



**City of Durham
Charter Trustees for the City of Durham**

Ref: JM

15 January 2019

To: The Mayor and Members of the
CHARTER TRUSTEES FOR THE CITY OF DURHAM
(Councillors D Bell, J Blakey, L Brown, J Chaplow, K Corrigan,
S Dunn, D Freeman, D Hall, A Hopgood, L Hovvels, B Kellett,
J Lethbridge, C Marshall, E Mavin, L Mavin, M McKeon,
R Ormerod, E Scott, M Simmons, A Simpson, D Stoker, P Taylor,
F Tinsley, J Turnbull, M Wilkes and M Wilson).

Dear Sir/Madam

A Meeting of the **CHARTER TRUSTEES FOR THE CITY OF DURHAM** will be held in
Committee Room 1B - County Hall, Durham, on Wednesday 23 January 2019 at 11.30 am.

Please Note: In the event that Full Council runs beyond 11.30am, the Charter Trustee
meeting will commence immediately following the County Council meeting.

BUSINESS

Part A

Items during which the Press and Public are welcome to attend.

1. Apologies for Absence
2. Minutes of the meeting held on 5 December 2018 (Pages 3 - 4)
3. Declarations of interest, if any
4. Revenue Outturn for the period ending 31 December 2018 and
Projected Outturn to 31 March 2019 - Report of the Treasurer
(Pages 5 - 8)
5. Such other business as, in the opinion of the Chairman of the
meeting, is of sufficient urgency to warrant consideration.

6. Any resolution relating to the exclusion of the public during the discussion of items containing exempt information.

Part B

Items during which it is considered the meeting will not be open to the public (consideration of exempt or confidential information)

7. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Yours faithfully
Clerk

CHARTER TRUSTEES FOR THE CITY OF DURHAM

At the **Meeting** of the **Charter Trustees for the City of Durham** held in the Committee Room 1B - County Hall, Durham, on Wednesday 5 December 2018 at 11.30 am

Present: The Right Worshipful the Mayor of Durham, Councillor J Lethbridge (in the Chair) and Councillors D Bell, J Blakey, L Brown, J Chaplow, K Corrigan, S Dunn, D Freeman, L Hovvels, B Kellett, E Mavin, L Mavin, R Ormerod, A Simpson, M Wilkes and M Wilson

Prior to the commencement of the meeting, the Mayor formally reported the death of Alderman Tom Gill, former Leader of Durham City Council who represented the Brandon area.

Trustees stood for a moments silence as a mark of respect.

1 Apologies for Absence

Apologies for absence were received from Councillors D Hall, A Hopgood, M McKeon, M Simmons, P Taylor and J Turnbull.

2 Minutes

The minutes of the meeting held on the 31 October 2018 were confirmed as a correct record and signed by the Mayor.

3 Declarations of interest

There were no declarations of interest.

4 2019/20 Budget

Charter Trustees considered a report of the Treasurer that provided information to enable Charter Trustees to determine the appropriate budget requirement for the Charter Trust for 2019/20 and the basic level of council tax required for 2019/20 (for copy see file of minutes).

The Treasurer reported that the council tax base for 2019/20 would increase slightly by £3.40 from £25,887.20 for 2018/19 to £25,890.60 for 2019/20. The Local Council Tax Support Scheme Grant for 2019/20 had decrease slightly by £20 from £6,141 to £6,121 and was likely to continue to be reduced in 2020/21. In order to maintain the precept at £1.90, a transfer of £13,543 from reserves would be required, with the total level of reserves estimated to reduce to £51,269 as at 31 March 2020.

The Treasurer advised that if Charter Trustees agree to the utilisation of reserves to maintain the Band D equivalent Council Tax at £1.90 in each financial year from 2019/20 to 2021/22, the forecast opening balance of reserves as at 1 April 2022 would be £24,183.

Councillor Wilkes referred to the Reserve Analysis in the report and highlighted if current arrangements were to continue after 2021/22, within 2 years the budget would be in deficit. He agreed to support the budget for 2019/20 but added that at some point they would be forced to increase the precept if policy were to continue, potentially resulting in an increase of 50%, which was a concern. The Treasurer advised that if the current policy were maintained in 2022/23 he would recommend a reduced expenditure or increased precept. He added that the council tax requirement was £49,192 and if Charter Trustees decided to recover the position this year, then an extra £13,000 would be required which equates to an increase of 26% based on £1.90 precept which would be a 50p increase in precept to recover.

In response to a query from Councillor Blakey, the Treasurer confirmed that the precept had been £1.90 since 2014/15. He advised that next year, Charter Trustees could choose to increase precept in steps rather than a 50% increase in one year. Further options for Charter Trustees to consider would be reported next year.

Seconded by Councillor Dunn, Councillor Hovvels moved the recommendation for the council tax requirement of £49,192 and a £1.90 precept for 2019/20 be approved.

