

Charter Trust for the City of Durham

18 January 2012

Revenue Budget 2012/13



City of Durham

Report of Jeff Garfoot, Treasurer

INTRODUCTION

- 1 The purpose of this report is to provide information to enable Charter Trustees to:
 - approve the appropriate budget requirement for 2012/13; and
 - approve the basic level of council tax required.

BACKGROUND

- 2 Two budget options were presented to Trustees at the last meeting held on 16 November 2011; Option A provided for a standstill budget and Option B was a budget option to retain council tax at the same level as 2011/12.
- 3 At that meeting, Charter Trustees decided to set up a budget working group with responsibility for considering alternative budgets for 2012/13 and recommending their preferred option which would be presented to Charter Trustees for approval.
- 4 This working group has considered the options presented at the meeting on 16 November 2011. After considering these options and other Trustee priorities for 2012/13, a revised budget proposal is presented in this report.

BUDGET 2012/13

- 5 When considering next year's budget, the budget working group has been mindful of the Government's decision to reduce public sector expenditure over the coming years. The group is therefore proposing to reduce the council tax requirement for 2012/13.

- 6 The general assumptions upon which the budget has been determined are as follows:

	<u>Increase from 2011/12 Budget</u>
	%
Council Tax Base	0.48
Allowances	0
Pay Award	0
Fuel increases (Transport)	10
General Inflation	2

- 7 The Olympics and the Queen's Diamond Jubilee are two major events taking place in 2012 which have had a significant influence on budget determinations. Due to an increase in activities expected as a consequence of these events, the following budget increases are proposed:

	<u>Increase from 2011/12 Budget</u>
	£
Civic Car	2,000
Mayor's Hospitality	5,000
General office	500

- 8 It is considered prudent to leave a small contingency sum of £1,000 in the 2012/13 budget to provide a degree of in year flexibility.
- 9 In order to set a budget which will allow for expected increases in activity whilst also allowing for a reduction in council tax, it is proposed to draw £11,000 from Reserves to balance the budget.
- 10 If this transfer from Reserves was approved, Reserves at 1 April 2012 are forecast to total £21,810, which is 19.2% of the proposed budget requirement.
- 11 The proposed budget for 2012/13 is set out in detail in Appendix B. If approved, the budget requirement will decrease slightly to £113,445 and the Band D Council Tax will reduce to £4.20 (i.e. a reduction from the 2011/12 levy of £0.09 or 2.1%).
- 12 The amount of council tax for each valuation band of dwelling for the proposed budget is provided in Appendix C.

RECOMMENDATIONS

13 It is **RECOMMENDED** that the City of Durham Charter Trustees:

- approve the budget requirement for 2012/13; and
- approve the basic level of council tax required.

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 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 £	Proposed Budget 2012/13 £
Employees			
Mayor's Allowance	3,500	3,500	3,500
Deputy Mayor's Allowance	1,500	1,500	1,500
NI contributions	655	580	580
Sergeants at Mace/ Body Guard	2,960	2,900	2,900
Premises			
Town Hall	12,850	12,850	13,107
Transport			
Civic Car	14,540	14,540	17,120
Bus Hire	1,500	1,500	1,650
Supplies & Services			
Mayor's hospitality	12,362	12,362	17,487
Functions	11,300	11,300	11,414
General office expenses	1,000	1,000	1,520
Insurance	2,260	2,260	2,305
External Audit	600	600	612
Support Services			
Administration	30,370	30,370	30,370
Finance & procurement	7,000	7,000	7,140
Legal/ Clerk	10,500	10,500	10,710
HR	500	500	510
ICT	1,000	1,000	1,020
Contingency	1,000	0	1,000
Total Expenditure	115,397	114,262	124,445
Transfer from Reserves			-11,000
Council Tax Requirement	115,397		113,445
Band D Council Tax	4.29		4.20
% Council Tax Increase/-Decrease			-2.10%

Appendix C

Amount of Council Tax for each Valuation Band of Dwelling for 2012/13

Valuation Band	Proportion of Basic Amount	Proposed Council Tax £
A	6/9	2.80
B	7/9	3.27
C	8/9	3.73
D	<i>'basic amount'</i>	4.20
E	11/9	5.13
F	13/9	6.07
G	15/9	7.00
H	18/9	8.40