

Appendix 1 - Summary of the Draft 2019/20 Revenue and Capital Budget

Budget 2019/20 £		Inflation / Committed Growth £	Investment in Services £	Savings / Increased Income £	Budget 2020/21 £
Summary of Budgets by Committee					
797,350	Policy and Resources	71,150	-	(60,650)	807,850
759,550	Recreation	47,350	61,000	(61,500)	806,400
178,500	Environment	1,750	-	(9,900)	170,350
12,500	Contingency Sum	-	-	(2,500)	10,000
1,747,900	Total Revenue Budget Requirement	120,250	61,000	(134,550)	1,794,600
276,500	2020/21 Capital Programme Budget	(7,000)	-	-	269,500
2,024,400	Total Revenue and Capital Budget	113,250	61,000	(134,550)	2,064,100
(161,850)	Less Council Tax Support Grant	3,500	-	-	(158,350)
75,000	Add Contribution to Capital Reserves	-	-	-	75,000
(276,500)	Less Use Of Capital Reserves	7,000	-	-	(269,500)
1,661,050	Precept	123,750	61,000	(134,550)	1,711,250
		7.5%	3.7%	(8.1%)	
Calculation of Council Tax:					
6,791	Great Aycliffe Council Tax Base				6,843
244.59	Band D Council Tax				250.09
163.06	Band A Council Tax				166.73
4.99%	% Increase / (Decrease) in Council Tax				2.25%

Analysis of Budget Changes	£	Comments
Budget Reductions and Savings		
Staff Cover and Overtime Savings	(8,000)	Works overtime and sports complex cover
Staff Leaving Pension Scheme	(2,000)	Sports complex bar staff.
Deletion of Corporate Staff Post	(28,000)	Leisure and Environment Assistant.
Senior Admin Officer Reduced Hours	(11,500)	Flexible retirement reduced hours.
Savings on Civic Costs	(750)	Functions, training and conferences.
Insurance Policy Renewal Saving	(11,650)	New long term agreement.
Office Printing and Stationery	(1,250)	Reduced paper records under GDPR.
Consultancy Budget Reduction	(2,500)	Reduced use of external consultancy.
Pre-School Consultancy	(1,650)	Support no longer required.
Cash Collection Service Savings	(3,000)	Renegotiation of contract.
Saving on Loan Repayment	(5,900)	One PWLB loan due to be repaid.
Other Efficiency Savings	(11,150)	Savings on supplies and services.
	(87,350)	
Increased Income and Grants		
Sports Complex Income	(21,500)	Bar income has increased significantly.
Football Pitches Income	(700)	One additional team at School Aycliffe.
Golf Course Income	(1,500)	Membership income has increased.
Driving Range Income	(8,500)	Increase in fees and usage.
Golf Shop Sales	(7,500)	Increasing golf equipment sales.
Cemeteries Income	(7,500)	Increase in interments and purchases.
	(47,200)	
Total Savings and Increased Income	(134,550)	Total Reductions in the Budget.
Inflation		
Local Government Pay Award	32,000	2% pay award assumed.
Pension Contribution Rate Increase	14,250	Employers' pension contribution rise.
Salary Increments	2,750	Salary increments due to staff.
Utilities Costs Inflation	9,250	Gas, electric and water increases.
Business Rates Inflation	3,050	2.5% forecast increase in rates costs.
Other Inflation	7,450	Increases in supplies, fuel etc.
	68,750	
Other Committed and Unavoidable Growth		
Full Time Administration Assistant	16,500	Post unfrozen and made full time hours.
Golf Administrator Hours Increase	4,000	Post made full time.
Pre-School Staff Cover Increase	1,500	Provision for staff absence.
Members' Mileage Costs	1,000	Members' Allowances Scheme change.
Increased Information Technology Costs	3,250	Costs linked to paper light governance.
Works Vehicle Repairs and Servicing	1,500	Costs are increasing.
Fun in the Parks Budget	1,000	Increasing costs.
Bar and Catering Supply Costs	6,250	Linked to the increase in sales.
Golf Shop Stocks	4,500	Linked to the increase in sales.
Bank Charges	1,250	Increase in card payments.
	40,750	
Grant Cuts and Falls in Income		
Council Tax Support Grant Cut	3,500	Grant cut by 2.2% in 2020/21.
Pre School Fee Income	2,500	More funded children.
Sports Complex Income	8,250	Five a side and gaming machines.
	14,250	
Total Unavoidable Budget Growth	123,750	
Investment in Services		
New Events Officer Post	38,500	New post in Events Budget.
Large Community Events Budget	20,000	Budget doubled to £40,000.
Sports Complex Events Budget	2,500	New budget for small internal events.
Total Investment in Services	61,000	
Total Increase in Precept	50,200	Net Required Increase in Precept.

