50450	50450
	Total Over Head Expenditure	375382.6	408078
		2018 19	2019 20
1312	Miscellaneous Income	1500	2000
1314	Bistro Sales	44105	65496
1319	Hire Income	42000	46200
	Refreshment		
1320	Income	400	400
1321	Hire of Equipment	50	50
1341	Pool Table Income	400	400
1507	Helford Road Cricket Facility	1000	1000
1508	Helford Road Football Field	1100	1100
1509	Helford Road MUGA	18000	20000
	Total Income	108555	136646
	The Pavilion (Inc Sports Fac) - Net Expenditure	266827.6	271432

225	The Pavilion Bar	2018 19	2019 20
4005	Bar Gas	600	600
4030	Bar Wages - Casuals	33882	37270
4214	Stocktaking Fees	1000	1000
4570	Bar Purchases	40000	40000
	Total Over Head Expenditure	75482	78870
1315	Bar Income	124146	85000
	Total Income	124146	85000
	The Pavilion Bar - Net Expenditure	-48664	-6130
241	Lowhills Road Community Fac	2018 19	2019 20
4010	Cleaning Wages	3453	1143
4055	Wages-lowhills Rd F/Fields	5817	3192
4079	Wages-L/Hill Rd Grounds	3375	6385
4200	Electricity	5937.5	5641
4202	Water	2199.75	2310
4205	Rates	926.1	972
4209	Trade Refuse Costs	0	0
4210	Alarm System & CCTV	500	500
4211	Ins XS/Vandalism	250	250
4213	Hygiene Services	100	100
4220	Window Cleaning	100	100
4240	MiscellaneousExpenditure	500	500
4250	Repairs & Decoration	5000	5000
4400	Telephones	200	200
	Total Over Head Expenditure	28358.35	26294
1307	Water Refunds - Surestart	800	800
1308	Electricity Refund - Surestart	2440	2440
1319	Hire Income	6000	6000
1506	Lowhills Road Football Field	1800	1800
	Total Income	11040	11040
	Lowhills Road Community Fac - Net Expenditure	17318.35	15254
242	Lowhills Road Bowling Club	2018 19	2019 20
4010	Cleaning Wages	0	0
4054	Wages-Lowhills Rd B/Green	6124	0
4200	Electricity	329	313
4240	MiscellaneousExpenditure	0	0
4250	Repairs & Decoration	0	0
	Total Over Head Expenditure	6453	313
1505	Lowhills Road Bowling Green	0	0
	Total Income	0	0
	Lowhills Road Bowling Club - Net Expenditure	6453	313

261	Eden Lane Community Fac	2018 19	2019 20
4010	Cleaning Wages	0	0
4051	Wages-Eden Lane Rugby	5763	3192
4080	Wages-E/Lane Grounds Maint	17288	19155
4250	Repairs & Decoration	1000	1000
	Total Over Head Expenditure	24051	23347
1210	Communication Mast Rental	6000	6000
1319	Hire Income	1	1
1502	Eden Lane Rugby	800	800
	Total Income	6801	6801

Eden Lane Community Fac - Net Expenditure 17250 16546

262	Eden Lane Depot	2018 19	2019 20
4010	Cleaning Wages	6330	8575
4200	Electricity	5237.35	4975
4202	Water	661.5	695
4205	Rates	4167.45	4376
4210	Alarm System & CCTV	1575	1575
4211	Ins XS/Vandalism	250	250
4230	Furniture	250	250
4240	Miscellaneous Expenditure	500	500
4250	Repairs & Decoration	2000	2000
4400	Telephones	1000	1000
4410	Office Machine Hire & Mtce	1000	1000
4412	Stationery & New Office Equip	2000	2000
	Total Over Head Expenditure	24971.3	27195
	Eden Lane Depot - Net Expenditure	24971.3	27195

263	Eden Lane Bowling Club	2018 19	2019 20
4010	Cleaning Wages	575	572
4050	Wages-Eden Lane B/Green	4183	4635
4250	Repairs & Decoration	1000	1000
	Total Over Head Expenditure	5758	6206
1501	Eden Lane Bowling Green	550	550
	Total Income	550	550

Eden Lane Bowling Club - Net Expenditure 5208 5656

280	Woodhouse Park	2018 19	2019 20
4010	Cleaning Wages	4606	4001
4078	Wages-Woodhouse Park	33379	25540
4200	Electricity	4013.75	3813
4202	Water	695.1	730
4206	Rent	1500	1500

