

# Charter Trustees for the City of Durham

11 November 2013

## Financial Arrangements for the Shared Mayor of the City of Durham and Chairman of Durham County Council



City of Durham

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### Report of Jeff Garfoot, Treasurer

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#### Purpose of the Report

- 1 To provide an update on the impact upon the Charter Trustees Budget of the revised arrangements for the Mayor of the City of Durham and Chairman of the County Council.

#### Background

- 2 An initial report was brought to the Charter Trustees meeting on 24 July 2013 on the impact upon the budget of the new Mayor/ Chairman arrangements. This report will provide an update.

#### Charter Trust Budget

- 3 Each budget line is detailed below with a summary of the current understanding of the future arrangements.

#### Mayor/ Deputy Mayor's Allowance including National Insurance (£5,574)

- 4 The Mayor and Deputy Mayor have chosen not to accept the allowances. The impact upon future years' budgets will depend upon the decisions of future Mayors and Deputy Mayors.

#### Sergeant at Mace/ Bodyguards (£2,809)

- 5 It is expected that these costs will continue in the future.

#### Town Hall (£11,796)

- 6 A revised rental has been negotiated with the County Council for the period from 9 September 2013 when the Mayor's Secretary began to work at County Hall. The agreed charges are as follows:-

	Annual Rental £
2013/14	7,523
2014/15	3,350

- 7 The rental covers use of facilities in relation to office space, the parlour and for functions.

**Car/ Bus Hire (£16,271)**

- 8 In line with the decision of the Charter Trustees on 24 July 2013, the contract with 'On Guard' was terminated on 31 August 2013. Since this date the Mayor has been utilising the County Council's Chauffeur service. Again in line with the Charter Trustees decision on 24 July 2013, since the termination of the contract the charge rates from the Council have matched those from On Guard as detailed below:

	£
Mileage Rate	1.25 per mile
Hourly Rate	9.25 per hour

- 9 The Council has determined that charge out rates for 2013/14 should be as follows:-

	£
Mileage Rate	0.95 per mile
Hourly Rate	9.97 per hour

- 10 Journeys by the Mayor between 26 July and 20 September have been analysed to determine the financial impact if the County Council's rates had been charged. The analysis has highlighted a 4% saving for the Charter Trust. If the Charter Trust is in agreement the revised rates will be charged from the date of this meeting.
- 11 To provide cost assurance for the Charter Trustees in 2014/15 the County Council has agreed to maintain the rates detailed above until 31 March 2015.
- 12 Although the net lower charge out rates will generate a saving, the greater saving on transport is being generated by the reduction in the number of journeys chargeable to the Charter Trust.

**Hospitality/ Functions Budget (£24,135)**

- 13 Costs are only being charged to the Charter Trust where the Mayor is not acting in a joint Mayor/ Chairman role. This approach, in addition to a prudent approach by the current Mayor, is resulting in a saving which should be replicated in future years.

**Office Expenses (£1,020)**

- 14 Some office expenses will be required but it is estimated that this should be no more than £400 per annum.

### **Insurance/ Audit (£2,658)**

15 These costs will continue in the future.

### **Administration (£30,674)**

16 Since 1 August 2013, secretarial support has been based on working part-time for the Charter Trustees and part-time for Durham County Council. Thus from that date, 50% of the costs of the post will be paid by the County Council. Further work is required to determine how secretarial support will be provided in the medium term.

### **Support Services (£17,442)**

17 There will still be a need for support in the future although it is recognised that this will not be as intense as in the past. The County Council will charge the full charge for 2013/14 due to the level of support presently being provided. The County Council has agreed however to reduce the annual charge for 2014/15 to £12,000, a reduction of 31%.

### **Summary**

18 The cost reductions detailed in this report are forecast to reduce the costs of the Charter Trust by circa 50%. The forecast of the outturn report on the agenda of this meeting will provide further detail for 2013/14. Another report on the agenda is recommending the formation of a working group to determine a recommendation for the 2014/15 precept.

### **Recommendations**

19 The Charter Trustees are asked to approve the new financial arrangements detailed in this report.

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