



13<sup>th</sup> December 2022

In accordance with Paragraphs 8 & 10(2) (b) of Schedule 12 of the Local Government Act 1972 I hereby summon you to attend a Meeting of **PETERLEE TOWN COUNCIL** to be held in the **BRANDLING SUITES, SHOTTON HALL, PETERLEE, SR8 2PH** on **MONDAY 19<sup>th</sup> DECEMBER 2022 at 6.30pm**

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

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

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

### **BUSINESS TO BE TRANSACTED**

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

4. To Approve the Minutes of the last meeting of the 28<sup>th</sup> November 2022  
The minutes of the previous meeting are attached for consideration and approval as a true and correct record. (attached)
5. Notes of the Finance Sub Committee of the 19<sup>th</sup> December 2022  
To confirm and endorse the resolution of the Finance Sub Committee to be held on 19 December 2022 to approve BACS payments to be paid on 22 December 2022.
6. The Minutes of the Community & Environment Committee of the 5<sup>th</sup> December 2022  
The minutes of this meeting are attached for information purposes only. (attached)
7. Policies
  - (a) Recruitment Please use <https://bit.ly/3ByW2qJ> to view the policy updates
  - (b) Menopause and Andropause Please use the following link to view the policy <https://bit.ly/3VZhXi1>To approve updated policies.
8. Peterlee Town Council outline budget 2023/24  
To provide Members with an outline draft budget for 2023/24 financial year and seek feedback on options to balance the budget in the forthcoming year.  
(Report of the Town Clerk attached)
9. Shotton Hall Angling Club  
To provide Members with a verbal update on progress with this matter and feedback from the public meeting (Deputy Town Clerk to provide a verbal update)
10. Peterlee Town Council – Big Conversation – Wednesday 4<sup>th</sup> January 2023 at 6.00pm  
The Pavilion, Peterlee  
To confirm the Council's 'Big Conversation' workshop with community partners and groups on Wednesday 4<sup>th</sup> January 2023.
11. Spokesperson of the North East Party's Report
12. Spokesperson of the Labour Political Party's Report

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](mailto:council@peterlee.gov.uk)

PETERLEE TOWN COUNCIL

MINUTES OF THE MEETING OF THE TOWN COUNCIL

HELD IN THE BRANDLING SUITE, SHOTTON HALL, PETERLEE

ON MONDAY 28<sup>TH</sup> NOVEMBER 2022 at 6.30PM

PRESENT: - Cllr R Moore (Chairman)

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

77. Apologies for Absence

Apologies for absence were offered from Councillors A Stockport, K Hawley & G Johnson. **RESOLVED the apologies for absence from these Councillors be noted.**

78. Public Participation Session

There was one member of the public present at the meeting who just wished to observe the meeting rather than speak .

79. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. None were given.

80. To Approve the Minutes of the last meeting of the 24<sup>th</sup> October 2022

The minutes of the previous meeting are attached for consideration and approval as a true and correct record. **RESOLVED the minutes be accepted and signed as a true and correct record.**

81. Notes of the Finance Sub Committee

Members confirmed and endorsed the resolution of the Finance Sub Committee to approve BACS payments to be paid on Monday 21<sup>st</sup> November 2022, (as circulated by e mail for approval on 18<sup>th</sup> November 2022). It was **RESOLVED the payments be accepted.**

82. Notes of the Events Working Party of the 8<sup>th</sup> November 2022

Items referred from the meeting:-

- It was suggested there not be a Fireworks Display in 2023
- Pre loved items – regular open days being held at Shotton Hall/The Pavilion

The notes of the Events Working Group held on 8<sup>th</sup> November 2022 were circulated for information purposes only. **RESOLVED the record of the meeting be noted.**

**FURTHER RESOLVED consideration of a fireworks event being held in 2023 be deferred until final budget considerations were made.**

83. Minutes of the Resources Meeting of the 14<sup>th</sup> November 2022

The Minutes of the Resources Meeting held on 14<sup>th</sup> November 2022 were attached for information purposes only. **RESOLVED the record of the meeting be noted.**

