

CHARTER TRUSTEE MEETING



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| Report subject | Budget and Precept for 2023/24 |
| Meeting date | 25 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 | <p>It is RECOMMENDED that:</p> <p>(a) the Poole - Cherbourg Twinning Association grant is increased from £1,500 to £4,000 for 2023/24</p> <p>(b) The proposed budget for 2023/24 as set out in Appendix A be approved</p> <p>(c) The council tax requirement and precept of £126,084 be approved</p> |
| 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 26 October 2022 that the 2022/23 budget would be underspent by £7,515. The current projection in Appendix A is that the

underspend across civic budgets will now result in an in-year underspend of £10,165 and using £3,345 of reserves to support the budget.

3. Any in-year position would be added to the reserves carried forward from 2021/22 of £85,577.

Budget 2023/24

4. The proposed budget for 2023/24 is detailed in Appendix A and results in a council tax requirement and precept of £126,084.
5. At the meeting of 26 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

6. A grant application has been made to the Poole Charter trustees by the Poole-Cherbourg Twinning Association (PCTA) to increase the grant from £1,500 to £4,000 per annum. A copy of the grant application and planned expenditure can be found in Appendix B.
7. 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 £1,000 leaving a £9,000 budget going forward.
8. 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.
9. Investment income has been increased to £1,500 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.
10. It was also agreed at the budget workshop and the 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

11. The table overleaf summarises the projected reserves position for the Charter Trustees for Poole as of 31 March 2023, and the recommendation is to draw down £10,000 in 2023/24 to support Coronation activities and £14,367 to support the base budget position.

Figure 1

| | Forecast 2022/23 £ | Proposed 2023/24 £ |
|---|------------------------------|------------------------------|
| Opening Balance 1 April | (85,577) | (82,232) |
| Movement in Year | 3,345 | 24,367 |
| Closing Balance 31 March | (82,232) | (57,865) |
| Percentage of Proposed Precept 2023/24 | 65% | 46% |

12. The projected level of reserves as at 31 March 2024, taking into account the in-year draw down is £57,865. This represents 46% 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

13. 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.

14. 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 894.9 Band D equivalent properties or 1.5% 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

15. 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 | Increase | % |
|------------------------|----------------|----------------|-----------------|----------|
| Precept £ | 124,173 | 126,084 | 1,911 | 1.5% |
| Tax Base | 58,126.6 | 59,021.5 | | |
| Band D Charge £ | 2.14 | 2.14 | | |

16. The council tax charge will be frozen for 2023/24.

17. 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

18. As detailed in the report.

Summary of legal implications

19. 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

20. None

Summary of sustainability impact

21. None

Summary of public health implications

22. None

Summary of equality implications

23. None

Summary of risk assessment

24. None

Background papers

None

Appendices

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

Appendix B – PCTA Grant Application 23/24