



City of Durham
Charter Trustees for the City of Durham

Ref: JM

1 November 2013

To: The Mayor and Members of the
**CHARTER TRUSTEES FOR THE CITY OF
DURHAM**
(Councillors P Charlton, J Blakey, J Armstrong,
D Bell, A Bonner, J Buckham, J Chaplow,
P Conway, N Foster, K Corrigan, D Freeman,
S Guy, D Hall, G Holland, A Hopgood, N Martin,
B Moir, M Nicholls, R Ormerod, M Plews,
M Simmons, D Stoker, P Taylor, J Turnbull,
M Wilkes and M Williams).

Dear Sir/Madam

A Meeting of the **CHARTER TRUSTEES FOR THE CITY OF DURHAM** will be held in the Committee Room 1A, County Hall, Durham, on Monday 11 November 2013 at 1.00 pm.

BUSINESS

1. Apologies for Absence
2. Minutes of the meeting held on 24 July 2013 (Pages 1 - 2)
3. Declarations of interest, if any
4. Financial Arrangements for the Shared Mayor of the City of Durham and Chairman of Durham County Council - Report of the Treasurer (Pages 3 - 6)

County Hall, Durham, DH1 5UL
Tel: 03000 269731 Fax: (0191) 3834206
Web Site: www.durham.gov.uk

5. Conclusion of Audit for the year ended 31 March 2013 - Report of the Treasurer (Pages 7 - 16)
6. Revenue Outturn for the period ending 30 September 2013 and Projected Outturn to 31 March 2014 - Report of the Treasurer (Pages 17 - 22)
7. 2014/15 Budget Setting Process - Report of the Treasurer (Pages 23 - 26)

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 1A, County Hall, Durham, on Wednesday 24 July 2013 at 1.00 pm

Present: The Right Worshipful the Mayor of Durham, Pauline Charlton (in the Chair) and Councillors J Blakey, J Armstrong, D Bell, A Bonner, J Chaplow, P Conway, K Corrigan, G Holland, A Hopgood, N Martin, B Moir, M Nicholls, R Ormerod, M Plews, J Turnbull, M Wilkes and M Williams.

1 Apologies for Absence

Apologies for absence were received from Councillors J Buckham, N Foster, D Freeman, S Guy, D Hall, M Simmons, D Stoker and P Taylor.

2 Minutes

Minutes of the meetings held on 11 and 19 June 2013 were confirmed as a correct record and signed by the Mayor.

Councillor Hopgood referred to item 3 of the minutes of the meeting held on 19 June 2013 where she sought clarification as to why there was £120.00 in bank charges, she was still awaiting a response.

3 Declarations of Interest

There were no declarations of interest.

4 Financial Arrangements for the Shared Mayor of Durham and Chairman of the County Council

Charter Trustees for the City of Durham considered a report of the Treasurer which provided an update on the forecast impact upon the budget of the Charter Trustees due both to the Mayor of Durham and Chairman of the County Council being carried out by Councillor Pauline Charlton (for copy see file on minutes).

The Treasurer reported that the Mayor and Deputy Mayor would not be claiming an allowance in this capacity, which would be a saving of £5,574 for 2013/14, instead expenses would be paid for costs incurred at each event. It is believed that this would produce a saving but details of which would not be available until a few months into the process. Expenses would be itemised and included in the budget report which would be monitored throughout the year.

The Treasurer informed Trustees that the figure for the Town Hall cost was £11,796 and not £18,796 as stated in the report. The cost to the Charter Trustees for the use of

the Town Hall was being considered further with a view to reducing costs. A further report would be considered at a future meeting.

Trustees discussed at length the legality, practicalities and the costs associated with the Car Hire and use of the County Council Chauffeuring Service.

Upon a vote being taken, it was agreed that the Treasurer look into contractual arrangements for the Car Hire Service; and agreed that in the meantime the County Council Chauffeuring Service be used. The Trustees confirmed that the charge to the Charter Trustees would be the same as the current level until such time as a further report was produced for the Trustees consideration.

