



# **High Wycombe Town Committee**

## **Special Expenses Draft Budget 2022/23 for consideration**

Author: Fiorella Mugari – Head of Finance (Communities)

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## **1 Executive Summary**

- 1.1 A separate fund is maintained for Special Expenses for High Wycombe Town Committee (HWTC). Income is raised by a precept on the town's residents and interest is credited on the fund balance.
- 1.2 A HWTC Budget Sub-Group has been set up to discuss and contribute to the building of the 2022/23 budget for the HWTC. These sub-group meetings were scheduled to take place on 26<sup>th</sup> October 2021 and 5<sup>th</sup> January 2022. The Budget Sub-Group has given robust consideration to the draft budget with requests to change the following budget items:
  - 1.2.1 Removal of £13,000 cost for Hilltop Community Centre
  - 1.2.2 Addition of electric vehicle charging income for Penn Road cemetery (estimated by officers to be £500)
  - 1.2.3 Removal of 's' from 'Community Centre' headings in budget as there is only one community centre that currently impacts the budget.
- 1.3 Proposed fees and charges have been reviewed in detail. The impact of the precept, interest on balances and balance brought forward has been determined and discussed in detail at the second sub-group meeting on 5<sup>th</sup> January 2022.
- 1.4 Following the budget sub-group meetings, the draft 2022/23 budget is now recommended to the HWTC who ultimately recommend the budget to Cabinet who will then recommend it for Full Council approval.
- 1.5 This report sets out the draft budget for 2022/23 for HWTC Special Expenses and the impact on the precept. A summary of the draft budget is outlined in Table 1 with the details attached at Appendix A. Proposed fees and charges are included in Appendix B.

## **2 Recommendations**

- 2.1 It is recommended that the HWTC:
  - (i) Notes the draft budget by expense line for 2022/23 (Appendix A) and that these figures now take account of the impact of the new grounds maintenance contract starting 1<sup>st</sup> January 2022, proposed fees and charges (which have been reviewed and considered with respect to competitiveness) and the council tax base.
  - (ii) Notes and recommends 3% increase in Fees & Charges where no fee review is carried out, in line with September 2021 RPI. For cemetery fees, a full fee review was undertaken.
  - (iii) Notes the Council Tax base and the precept as set out in the paper. The Council Tax Base is set at Band D equivalent for 2022/23 with respect to Special Expenses for the unparished area of High Wycombe Town.
  - (iv) Notes that the Council Tax Base for Band D equivalent for 2022/23 has increased by 520.8 to 23,526.25 properties for HWTC.
  - (v) Notes and recommends Option 2 to Cabinet for setting 2022/23 precept for the unparished area of High Wycombe Town at £16.82 (Band D equivalent). This option covers up to 93% of the net budgeted expenditure for 2022/23 and

minimises a drawdown on reserve to cover expenditure. This option will help HWTC move to financial sustainability.

- (vi) Notes and recommends the use of up to £100,000 of the HWTC working balance to cover potential High Wycombe cemetery improvement capital costs associated with health and safety and other legal requirements. This spend is subject to a capital business case being prepared and submitted for recommendation to the Council capital programme.
- (vii) Puts forward the draft budget for recommendation to Cabinet who will then recommend it to Full Council.

### **3 Options and Risks – Council tax and precept**

- 3.1 Option 1: Any reduction or a nil increase to Band D tax for HWTC will have further adverse impact on the HWTC reserve in the future and it would not result in a precept that funds the net budgeted expenditure for 2022/23. As properties have increased by 520.80 to 23,526.25, the precept will increase by £6,156.28 despite remaining at £11.82 for Band D tax, which has an inadequate impact on covering the net budgeted expenditure for 2022/23. A reserve drawdown of £149,506 would be required to cover the net expenditure of £427,586. This option would result in a reserve balance lower than the recommended £150,000 for future years from 2023/24, assuming precept remains the same in that year. Option 1 is therefore not financially sustainable as the HWTC reserve would be reduced to unacceptable levels. This option is **NOT** recommended.
- 3.2 Option 2: An increase of £5 to Band D tax for HWTC to £16.82 would raise £395,712 in precept which would cover 93% of the net budgeted expenditure for 2022/23, and therefore result in an acceptable relatively lower drawdown from reserve of £31,875 (excluding capital use) and the reserve balance would remain above the minimum recommended level of £150,000. This option would put pressure on the rest of the Council to find additional savings to cover the increase. In terms of precept cost cover for HWTC and therefore helping HWTC move to financial sustainability, **this option is a recommended option** taking account of pressures that arise.
- 3.3 Option 3: An increase of £6.35 to Band D tax for HWTC to £18.17 would raise £427,586 in precept which would cover 100% of the net budgeted expenditure for 2022/23. This option would put pressure on the rest of the Council to find additional savings to cover the increase. In terms of precept cost cover for HWTC, **this option is recommended for consideration (as an alternative choice after the preferred recommendation in 3.2)** as all costs are covered for HWTC Special Expenses and no reserve drawdown would be required.