84. Budget 2023/24

The Town Clerk reported receipt of confirmation of the Local Council Tax base position which was more positive than he had anticipated. He stressed he needed priorities and services from the Council and he offered to prepare the various budget options open to the Council in setting its budget for the next financial year to consider at the next meeting. **RESOLVED this course of action be agreed to.**

85. Spokesperson of the North East Party's Report

Councillor Cartwright spoke about the consultation on the current electoral boundary review taking place in County Durham. She reported on a wreath, making day that had been held at the Edenhill People's project. Councillor Cartwright reported on a shop unit in the town centre being used for the re sale/gifting of second hand toys and she thanked everyone involved. **RESOLVED that the information given be noted.**

86. Spokesperson of the Labour Political Party's Report

Councillor McCue reported on an initiative at the Methodist Church providing soup and hot drinks open to everyone and she thanked those involved that had supported this with time, effort and funding from their Neighbourhood Budgets. Oakerside Community Centre and East Durham Trust were also running schemes with warm spaces and food. She asked if anyone had other projects to share them on social media. She was concerned at the possibility of power outages in the months to come and she encouraged councillors to keep in touch with each other in the case of an emergency and to continue to work cross party. It was agreed a winter resilience/community emergency plan be drafted for consideration. **RESOLVED that the information given be noted.**

THE MINUTES OF THE MEETING  
OF THE COMMUNITY & ENVIRONMENT COMMITTEE  
HELD IN THE COUNCIL CHAMBER,  
SHOTTON HALL, PETERLEE ON MONDAY 5<sup>TH</sup> DECEMBER 2022 AT 6.30PM

PRESENT: M A CARTWRIGHT (CHAIR)

M McCue, S Simpson, R Burnip, R Moore, J Black, D Hawley, A Laing, M A Cartwright, D Howarth & M Sanderson

**The Chairman advised Members of the committee that part of the meeting may be recorded by both audio and video, and it may be that photographs were taken.**

6. Apologies for Absence

Apologies were submitted by Councillors K Liddell, A Stockport, K Duffy, T Duffy, S McDonnell, D Quinn, K Hawley, S Franklin & S Meikle. **RESOLVED the Council approve the reason submitted for absence received from these Councillors, and their apologies for absence be recorded.**

7. To receive declarations of interest

Members were reminded of the need to disclose any interests in items on this agenda, whether pecuniary or otherwise. None were given to the meeting.

8. To Approve the Minutes of the Last Meeting

The contents of the Minutes of the last meeting held on 10<sup>th</sup> October 2022, a copy of which had been previously circulated, were approved and signed as a true and correct record.

9. Eden Hill Skatepark project

Members considered a report from the Town Clerk recommending the award of a contract for the provision of a new skatepark at the Council depot/rugby club site at Eden Lane to Wheelscape/Active Legacy Ltd subject to final confirmation of funding.

It was reported 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. **RESOLVED approval be given to the principle of the award of contract for the design and installation of a new skate park at Eden Lane to Wheelbase at a minimum target value of £100,000 + VAT, with delegated authority for the Town Clerk to work with the contractor on a funding plan to increase this towards an upper of target of £150,000 + VAT in consultation with the Chairs of Council and Resources Committee.**

10. Budget 2023/24

Members gave further consideration to the various options open to the Council in setting its budget for the next financial year. During discussions it was asked if the progress report from Citizens Advice could be re circulated. **RESOLVED the budget be re considered at the next meeting.**

11. Winter Resilience/Community Emergency Plan

Members were asked to further consider actions to be taken forward by the Town Council to compliment the disaster recovery/civic contingencies plan for County Durham and it was suggested a small working party/group be established to work on a draft Winter Resilience/Community Emergency Plan for Peterlee. Councillors Moore, Howarth, McCue and Cartwright expressed an interest in being part of this group. **RESOLVED the working party be convened to make progress with the plan and report back to Council in due course.**

DRAFT

**Report to:** Peterlee Town Council

**Date:** 19<sup>th</sup> December 2022

**Report of:** Ian Morris, Chief Officer & Town Clerk

**Subject:** Peterlee Town Council outline budget 2023/24

**Report Purpose:** To provide Members with an outline draft budget for the 2023/24 financial year and seek feedback on options to balance the budget in the forthcoming year.

