



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

Ref: PN

17 January 2023

To: The Mayor and Members of the
CHARTER TRUSTEES FOR THE CITY OF DURHAM
(Councillors D Freeman, L Mavin, J Blakey, L Brown, J Chaplow, J Elmer,
C Fletcher, O Gunn, D Hall, A Hopgood, L Hovvells, G Hutchinson,
B Kellett, E Mavin, M McKeon, D Nicholls, R Ormerod, E Scott,
M Simmons, A Simpson, D Stoker, P Taylor, 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 2, County Hall, Durham, on Wednesday 25 January 2023 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 which are open to the Public and Press

1. Apologies for Absence
2. Minutes of the meeting held on 19 October 2022 (Pages 3 - 4)
3. Declarations of interest, if any

4. 2023/24 Budget - Report of the Treasurer (Pages 5 - 10)
5. Such other business as, in the opinion of the Chair 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 Chair 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 Committee Room 1A, County Hall, Durham, on Wednesday 19 October 2022 at 11.30 am

Present: The Right Worshipful the Mayor of Durham, Councillor D Freeman (in the Chair) and Councillors L Mavin, J Elmer, C Fletcher, O Gunn, A Hopgood, E Mavin, M McKeon, D Nicholls, R Ormerod, E Scott, M Simmons, A Simpson, P Taylor and M Wilkes

The Mayor formally reported the death of former Mayor John Wilkinson who was Mayor in 2012/13, he was also a former Durham City Councillor, Brandon & Byshottles Parish Councillor and County Councillor for The Deerness Ward. Trustees stood for a minute's silence as a mark of respect.

1 Apologies for Absence

Apologies for absence were received from Councillors L Brown, J Chaplow, D Hall and M Wilson.

2 Recording of Proceedings

Charter Trustees consented to the taking of photographs during the meeting.

3 Minutes

The Minutes of the meetings held on 9 June 2022 and 22 June 2022 were confirmed as a correct record and signed by the Mayor subject to Minute No. 7 on the 9 June 2022 being amended to read 'partner' and not 'wife'.

4 Declarations of Interest

There were no declarations of interest.

5 Presentation of Past Mayoral Jewels to Councillor A Simpson and Mrs J Simpson

The Mayor presented Councillor A Simpson and Mrs J Simpson with the past Mayor and Mayoress Jewels as souvenirs to commemorate their year of office.

Councillor J Elmer left the meeting at 1.00 pm

6 Revenue Outturn for the period ending 30 September 2022 and Projected Outturn to 31 March 2023

Charter Trustees considered a report of the Treasurer that provided information on the actual expenditure compared to the profiled budget for the period ending 30 September 2022 and the forecast expenditure to 31 March 2023 in comparison to the 2022/23 original budget (for copy of report, see file of minutes).

The Treasurer reported that the net expenditure was £45,023, an underspend of £5,523 against a profiled budget of £50,546.

It was anticipated that actual net expenditure at 31 March 2023 would be lower than the original budget of £72,763 by £6,431. The sum required to be drawn from reserves to balance the budget was expected to reduce from £15,780 to £9,349. The reserve balance as at 31 March 2023 was expected to be £71,009.

The Treasurer provided explanations for the main variances between actual expenditure and the budget.

The Treasurer advised that a report would be presented to the meeting on the 7 December 2022 to provide information to enable the Charter Trustees to determine the budget requirement for 2023/24 and the basic level of council tax for the financial years 2023/24 to 2025/26.

Resolved: (i) That the outturn position for the period ended 30 September 2022 be noted.

(ii) That the forecast of outturn to 31 March 2023 be noted.

(iii) That the 2023/24 Budget report be presented to the Charter Trustees meeting on 7 December 2022.

**Charter Trustees for the City of
Durham**

25 January 2023

2023/24 Budget



City of Durham

Report of Jeff Garfoot, Treasurer

Purpose of the Report

- 1 The purpose of this report is to provide information to enable Charter Trustees to determine the:
 - (a) appropriate budget requirement for the Charter Trust for 2023/24;
 - (b) basic level of council tax required for 2023/24.

Background

- 2 At the meeting held on 6 December 2017, Charter Trustees agreed to the utilisation of reserves to maintain the Band D equivalent Council Tax at £1.90 in each financial year from 2018/19 to 2021/22.
- 3 At the meeting on 8 December 2021 the Charter Trustees agreed a continuation of the £1.90 precept for 2022/23 which resulted in a council tax requirement of £50,196 for the 2022/23 budget, which, after applying the Local Council Tax Support Scheme Grant and a forecast transfer of £15,780 from reserves, allowed for an expenditure budget of £72,763. In addition, the Charter Trustees requested that a working group be set up to consider future options for precept setting to enable a recommendation to be brought to a future meeting.
- 4 At the meeting held on 23 March 2022 the Charter Trustees considered a report that provided an update on the work and recommendations of the working group to consider the future precept setting policy for the period to 2025/26. It was agreed that a strategy of £2.00 precept be applied in 2023/24, 2024/25 and 2025/26. It was also agreed that this position would be kept under review on an annual basis.
- 5 The County Council have requested that Town and Parish Council's advise them of their 2023/24 precept by 20 January 2023. The County

Council have indicated however that under the circumstances a deadline of 25 January 2023 for the Charter Trustees can be agreed.

