

# Charter Trustees for the City of Durham

6 December 2023

2024/25 Budget



City of Durham

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## Report of Jeff Garfoot, Treasurer

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### 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 2024/25;
  - (b) basic level of council tax required for 2024/25.

### 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 2024/25 precept by 19 January 2024.

## **Budget Assumptions**

- 6 The following budget assumptions have been made and applied to the proposed budget for 2024/25:
- (a) annual inflation of 2.0%;
  - (b) annual pay award of 4.0%;
  - (c) a reduction in the Local Council Tax Support Scheme Grant of 15.43%; from £6,544 to £5,534;
  - (d) a decrease in the council tax base of 0.24%; from 26,968.7 to 26,903.0.

## **Budget 2024/25**

- 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 £911 lower than the original budget. This will result in the sum required to be drawn from reserves reducing from £15,477 to £14,566. 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 2024/25 assumes business as usual.
- 8 Durham County Council has advised that the council tax base for 2024/25 will decrease by 65.7 (from 26,968.7 for 2023/24 to 26,903.0 for 2024/25). Consequently, the council tax receivable will decrease by £131.40 (from £53,937.40 to £53,806.00) at the proposed Band D Council Tax rate of £2.00.
- 9 Durham County Council has advised that following a consultation with all Town and Parish Councils it will reduce the Local Council Tax Reduction Scheme (LCTRS) grant payment by 50%, phased over the next three years. The LCTRS grant payable to the Charter Trust for 2024/25 has reduced by £1,010 (from £6,544 to £5,534).

## Proposed Budget 2024/25

- 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 2023/24. The approved 2023/24 budget and forecast of outturn for 2023/24 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 £19,085 would be required in order to balance the budget for 2024/25. This would result in a council tax requirement for 2024/25 of £53,806.
- 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 2023/24 and the proposed transfer from reserves of £19,085 to balance the 2024/25 budget, the total level of reserves is estimated to reduce to £44,167 as at 31 March 2025. The table below identifies the forecast reserves position up to 2024/25 to have a precept of £2.00 as agreed at the meeting in March 2022.

### Reserve Analysis

	£
Actual opening balance 1/4/2023	<b>77,818</b>
Forecast contribution from Reserves in 2023/24	-14,566
<b>Forecast 2024/25 opening balance</b>	<b>63,252</b>
Use of reserves to set a £2.00 precept 2024/25	-19,085
<b>Forecast closing balance 31/3/2025</b>	<b>44,167</b>

### Proposed Timetable

- 14 The deadline for approving the precept for 2024/25 is no later than 19 January 2024.

### Recommendations

- 15 It is recommended that the City of Durham Charter Trustees:

- (a) note the forecast of outturn position for 2023/24;
- (b) agree the council tax requirement of £53,806 and a £2.00 precept for 2024/25:
- (c) note the deadline for agreeing the precept for 2024/25;
- (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**

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### **Legal Implications**

None.

### **Finance**

The report provides information to enable Charter Trustees to consider the level of council tax and revenue budget requirement for 2024/25.

### **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 2024/2025**

<b>Budget 2023/24 £</b>	<b>Forecast of Outturn 2023/24 £</b>		<b>Proposed Budget 2024/25 £</b>
		<b>Employees</b>	
3,500	3,500	Mayor's Allowance	3,500
1,500	1,500	Deputy Mayor's Allowance	1,500
		<b>Premises</b>	
4,018	4,018	Town Hall	4,098
		<b>Transport</b>	
8,190	10,500	Civic Car	10,500
1,337	2,180	Bus Hire	1,364
2,900	2,700	Sergeants at Mace/ Bodyguard	2,958
		<b>Supplies &amp; Services</b>	
19,017	13,088	Mayor's hospitality	14,000
892	305	General office expenses	910
890	848	Insurance	908
315	315	External Audit	321
		<b>Support Services</b>	
19,345	23,233	Administration	24,500
14,084	14,084	Finance, Clerk, legal, HR, IT	14,366
		<b>Income</b>	
-30	-1,224	Bank interest	-500
<b>75,958</b>	<b>75,047</b>	<b>Total Expenditure</b>	<b>78,425</b>
-15,477	-14,566	<b>Transfer to/from Reserves</b>	-19,085
-6,544	-6,544	<b>Council Tax Support Grant</b>	-5,534
<b>53,937</b>	<b>53,937</b>	<b>Council Tax Requirement</b>	<b>53,806</b>
26,968.7	26,968.7	<b>Tax base</b>	26,903.0
2.00	2.00	<b>Band D Council Tax</b>	2.00
<b>53,937</b>	<b>53,937</b>	<b>Council Tax Receivable</b>	<b>53,806</b>