If any Members have any specific questions about any of the detail contained in this report they are recommended to contact the Town Clerk prior to the meeting if possible. This will ensure that proper consideration of the questions can be given prior to the meeting.

**Background:** Members have been engaged in an ongoing discussion about the 2023/24 budget since September 2022. The Council and its committees have received presentations, detailed budget information and discussed options at meetings on 29<sup>th</sup> September, 24<sup>th</sup> October, 14<sup>th</sup> November, 28<sup>th</sup> November and 5<sup>th</sup> December 2022.

Like so many individuals, households, businesses and other public sector organisations, the Town Council has been substantially affected by the recent national financial crisis. Within the current financial year there are a number of unforeseen financial pressures putting significant pressures on the current budget including:

- Gas and electricity costs in the first two quarters (April – September 2022) have increased by 57% compared to the same period in the previous year, with an estimated budget impact of £50,000 overspend by the end of the current financial year;
- The NJC national staffing pay deal was significantly higher than forecast, averaging at around 6% across the Council's staffing structure compared to the 4% forecast for the current budget. This is likely to result in around £33,000 overspend against budget by the end of the current financial year;
- Other general inflation on supplies and services bought by the Council likely to run above 10% by the end of the financial year as opposed to the 6% that was built into the current year's budget. This is likely to result in pressures of around £45,000 by the end of the current financial year.

The 3<sup>rd</sup> quarter of the financial year ends on 31<sup>st</sup> March 2022, and Members will be presented with the quarterly budget outturn report in late January/early February 2023.

**Future budget:** As members are aware, the Town Council's budget is heavily dominated by staffing costs (57% of total expenditure) and is particularly sensitive to the unprecedented uncertainty and volatility in some parts of the economy including utility and fuel costs, public sector staff pay, and supplies and services.

