

CHARTER TRUSTEE MEETING



Report subject	Budget and Precept for 2023/24
Meeting date	23 January 2023
Status	Public Report
Executive summary	The Charter Trustees are required to set the budget for 2023/24 and any subsequent precept for submission to BCP Council by 31 January 2023.
Recommendations	It is RECOMMENDED that: (a) The proposed budget for 2023/24 as set out in Appendix A be approved (b) The council tax requirement and precept of £147,091 be approved
Reason for recommendations	To set the budget, council tax requirement and precept for 2023/24
Honorary Clerk	Graham Farrant
Report Authors	Matthew Filmer, Responsible Finance Officer
Wards	Council Wide
Classification	For Decision

Background

1. The budget for 2023/24 and resulting council tax requirement and precept must be agreed by a formal meeting of the Charter Trustees. For BCP Council, the billing authority, to produce the requisite calculations required for council tax billing under the Local Government Finance Act 1992, the precept must be agreed by 31 January 2023.

Budget Monitoring 2022/23

2. It was reported at the meeting of 24 October 2022 that the 2022/23 budget would be underspent by £13,090. The current projection in Appendix A is that the underspend across civic budgets will now result in an in-year contribution to reserves of £16,190.

- Any in-year position would be added to the reserves carried forward from 2021/22 of £57,990.

Budget 2023/24

- The proposed budget for 2023/24 is detailed in Appendix A and results in a council tax requirement and precept of £147,091.
- At the meeting of 24 October 2022, the Charter Trustees agreed to nominate members to form a budget workshop to provide guidance to officers in drafting the 2023/24 budget and to facilitate the budget setting process at today's meeting.

Review of individual budgets

- In the main, individual budget lines have been maintained at 2022/23 levels. The budget workshop discussed and agreed that the hospitality budget could be reduced by £2,000 leaving a £10,000 budget going forward.
- Recharges between the council and the charter trustees for staffing, accountancy and internal audit have been increased slightly to reflect higher staffing costs in 2023/24.
- Investment income has been increased to £1,250 reflecting the increase in interest rates. The calculation is based on a forecast of the average interest rate that BCP Council achieves for its investments and applied to the average level of reserves the Charter Trustees will hold for 2023/24.
- It was also agreed at the budget workshop and civic working group that £10,000 should be set aside in the budget to support Coronation activities. To avoid a one-off spike in the council tax requirement it was agreed this would be funded from reserves.

Reserves

- The table below summarises the projected reserves position for the Charter Trustees for Bournemouth as of 31 March 2023, and the recommendation is to draw down £10,000 in 2023/24 to support Coronation activities.

Figure 1

	Forecast 2022/23	Proposed 2023/24
	£	£
Opening Balance 1 April	(57,990)	(74,180)
Movement in Year	(16,190)	10,000
Closing Balance 31 March	(74,180)	(64,180)
Percentage of Proposed Precept 2023/24	50%	44%

- The projected level of reserves as at 31 March 2024, taking into account the in-year draw down is £64,180. This represents 44% of the proposed precept for

next year. The RFO would recommend a level to be held in reserves of 20% to provide for unforeseen expenditure.

Tax Base 2023/24

12. The council tax requirement, or precept, that funds the budget is apportioned across the tax base to arrive at a charge per property. The tax base is the number of chargeable properties in the Charter Trustee area converted into Band D equivalents.
13. Usually, the expectation would be that the tax base increases year-on-year as new homes are built. The 2023/24 tax base has increased by 901.5 Band D equivalent properties or 1.4% of the tax base. This has the effect of reducing the charge made to residents in the Charter Trustee area because there are more properties over which to spread the precept.

Council Tax requirement and precept 2023/24

14. If the draft budget as set out in Appendix A is approved, it would result in the following precept and Band D charge.

	2022/23	2023/24	Decrease	%
Precept £	147,773	147,091	(682)	-0.5%
Tax Base	63,940.9	64,842.4		
Band D Charge £	2.31	2.27		

15. The council tax charge will therefore decrease by 1.8% equating to a decrease of £0.04 per annum on a Band D property.
16. It should be noted that the Charter Trustees are not subject to council tax referendum principles for 2023/24. However, ministers had been considering setting a limit on town and parish councils for 2023/24 but decided in December 2022 to defer the decision. It is unknown if this would also encompass charter trustees but something that will be closely monitored.

Summary of financial implications

17. As detailed in the report.

Summary of legal implications

18. The Charter Trustees must set their council tax requirement in accordance with the Local Government Finance Act 1992 and subsequent legislation.

Summary of human resources implications

19. None

Summary of sustainability impact

20. None

Summary of public health implications

21. None

Summary of equality implications

22. None

Summary of risk assessment

23. None

Background papers

None

Appendices

Appendix A – Charter Trustees of Bournemouth Proposed Budget 2023/24