How the Budget is Funded:					
2020/21 Revenue Budget					
2020/21 Gross Revenue Spending	2,793,000				Excluding recharges and depreciation.
Funded by:					
Grants	(158,350)				Council Tax Support Grant
Pre School Funding	(165,750)				Durham County Council Funding.
Fees and Charges	(750,150)				Sports and Golf Complex etc.
Investment Income	(7,500)				Interest on Balances.
2020/21 Net Budget / Precept	1,711,250				Funded from Council Tax.
2020/21 Capital Programme					
2020/21 Capital Programme	269,500				Planned 2020/21 Capital Investment.
Funded by Use of Reserves	(269,500)				Capital Budget funded from Reserves.
Analysis of Gross and Net 2020/21 Revenue Budget					
Committee / Service Area	Total 2020/21 Budget £	Exclude Internal Recharges	Gross 2020/21 Budget £	Less 2020/21 Income £	Net 2020/21 Budget £
Policy and Resources					
Members and Civic Expenses	71,000	-	71,000	-	71,000
Finance Section	122,150	(50,250)	71,900	-	71,900
Administration Section	129,450	(15,750)	113,700	(11,750)	101,950
Corporate Section	266,600		266,600	(1,900)	264,700
St Oswald's Pre Schools	245,700	-	245,700	(192,250)	53,450
Works Department	715,950	(520,000)	195,950	-	195,950
Depot	30,700	-	30,700	(3,550)	27,150
Capital Financing Charges	29,250	-	29,250	(7,500)	21,750
	1,610,800	(586,000)	1,024,800	(216,950)	807,850
Recreation					
Community Events	183,500	-	183,500	(1,550)	181,950
Sports Complex	739,250		739,250	(420,100)	319,150
Sports Pitches	21,800	-	21,800	(4,650)	17,150
Golf Course	216,800	(20,000)	196,800	(131,500)	65,300
Driving Range and Golf Shop	112,650	-	112,650	(90,750)	21,900
Parks and Play Areas	200,950	-	200,950	-	200,950
	1,474,950	(20,000)	1,454,950	(648,550)	806,400
Environment					
Environment and Open Spaces	97,000	-	97,000	(250)	96,750
Street Equipment	6,100	-	6,100	-	6,100
Cemeteries and Church Works	98,400	-	98,400	(50,350)	48,050
Allotments	26,750	-	26,750	(7,300)	19,450
	228,250	-	228,250	(57,900)	170,350
Contingency Sum	10,000	-	10,000	-	10,000
Contribution to Capital Reserves	75,000	-	75,000	-	75,000
Less Council Tax Support Grant	-	-	-	(158,350)	(158,350)
Total 2020/21 Budget / Precept	3,399,000	(606,000)	2,793,000	(1,081,750)	1,711,250

APPENDIX 2

12 JUL 2019

Contact: Paul Darby
Direct Tel: 03000 261930
email: paul.darby@durham.gov.uk
Our ref: PD / JW



Mr A Bailey
Great Aycliffe Town Council
Council Offices
School Aycliffe Lane
Newton Aycliffe
County Durham
DL5 6QF

08 July 2019

Dear Parish / Town Clerk

2020/21 Budget Planning

As you are aware the Government abolished the national Council Tax Benefit System on 1 April 2013, replacing it with a requirement for local authorities to work with their precepting bodies to establish a Local Council Tax Reduction Scheme (LCTRS).