- 3.4 Option 4: An increase of £3 to Band D tax for HWTC to £14.82 would raise £348,659 in precept which would only cover 82% of the net budgeted expenditure for 2022/23. A drawdown from reserve of £78,927 would be required in 2022/23 and beyond to cover costs fully. By 2024/25, assuming the same rate of expenditure, the reserve levels will diminish to below the recommended minimum of £150,000. This option is **NOT** recommended.
- 3.5 It should be noted that special expenses impact on the Council's overall referendum limit so increasing above 3.99% will impact on the Council's overall council tax increase.

## 4 Detailed Report

- 4.1 The 2022/23 draft budget is summarised in Table 1.

**Table 1 – 2022/23 Draft Budget based on Option 2**

<b>High Wycombe Town Committee Draft Budgets for 2022/23</b>					
<b>SUMMARY - SPECIAL EXPENSES</b>					
<b>2021/22</b>	<b>2021/22</b>		<b>2022/23</b>	<b>2022/23</b>	<b>2022/23</b>
<b>Approved Budget</b>	<b>Net Forecast</b>		<b>Gross Expenditure</b>	<b>Gross Income</b>	<b>Net Expenditure</b>
<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>	<b>£</b>
130,100	130,100	Recreational Grounds (Local)	130,100	0	130,100
11,665	12,870	Allotments	33,000	(60)	32,940
98,486	58,588	Cemeteries	409,927	(229,183)	180,744
13,000	13,000	Community Centre	0	0	0
3,000	3,000	Town Twinning	3,000	0	3,000
20,000	5,000	Financial Assistance to Voluntary Group	20,000	0	20,000
3,000	300	War Memorial	3,000	0	3,000
1,800	1,800	Footway Lighting and Bus Shelter	1,800	0	1,800
86,636	84,846	Management & Support	56,002	0	56,002
<b>367,687</b>	<b>309,504</b>	<b>Total Special Expenses</b>	<b>656,829</b>	<b>(229,243)</b>	<b>427,586</b>
0		Capital Charges Credit			0
(8,200)	(8,200)	Interest on balances			(3,750)
359,487	301,304	Total Including Interest and Capital Charges			423,836
0	0	Capital Spend			100,000
<b>359,487</b>	<b>301,304</b>	<b>Net Spending for Year</b>			<b>523,836</b>
(374,907)	(535,055)	Balance brought forward			(505,675)
359,487	301,304	Net Spend			523,836
(271,924)	(271,924)	Collection Fund precept			(395,712)
<b>(287,344)</b>	<b>(505,675)</b>	<b>Balance carried forward</b>			<b>(377,551)</b>
23005.45	23005.45	Council Tax base			23526.25
11.82	11.82	Band D charge			16.82

- 4.2 For 2022/23, the estimated Net Cost of Services is £427,586. After adjusting for the estimated interest on working balance and potential one-off capital

spend contribution proposed to fund guarding railings and disabled access works at Wycombe cemetery, the annual net spend is estimated at £523,836.

- 4.3 The net estimated spend is expected to increase by **£59,896** compared to the 2021/22 approved budget, mainly due to the addition of Penn Road Cemetery to the budget and the new grounds maintenance contract effect. The impact of the new grounds maintenance contract is that whilst there were some reductions in costs, in other areas costs have actually increased. Cemetery costs have increased with Penn Road Cemetery costs now included in full and include grounds maintenance costs, back office costs, building commissioning and upkeep, IT infrastructure costs, etc.
- 4.4 The estimated working balance as at the end of March 2023 is £377,551. This working balance is set aside as an earmarked reserve and therefore ring-fenced for HWTC.
- 4.5 The proposed Band D equivalent charge of £16.82 is marginally higher than prior year Band D equivalent of £11.82. This will generate a precept of £395,712 with the balance of £31,874 required to be funded from reserves (to cover the net budgeted expenditure of £427,586).

