



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

Ref: JM

1 December 2015

To: The Mayor and Members of the
CHARTER TRUSTEES FOR THE CITY OF DURHAM
(Councillors J Blakey, B Moir, J Armstrong, D Bell,
A Bonner, J Chaplow, P Conway, K Corrigan, N Foster,
D Freeman, O Gunn, D Hall, G Holland, A Hopgood,
B Kellett, N Martin, M Nicholls, R Ormerod, M Plews,
J Robinson, 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
Committee Room 1B, County Hall, Durham, on Wednesday 9 December 2015 at 12.30 pm.

BUSINESS

1. Apologies for Absence
2. Minutes of the meeting held on the 28 October 2015 (Pages 1 - 4)
3. Declarations of interest, if any
4. 2016/17 Budget Setting Process - Report of the Treasurer (Pages 5 - 10)
5. Such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration.

Yours faithfully

Clerk

County Hall, Durham, DH1 5UL
Tel: 03000 267202
Web Site: www.durham.gov.uk

This page is intentionally left blank

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 28 October 2015 at 1.00 pm

Present: The Right Worshipful the Mayor of Durham, Councillor J Blakey (in the Chair) and Councillors B Moir, J Chaplow, K Corrigan, N Foster, D Freeman, G Holland, B Kellett, N Martin, M Plews, M Simmons, J Turnbull, M Wilkes and M Williams

The Clerk advised Trustees of the deaths of the following past Mayors and Aldermen and members of the Mayor's Bodyguard – Duggan, Gibbon, Dickie and Donnegan.

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

1 Apologies for Absence

Apologies for absence were received from Councillors J Armstrong, D Bell, A Bonner, P Conway, O Gunn, D Hall, A Hopgood, R Ormerod, J Robinson, D Stoker and P Taylor.

2 Minutes

Minutes of the meeting held on the 17 June 2015 were confirmed as a correct record and signed by the Mayor.

3 Declarations of interest

There were no declarations of interest.

4 Update Report

Charter Trustees considered a report of the Clerk that gave an update of events since the last meeting (for copy see file of Minutes).

The Clerk advised that there were two elements to address from the BDO external audit of 2014. The first being the compilation of an assets register and the second issue was completion of the risk assessment process for internal governance arrangements.

Following the last meeting the Transfer Agreement between the Trustees and Durham County Council for transfer of assets held at Town Hall Durham had been signed and sealed on 22 July 2015.

In addition a valuation of the Mayoral chains had been completed and the chains of office had been added to the Assets Register. A copy of the valuation was available for inspection at the meeting.

Referring to the Risk Assessment matrix the Clerk advised that although approved by Trustees on 1 April 2015, BDO had noted in their report that this was one day late and should have been considered and minuted by 31 March 2015. Trustees were informed that this would be reported in January next year.

Since the last meeting the Clerk reported the number of Trustees and Officers robes which may be available for use by Past Mayors in ceremonial meetings and processions. Trustees discussed who should be offered the robes when attending ceremonial events and noted that if all attended there may be a shortfall but this was unlikely.

Councillor G Holland suggested that all former mayors that attend should be offered the black with silver trim robes and that alderman be offered the alderman robes.

Councillor N Foster added that where people qualify that they should be entitled to carry on wearing the appropriate robe.

Resolved:

That the updates be noted and accepted.

5 Conclusion of Audit for the year ended 31 March 2015

Charter Trustees considered a report of the Treasurer that advised of the completion of the audit of the annual return for the financial year ending 31 March 2015, which was carried out by BDO LLP (the external auditor of the Charter Trustees) (for copy see file of minutes).

The Treasurer reported the audit findings and advised on the actions that were required in order to satisfy the external auditor in the future, including earlier reporting of the risk assessment to the Trustees at their January meeting next year.

Resolved:

- (i) That the audited annual return for 2014/15 be approved;
- (ii) That a risk assessment review of internal controls be reported annually at future meetings before the end of each financial year.