Trustees requested a breakdown of the Hospitality/Function Budget for each quarter.

Resolved:

- (i) That Charter Trustees note the content of the report and agree to receive a further report which would provide additional clarity on costs and savings in the Autumn.
- (ii) That the Treasurer look into the current contractual arrangements for the Car Hire Service, including the charges for the County Council Chauffeuring Service. In the meantime the Charter Trustees use the County Council Chauffeuring Service with charges being as the current level.
- (iii) That the Treasurer provide a breakdown of the Hospitality/Function budget for each quarter.

Charter Trustees for the City of Durham

11 November 2013

Financial Arrangements for the Shared Mayor of the City of Durham and Chairman of Durham County Council



City of Durham

Report of Jeff Garfoot, Treasurer

Purpose of the Report

- 1 To provide an update on the impact upon the Charter Trustees Budget of the revised arrangements for the Mayor of the City of Durham and Chairman of the County Council.

Background

- 2 An initial report was brought to the Charter Trustees meeting on 24 July 2013 on the impact upon the budget of the new Mayor/ Chairman arrangements. This report will provide an update.

Charter Trust Budget

- 3 Each budget line is detailed below with a summary of the current understanding of the future arrangements.

Mayor/ Deputy Mayor's Allowance including National Insurance (£5,574)

- 4 The Mayor and Deputy Mayor have chosen not to accept the allowances. The impact upon future years' budgets will depend upon the decisions of future Mayors and Deputy Mayors.

Sergeant at Mace/ Bodyguards (£2,809)

- 5 It is expected that these costs will continue in the future.

Town Hall (£11,796)

- 6 A revised rental has been negotiated with the County Council for the period from 9 September 2013 when the Mayor's Secretary began to work at County Hall. The agreed charges are as follows:-

	Annual Rental
	£
2013/14	7,523
2014/15	3,350

- 7 The rental covers use of facilities in relation to office space, the parlour and for functions.

Car/ Bus Hire (£16,271)

- 8 In line with the decision of the Charter Trustees on 24 July 2013, the contract with 'On Guard' was terminated on 31 August 2013. Since this date the Mayor has been utilising the County Council's Chauffeur service. Again in line with the Charter Trustees decision on 24 July 2013, since the termination of the contract the charge rates from the Council have matched those from On Guard as detailed below:

	£
Mileage Rate	1.25 per mile
Hourly Rate	9.25 per hour

- 9 The Council has determined that charge out rates for 2013/14 should be as follows:-

	£
Mileage Rate	0.95 per mile
Hourly Rate	9.97 per hour

- 10 Journeys by the Mayor between 26 July and 20 September have been analysed to determine the financial impact if the County Council's rates had been charged. The analysis has highlighted a 4% saving for the Charter Trust. If the Charter Trust is in agreement the revised rates will be charged from the date of this meeting.
- 11 To provide cost assurance for the Charter Trustees in 2014/15 the County Council has agreed to maintain the rates detailed above until 31 March 2015.
- 12 Although the net lower charge out rates will generate a saving, the greater saving on transport is being generated by the reduction in the number of journeys chargeable to the Charter Trust.

Hospitality/ Functions Budget (£24,135)

- 13 Costs are only being charged to the Charter Trust where the Mayor is not acting in a joint Mayor/ Chairman role. This approach, in addition to a prudent approach by the current Mayor, is resulting in a saving which should be replicated in future years.

Office Expenses (£1,020)

- 14 Some office expenses will be required but it is estimated that this should be no more than £400 per annum.

Insurance/ Audit (£2,658)

15 These costs will continue in the future.

Administration (£30,674)

16 Since 1 August 2013, secretarial support has been based on working part-time for the Charter Trustees and part-time for Durham County Council. Thus from that date, 50% of the costs of the post will be paid by the County Council. Further work is required to determine how secretarial support will be provided in the medium term.

