

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.