These schemes provide a discount against Council Tax, rather than a benefit, and as such impact on the council's overall Council Tax Base and each Parish and Town Council's Tax Base.

Since these local schemes were introduced, LCTRS grant has replaced the previous Council Tax Benefit subsidy and is payable directly to the council and the major precepting bodies, being Police and Fire. The council's grant payment includes an element relating to Town & Parish Councils and whilst local authorities are encouraged to pass this on, there is no statutory requirement to do so. The Council has previously made a commitment to pass on this grant, albeit with pro-rata reductions to the core funding reduction applied to the council by Central Government.

Prior to 2018 I was able to provide you, on an annual basis, with future years' LCTRS grant allocations to aid your Medium Term Financial Planning. However, due to the ongoing Government "Fair Funding Review" of the whole of the local government finance system, the results of which were due to be published in Autumn 2019 alongside the Comprehensive Spending Review (CSR), which will set the quantum of funding for local government for the period 2020/21 to 2022/23, I am unable to provide you with future years' LCTRS grant allocations at this time.

Resources

Durham County Council, County Hall, Durham DH1 5UE

Main Telephone 03000 26 0000

Text messaging service: 07786027280 – please start your message with the word INFO

www.durham.gov.uk

It is our understanding that due to Brexit uncertainty and the change in leadership of the conservative party / new Prime Minister, it is highly unlikely the results of the three year CSR will be published this year and that the introduction of the Fair Funding Review outcomes may also be deferred.

Town and Parish Councils received £1.314m of LCTRS grant from the council in 2019/20. This amount did not include any adjustments for previous years under/over payments. However, the grant for 2019/20 was calculated prior to the release of the actual RPI rates and based on the actual RPI rates the grant due was actually £1.311m. The overpayment of £3,000 will be taken into consideration when calculating the 2020/21 LCTRS grant.

The LCTRS adopted by the council for 2019/20 remains in line with the initial scheme adopted in 2013/14, which mirrored the support available under the former national Council Tax Benefits system. There is therefore no cap in place on the level of support available to vulnerable households in County Durham, with this Council now being the only one in our region and one of only thirty four (out of 326) nationally to provide this level of support. On 10 July 2019 Cabinet resolved to make recommendations to Council to retain this level of support into 2020/21 therefore there are no plans to change our scheme in 2020/21.

Although no local authority settlement figures have been published for 2020/21 as yet, using the information contained within the final finance settlement for 2019/20, at present we are forecasting no reduction in our Revenue Support Grant for 2020/21.

Assuming the grant passed onto Town & Parish Councils is partially reduced in line with the council's RSG reductions (assumed to be £nil in 2020/21) but partially increased in line with CPI (reflecting the splits in the original Start Up Funding Allocation – details of how this works were provided to Town & Parish Councils in our letter sent in July 2013) then the overall impact on payments to Town & Parish Councils would be as follows:

	RSG Element		Baseline Funding Level		Total	Annual Increase / (Reduction)	
	£m	Reduction	£m	Increase	£m	£m	%
2019/20	0.232		1.079		1.311		
2020/21	0.232	0.00%	1.100	1.90%	1.332	0.021	1.60%

Based on the above assumptions the council has calculated the LCTRS grant due to Town & Parish Councils in 2020/21 as £1.329m (£0.021m more the 2019/20 LCTRS grant paid and inclusive of an adjustment for the overpayment of £0.003m).

As I have outlined, local authorities are facing a period of greater uncertainty over the funding framework from 2020/21 and beyond. The council are awaiting the results of the Comprehensive Spending Review (2019) and the outcome of the Fair Funding Review, which is not likely to be this year, to inform T&PCs of options in respect of LCTRS Grant allocations for 2021/22 and beyond.