Resolved:

That the council tax requirement of £49,192 and a £1.90 precept for 2019/20 be approved.

The Mayor thanked Charter Trustees and volunteers who had supported the Mayoralty at a recent event.

Charter Trustees for the City of Durham

23 January 2019

**Revenue Outturn for the period ending
31 December 2018 and Projected
Outturn to 31 March 2019**



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to provide information on the:
 - actual expenditure compared to the profiled budget for the period ending 31 December 2018;
 - forecast of expenditure to 31 March 2019 in comparison to the 2018/19 original budget.

COMPARISON OF REVENUE OUTTURN WITH BUDGET

- 2 At 31 December 2018 actual net expenditure was £43,086; a small underspend of £46 (or 0.11%) against a profiled budget of £43,132.
- 3 It is anticipated that actual expenditure at 31 March 2019 will be slightly lower than the original budget of £67,415 by £3,597 (or 5.34%). The sum required to be drawn from reserves to balance the budget is therefore expected to reduce from £12,086 to £8,489.
- 4 An analysis of the expenditure over subjective budget headings is set out in Appendix 2.
- 5 Explanations regarding the main variances between actual expenditure and the budget are provided below:

TRANSPORT

- 6 Based upon the current activity levels, it is anticipated that actual expenditure on transport will be £10,410 at the financial year end which is £96 (or 0.91%) less than the original budget.

SUPPLIES AND SERVICES

- 7 The total expenditure on supplies and services is £2,029 more than the profiled budget to date. Based upon the activity levels to date, the supplies and services outturn figure at 31 March 2019 is expected to be £22,278; an overspend of £3,822 (or 20.71%) in comparison to the annual budget.

INCOME

- 8 It is anticipated that actual income will be £2,530 at the financial year end which is £2,490 more than the original budget. This is due to the fact the original budget was nil and the Mayor's civic dinner planned for March 2019 for which is has been estimated to generate a similar amount of income as March 2018.

FORECAST OF OUTTURN

- 9 The latest forecast of net expenditure to 31 March 2019 is £63,818, an underspend of £3,597 (or 5.34%) against the net expenditure budget of £67,415.

GENERAL RESERVE

- 10 The general reserve balance at 1 April 2018 was £72,269. With a projected underspend of £3,597, the amount required to be drawn from reserves would be £8,489, rather than the original budget figure of £12,086. Consequently the reserve balance would decrease to £63,780 as at 31 March 2019.

VAT

- 11 As at 31 December 2018 the total VAT paid and reclaimed was £9,997.19.

RECOMMENDATIONS

- 12 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- note the outturn position for the period ended 31 December 2018;
 - note the forecast of outturn to 31 March 2019;

Contact: Ian Herberson, Tel. 03000 261861

RISKS AND IMPLICATIONS

Finance

The report provides information on the:

- actual expenditure compared to the profiled budget to 31 December 2018
- forecast of expenditure to 31 March 2019 in comparison to the 2018/19 original budget

Staffing

None

Equality and Diversity

None

Accommodation

None

Crime and Disorder

None

Human Rights

None

Consultation

None

Procurement

None

Disability Discrimination Act

None

Legal Implications

None

**ACTUAL OUTTURN COMPARED TO THE PROFILED BUDGET TO
31 DECEMBER 2018 AND PROJECTED OUTTURN TO 31 MARCH 2019**

Annual Budget 2018/19	Budget Head	Profiled budget to date	Year to date Actual	Projected Outturn	Variance (Projected Outturn v Annual Budget)
£		£	£	£	£
	<u>Employees</u>				
3,500	Mayor's Allowance	3,500	0	0	-3,500
1,500	Deputy Mayor's Allowance	1,500	0	0	-1,500
	<u>Premises</u>				
3,554	Town Hall	0	0	3,554	0
	<u>Transport</u>				
6,598	Civic Car	3,299	6,446	6,700	102
1,117	Bus Hire	838	720	960	-157
2,791	Sergeants at Mace/ Bodyguard	2,791	2,750	2,750	-41
	<u>Supplies and Services</u>				
16,817	Mayor's Hospitality General Office	12,613	13,917	18,500	1,683
489	Expenses	367	1,394	2,600	2,111
845	Insurance	845	848	848	3
305	External Audit	305	0	330	25
	<u>Support Services</u>				
17,114	Administration	17,114	17,281	17,281	167
12,825	Support Services	0	0	12,825	0
	<u>Income</u>				
0	Mayor's Civic Dinner	0	-270	-2,500	-2,500
-40		-40	0	-30	10
67,415	Net Expenditure	43,132	43,086	63,818	-3,597
-6,141	Council Tax Support Grant	-6,141	-6,141	-6,141	0
-12,086	Transfer to / -from Reserves	0	0	-8,489	3,597
49,188	Net budget	36,991	36,945	49,188	0