6 Revenue Outturn for the period ending 30 September 2015 and Projected Outturn to 31 March 2016

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 2015; and the forecast of expenditure to 31 March 2016 in comparison to the 2015/16 original budget (for copy see file of minutes).

The Treasurer reported that at 30 September 2015 actual net expenditure was £28,684; an underspend of £4,891 against a profiled budget of £33,575. It was anticipated that actual expenditure at 31 March 2016 would be slightly lower than the

original budget, therefore the sum required to be drawn from reserves to balance the budget would therefore be expected to reduce from £6,883 to £1,405

Councillor N Martin asked about the Civic Dinner income as had assumed it was a charity fundraising exercise with the proceeds going to the Mayors charity. Trustees were advised that there was a fundraising section during the evening and the Treasurer advised that he would be happy to isolate from the Mayors hospitality budget the costs associated with the event. Councillor Martin said that there should be a note in the accounts.

Referring to allowances for the Mayor and Deputy Mayor, Councillor M Williams asked that this be included in the accounts should they wish to claim in the future. The Treasurer advised that this would be a discussion when setting the budget. Councillor Martin agreed that this should be included as the budget was set before the postholders were appointed. The Treasurer suggested that the flexibility of reserves could be used. The Mayor suggested that a working group be set up to look at future budget years.

Resolved:

- (i) That the outturn position for the period ended 30 September 2015 be noted;
- (ii) That the forecast outturn to 31 March 2016 be noted;
- (iii) That costs for the Civic Dinner be reported back to Trustees; and
- (iv) That a Working Group be set up regarding setting the budget.

7 Mayoral Robes

The Mayor informed Charter Trustees that the costs for purchasing new Mayoral robes had been sought. Only one supplier had provided a costing and sample fabric. The robes would be more lightweight to enable easier movement outdoors but would be replicas of the current robes. The change in fabric would mean that the robes could be cleaned locally and therefore reducing the costs. The Mayor advised that the original robes would be displayed in the Town Hall.

Councillor M Wilkes asked that costings are brought back to the Trust regarding displaying the original robes at the Town Hall. Councillor N Foster said that he would look into this and report back.

Councillor M Simmons expressed concern about the fabric proposed as she felt that it did not have enough weight for this type of garment. The Major invited Councillor Simmons to join her and the Deputy Major during their meeting with the supplier.

After a detailed discussion Trustees **Resolved:-**

That purchase of robes for the Major and Deputy Major be agreed.

This page is intentionally left blank

**Charter Trustees for the City of
Durham**

9 December 2015

2016/17 Budget



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to provide information to enable Charter Trustees to determine the:
 - i. appropriate budget requirement for the Charter Trust for 2016/17;
 - ii. basic level of council tax required for 2016/17.

BACKGROUND

- 2 A council tax requirement of £45,948 was agreed for 2015/16 which, after applying the Local Council Tax Support Scheme Grant and a transfer from reserves, allowed for a net expenditure budget of £60,896. The Band D Council Tax levied on the residents of the former City of Durham was £1.90 in 2015/16, which was the same levy raised in 2014/15.
- 3 At the meeting held on 8 January 2014, Charter Trustees agreed to the utilisation of reserves to maintain the Band D equivalent Council Tax at £1.90 in each financial year from 2014/15 to 2018/19.

BUDGET ASSUMPTIONS

- 4 The following budget assumptions have been made and applied to the proposed budget for 2015/16:
 - i. annual inflation of 1.5%;
 - ii. annual pay award of 1.5%;
 - iii. a slight increase in the Local Council Tax Support Scheme Grant of 2.05%; from £8,064 to £8,229;
 - iv. a slight increase in the council tax base of 1.83%; from 24,183.4 to 24,625.2.

BUDGET 2016/17

- 5 In order to set a robust and accurate budget Trustees ought to take into account the:
 - i. forecast outturn position for the current year;
 - ii. anticipated price increases;
 - iii. future level of service provision required.
- 6 Durham County Council has advised that the council tax base for 2016/17 will increase slightly by 441.8 (from 24,183.4 for 2015/16 to 24,625.2 for 2016/17). Consequently the council tax receivable will increase by £839 (from £45,948.46 to £46,787.88) at the current Band D Council Tax rate of £1.90.
- 7 The Local Council Tax Support Scheme Grant payable to the Charter Trust for 2016/17 has increased slightly by £165 (from £8,064 to £8,229). However, early indications suggest the grant will reduce each year from 2017/18 to 2018/19.
- 8 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 2016/17.