Budget Setting 2020/21

In setting the Tax Base for 2019/20 assumptions were made with regards to incidence and demand for Council Tax Reduction and other discounts and exemptions. The current forecasted Tax Base for 2020/21, adjusted for forecasted growth, provisions for non – collection, and prudent assumptions about demand and take up of Council Tax Reduction discounts for the remainder of the year, is marginally higher than the approved 2019/20 Tax Base. This takes into account new build / demolitions and other tax base changes up to 31 May 2019. Performance in recovering the additional sums levied as a result of the empty homes discount changes introduced in April 2013 continues to be carefully monitored and is in line with budget assumptions.

The updated Tax Base forecasts compared to the existing budget assumptions varies across individual Town & Parish areas depending on local circumstances. Though fine for budget planning purposes, **the current position is not the final position**, as this will be based on the Tax Base forecasts undertaken in October 2019. **The forecasts included in this letter should not be used for final budget setting but for budget planning purposes only.**

Using the updated Tax Base figures and the forecast LCTRS grant allocation set out earlier it is possible to model the combined impact on your council next year and I have set this out below:

Great Aycliffe Town Council	
Current tax base (2019/20) [A]	6,791.1
Indicative Tax base for 2020/21 [B]	6,842.6
Tax base increase/(decrease) from 2019/20 [C] = [B] - [A]	51.5
Current Band D Council Tax (2019/20) [D]	£244.59
Increase/(Decrease) in Council Tax Yield [E] ([C] x [D])	£12,596.39
Removal of 2019/20 LCTRS Grant [F]	£161,874.00
LCTRS Grant Applicable to Your Council for 2020/21 [G]	£158,344.00
Net Position [E] - [F] + [G]	£9,066.39

I would also draw your attention to the continued possibility of the Government extending the Council Tax capping controls (the level above which there must be a referendum) to larger Town & Parish Councils from 2020/21. As you will be aware this is something that has been mooted for a number of years now, but not yet enacted.

I trust you find the above information useful in terms of budget planning for 2020/21, please note my earlier comments about these figures being provisional.

Summary

Whilst the assumptions in the Council's Medium Term Financial Plan forecasts may be subject to change following the 2020/21 funding allocations finance settlement which will be published in Autumn 2019, the information contained above provides a reasonable overview of potential impacts on your council, based on the current distribution of grant and information available and published to date.

The actual Tax Base forecasts for 2020/21 budget setting purposes will be compiled in October 2019. At that point, as is usual, we will write to you to inform you of your actual Tax Base for 2020/21 and set out details of the deadlines for submitting precept demands etc., which would usually be by 25 January 2020. The actual Tax Base will be reported to Cabinet in December 2019.

A report will be taken to County Council before 15 March 2020 to reaffirm the continuation of the existing LCTRS, with the decision to retain the current scheme (in terms of MTFP planning) being taken by Cabinet on 10 July 2019. The 2020/21 Budget and Council Tax setting meeting of the County Council is 19 February 2020.

Should you require any further information with regards to this letter, please do not hesitate to contact Paul Darby, Head of Finance and Transactional Services Tel. 03000 261930 or email paul.darby@durham.gov.uk.