Support Services (£17,442)

17 There will still be a need for support in the future although it is recognised that this will not be as intense as in the past. The County Council will charge the full charge for 2013/14 due to the level of support presently being provided. The County Council has agreed however to reduce the annual charge for 2014/15 to £12,000, a reduction of 31%.

Summary

18 The cost reductions detailed in this report are forecast to reduce the costs of the Charter Trust by circa 50%. The forecast of the outturn report on the agenda of this meeting will provide further detail for 2013/14. Another report on the agenda is recommending the formation of a working group to determine a recommendation for the 2014/15 precept.

Recommendations

19 The Charter Trustees are asked to approve the new financial arrangements detailed in this report.

Contact: Jeff Garfoot Tel: 03000 261946

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Charter Trustees for the City of Durham

11 November 2013

**Conclusion of Audit for the year ended
31 March 2013**



City of Durham

Report of Jeff Garfoot, Treasurer

Introduction

- 1 BDO LLP (the external auditor of the Charter Trustees) has completed their audit of the annual return for the financial year ending 31 March 2013. They require their audit opinion and findings to be presented to a meeting of Charter Trustees in order to minute the approval of the final, audited annual return.
- 2 A copy of the annual return, which includes the auditor's certificate and opinion (page 4), is attached as Appendix B.

Audit Findings

- 3 BDO LLP reported:

"there were no matters which came to our attention which required the issuing of a separate additional issues arising report".

Recommendations

- 4 It is recommended that Charter Trustees approve the audited annual return for 2012/13.

Contact: Beverley White

Tel. 03000 261900

Risks and Implications

Finance

The report provides the conclusion of BDO's audit of the annual report for 2012/13

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

Attach pdf – audited return

Appendix B

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Small Bodies in England

Annual return for the year ended

31 March 2013

Small relevant bodies in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their annual activities at the end of each financial year.

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the body.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the body's internal audit provider.

Each body must approve this annual return no later than 30 June 2013.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in red. Do **not** leave any red box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2013, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your auditor will identify and ask for any additional documents needed for audit. Therefore, unless requested, do **not** send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2013.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites (www.nalc.gov.uk or www.slcc.co.uk) or from the members area of the Association of Drainage Authorities website (www.ada.org.uk).

Section 1 – Accounting statements 2012/13 for:

Enter name of reporting body here:

The Charter Trust for the City of Durham

	Year ending		Notes and guidance
	31 March 2012 £	31 March 2013 £	
1 Balances brought forward	25,650	36,023	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	115,485	103,032	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	3,807	2,483	Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	-38,787	-38,555	Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	-70,132	-67,628	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	36,023	35,355	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	45,670	57,072	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	0	0	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2013 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

J. Craxford

Date

19/6/13

I confirm that these accounting statements were approved by the body on:

19/6/13

and recorded as minute reference:

4 MINUTE REFERENCE

Signed by Chair of meeting approving these accounting statements:

P. M. C. L. E. C.

Date

19/6/13

Section 2 – Annual governance statement 2012/13

We acknowledge as the members of The Charter Trust for the City of Durham NAME HERE our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2013, that:

	Agreed –		'Yes' means that the body:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YES		prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the body to conduct its business or on its finances.	YES		has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES		during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	YES		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7 We took appropriate action on all matters raised in reports from internal and external audit.	YES		responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	YES		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference

4 MINUTE REFERENCE

dated 19/6/13

Signed by:

Chair PMCH SIGNED

dated 19/6/13

Signed by:

Clerk [Signature]

dated 19/6/13

***Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the body will address the weaknesses identified.**

Section 3 – External auditor certificate and opinion 2012/13

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2013 of:

The Charter Trust for the City of Durham REPORTING BODY NAME HERE

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2013; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor report

~~(Except for the matters reported below)~~* on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the body:

(continue on a separate sheet if required)

External auditor signature

BDO UK

External auditor name

BDO LLP Southampton
United Kingdom

Date

16/9/13

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Auditors and of Audited Small Bodies*.

