

MINUTES of the FINANCE & GENERAL PURPOSES COMMITTEE MEETING OF STANLEY TOWN COUNCIL

Held at Stanley Civic Hall, Front Street, Stanley on Wednesday 9th December 2015 at 6.30pm

PRESENT: Cllr D Walker* Cllr D Tully Cllr D Mills Cllr R Harrison
Cllr B Nair
*Chairman

OFFICERS: Alan Shaw (Town Clerk)
Nicola James (PA to the Town Clerk)

435 APOLOGIES

Apologies received from Cllrs D Marshall, C Bell, J Nicholson and W Nixon were received by the committee.

436 DECLARATIONS OF INTEREST

None.

437 PROCEDURAL AND APPROPRIATE ANNOUNCEMENTS FROM THE CHAIRMAN OR TOWN CLERK

None.

438 PUBLIC PARTICIPATION

No members of the public were present at the meeting.

439 CONFIRMATION OF MINUTES

It was proposed by Cllr D Tully, seconded by Cllr R Harrison and **RESOLVED** that the Committee approve the minutes of the Finance Committee meeting held on 11th November 2015.

440 ACCOUNTS FOR PAYMENT & BANK RECONCILIATION

- **Schedule of Payments** - members considered the schedule and **APPROVED** the list of payments. for November 2015.
- **Bank Reconciliation & Unrepresented Cheques** - Members noted the report and **RECOMMENDED** no further action. was required.
- **Schedule of Income** - members noted the report and **RECOMMENDED** no further action was required.
- **Current Account & Saver Account** - members noted the report and **RECOMMENDED** no further action was required.

- **Trial Balance** - members noted the report and **RECOMMENDED** no further action.

441 BUDGET 2016-147 - FIRST DRAFT

Statutory Basis: Local Government Finance Act 1992, s.50

Members of the Committee **CONSIDERED** the Draft Budget for 2016/17 that had been presented by the Town Clerk & the report of the Finance Manager.

Committee **NOTED** that:

- (a) The draft budget has been prepared on the basis of a zero increase in precept per Band D equivalent. Although the total precept received has increased on the draft budget by £20,259 this is due to growth in the tax base from 7167.2 in the current year to 7397.0 for 2016/17.
- (b) The salaries budget includes provision for a pay award of 1%. A pay deal of 1% per year over 2 years is being negotiated by the National Joint Council and is likely to be accepted by the Employers' side. It also includes funding for an additional Community Services Officer which exists on the current staffing establishment but which has not been filled.
- (c) Growth in operational and events budgets (including the funding for the Community Survey) has been taken from the Environmental Enhancements budget of £102k that was unallocated last year following Council's decision not to renew the contract with Durham County Council for enhanced services. The remaining £41,838 from this line has been placed on a new 'Other Grants' line.
- (d) The draft budget contained a provision of £5,000 for the Horticultural Show; £8,000 for a cycling event and £8,000 for a Community Radio project that have not been previously approved by Council for inclusion in next year's budget.

Committee also **CONSIDERED** the following additional items that had not been factored into the draft budget:

- (e) The proposal from Groundworks North East to re-focus the Environmental Caretaker Scheme currently operating within Stanley;
- (f) A motion from the Communications & Events Committee to increase the budget for World War I Commemorations.
- (g) The future effect of changes to the LCTRS grant in the light of the Government's spending review. It was projected in July that the LCTRS grant provided by the County Council would decrease year on year over the medium term as detailed in the table below. The actual LCTRS settlement for 2016/17 is £130,804, a reduction of £4291 from the current year. Whilst this reduction in grant will be offset by the increase in the tax base for 2016/17, similar increases in future years cannot be relied upon and are unlikely to keep pace with the reduction in grant in future years. The projected decrease in the grant allocation is likely to be a minimum of £20,000 in 2017/18 and once the impact of the new funding settlement which the County Council will be subject to under the spending review is assessed it could be higher still. Members should not discount the possibility that reductions in the grant could be significantly higher than

previously projected or it could be withdrawn altogether in the lifetime of the current Parliament.

