

Charter Trustees for the City of Durham

7 December 2016

2017/18 Budget



City of Durham

Report of Jeff Garfoot, Treasurer

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 2017/18;
 - ii. basic level of council tax required for 2017/18.

BACKGROUND

- 2 A council tax requirement of £46,788 was agreed for 2016/17 which, after applying the Local Council Tax Support Scheme Grant and a transfer from reserves, allowed for a net expenditure budget of £65,567. The Band D Council Tax levied on the residents of the former City of Durham was £1.90 in 2016/17, which was the same levy raised in 2014/15 and 2015/16.
- 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 2016/17:
 - i. annual inflation of 1.5%;
 - ii. annual pay award of 1.0%;
 - iii. a decrease in the Local Council Tax Support Scheme Grant of 15.66%; from £8,229 to £6,940;
 - iv. a slight increase in the council tax base of 1.59%; from 24,625.2 to 25,017.7.

BUDGET 2017/18

- 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 2017/18 will increase slightly by 392.5 (from 24,625.2 for 2016/17 to 25,017.7 for 2017/18). Consequently the council tax receivable will increase by £745.75 (from £46,787.88 to £47,533.63) 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 2017/18 has decreased by £1,289 (from £8,229 to £6,940). The grant is likely to continue to be reduced year on year from 2018/19 to 2019/20.

PROPOSED BUDGET 2017/18

- 8 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 2016/17 forecast of outturn. The approved 2016/17 budget and forecast of outturn for 2016/17 are shown for comparison and information purposes.
- 9 The cost of insurance provision decreased significantly during 2015/16 and therefore the insurance budget for 2016/17 was reduced accordingly. The budget has been reduced even further for 2017/18.
- 10 In order to maintain Band D Council Tax at £1.90, a transfer from reserves of £11,962 would be required in order to balance the budget for 2017/18.
- 11 Taking into account the latest projected outturn position for 2016/17 and the proposed transfer from reserves of £11,962 to balance the 2017/18 budget, the total level of reserves is estimated to reduce to £56,161 as at 31 March 2018.

PROPOSED TIMETABLE

- 12 The deadline for approving the precept for 2017/18 is no later than 27 January 2017. There is a meeting of the Charter Trustees arranged for 25 January 2017 and it is recommended that this meeting be used to agree the budget and council tax requirement, if required.

RECOMMENDATIONS

- 13 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 £47,534 and a £1.90 precept for 2017/18;
 - ii. determine whether further information is required before agreeing the budget and precept;
 - iii. note the possibility of utilising the meeting arranged on 25 January 2017 to agree the precept if required;
 - iv. note the deadline for agreeing the precept for 2017/18 of 27 January 2017.

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Appendix A: Implications

Finance - The report provides information to enable Charter Trustees to consider the level of council tax and revenue budget requirement for 2017/18.

Staffing - None

Risk – None

Equality and Diversity / Public Sector Equality Duty - None

Accommodation - None

Crime and Disorder - None

Human Rights - None

Consultation - None

Procurement - None

Disability Issues - None

Legal Implications - None

Appendix B: Charter Trustees for the City of Durham Proposed Budget 2017/2018

Budget	Forecast of Outturn		Proposed Budget	Inflation
2016/17	2016/17		2017/18	
£	£		£	%
		Employees		
3,500	0	Mayor's Allowance	3,500	
1,500	0	Deputy Mayor's Allowance	1,500	
		Premises		
3,449	3,449	Town Hall	3,501	1.50%
		Transport		
6,212	6,212	Civic Car	6,305	1.50%
1,236	1,180	Bus Hire	1,198	1.50%
2,944	2,900	Sergeants at Mace/ Bodyguard	2,944	1.50%
		Supplies & Services		
15,994	16,394	Mayor's hospitality	16,640	1.50%
412	412	General office expenses	418	1.50%
1,301	829	Insurance	841	1.50%
335	300	External Audit	305	1.50%
		Support Services		
16,275	16,533	Administration	16,690	1.50%
12,448	12,448	Finance, Clerk, legal, HR, IT	12,635	1.50%
		Income		
-40	-40	Bank interest	-40	
0	-5,050	Mayor's Civic Dinner	0	
65,566	55,567	Total Expenditure	66,436	
-10,550	-550	Transfer from Reserves	-11,962	
-8,229	-8,229	Council Tax Support Grant	-6,940	
46,787	46,788	Council Tax Requirement	47,534	
24,625.20	24,625.20	Tax base	25,017.70	
1.90	1.90	Band D Council Tax	1.90	
46,787.88	46,787.88	Council Tax Receivable	47,533.63	