

# CHARTER TRUSTEE MEETING



Report subject	<b>Budget and Precept for 2025/26</b>
Meeting date	30 January 2025
Status	Public Report
Executive summary	The Charter Trustees are required to set the budget for 2025/26 and any subsequent precept for submission to BCP Council by 31 January 2025.
Recommendations	<b>It is RECOMMENDED that:</b>  <b>(a) The proposed budget for 2025/26 as set out in Appendix A be approved</b>  <b>(b) The council tax requirement and precept of £151,713 be approved</b>
Reason for recommendations	To set the budget, council tax requirement and precept for 2025/26
Honorary Clerk	Graham Farrant
Report Authors	Matthew Filmer, Responsible Finance Officer
Wards	Council Wide
Classification	For Decision

## Background

1. The budget for 2025/26 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 2025.

## Budget Monitoring 2024/25

2. It was reported at the meeting of 4 December 2024 that the 2024/25 budget would be underspent by £6,464. The current projection in Appendix A is that the underspend across civic budgets will now result in an underspend of £18,389 as the Council will now fund the recent King Counsel legal advice.

3. Any in-year position would be added to the reserves carried forward from 2023/24 of £103,577.

### **Budget 2025/26**

4. The proposed budget for 2025/26 is detailed in Appendix A and results in a council tax requirement and precept of £151,713.
5. A budget workshop was held in December 2024 to focus on the forthcoming budget to provide guidance to officers in drafting the 2025/26 budget and to facilitate the budget setting process at today's meeting.

### **Review of individual budgets**

6. Following receipt of specialist King's Counsel (KC) advice on the remit of the Charter Trustee which advised that certain events that the Charter Trustee used to support and run such as Remembrance Sunday and Grant Funding were not permissible. This therefore means that a number of lines have been removed fully in the 2025/26 budget.
7. The Charter Trustee can continue to maintain and improve historic property of a ceremonial nature. The Civic work group felt a higher level of hospitality spend was necessary to support events such as regalia talks so has been increased to £10,000.
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 2025/26. The overall staff support charge has been reduced from £104,575 to £97,185 reflecting a different support structure from BCP Council.
9. Investment income has been decreased to £1,000 reflecting a potential cut in interest rates during 2025. 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 2025/26.

### **Reserves**

10. The table below summarises the projected reserves position for the Charter Trustees for Bournemouth as of 31 March 2025, and the recommendation is to not draw down from reserves in 2025/26.

**Figure 2**

	<b>Forecast 2024/25</b>	<b>Proposed 2025/26</b>
	<b>£</b>	<b>£</b>
<b>Opening Balance 1 April</b>	<b>(103,577)</b>	<b>(98,321)</b>
Movement in Year	5,256	0
<b>Closing Balance 31 March</b>	<b>(98,321)</b>	<b>(98,321)</b>
<b>Percentage of Proposed Precept 2025/26</b>	<b>65%</b>	<b>65%</b>

11. The projected level of reserves as at 31 March 2025 is £98,321. This represents 65% 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 2025/26**

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 2025/26 tax base has increased by 2,464 Band D equivalent properties or 3.8% 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 2025/26**

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

	<b>2024/25</b>	<b>2025/26</b>	<b>Increase</b>	<b>%</b>
Precept £	148,091	151,713	3,622	2.4%
Tax Base	65,299.4	67,763.4		
<b>Band D Charge £</b>	<b>2.27</b>	<b>2.24</b>		

15. The council tax charge will therefore be reduced to £2.24 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 2025/26.

### **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 2025/26