4210	Alarm System & CCTV	750	750
4211	Ins XS/Vandalism	250	250
4240	Miscellaneous Expenditure	500	500
4250	Repairs & Decoration	4000	4000
4400	Telephones	250	250
	Total Over Head Expenditure	49943.85	41334
	Woodhouse Park - Net Expenditure	49943.85	41334
290	Sports Development	2018 19	2019 20
4062	Wages - Sport Development	65094	69187
4065	Marketing	500	1000
4067	Activities/Events	18720	22464
4068	Equipment	300	300
4073	Licences, Membership Ins	300	300
4174	Clothing & Uniforms	200	200
4215	Refreshments	50	50
4412	Stationery & New Office Equip	150	150
	Total Over Head Expenditure	85314	93651
1514	Coaches Forum income	2000	0
1510	Activities Ex Classes & Events	29500	35400
	Total Income	29500	35400
	Sports Development - Net Expenditure	55814	58251
301	Parks General	2018 19	2019 20
4000	Salaries, Wages, Superan, NI	41718	43799
4001	Sick Pay	13358	25540
4002	Holiday Pay	54532	67042
4003	Overtime	12600	6000
4071	Wages-Dene Parks	23051	35117
4074	Wages-Misc. None Site Duties	2690	2980
4075	Wages-General Open Spaces	27821	30825
4076	Wages-Play Areas	16689	18492
4174	Clothing & Uniforms	3000	3000
4202	Water	193.2	203
4211	Ins XS/Vandalism	500	500
4240	Miscellaneous Expenditure	250	250
4300	Equipment & Supplies	8000	6200
4305	Manures, Fertilizers & Seeds	11000	11000
4310	Bedding Plants, Shrubs & Bed	15000	15000
4360	Play Equipment-Repairs	3000	2000
	Tree Maint, Surveys &		
4370	Services	5000	1000
4371	Public Seats & Bins	1500	1500
4373	Hire of Skips	7000	7000
TBC	Vehicle Leasing	15000	15000
	Total Over Head Expenditure	261902.2	292449
	Total Income	0	0
	Parks General - Net Expenditure	261902.2	292449

Cemetery & Burials		2018 19	2019 20
325	Burials		
4000	Salaries, Wages, Superan, NI	38613	38310
4200	Electricity	750	788
4240	Miscellaneous Expenditure	1000	1000
4300	Equipment & Supplies	2000	2000
	Total Over Head Expenditure	42363	42097
1702	Burials and Charges	20000	22000
	Total Income	20000	22000
Cemetery & Burials - Net Expenditure		22363	20097
350	Allotments	2018 19	2019 20
4000	Salaries, Wages, Superan, NI	3504	3882
4202	Water	1389	1458
4211	Ins XS/Vandalism	250	250
4240	Miscellaneous Expenditure	500	500
4300	Equipment & Supplies	1000	1000
4306	Allotment Access Paths	2500	2500
	Total Over Head Expenditure	9143	9591
1754	Allotment Rents & Water	3500	3500
	Total Income	3500	3500
Allotments - Net Expenditure		5643	6091
401	Town Centre Office	2018 19	2019 20
4200	Electricity	310	0
4202	Water	358	0
4205	Rates	5965	0
4206	Rent	12000	0
4207	Service Charges	3090	0
4210	Alarm System & CCTV	600	0
	Total Over Head Expenditure	22323	0
	Total Income	0	0
Town Centre Office - Net Expenditure		22323	0
410	Town Activities	2018 19	2019 20
4427	Donations	11000	11000
4715	Clock Maintenance	515	0
4720	Gritting Service & Bins	2000	2000
4725	Dog Fouling Maint. & Bins	2250	2250
4726	Remembrance Parade/Armed Forces	3000	6000
	Total Over Head Expenditure	18765	21250
Town Activities - Net Expenditure		18765	21250

430	Town Events	2018 19	2019 20
4730	Peterlee Show	65000	70000
4733	Garden Competition	1500	1500
4740	Fireworks Display	10000	10000
4742	Carol Concert/Tree Lighting	5000	5000
4751	Senior Citizens	1800	1800
4756	Summer Events	4000	6000
	Childrens		
4757	Pantomine	4000	3500
	Total Over Head Expenditure	91300	97800
	Total Direct Expenditure	0	0
1852	Fake Festival	1000	0
1851	Peterlee Show	10000	9000
	Total Income	11000	9000
	Town Events - Net Expenditure	80300	88800
901	Capital Projects	2018 19	2019 20
4912	New Vehicles	32311	0
4913	Capitalised Maint - S/Hall	200000	300000
4920	Consultants Fees	20000	20000
4930	Eden Lane Works	14757	5000
4940	Helford Road MUGA	50000	50000
TBC	Woodhouse Park Toilets	20000	0
TBC	Thorntree Gill LG shelter	30000	30000
TBC	Dene Parks	25000	25000
TBC	Community Cinema	15640	0
TBC	Cricket Fence	30000	0
4955	Play Equipment	115000	188000
	Total Over Head Expenditure	552708	618000
	Total Income	0	0
	Capital Projects - Net Expenditure	552708	618000
	Total Budget Expenditure :	2861892	2879215
	Income	2321164	2210307
	Net Expenditure	540728.1	668908
	of		
	which, revenue exp	-11979.9	50908
	capital exp	552708	618000
	income less precept	1047079	929864