

# Charter Trustees for the City of Durham

9 December 2015

2016/17 Budget



City of Durham

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## Report of Jeff Garfoot, Treasurer

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### INTRODUCTION

- 1 The purpose of this report is to provide information to enable Charter Trustees to determine the:
  - i. appropriate budget requirement for the Charter Trust for 2016/17;
  - ii. basic level of council tax required for 2016/17.

### BACKGROUND

- 2 A council tax requirement of £45,948 was agreed for 2015/16 which, after applying the Local Council Tax Support Scheme Grant and a transfer from reserves, allowed for a net expenditure budget of £60,896. The Band D Council Tax levied on the residents of the former City of Durham was £1.90 in 2015/16, which was the same levy raised in 2014/15.
- 3 At the meeting held on 8 January 2014, Charter Trustees agreed to the utilisation of reserves to maintain the Band D equivalent Council Tax at £1.90 in each financial year from 2014/15 to 2018/19.

### BUDGET ASSUMPTIONS

- 4 The following budget assumptions have been made and applied to the proposed budget for 2015/16:
  - i. annual inflation of 1.5%;
  - ii. annual pay award of 1.5%;
  - iii. a slight increase in the Local Council Tax Support Scheme Grant of 2.05%; from £8,064 to £8,229;
  - iv. a slight increase in the council tax base of 1.83%; from 24,183.4 to 24,625.2.

## **BUDGET 2016/17**

- 5 In order to set a robust and accurate budget Trustees ought to take into account the:
  - i. forecast outturn position for the current year;
  - ii. anticipated price increases;
  - iii. future level of service provision required.
- 6 Durham County Council has advised that the council tax base for 2016/17 will increase slightly by 441.8 (from 24,183.4 for 2015/16 to 24,625.2 for 2016/17). Consequently the council tax receivable will increase by £839 (from £45,948.46 to £46,787.88) at the current Band D Council Tax rate of £1.90.
- 7 The Local Council Tax Support Scheme Grant payable to the Charter Trust for 2016/17 has increased slightly by £165 (from £8,064 to £8,229). However, early indications suggest the grant will reduce each year from 2017/18 to 2018/19.
- 8 Trustees should also bear in mind there is a possibility for Government to extend the Council Tax capping controls to Town and Parish Councils from 2016/17.

## **PROPOSED BUDGET 2016/17**

- 9 A proposed budget is attached at Appendix B. It has been calculated by applying the budget assumptions, as set out in paragraph 4, to the indicative budget for 2016/17 which was agreed in principle by the Charter Trustees at the 8 January 2014 meeting. The approved 2015/16 budget and forecast of outturn for 2015/16 are also shown for comparison and information purposes.
- 10 The proposed budget includes allowances for the Mayor and Deputy Mayor, as requested by Charter Trustees at the last meeting held on 28 October 2015,
- 11 The cost of insurance provision decreased significantly during 2015/16 and therefore the insurance budget for 2016/17 has been reduced accordingly.
- 12 If the assumed inflation was to be removed from the budget altogether, the budget requirement would reduce by £896.00.
- 13 In order to maintain Band D Council Tax at £1.90, a transfer from reserves of £10,550 would be required in order to balance the budget for 2016/17.
- 14 Taking into account the latest projected outturn position for 2015/16 and the proposed transfer from reserves of £10,550 to balance the 2016/17 budget, the total level of reserves is estimated to reduce to £55,142 as at 31 March 2017.

## **PROPOSED TIMETABLE**

- 15 The deadline for approving the precept for 2016/17 is no later than 29 January 2016. There is a meeting of the Charter Trustees arranged for 20 January 2016 and it is recommended that this meeting be used to agree the budget and council tax requirement, if required.

## **RECOMMENDATIONS**

- 16 It is **RECOMMENDED** that the City of Durham Charter Trustees:
- i. determine whether the Charter Trustees are able to agree the council tax requirement of £46,788 and a £1.90 precept for 2016/17;
  - ii. determine whether further information is required before agreeing the budget and precept;
  - iii. note the possibility of utilising the meeting arranged on 20 January 2016 to agree the precept if required;
  - iv. note the deadline for agreeing the precept for 2016/17 of 29 January 2016.

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## **Risks and Implications**

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### **Finance**

The report provides information to enable Charter Trustees to consider the level of council tax and revenue budget requirement for 2016/17.

### **Staffing**

None

### **Equality and Diversity**

None

### **Accommodation**

None

### **Crime and Disorder**

None

### **Human Rights**

None

### **Consultation**

None

### **Procurement**

None

### **Disability Discrimination Act**

None

### **Legal Implications**

None

## Appendix B

**Charter Trustees for the City of Durham  
Proposed Budget 2016/17**

<b>Budget</b>	<b>Forecast of Outturn</b>		<b>Budget agreed on 8 Jan 2014</b>	<b>Proposed Budget</b>	<b>Inflation</b>
<b>2015/16</b>	<b>2015/16</b>		<b>2016/17</b>	<b>2016/17</b>	
<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>	<b>%</b>
		<b>Employees</b>			
0	0	Mayor's Allowance	0	3,500	
0	0	Deputy Mayor's Allowance	0	1,500	
		<b>Premises</b>			
3,398	3,398	Town Hall	3,449	3,449	1.50%
		<b>Transport</b>			
6,120	7,004	Civic Car	6,212	6,212	1.50%
1,218	1,218	Bus Hire	1,236	1,236	1.50%
2,964	2,900	Sergeants at Mace/ Bodyguard	2,833	2,944	1.50%
		<b>Supplies &amp; Services</b>			
15,758	14,000	Mayor's hospitality	15,994	15,994	1.50%
406	490	General office expenses	412	412	1.50%
2,088	1,282	Insurance	2,119	1,301	1.50%
457	330	External Audit	464	335	1.50%
		<b>Support Services</b>			
16,263	15,967	Administration	16,171	16,275	1.50%
12,264	12,264	Finance, Clerk, legal, HR, IT	12,363	12,448	1.50%
		<b>Income</b>			
-40	-45	Bank interest	-40	-40	
0	-3,390	Mayor's Civic Dinner	0	0	
<b>60,896</b>	<b>55,418</b>	<b>Total Expenditure</b>	<b>61,213</b>	<b>65,567</b>	
-6,883	-1,405	<b>Transfer from Reserves</b>	-8,922	-10,550	
-8,064	-8,064	<b>Council Tax Support Grant</b>	-7,057	-8,229	
<b>45,949</b>	<b>45,949</b>	<b>Council Tax Requirement</b>	<b>45,234</b>	<b>46,788</b>	
24,183.40	24,183.40	<b>Tax base</b>	23,807.60	24,625.20	
1.90	1.90	<b>Band D Council Tax</b>	1.90	1.90	
<b>45,948.46</b>	<b>45,948.46</b>	<b>Council Tax Receivable</b>	<b>45,234.44</b>	<b>46,787.88</b>	