Section 4 – Annual internal audit report 2012/13 to

The Charter Trust for the City of Durham REPORTING BODY NAME HERE

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2013.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	✓		
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.			N/A
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.	✓		
H Asset and investments registers were complete and accurate and properly maintained.			N/A
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	✓		

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit: PAUL MONAGHAN

Signature of person who carried out the internal audit: Paul Monaghan Date: 23/5/13

***Note:** If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

****Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2012/13 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the *Practitioners' Guides** which are updated from time to time and contain everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you may encounter.
- 2 Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change of Clerk, Responsible Financial Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers **all** your bank accounts. If your body holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting statements. **You must provide an explanation for any difference between Box 7 and Box 8.** More help on bank reconciliation is available in the *Practitioners' Guides**.
- 6 **Explain fully** significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that **you** understand the reasons for all variances. Include a complete analysis to support your explanation. There are a number of examples provided in the *Practitioners' Guides** to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2012) equals the balance brought forward in the current year (Box 1 of 2013).
- 9 **Do not complete section 3.** The external auditor will complete it at the conclusion of their audit.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	✓
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	✓
Section 1	Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2013 agreed to Box 8?	✓
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Section 2	For any statement to which the response is 'no', an explanation is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	✓

***Note: Governance and Accountability for Local Councils in England – A Practitioners' Guides, is available from NALC and SLCC representatives or Governance and Accountability for Internal Drainage Boards in England – A Practitioners' Guides, is available from the ADA at The Association of Drainage Authorities, 12 Cranes Drive, Surbiton, Surrey, KT5 8AL or from the NALC, SLCC or ADA websites - see page 1 for addresses.**

Charter Trustees for the City of Durham

11 November 2013

Revenue Outturn for the period ending 30 September 2013 and Projected Outturn to 31 March 2014



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 30 September 2013;
 - forecast of expenditure to 31 March 2014 in comparison to the 2013/14 original budget.

COMPARISON OF REVENUE OUTTURN WITH BUDGET

- 2 At 30 September 2013 actual net expenditure was £22,472; an underspend of £11,161 (or 33.19%) against a profiled budget of £33,633.
- 3 As a consequence of the decision to merge the roles of the Mayor of the City of Durham and Chairman of Durham County Council it is anticipated that actual expenditure at 31 March 2014 will be significantly lower than the original budget (by 34.39% or £38,629). There should no longer be a requirement to draw from reserves in order to balance the budget; instead a contribution to reserves of £27,353 is anticipated.
- 4 An analysis of the expenditure over subjective budget headings is set out in Appendix 2. Detailed analyses for all variable costs, namely transport, hospitality and general office expenses, are provided in Appendix 3.
- 5 Explanations regarding the main variances between actual expenditure and the budget are provided below:

PREMISES

- 6 Due to the sharing of the Mayor and Chairman roles and the relocation of the Mayor's personal assistant, the Council has agreed to reduce the annual charge for use of the Town Hall to £7,523 (from £11,796); the result is a saving of £4,273 or 36.22%.

TRANSPORT

- 7 Since the contract with Onguard chauffeuring services was terminated transport arrangements are being made through Durham County Council's chauffeuring service. The charges from the Council's chauffeuring service are the same as those of Onguard, in line with the decision of the Charter Trustees at their meeting of 24 July 2013. It is anticipated that actual expenditure on transport will be £7,055 at the financial year end which is £9,216 (or 56.64%) lower than the original budget. At this stage the key reason for the variance is the reduced number of journeys due to the sharing of the Mayor and Chair roles.

SUPPLIES AND SERVICES

- 8 The total expenditure on supplies and services is £5,418 less than the profiled budget to date. The supplies and services outturn figure at 31 March 2014 is expected to be £18,323; an underspend of £9,491 (or 34.12%) in comparison to the budget. This is due to:
- a significant underspend on hospitality and general office expenses, mainly due to the recent changes, and
 - an anticipated reduction in external audit fees (in line with the actual costs for the 2012/13 audit work).

