

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.

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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	