## 5 Management & Support Recharge

- 5.1 The management recharge reflects the cost of management and support functions carried out by officers at the Council. The charge is not an exact science as officers do not record exact time spent on HWTC related work. However, the Council endeavours to recharge a proportion of costs which reasonably reflects work performed by officers. As it is a recharge from one publicly funded body to another, estimations are used in the calculation rather than actual costs.
- 5.2 On the proposed budget, the management recharges have reduced by 50% since 2017/18 and have also decreased by 35% on prior year mainly to take account of a new cemetery management plan. The recharges to HWTC over the last 5 years are outlined below:

**Table 2 – Management Recharge Analysis over past 5 years**

Financial Year	Management Recharge (£)	Commentary
2017/18	111,600	
2018/19	91,890	
2019/20 (original)	97,400	
2019/20 (revised)	91,210	
2020/21 (original)	93,030	
2021/21 (revised)	83,690	Revised following thorough review as proposed by Committee

2021/22 (approved budget)	86,636	3.5% increase over revised 2020/21
2021/22 (forecast outturn)	84,846	Forecast outturn based on time spent for cemeteries and reduction in management fee for Grant officer
2022/23 (proposed)	56,002	35% reduction mainly due to new cemetery management plan

5.3 Management & support is constantly reviewed to ensure that it provides value for money. For example:

- i. Following the HWTC on 19 January 2021 a thorough review of the charges was carried out and the charge was revised downwards for 2020/21 from the original figure of £93,030 to a revised £83,690, a decrease of £9,340 and a saving of over 10%.
- ii. The 2021/22 charge was then increased by 3.5%.
- iii. Furthermore, when the budget for 2019/20 was agreed at HWTC in January 2019, the agreed management recharge was £97,400. During the year 2019/20, the calculations were revisited, and the management recharge was reduced to £91,210, a saving of £6,190 (6%).
- iv. For 2022/23, the draft budget proposes a 35% reduction mainly due to a new cemetery management plan. There are also reductions in grant administration management fees.

5.4 The regular activities carried out by various departments within the Council are summarised below.

5.4.1 Grounds – General and Management of Contractor, for example,

- i. Hampden Road Cemetery - maintenance of the cemetery and office; management of burials; provision of a full-time BC Cemeteries manager (0.5FTE allocated to Wycombe area); invoicing and banking of income.
- ii. Allotments; management and letting of allotments (via contractor).
- iii. Recreation at local sites – Totteridge, Shelley, Booker; sports bookings (via contractor); maintenance of grounds and play areas.
- iv. All Saints closed churchyard - maintenance of grounds.
- v. Tree management for all sites via Arboriculture Officers.
- vi. Maintenance of main war memorials at All Saints, Kings Road and Cemetery.
- vii. Town Twinning - payment of annual charge for town twinning to High Wycombe Town Twinning Association.

5.4.2 Democratic Services:

- i. Arrange meetings (which now include webcasting).
- ii. Organise and support officers in report preparation.
- iii. Support and respond to Member queries.

- iv. Prepare agendas.
- v. Attend meetings.
- vi. Advise Members on governance procedures.
- vii. Prepare minutes of meetings.
- viii. Respond to public queries when required.

#### 5.4.3 Finance:

- i. Budget monitoring support throughout the year.
- ii. Preparation of quarterly special expenses report.
- iii. Preparation of annual budget including fees & charges and calculation of precept (for Committee and Budget Sub-Group).
- iv. Finance support on capital projects, if any.
- v. Calculation of management and support cost.
- vi. Finance support on any queries arising.

#### 5.4.4 Grants Officers:

- i. Management of grants programme in line with agreed and audited process:
  - Managing all aspects of the grants programme including: publishing of information and criteria, online application function, carrying out application assessments, producing assessment reports and recommendations for HWTC Chair, corresponding with applicants (both potential and pending) as required, carrying out eligibility checks, processing payment, requesting and assessing grant award reports and monitoring budget.
  - The HWTC grant programmes and their processes are also subject to audit. The Grants Officer is responsible for responding to the auditor's requests for information and implementing subsequent procedures, processes and policies as a result of auditor recommendations.
- ii. Assessment of grant application against agreed criteria and preparation of recommendation for HWTC Chair:
  - Assessment of the grant application includes reviewing all the information provided by the applicant to gain a clear and robust understanding of how a grant would be utilised and if it meets the HWTC grant programme criteria. Depending on the volume and depth of information provided within the application, this can also include requesting additional or more transparent information from the applicant in order to ensure a full assessment can be carried out. On occasion, this can also include providing further support and guidance to the applicant in assisting them to understand the criteria and complete the application in full.
  - With regards to facility grant applications, further assessment steps are taken to ensure matched funding has been achieved (as detailed in the criteria).