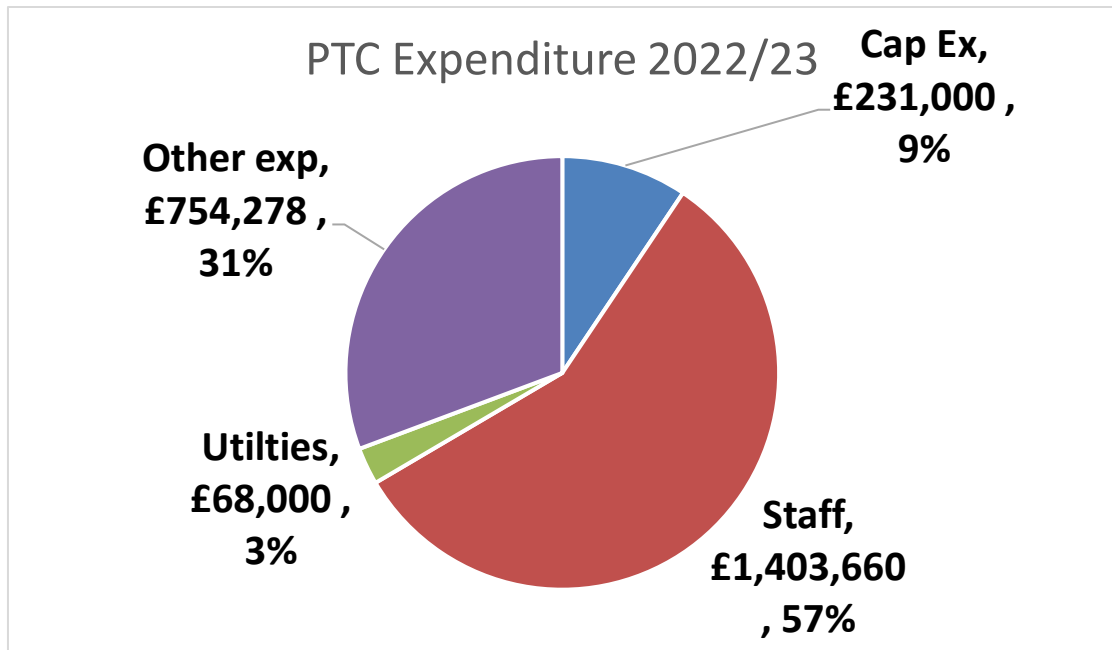


Figure 1: an illustration of Town Council expenditure in the current year's budget

This means that the common indicator for inflation used in the media – the CPIH – is not a particularly useful benchmark for budget forecasting for the Council. The CPIH inflation calculations include a 'basket' of over 700 common items ranging from children's pyjamas to couscous and from single beds to self-catered holiday rental prices. Most of the individual items measured for CPIH have no direct impact on the Council's budget, and the current CPIH inflation rate (9.6% for October 2021<sup>1</sup>) includes a number of items that are currently reducing in price (e.g. second hand cars, house prices) and therefore mask the 'true' inflation of other items that the Council is particularly sensitive to.

This under-reporting of inflation in the CPIH measures is also being felt by many households in Peterlee. Data published by the Office for National Statistics for October 2022 shows that people living in the 10% lowest income households in the UK are experiencing higher levels of inflation than more wealthy households, with rates of 10.6% for the lowest income households compared to 8.5% for the most wealthy<sup>1</sup>. Approximately 60% of households in Peterlee fall into this 'lowest 10% income' category.

The higher levels of inflation being experienced by the Town Council and by local households means that the published inflation figures must be treated with some caution when it comes to budget setting for 2023/24.

#### Reserves:

Since 2017/18 the Town Council has successfully pursued a policy of investing Council reserves into a variety of capital projects across the Town. These capital projects have included:

- Investing around £500,000 in renewing the town's play areas;
- A new community amenity building at the Thorntree Gill leisure gardens site; and

<sup>1</sup> Source:

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/inflationandthecostoflivingforhouseholdgroups/october2022> accessed 05/12/22



- Fencing to improve safety and security at the Pavilion Sports & Community Centre and the Lowhills Road playing fields

The Town Council has also invested reserves to protect local residents from Council Tax increases for the Town Council's element of the Council Tax precept. With a 2% Council Tax reduction in 2017/18 followed by 0% 'freezes' in 2018/19 to 2021/22 and a 6% increase in 2022/23, the Town Council has forgone approximately £430,000 of income that would have been raised had it increased precept in line with inflation from 2017 to the present day.

The combination of capital investment and revenue protection from Council Tax increases has resulted in the Town Council's reserves reducing from a peak of £1,286,918 in April 2018 to £317,712 at the end of March 2021. The Town Council did set a small surplus budget in the current financial year, but the substantial inflationary pressures being felt by the Council mean that the current year-end estimate reserves at the end of March 2023 are in the region of £250,000 and possibly lower than this. Members are reminded that the Council's approved prudent level of reserves is £428,000, which was calculated in 2018 as approximately 3 months of operating costs.

**Risks:**

The Council is exposed to a number of substantial financial risks at present:

1. There is a great deal of uncertainty over future utility prices. Even with the current energy price reduction scheme ('the cap') the current forecast is that energy costs for 2023/24 will be 100% higher than in the 2021/22 financial year. The current cap is due to expire in April 2023 and we do not know what will happen with energy prices after that point;
2. There is a great deal of uncertainty over general inflation in the UK economy in 2023/4, with latest forecasts seeming to be around 5-6% by the end of the year. However, the Town Council has used published interest rate projections in the past two financial years and in both years actual inflation experienced by the Council has been 50% to 100% higher than the predicted levels and so the Council will need to take a prudent view of any forecasts for 2023/4;
3. The ongoing post-COVID financial situation is such that it is very difficult to predict how the Council will perform with its revenue-generating activity at Shotton Hall and The Pavilion Sports & Community Centre. In the 2020/21 financial year, the Pavilion's income from Bar and Bistro activity was less than 3% of the average for the previous 4 years pre-COVID. The Council has commissioned a survey and options appraisal of Shotton Hall to inform decisions to be made about the future use of the site, and so it is difficult to predict with any level of certainty what the budget requirement for Shotton Hall will be in the next financial year;
4. The Town Council's general reserves have been below prudent levels for the last two financial years. The Council has established two earmarked reserves funds for the

