

Charter Trust for the City of Durham

16 November 2011

Revenue Budget 2012/13



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to provide information to Charter Trustees in order to initiate discussions on the budget requirement for 2012/13 and consequential level of council tax.

BACKGROUND

- 2 A revenue budget of £115,397 was agreed for 2011/12 which allowed for a Council Tax reduction of 14.2% from the 2010/11 level. The Band D Council Tax levied on the residents of the former City of Durham was £4.29 in 2011/12, compared to £5.00 in 2010/11.

FORECAST OUTTURN 2011/12

- 3 The latest forecast of expenditure to 31st March 2012 is £114,262; a small under spend of £1,135, or 1%, against the original budget. Any under spend at the year end will be transferred to the general reserve.
- 4 Appendix B provides details of the Original Budget set for 2011/12, the forecast outturn to 31st March 2012 and two Budget Options for 2012/13.

BUDGET 2012/13

- 5 In order to set a robust and accurate budget for 2012/13, Charter Trustees need to take into account the forecast outturn position for the current year, together with the future level of service provision and anticipated price increases.
- 6 When setting next year's budget, Charter Trustees should also be mindful of the Government's decision to reduce public sector expenditure over the coming years.

- 7 In the 2011/12 budget, the Charter Trust set aside £1,000 in contingencies to meet unforeseen items of expenditure; it is anticipated that this sum will not be required in 2011/12. It may be considered prudent to leave a small contingency sum in the 2012/13 budget to provide a degree of in year flexibility and avoid the need to increase the current level of council tax, however Trustees ought to note that the current level of reserves stands at £25,650 which should more than adequately provide for unforeseen expenditure.
- 8 The deadline for approving the precept for 2012/13 is no later than 3 February 2012. There is a meeting of the Charter Trustees arranged for 18 January 2012 and it is recommended that this meeting be used to agree the budget and council tax requirement.
- 9 Trustees are requested to consider the two options set out below when determining the budget. The options have been prepared for illustrative purposes only and are by no means exhaustive. Option A provides for a standstill budget, whilst Option B provides for a budget based upon maintaining council tax at the 2011/12 level. Indicative budgets for both options are set out in Appendix B.

OPTION A

- 10 Option A is a standstill budget, which is the 2011/12 budget or outturn, increased for estimated inflation on relevant budget heads only. The basic assumptions upon which the standstill budget has been determined are as follows:

	<u>Increase</u>
Council Tax Base	0.48%
Allowances	nil
Pay Award	nil
Fuel increases (transport)	10%
General Inflation	2%
Contingencies	nil (remains at £1,000)

- 11 The budget requirement would increase slightly to £117,180 and the Band D council tax would rise to £4.34 (i.e. an increase of £0.05 or 1.17%).

OPTION B

- 12 If the Charter Trustees opt to maintain the council tax precept of £4.29 for a Band D property, this would allow for a budget of £115,946. This additional £549 is generated as the council tax base is set to increase

by 128 in 2012/13, from 26,899 to 27,027, however this is subject to confirmation.

- 13 The basic assumptions upon which this budget option has been calculated are as follows:

	<u>Increase</u>	<u>Reduction</u>
Council Tax Base	0.48%	
Allowances	nil	
Pay Award	nil	
Fuel increases (Transport)	10%	
General Inflation	2%	
Hospitality	1.01%	
Functions	1.01%	
Contingencies		100% (reduced to nil)

- 14 The amount of council tax for each valuation band of dwelling for Budget Options A and B is provided in Appendix C.
- 15 If Trustees were minded to change the budget, each 1% reduction/increase in Council Tax at band D equates to a budget reduction/increase of £1,159.

RECOMMENDATIONS

- 16 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- consider options on the level of budget and council tax required for 2012/13
 - note the deadline for agreeing the precept for 2012/13
 - utilise the next meeting arranged on 18 January 2012 to agree the precept

Contact: Beverley White, Tel. 383 4327

Risks and Implications

Finance

The report provides information to enable Charter Trustees to consider the level of council tax and revenue budget requirement for 2012/13

Staffing

Equality and Diversity

Accommodation

Crime and Disorder

Human Rights

Consultation

Procurement

Disability Discrimination Act

Legal Implications

Appendix B

Charter Trust for the City of Durham - Budget Options for 2012/13

	Budget 2011/12	Forecast Outturn 2011/12	2012/13 Budget Options	
			A Standstill	B Council Tax Unchanged
	£	£	£	£
Employees				
Mayor's Allowance	3,500	3,500	3,500	3,500
Deputy Mayor's Allowance	1,500	1,500	1,500	1,500
NI contributions	655	580	580	580
Sergeants at Mace/ Body Guard	2,960	2,900	2,900	2,900
Premises				
Town Hall	12,850	12,850	13,107	13,107
Transport				
Civic Car	14,540	14,540	15,120	15,120
Bus Hire	1,500	1,500	1,650	1,650
Supplies & Services				
Mayor's hospitality	12,362	12,362	12,609	12,487
Functions	11,300	11,300	11,526	11,414
General office expenses	1,000	1,000	1,020	1,020
Insurance	2,260	2,260	2,305	2,305
External Audit	600	600	612	612
Support Services				
Administration	30,370	30,370	30,370	30,370
Finance & procurement	7,000	7,000	7,140	7,140
Legal/ Clerk	10,500	10,500	10,710	10,710
HR	500	500	510	510
ICT	1,000	1,000	1,020	1,020
Contingency	1,000	0	1,000	0
Total Expenditure	115,397	114,262	117,180	115,946
Band D Council Tax	4.29		4.34	4.29
% of Council Tax Increase			1.17%	0.00%

Appendix C

Amount of Council Tax for each Valuation Band of Dwelling

Valuation Band	Proportion of Basic Amount	Council Tax Options 2012/13	
		A	B
		£	£
A	6/9	2.89	2.86
B	7/9	3.37	3.34
C	8/9	3.85	3.81
D	<i>'basic amount'</i>	4.34	4.29
E	11/9	5.30	5.24
F	13/9	6.26	6.20
G	15/9	7.23	7.15
H	18/9	8.67	8.58