Yours sincerely

John Hewitt

John Hewitt
Corporate Director of Resources

Appendix 3 - Draft 2020/21 Capital Programme Budget

Committee / Capital Project	2019/20 Budget £	2020/21 Budget £	2020/21 Budget Comments
<u>Policy & Resources</u>			
Council Buildings			
Council Offices	5,000	22,500	Roofing repairs, LED lights and decoration.
Horticulture and Vehicle Depots	2,500	1,250	Separation tank cleaning.
St Oswald's Pre Schools	3,000	2,500	Internal and external redecoration.
Electrical Testing and Works	10,000	-	No further works due after 2019/20.
Works Vehicles and Machinery			
Works Vehicles	27,500	-	No vehicles due for replacement in 2020/21.
Mini Excavator	-	22,500	Replacement due in 2020/21.
Ride on Mower	-	35,000	Replacement due in 2020/21.
Tractor Tyres	-	2,500	Replacement of tyres on tractor.
Electric Machinery	-	7,500	Electric alternatives for works machinery.
Office Equipment			
Computer Hardware	5,000	5,000	Ongoing computer upgrade programme.
Migration of Data to Cloud	5,750	-	No further works due after 2019/20.
Information Technology Infrastructure	12,000	-	No further works due after 2019/20.
Tablet Computers	15,000	-	Budget likely to carry forward to 2020/21.
Modern.Gov Software	9,500	-	Budget likely to carry forward to 2020/21.
Website Development	2,500	2,500	Ongoing provision for website development.
Server Upgrades	-	27,500	Main server due for upgrade in 2020/21.
<u>Recreation</u>			
Special Events			
Christmas Lights	2,500	2,500	Ongoing programme of replacement.
Parks and Parks Buildings			
Moore Lane Pavilion	-	1,500	Repainting of exterior and shutters.
Simpasture Pavilion	-	-	No capital works identified for 2020/21.
St Oswald's Park Pavilion	-	-	No capital works identified for 2020/21.
Town Park Building and Toilets	-	-	No capital works identified for 2020/21.
Football Changing Rooms			
School Aycliffe Changing Rooms	-	-	No capital works identified for 2020/21.
Moore Lane Changing Rooms	-	-	No capital works identified for 2020/21.
Simpasture Changing Rooms	-	-	
Play Areas			
Safety Surfacing Replacement	25,000	25,000	Ongoing programme of replacement.
Town Park Skate Park	-	-	Routine repairs due in 2020/21.
Aycliffe Village Play Area	5,500	-	No further works due after 2019/20.
Woodham Park Play Area	-	47,500	Play area due in 2020/21.
Driving Range			
Drainage Works	-	-	No capital works identified for 2020/21.
Range Fencing	-	-	No capital works identified for 2020/21.
Steelwork Painting	-	2,500	Painting works due in 2020/21.
Ball Washing Machine	2,500	-	Ball washer replaced in 2019/20.
Range Tee Mats	2,500	750	Remaining tee mats to be replaced.
Range Targets	2,000	-	Targets replaced in 2019/20.
Golf Course and Golf Complex			
Golf Shop and Changing Rooms	1,000	-	Driving range door replaced in 2019/20.
Golf Irrigation System	2,500	-	Irrigation system repairs complete..

Committee / Capital Project	2019/20 Budget £	2020/21 Budget £	2020/21 Budget Comments
Golf Course Improvements	-	-	No improvements currently required.
Golf Buggies	-	-	No further replacements due.
Golf Buggy Storage Containers	2,500	-	Containers replaced in 2019/20.
Tee Mats	-	2,500	Mats due for replacement in 2020/21.
Sports Complex			
Roofing Works	22,500	-	Main roof due for replacement in 2021/22.
Drainage Works	5,000	5,000	Ongoing provision for any drainage repairs.
Kitchen Oven	2,500	-	Provision for replacement if required.
Cellar Cooler	2,500	-	Provision for replacement if required.
Fridge and Freezer Replacement	3,000	-	Provision for replacement if required.
Sports Hall Flooring	12,500	-	Sand and reseal undertaken in 2019/20
Carpet Replacement and Cleaning	2,500	-	No cleaning due in 2020/21.
Bar Service Lift	2,250	-	Bar service lifts repaired in 2019/20.
Shutters for External Doors	6,000	-	Shutters installed in 2019/20.
Bowls Hall Carpet Replacement	20,000	-	Carpet turned and stretched in 2019/20.
Bar Furniture Replacement	10,000	-	Furniture repaired in 2019/20.
Squash Court Flooring	-	12,500	Flooring due for replacement in 2020/21.
Environment			
Cemeteries			
Stephenson Way Cemetery	5,500	-	No capital works identified for 2020/21.
West Cemetery	-	-	No capital works identified for 2020/21.
Allotments			
Allotments Gates and Fencing	-	6,000	St Oswald's fencing first phase.
General Environment			
Litter and Dog Bins and Public Seats	5,000	-	Stocks replenished in 2019/20.
Footpath Repairs	15,000	15,000	Ongoing programme of repairs.
Bus Shelter Replacement	-	-	No works currently planned.
Ash Dieback Disease	-	20,000	New programme of removal and replanting.
Cobblers Hall Plantation	-	-	Will be funded from Section 106 monies.
Woodham Burn Footpath	12,000	-	No further works due after 2019/20.
Agnew 5 Improvements	5,000	-	No further works due after 2019/20.
Aycliffe Angels Memorial Seats	1,500	-	Seats all now replaced.
Elmfield Site Improvements	-	-	No works currently planned.
Grant Funded Projects:			
No projects currently planned.	-	-	No works currently planned.
Total Capital Programme	276,500	269,500	