Helford Road MUGA resurfacing and for a future Play Area Renewal programme and will need to continue to contribute to these earmarked reserves as well as ensuring that a surplus budget is set to slowly build the general reserve back up to prudent levels. The current draft budget is expected to enable a contribution to general reserves of around £24,000 in the next financial year.

**Precept:**

Members will be aware that each 1% of precept increase/decrease equates to an increase/decrease of precept income to the Town Council of around £14,000. The table below sets out the effect on the annual, monthly and weekly precept payments for households in Council Tax Bands A – E for each 1% of precept increase or decrease.

	<b>Band A c. 75% of households in Peterlee</b>	<b>Band B c. 7%</b>	<b>Band C c. 9%</b>	<b>Band D c. 6%</b>	<b>Band E c. 3%</b>
<b>Current annual precept</b>	£203.21	£237.07	£270.94	£304.81	£372.55
<b>Each 1% +/-</b>	£2.03	£2.37	£2.71	£3.05	£3.73
<b>Monthly equivalent</b>	17p	20p	23p	25p	31p
<b>Weekly equivalent</b>	4p	5p	6p	6p	8p

*Table 1: illustration of precept levels per Council Tax band*

So, for every £14,000 in additional income to the Council raised by a 1% increase, 75% of households in Peterlee would face an additional £2.03 in precept for the year – equivalent to an additional cost of around 4 pence per week.

The latest draft budget presented to Members on 5<sup>th</sup> December 2022 includes provision of a precept increase of 13%, which would look like:

	<b>Band A c. 75% of households in Peterlee</b>	<b>Band B c. 7%</b>	<b>Band C c. 9%</b>	<b>Band D c. 6%</b>	<b>Band E c. 3%</b>
<b>Current annual precept</b>	£203.21	£237.07	£270.94	£304.81	£372.55
<b>With 13% increase</b>	£229.63	£267.90	£306.17	£344.44	£420.98
<b>Additional annual cost</b>	£26.42	£30.83	£35.23	£39.63	£48.43
<b>Monthly additional</b>	£2.20	£2.57	£2.94	£3.30	£4.04
<b>Weekly additional</b>	£0.51	£0.59	£0.68	£0.76	£0.93

*Table 2: example of cost to individual Council Tax payers of a 13% precept increase*

A 13% precept increase would result in approximately 75% of households in Peterlee facing an additional £26.42 for the year for the Town Council's element of their Council Tax bill, equivalent to around £2.20 a month or 51p a week. Residents in the highest-rated properties in Peterlee (about three in every hundred properties) would see an increase of £48.43 for the year, equivalent to around £4.04 a month or 93p a week.

**Service charges:** Members have previously expressed a strong desire to protect Council Tax payers in Peterlee from any rises in precept charges as far as possible. In order to close the current budget deficit Members have considered a number of options but the basic choices boil down to increasing income or reducing expenditure, or both. In terms of increasing income, aside from the 'increasing precept income' option discussed earlier in this report, Members have also considered the option to increase charges for Council services. These services/activities include:

- 11 a side grass football facilities seasonal hire
- Lawn green bowls facility hire
- Hourly hire rates for rooms and MUGA sports facility and sports/wellbeing classes at The Pavilion Sports & Community Centre, Helford Road
- Peterlee Cemetery fees
- Leisure Garden (allotment) fees

Members are recommended to agree a target 15% increase in service charges across the Council services/activities.