Year	Grant (£)	Reduction (£)
Current	135,095	
2016/17	132,222	2,873
2017/18	114,160	18,062
2018/19	99,382	14,778
TOTAL		35,713

After a discussion, Committee made the following **RECOMMENDATIONS** to Council concerning the setting of the budget:

- (i) The proposal from Groundworks is a good one which would deliver tangible improvements to amenity across the Parish of Stanley and should be funded. Marking the entry and egress points of the Parish will both improve amenity and hopefully have a unifying effect. Softening the main shopping areas with flowers and planting will make the shopping areas more attractive for residents and visitors. Putting some growth into the Groundworks budget would also allow some flexibility if discussions with the County Council concerning transfer to the Town Council of parks and open spaces were to progress. The report requests a further **£47,400** be allocated to the Groundworks contract for delivery.

Committee have identified a number of options for Council to fund enhancement to the Groundworks contract:

Option 1 (No increase to the Precept)

If Council does not wish to increase the precept, the **£41,838** that has been allocated to the 'grants' line, (which was previously allocated to Environmental Enhancements) could be transferred to the Groundworks Contract. This would leave **£5562** to be found from other budget areas, which could be achieved by following recommendation in **Item 11** below (concerning World War 1), or by not funding one or more of the items identified as not having been approved by Council in item (d) above.

Option 2 - Deletion of Post

If Council wished to retain the budget for Full Council grant funding, the vacant Community Services Officer post could be deleted, which would bring a saving of approximately **£24,000**. In combination with reductions in other areas could be used to offset the required cost.

Option 3 (2% increase to the Precept)

If the precept was to be increased by 2%, the additional **£13,036** could be used to in addition to reductions in other areas to offset the required cost.

The table below gives some examples of how the additional funding for the Groundworks budget could be found, however a mix and match of the options presented or additional options could be identified.

Sources of Revenue	Option 1	Option 2	Option 3
2% rise in precept			£13,036
Grants Budget	£41,838		£41,838
Cycling Event		£8,000	
World War 1		£5,000	
Community Radio		£8,000	
Horticulture Show		£5,000	
Post Deletion		£24,000	
10% reduction across events	£11,915		
Total	£53,753	£50,000.00	£54,874
Cost of Groundworks enhancements	£47,400	£47,400	£47,400

The **RECOMMENDATION** of the Committee is that option 2 should not be taken at this stage. Once the Council has consulted the residents is the right time to re-examine the staffing structure to ensure it fits the five year plan that Council will develop over the coming year.

- (ii) The Commemoration of World War I should focus on the centenary of the cessation of hostilities in 1918. Instead of allocating a revenue budget to the project in 2016/17, consideration should be given to setting up an larger earmarked reserve to fund a permanent memorial for the whole of Stanley to be unveiled and dedicated in 2018.
- (iii) Council should consider an increase in the precept of up to 2% to offset the current and future reductions in the LCTRS grant. A 2% increase this year would bring an additional **£13,036** in revenue. Over 3 years (based on this year's tax base), this would equate to **£39,109**. The reduction projected by DCC in July 2015 in the grant was estimated then to be **£35,713** over the same period but is likely to be higher in light of the funding settlement for the County Council that was recently announced. A 2% increase in the precept would increase the precept per Band D equivalent from **£88.12** to **£89.88**, an increase of **£1.76** per year. (For a Band A property, the increase would be from **£44.06** to **£44.94**, an increase of 88 pence.)
- (iv) Council should consider changes to the current MIF process to make the scheme easier to administrate, more transparent and more accessible for

applicants. The current scheme does not ensure that available funding is distributed according to greatest need or benefit. The fact that some wards have twice as many members as others is based on population density and not necessarily because that is where organisations that would benefit from funding are located. Council should consider reducing or removing the individual MIF allowance and replacing it with a small grants scheme. There should also be an upper limit for grants, to ensure that the funding is spread between a number of groups or organisations.

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DATE, TIME AND VENUE OF NEXT MEETING

Wednesday, 20th January 2015, 6.30pm, Stanley Civic Hall