SUPPORT SERVICES

- 9 With effect from 1 August 2013, it was agreed that the Mayor's personal assistant would continue to support the Mayor for half of their time and the remaining time would be spent working for the Council's Democratic Services. Therefore the forecast of outturn for Administration services to the Charter Trustees has been based upon 4 months full time (April to July) and 8 months half time salary costs (August to March). Consequently a saving of £10,026 (or 32.69%) will be achieved at 31 March 2014.

FORECAST OF OUTTURN

- 10 The latest forecast of expenditure to 31 March 2014 is £73,690, a significant underspend of £38,629 (or 34.39%) against the net expenditure budget of £112,319.

GENERAL RESERVE

- 11 The general reserve balance at 1 April 2013 was £35,355. With an underspend of £38,629 as projected, the amount available to contribute towards reserves would be £27,353. Consequently the reserve balance would increase to £62,708 as at 31 March 2014.

VAT

- 12 At the meeting held on 20 March 2013 it was agreed to provide Trustees with a summary of VAT paid and reclaimed. As at 30 September 2013 the total VAT paid and reclaimed is £2,863.12.

RECOMMENDATIONS

- 13 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- note the outturn position for the period ended 30 September 2013;
 - note the forecast outturn to 31 March 2014;

Contact: Beverley White, Tel. 03000 261900

RISKS AND IMPLICATIONS

Finance

The report provides information on the:

- actual expenditure compared to the profiled budget to 30 September 2013
- forecast of expenditure to 31 March 2014 in comparison to the 2013/14 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
30 SEPTEMBER 2013 AND PROJECTED OUTTURN TO 31 MARCH 2014**

Annual Budget 2013/14	Budget Head	Year to date Budget	Year to date Actual	Projected Outturn	Variance (Projected Outturn v Budget)
£		£	£	£	£
	Employees				
3,500	Mayor's Allowance	0	0	0	-3,500
1,500	Deputy Mayor's Allowance	0	0	0	-1,500
574	NI contributions	0	0	0	-574
2,809	Sergeants at Mace/ Body Guard	2,809	2,750	2,750	-59
	Premises				
11,796	Town Hall	0	0	7,523	-4,273
	Transport				
14,831	Civic Car	6,180	2,655	5,855	-8,976
1,440	Bus Hire	600	480	1,200	-240
	Supplies and Services				
24,135	Mayor's hospitality	10,056	4,851	15,525	-8,610
1,020	General office expenses	425	249	400	-620
2,034	Insurance	2,034	1,997	1,997	-37
624	External Audit	0	0	400	-224
	Support Services				
30,674	Administration	11,559	9,515	20,648	-10,026
6,885	Finance & procurement	0	0	6,885	0
9,639	Legal/ Clerk	0	0	9,639	0
459	HR	0	0	459	0
459	ICT	0	0	459	0
	Income				
-60	Investment income	-30	-25	-50	10
112,319	Net Expenditure	33,633	22,472	73,690	-38,629
-10,398	Council Tax Support Grant	-10,398	-10,398	-10,398	0
-11,276	Transfer from Reserves	0	0	27,353	38,629
90,645	Net budget	23,235	12,074	90,645	0