The Council also provides sports grounds maintenance services to Peterlee & Horden Rugby Club and Peterlee Cricket Club. These service charges are subject to separate commercial discussions with the two clubs but will be increasing above the 15% level.

**Costs:** As well as looking to increase income from precept and service charge increases, the Council can consider how it might reduce its running costs. Members have been involved in conversations about options in a number of budget areas including:

Cost area	Current estimate cost for FY	Comment
Staffing (salaried)	£1,296,000	Although a staffing review was first discussed in September 2022, Members have not pursued this option and so there is no realistic chance of a review being completed and making savings for the start of the next financial year
Electricity & Gas	£125,000	Currently purchasing energy through a national procurement framework via Durham County Council. Current options appraisal work for Shotton Hall may result in investment in energy reduction measures and improved heating system
Town Events	£46,000 (net)	Council has already considered a new approach to events in 2023/4 with a increase in smaller and more family-

Cost area	Current estimate cost for FY	Comment
		orientated events while maintain the same level of budget provision. The results of a current bid for National Lottery funding for additional activities associated with 'Peterlee 75' is expected to be announced in January 2023 and will be presented to Members as soon as we have confirmation of funding.
Citizens Advice Durham – Peterlee caseworker	£20,000	The Town Council is currently reviewing whether it continues to provide a donation towards the dedicated case worker for Peterlee. The caseworker currently provides two face-to-face surgeries a week in Peterlee as well as remote outreach work.
Castle Eden Dene Visitors Centre	£5,000	The Town Council is currently reviewing whether it continues to provide a donation to Natural England towards the running of the visitors center at Castle Eden Dene.

*Table 3: summary of some recurring revenue expenditure items that the Council has considered for review*

Members will be presented with further detailed budget breakdowns in January 2023 as part of further deliberations by Resources Committee and Full Council during January. Although the fine-tuning of the final budget detail can go on throughout February and March 2022 if needed, the precept demand will need to be agreed by Council in January to allow the Town Clerk to submit the precept demand to Durham County Council by Friday 27<sup>th</sup> January 2023.

**Recommendation:**

Members are recommended to note the contents of this report and to consider the options presented prior to further deliberation by Resources Committee and Council in January 2023.

## Appendix 1: Implications

Finance – This report sets out the outline budget for the Town Council for the 2023/24 financial year, which currently provides for a surplus of around £24,000 based on a 13% precept increase.

Staffing – no direct implications.

Risk – see section on risk in the main report.

Equality and Diversity, Cohesion and Integration – no direct implications

Crime and Disorder – no direct implications

Consultation & Communication – The outline budget has been developed with the Council’s management team and has been presented to Council, Resources Committee and Community & Environment Committee throughout September – December 2022. A ‘Big Conversation’ event is planned for January 2023 at which the Council will engage with community partners and groups on some of the options for the 2023/24 financial year and beyond.

Procurement – no direct implications

Legal – the legal power to raise a precept is enshrined in a statute, predominantly the Local Government Finance Act 1992 (cIV)<sup>2</sup> and Localism Act 2011 (s78)<sup>3</sup>; the budget setting process is designed to satisfy the non-statutory sector guidance set out in documents such as the NALC Joint Panel on Accountability and Governance (JPAG) Practitioners Guide<sup>4</sup>

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<sup>2</sup> <https://www.legislation.gov.uk/ukpga/1992/14/part/I/chapter/IV>

<sup>3</sup> <https://www.legislation.gov.uk/ukpga/2011/20/section/78>

<sup>4</sup> <https://www.nalc.gov.uk/library/our-work/jpag/3698-practitioners-guide->

[2022/file#:~:text=The%20Practitioners'%20Guide%20\('the,Annual%20Governance%20and%20Accountability%20Return.](https://www.nalc.gov.uk/library/our-work/jpag/3698-practitioners-guide-2022/file#:~:text=The%20Practitioners'%20Guide%20('the,Annual%20Governance%20and%20Accountability%20Return.)