Appendix 4 - Projection of Council Balances and Reserves		
	£	Comments
Opening Position		
General Fund Balance	100,435	Contingency Fund.
Budget Support Fund	30,582	Support to Revenue Budget.
Community Benefit Fund	3,318	Solar Farm Community Benefit Funding.
Allotments Bonds Holding Account	200	Holding Account.
Earmarked Revenue Reserves	25,000	Elections and By Elections.
Earmarked Capital Reserves	950,000	Funding of Capital Programme.
Actual Balances and Reserves held @ 01/04/2019	1,109,535	Total Balances and Reserves.
Less Funding of 2019/20 Capital Programme Budget	(145,000)	Based on latest estimate of final outturn
Less Use of 2019/20 Budget Support Reserve	(26,082)	Based on latest estimate of final outturn
Less Funding of Town Council By Elections	-	No By Elections to date.
Add Capital Receipt from Sale of Land	-	No land sales planned in 2019/20.
Add Capital Receipts from Vehicle and Machinery Sales	8,618	Auction of old works machinery.
Add Capital Contributions Received	-	None.
Less Use of Capital Contributions	-	None.
Add 2019/20 Contribution to Earmarked Reserves	75,000	As per approved 2019/20 Revenue Budget
Add Estimated 2019/20 Revenue Budget Saving	154,250	Based on latest estimate of final outturn
Estimated Balances and Reserves held @ 31/03/2020	1,176,321	Total Balances and Reserves.
Less Estimated Financing of 2020/21 Capital Programme	(269,500)	Based on draft 2020/21 Capital Budget.
Less Estimated Financing of 2019/20 Capital Carry Forward	(91,750)	Based on latest estimate of final outturn
Less Use of Elections Reserve	-	Costs to be funded from Reserve.
Add Capital Contributions Received	-	None expected.
Less Use of Capital Contributions	-	None expected.
Add Contribution to Capital Reserves from 2020/21	75,000	Based on draft 2020/21 Budget.
Add Revenue Budget Contingency Sum	10,000	Based on draft 2020/21 Budget.
Add Revenue Budget Savings from 2020/21	75,000	Assumes 5% savings.
Estimated Balances and Reserves held @ 31/03/2021	975,071	Total Balances and Reserves.
Analysis of Earmarked Reserves as at 1st April 2019		
	£	Nature of Reserve
Revenue Reserves		
Elections Reserve	25,000	To fund elections and bi-elections.
	25,000	
Capital Reserves		
Buildings Asset Management Reserve	250,000	To fund building works
Vehicle and Machinery Renewals Reserve	250,000	To replace vehicles and machinery.
Play Equipment Renewals Reserve	250,000	To replace and upgrade play areas.
Street Equipment Renewals Reserve	50,000	To replace street equipment.
Sports Complex Reserve	50,000	To support investment at the sports complex.
Golf Complex Reserve	50,000	To support investment at the golf complex.
ICT and Office Equipment Renewals Reserve	50,000	To upgrade and replace office equipment.
	950,000	