ANALYSIS OF VARIABLE COSTS TO 30 SEPTEMBER 2013

	Payee	Amount	Description
Transport	ONGUARD	874.02	Apr
	ONGUARD	567.01	May
	ONGUARD	837.41	June
	ONGUARD	376.40	July
	Lee's Coaches	120.00	9th June
	Lee's Coaches	120.00	17th June
	Lee's Coaches	120.00	14th July
	Lee's Coaches	120.00	28th July
		Total Transport	3,134.84
Hospitality	DCC	81.50	Refreshments Apr 13
	DCC	66.00	Refreshments May 13
	DCC	238.50	Refreshments May 13
	DCC	238.50	Refreshments July 13
	Richardsons	35.00	Rosettes
	T&I Bell	1,416.00	Catering
	DCC	158.02	Refreshments June 13
	DCC	238.50	Refreshments July 13
	T&I Bell	720.10	Catering
	DCC	159.00	Catering July 13
	DCC	159.00	Catering August 13
	DCC	224.12	Refreshments July 13
	DCC	25.31	Refreshments Aug 13
	Ede & Ravenscroft	307.50	Dry Cleaning
	Hartlepool Borough Council	10.00	Hartlepool Charity Night
	Finchale Training College	70.00	Salute Our Heroes Concert
	Stephanies Flowers	80.00	Flower Displays
	Framing Unlimited	21.00	Frames
	Graeme Stearman	60.00	Photography - Mayor Making 2013
	K Walker	210.00	Completion of Mayors Board
	NE Express Ltd	290.98	Collection of Mayors Robe
	Bramwells	42.00	Repairs to civic sword and mace
		Total Hospitality	4,851.03
General Office	DCC	16.76	Photocopying
	DCC	65.09	Recharges Photocopying/ Postages etc
	Bank Commission	30.00	Qtr 1
	DCC	69.00	Printing
	DCC	38.31	Stationery
	Bank Commission	30.00	Qtr 2
		Total General Office	249.16

Charter Trustees for the City of Durham

11 November 2013

2014/15 Budget Setting Process



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to agree a timetable and process for setting the budget and council tax requirement for the Charter Trustees for 2014/15.

BACKGROUND

- 2 Last year Charter Trustees established a small working group with responsibility for considering various budget options for 2013/14. It is proposed that similar arrangements are put in place this year whereby a small group is created to examine budget options and report their recommendations to the Charter Trustees meeting on 8 January 2014.
- 3 The revenue budget of £90,645, approved for 2013/14, allowed the Charter Trustees to retain the Band D equivalent Council Tax at the same level as 2012/13, i.e. £3.80.

BUDGET 2014/15

- 4 In order to set a robust and accurate budget Trustees ought to take into account the:
 - forecast outturn position for the current year;
 - anticipated price increases;
 - future level of service provision required.
- 5 Early indications are that the council tax base for 2014/15 will reduce by 46.4 (from 23,854.0 to 23,807.6). Consequently the council tax receivable will decrease by £176.32 (from £90,645.20 to £90,468.88) at the current rate of band D council tax of £3.80.
- 6 The latest forecasts suggest that Government funding for Durham County Council in 2014/15 and beyond will significantly reduce. Assuming the same level of grant reduction is passed on to Town and Parish Councils and the

Charter Trustees, it is anticipated that the Local Council Tax Support Grant payable to the Charter Trustees for 2014/15 will reduce to £9,360 (by £1,038 from £10,398 in 2013/14).

- 7 Trustees should also bear in mind there is a possibility for Government to extend the Council Tax capping controls to Town and Parish Councils from 2014/15. The current limit on Council Tax increases is 2%.

PROPOSED TIMETABLE

- 8 It is suggested that members of the budget working group arrange to meet as frequently as required in order to report their proposals to Charter Trustees at the meeting arranged for 8 January 2014.
- 9 The deadline for approving the precept for 2014/15 is no later than 24 January 2014. There is a meeting of the Charter Trustees arranged for 8 January 2014 and it is recommended that this meeting be used to agree the budget and council tax requirement.

RECOMMENDATIONS

- 10 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- establish a working group to consider options on the level of budget and council tax required for 2014/15 and report their recommendations to Charter Trustees at the meeting on 8 January 2014;
 - utilise the meeting arranged on 8 January 2014 to agree the precept;
 - note the deadline for agreeing the precept for 2014/15 of 24 January 2014.

Contact: Beverley White, Tel. 03000 261900

Risks and Implications

Finance

The report provides information to enable Charter Trustees to consider the level of council tax and revenue budget requirement for 2014/15

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

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