

CHARTER TRUSTEE MEETING



Report subject	Budget and Precept for 2024/25
Meeting date	22 January 2024
Status	Public Report
Executive summary	The Charter Trustees are required to set the budget for 2024/25 and any subsequent precept for submission to BCP Council by 31 January 2024.
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) The proposed budget for 2024/25 as set out in Appendix A be approved</p> <p>(b) The council tax requirement and precept of £148,091 be approved</p>
Reason for recommendations	To set the budget, council tax requirement and precept for 2024/25
Honorary Clerk	Graham Farrant
Report Authors	Matthew Filmer, Responsible Finance Officer
Wards	Council Wide
Classification	For Decision

Background

1. The budget for 2024/25 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 2024.

Budget Monitoring 2023/24

2. It was reported at the meeting of 16 October 2023 that the 2023/24 budget would be underspent by £6,450. The current projection in Appendix A is that the underspend across civic budgets will now result in an underspend of £18,421 allowing an in-year contribution to reserves of £8,547.

3. Any in-year position would be added to the reserves carried forward from 2022/23 of £90,938.

Budget 2024/25

4. The proposed budget for 2024/25 is detailed in Appendix A and results in a council tax requirement and precept of £148,091.
5. At the meeting of 16 October 2023, the Charter Trustees agreed to nominate members to form a budget workshop to provide guidance to officers in drafting the 2024/25 budget and to facilitate the budget setting process at today's meeting.

Review of individual budgets

6. The current in year forecast shows underspend in hospitality, mayor making and out of pocket expenses which has consistently been underspent, even during non-Covid years. The 2024/25 budget reduces these allocations with the reminder to Charter Trustees that reserves are available should plans be to spend beyond these allocations.
7. An introduction of a £400 budget to pay for work commissioned from BCP Council's Communication team has been included. This is to allow promotion of the work of the Charter Trustees to Bournemouth residents.
8. Recharges between the Council and the Charter Trustees for insurance, IT, accountancy, and internal audit have been increased reflecting higher Council staffing costs in 2024/25. The biggest area of increase in the 2024/25 budget has been on staff support, broken down in figure 1 below. This now includes a charge for the honorary clerk as well as an overhead apportionment from the Council which has become standard practice when charging external organisations such as the Charter Trustees.

Figure 1

Salary Element	Budget 2023/24	Budget 2024/25	Basis of Apportionment
Head of Democratic Services	2,234	2,849	5% of cost split 50% Bmth CT + 21% Central Overhead
Deputy Head of Democratic Services	4,032	5,143	10% of cost split 50% Bmth CT + 21% Central Overhead
Mayor's PA / Team Leader	16,798	21,423	80% of cost split 50% Bmth CT + 21% Central Overhead
Mayor's PA / Team Leader	16,798	21,423	80% of cost split 50% Bmth CT + 21% Central Overhead
Mace Bearer	14,857	18,948	80% of cost split 50% Bmth CT + 21% Central Overhead
Mace Bearer	14,675	18,716	80% of cost split 50% Bmth CT + 21% Central Overhead
Deputy Mace Bearer	12,603	16,073	80% of cost split 50% Bmth CT + 21% Central Overhead
Honorary Clerk	0	2,471	2% of cost split 50% Bmth CT + 21% Central Overhead
Total Salary Costs	81,997	107,046	

9. Investment income has been decreased to £800 reflecting a potential cut in interest rates during 2024. 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 2024/25.
10. It was also agreed at the budget workshop and civic working group that £5,000 should be set aside in the budget to support the 80th D-Day Anniversary and that

the civic awards budget should be increased from £200 to £2,000. This has been funded from the merging of budget provision for events as well as the use of reserves.

Reserves

11. The table below summarises the projected reserves position for the Charter Trustees for Bournemouth as of 31 March 2024, and the recommendation is to draw down £23,645 in 2024/25 to support the budgeted activity.

Figure 2

	Forecast 2023/24 £	Proposed 2024/25 £
Opening Balance 1 April	(90,938)	(99,485)
Movement in Year	(8,547)	23,645
Closing Balance 31 March	(99,485)	(75,840)
Percentage of Proposed Precept 2023/24	67%	51%

12. The projected level of reserves as at 31 March 2025, taking into account the in-year draw down, is £75,840. This represents 51% 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 2024/25

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 2024/25 tax base has increased by 457 Band D equivalent properties or 0.7% 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 2024/25

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

	2023/24	2024/25	Increase	%
Precept £	147,091	148,091	1,000	0.7%
Tax Base	64,842.4	65,299.4		
Band D Charge £	2.27	2.27		

16. The council tax charge will therefore be frozen at £2.27 per annum on a Band D property.

17. It should be noted that the Charter Trustees are not subject to council tax referendum principles for 2024/25.

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 Bournemouth Proposed Budget 2024/25