Budget Assumptions

- 6 The following budget assumptions have been made and applied to the proposed budget for 2023/24:
- (a) annual inflation of 5.0%;
 - (b) annual pay award of 5.0%;
 - (c) a reduction in the Local Council Tax Support Scheme Grant of 3.58%; from £6,787 to £6,544;
 - (d) an increase in the council tax base of 2.09%; from 26,417.8 to 26,968.7.

Budget 2023/24

- 7 In order to set a robust and accurate budget Trustees ought to take into account the:
- (a) forecast outturn position for the current year. The forecast net expenditure is £6,431 lower than the original budget mainly due to the projected underspend on Mayor's Hospitality. This will result in the sum required to be drawn from reserves reducing from £15,780 to £9,349. The projected outturn for the current financial year is shown in detail in Appendix 2;
 - (b) anticipated price increases;
 - (c) future level of service provision required. The proposed budget for 2023/24 assumes business as usual.
- 8 Durham County Council has advised that the council tax base for 2023/24 will increase by 550.9 (from 26,417.80 for 2022/23 to 26,968.7 for 2023/24). Consequently, the council tax receivable will increase by £3,743.58 (from £50,193.82 to £53,937.40) at the proposed Band D Council Tax rate of £2.00.
- 9 The Local Council Tax Support Scheme Grant payable to the Charter Trust for 2023/24 has reduced by £243 (from £6,787 to £6,544).

Proposed Budget 2023/24

- 10 A proposed budget is attached at Appendix 2. It has been calculated by applying the budget assumptions, as set out in paragraph 6 and considering the forecast of outturn position for 2022/23. The approved 2022/23 budget and forecast of outturn for 2022/23 are shown for comparison and information purposes.
- 11 In order to have a Band D Council Tax of £2.00, a transfer from reserves of £15,477 would be required in order to balance the budget for 2023/24. This would result in a council tax requirement for 2023/24 of £53,937.
- 12 The agreed strategy of maintaining council tax at £2.00 is agreed up to 2025/26, subject to review on an annual basis.
- 13 Taking into account the latest projected outturn position for 2022/23 and the proposed transfer from reserves of £15,477 to balance the 2023/24 budget, the total level of reserves is estimated to reduce to £55,532 as at 31 March 2024. The table below identifies the forecast reserves position up to 2023/24 to have a precept of £2.00 as agreed at the meeting in March 2022.

Reserve Analysis

	£
Actual opening balance 1/4/2022	80,358
Forecast contribution from Reserves in 2022/23	-9,349
Forecast 2023/24 opening balance	71,009
Use of reserves to set a £2.00 precept 2023/24	-15,477
Forecast closing balance 31/3/2024	55,532

Proposed Timetable

- 14 The deadline for approving the precept for 2023/24 is no later than 20 January 2023. However, as stated in paragraph 5 The County Council have indicated however that under the circumstances a deadline of 25 January 2023 for the Charter Trustees can be agreed.

Recommendations

- 15 It is recommended that the City of Durham Charter Trustees:
- (a) note the forecast of outturn position for 2022/23;
 - (b) agree the council tax requirement of £53,937 and a £2.00 precept for 2023/24;
 - (c) note the deadline for agreeing the precept for 2023/24;
 - (d) note the requirement to keep the agreed precept of £2.00 for 2023/24 to 2025/26 under review on an annual basis.

Contact: Ian Herberson, Tel. 03000 261861

Appendix 1: Implications

Legal Implications

None.

Finance

The report provides information to enable Charter Trustees to consider the level of council tax and revenue budget requirement for 2023/24.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Climate Change

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

None.

Accommodation

None.

Risk

None.

Procurement

None.

Appendix 2: Charter Trustees for the City of Durham Proposed Budget 2023/2024

Budget	Forecast of Outturn		Proposed Budget	Inflation
2022/23	2022/23		2023/24	
£	£		£	%
		Employees		
3,500	3,500	Mayor's Allowance	3,500	
1,500	1,500	Deputy Mayor's Allowance	1,500	
		Premises		
3,827	3,827	Town Hall	4,018	5.00%
		Transport		
6,897	7,800	Civic Car	8,190	5.00%
1,273	1,000	Bus Hire	1,337	5.00%
2,750	2,900	Sergeants at Mace/ Bodyguard	2,900	
		Supplies & Services		
18,112	12,000	Mayor's hospitality	19,017	5.00%
527	850	General office expenses	892	5.00%
884	848	Insurance	890	5.00%
356	300	External Audit	315	5.00%
		Support Services		
19,326	18,424	Administration	19,345	5.00%
13,841	13,413	Finance, Clerk, legal, HR, IT	14,084	5.00%
		Income		
-30	-30	Bank interest	-30	
0	0	Mayor's Civic Dinner	0	
72,763	66,332	Total Expenditure	75,958	
-15,780	-9,349	Transfer to/from Reserves	-15,477	
-6,787	-6,787	Council Tax Support Grant	-6,544	
50,196	50,196	Council Tax Requirement	53,937	
26,417.8	26,417.8	Tax base	26,968.7	
1.90	1.90	Band D Council Tax	2.00	
50,193.82	50,193.82	Council Tax Receivable	53,937.40	