PROPOSED BUDGET 2016/17

- 9 A proposed budget is attached at Appendix B. It has been calculated by applying the budget assumptions, as set out in paragraph 4, to the indicative budget for 2016/17 which was agreed in principle by the Charter Trustees at the 8 January 2014 meeting. The approved 2015/16 budget and forecast of outturn for 2015/16 are also shown for comparison and information purposes.
- 10 The proposed budget includes allowances for the Mayor and Deputy Mayor, as requested by Charter Trustees at the last meeting held on 28 October 2015,
- 11 The cost of insurance provision decreased significantly during 2015/16 and therefore the insurance budget for 2016/17 has been reduced accordingly.
- 12 If the assumed inflation was to be removed from the budget altogether, the budget requirement would reduce by £896.00.
- 13 In order to maintain Band D Council Tax at £1.90, a transfer from reserves of £10,550 would be required in order to balance the budget for 2016/17.
- 14 Taking into account the latest projected outturn position for 2015/16 and the proposed transfer from reserves of £10,550 to balance the 2016/17 budget, the total level of reserves is estimated to reduce to £55,142 as at 31 March 2017.

PROPOSED TIMETABLE

- 15 The deadline for approving the precept for 2016/17 is no later than 29 January 2016. There is a meeting of the Charter Trustees arranged for 20 January 2016 and it is recommended that this meeting be used to agree the budget and council tax requirement, if required.

RECOMMENDATIONS

- 16 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- i. determine whether the Charter Trustees are able to agree the council tax requirement of £46,788 and a £1.90 precept for 2016/17;
 - ii. determine whether further information is required before agreeing the budget and precept;
 - iii. note the possibility of utilising the meeting arranged on 20 January 2016 to agree the precept if required;
 - iv. note the deadline for agreeing the precept for 2016/17 of 29 January 2016.

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 2016/17.

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

**Charter Trustees for the City of Durham
Proposed Budget 2016/17**

Budget	Forecast of Outturn		Budget agreed on 8 Jan 2014	Proposed Budget	Inflation
2015/16	2015/16		2016/17	2016/17	
£	£		£	£	%
		Employees			
0	0	Mayor's Allowance	0	3,500	
0	0	Deputy Mayor's Allowance	0	1,500	
		Premises			
3,398	3,398	Town Hall	3,449	3,449	1.50%
		Transport			
6,120	7,004	Civic Car	6,212	6,212	1.50%
1,218	1,218	Bus Hire	1,236	1,236	1.50%
2,964	2,900	Sergeants at Mace/ Bodyguard	2,833	2,944	1.50%
		Supplies & Services			
15,758	14,000	Mayor's hospitality	15,994	15,994	1.50%
406	490	General office expenses	412	412	1.50%
2,088	1,282	Insurance	2,119	1,301	1.50%
457	330	External Audit	464	335	1.50%
		Support Services			
16,263	15,967	Administration	16,171	16,275	1.50%
12,264	12,264	Finance, Clerk, legal, HR, IT	12,363	12,448	1.50%
		Income			
-40	-45	Bank interest	-40	-40	
0	-3,390	Mayor's Civic Dinner	0	0	
60,896	55,418	Total Expenditure	61,213	65,567	
-6,883	-1,405	Transfer from Reserves	-8,922	-10,550	
-8,064	-8,064	Council Tax Support Grant	-7,057	-8,229	
45,949	45,949	Council Tax Requirement	45,234	46,788	
24,183.40	24,183.40	Tax base	23,807.60	24,625.20	
1.90	1.90	Band D Council Tax	1.90	1.90	
45,948.46	45,948.46	Council Tax Receivable	45,234.44	46,787.88	

This page is intentionally left blank