- iii. Carry out applicant eligibility checks (i.e. ensuring organisation is properly constituted and has a valid bank account with at least 2 signatories):
  - Organisations are subject to eligibility checks as part of the grant award process. This includes obtaining a copy of the organisation's constitution when needed as well as carrying out informal background research about the organisation, particularly if they have been newly formed or are a new applicant to the grant programmes. Where deemed necessary, this can also include requesting further information on the organisation's financial status by requesting up-to-date copies of financial accounts.
- iv. Oversee payments
  - Carrying out bank detail checks, processing a payment request and ensuring transaction has been processed on SAP.
- v. Respond to all queries in relation to grant programme, criteria and process
  - The grants officer is responsible for responding to all queries with regards to the HWTC grant programmes, including its criteria and processes. This includes monitoring the grants inbox and providing additional guidance and support to both prospective and pending applicants when needed. Queries can at times be in depth and time-consuming.
- vi. Monitor grant budget
  - The grants officer is responsible for monitoring the awarding of grants in line with set annual budgets. This includes capturing all applications for funding and subsequent payments made.

## **6 2022/23 Budget with Management & Support Costs**

- 6.1 At the HWTC meeting on 19 January 2021 it was requested that an option be presented to the Committee with all the management and support costs taken out of the budget. It has been assumed that this will be a continuing requirement for the 22/23 budgets.
- 6.2 The 2022/23 budget without management and support costs is £371,584.
- 6.3 It should be noted that although the costs have been excluded in 6.2 above, there will be a management & support charge for providing the items outlined in paragraph 5, including facilities and functions to operate and run the Committee.



- 6.4 Appendix A provides detail of costs by service area with each related management and support cost by service area.

## **7 Penn Road Cemetery and Wycombe Cemetery**

- 7.1 The new Penn Road Cemetery in Hazlemere is to be opened in the new financial year. Management and support charges have been split out from the existing cemetery to cover both the High Wycombe Cemetery and the Penn Road Cemetery to reflect management activity currently expected to accommodate the new cemetery. Excluding management and support charges, Penn Road gross expenditure is estimated to be budgeted at £142,324 with income of £80,548 and net expenditure of £61,776. With management and support charges of £5,484 specific to Penn Road, the net budget is estimated to be £67,260.

Wycombe Cemetery has had provisional appraisal reports drawn up by consultants in recent weeks which indicate that additional capital investment is potentially required to carry out improvements associated with health and safety and other legal requirements. The costs are currently estimated to be up to £100,000, and will need to be spent in 2022/23, if not before. **It is recommended that £100,000 is set aside for Wycombe cemetery capital costs from the working balance reserve to address these issues, subject to a business case being submitted to the Council capital management programme. The cost estimate is a maximum value and could be lower once final appraisal reports are received.** This amount has been allowed for in Table 1.

## **8 Fees & Charges 2022/23**

- 8.1 Fees and charges are proposed to be increased in general by 3% (with the gross amount rounded to the nearest £1) unless they are subject to fee review where increases could be higher.
- 8.2 Fees and charges for High Wycombe and Penn Road cemeteries have been reviewed for the HWTC to consider in January 2022 with a view to recommending their approval at Full Council in February 2022. The recommendation to the Committee will be that all fees and charges will need to increase by RPI (September 2021), or above RPI where the price of related contract costs charged to the Council has increased following award of the new Wycombe area grounds maintenance contract. Cemetery charges have been reviewed considering market competitiveness.
- 8.3 Appendix B shows proposed fees and charges for 2022/23.

## **9 Legal Requirements**

- 9.1 Under section 35(2) (d) of the Local Government Act 1992 any expenses incurred by the Authority in performing a part of the Council functions performed

elsewhere in the Council by a Parish Council are Special Expenses unless a contrary resolution is in force.

- 9.2 The Council has a statutory requirement to set a Special Expense precept for 2022/23. The Committee is an advisory body and does not have decision making powers in respect of either executive or non-executive functions. The High Wycombe Town Committee (HWTC) is an advisory body and therefore its decisions for setting precept is a recommendation to the Cabinet who will recommend to the Council for the final decision.

## **Appendices**

**Appendix A** - Draft Budget for year ending 31 March 2023 (with management fees included within service area)

**Appendix B** – Proposed Fees and Charges 2022/23