

## SUMMARY



Report For:	High Wycombe Town Committee
Meeting Date:	15 January 2019
Part:	Part 1 - Open
If Part 2, reason:	N/A

<b>Title of Report:</b>	Special Expenses Budget 2019/20
Officer Contact: Direct Dial: Email:	David Skinner 01494 421322 David.skinner@wycombe.gov.uk
Ward(s) affected:	High Wycombe Unparished Wards
Reason for the Decision:	<p>Under section 35(2) (d) of the Local Government Act 1992 any expenses incurred by the Authority in performing a part of the District functions performed elsewhere in the District by a Parish Council are Special Expenses unless a contrary resolution is in force. The Council passed a resolution on 4 January 1993 making all such expenses a general expense, with the exception of certain items detailed in the resolution, which are treated as Special Expenses.</p> <p>The Council has a statutory requirement to set a Special Expense precept for 2019/20. 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 full Council for the final decision.</p>
<b>Proposed Decision/Recommendation:</b>	<p>That:</p> <ol style="list-style-type: none"> <li>1. The Committee notes that the Council Tax Base for Band D equivalent for 2019/20 has increased by 538 to 23,208 properties for HWTC.</li> <li>2. The Committee notes and recommends an option as detailed in paragraphs 3.1 to the Cabinet for setting 2019/20 precept for the unparished area of High Wycombe and West Wycombe Churchyard.</li> </ol>
Sustainable Community Strategy/Council Priorities - Implications	Risk: The key financial risks relating to setting the precept for 2019/20 are set out in the main body of the report.

	<p>Equalities: N/A</p> <p>Health &amp; Safety: N/A</p>
Monitoring Officer/ S.151 Officer Comments	<p><b>Monitoring Officer:</b> Relevant legal provisions are referred to within the report.</p> <p><b>S.151 Officer:</b> The financial implications are set out within the report.</p>
Consultees:	<b>None</b>
Options:	As set out in section 3 of the report
Next Steps:	The Cabinet will consider the recommendations from this report on 4 February 2019 and recommend the proposals to the Full Council for the final decision.
Background Papers:	2018/19 Special Expenses Budget
Abbreviations:	HWTC – High Wycombe Town Committee

Appendices to this report are as follows:

Appendix A – High Wycombe Town Committee 2019/20 Budgets

## 1. Executive Summary

- 1.1. A separate fund is maintained for Special Expenses for High Wycombe Town Committee. Income is raised by a precept on the town's inhabitants and interest is credited on the fund balance.
- 1.2. This report sets out the proposed budget for 2019/20 for Special Expenses and the impact on the precept. Details of the estimates for 2019/20 are attached at Appendix A.
- 1.3. The Council Tax precept is based on the net budgeted expenditure for the forthcoming year which is £364,840. The Band D equivalent is calculated using the tax base divided by net budgeted expenditure. The tax base for 2019/20 is 23,208 (22,670 in 2018/19) which will generate a Band D equivalent charge of £15.73.

## 2. Detailed Report

- 2.1. For 2019/20 the estimated Net Cost of Services is £385k. After adjusting for the capital charge credit and interest on working balance the annual net spend is estimated at £365k as summarised in the table below.

HIGH WYCOMBE TOWN AREA					
Budgets for the year ending 31st March 2020					
SUMMARY					
2018/19 Approved Budget £	2018/19 Net Forecast £		2019/20 Gross Expenditure £	2019/20 Income & Credits £	2019/20 Net Expenditure £
SPECIAL EXPENSES					
167,500	163,114	Recreational Grounds (Local)	163,500	0	163,500
38,300	19,386	Allotments	19,100	(60)	19,040
166,400	172,994	High Wycombe Cemetery	292,300	(153,600)	138,700
20,500	28,000	Financial Assistance to Vol Groups	28,000	0	28,000
3,000	0	Town Twinning	3,000	0	3,000
20,000	26,700	Community Grants/Financial Assistance	26,800	0	26,800
1,700	0	War Memorial	3,000	0	3,000
2,700	0	Footway Lighting and Bus Shelter	2,700	0	2,700
<b>420,100</b>	<b>410,194</b>	<b>Total Special Expenses</b>	<b>538,400</b>	<b>(153,660)</b>	<b>384,740</b>
(11,700)	(11,700)	Capital charges credit			(11,700)
(4,600)	(4,600)	Interest on balances			(8,200)
(27,428)	(27,428)	Council Tax Support Contribution (CTS Grant)			0
<b>376,372</b>	<b>366,466</b>	<b>Total including Interest, Capital Charges and CTS</b>	<b>538,400</b>	<b>(153,660)</b>	<b>364,840</b>
404,000	0	Queensway Cemetery Phase 1			404,000
<b>780,372</b>	<b>366,466</b>	<b>Net spending for year</b>			<b>768,840</b>
(898,501)	(1,033,138)	Balance b/f			(1,047,981)
780,372	366,466	Net Spending for the year			768,840
(381,309)	(381,309)	Collection Fund precept			(365,060)
<b>(499,438)</b>	<b>(1,047,981)</b>	<b>Balance c/f</b>			<b>(644,201)</b>

2.2. The net estimated cost has decreased by £11k compared to the 2018/19 approved budget of £376k. Significant movements are summarised below:

Description	Amount £k
Reduction in Management costs	(33)
Increase in Cemetery Income due to increase in activity and charges	(20)
Increase in interest income due to higher interest rates	(3)
Council Tax Support Grant	27
Increase in Business Rates on Cemetery	3
Reduction in pitch hire income	7
Grant to community centre due to delay in transfer	8
<b>Total Movement</b>	<b>(11)</b>

2.3. A contribution of £404k from the Special Expense reserves was approved by the March 2017 Cabinet to fund the phase 1 of the new Cemetery at Queensway. There has been delays in the project which has resulted in reprofiling of expenditure to 2019/20, therefore the funds from the reserve will be released during 2019/20.

2.4. After adjusting for the capital charge credit, one-off contribution to fund the expenditure at Queensway cemetery and working balance interest there is an annual spend of £769k. This will be funded from the precept raised for the year and the reserves as detailed in paragraph above.

2.5. The estimated working balance as at March 2020 is £644k, which is just over three times higher than the recommended minimum level of £150k. This is set aside as an earmarked reserve and therefore ring-fenced for HWTC.

2.6. The proposed Band D equivalent charge of £15.73 is lower than prior year Band D equivalent of £16.82. However, due to the increase in tax base of 538 properties this will raise a precept of £365,060 which will fully fund the net budget of £364,840 without having any impact on the reserves.

### 3. Risks and Options

3.1. Any increase in the Council Tax Band D for the unparished area of High Wycombe would have an impact on the District Council ability to implement the full £5 increase permissible. Therefore, the following options are available for consideration:-

**Option 1** : A £1.09p reduction to the Band D Council tax to £15.73 would result in the precept to fund the net budgeted expenditure for HWTC would result in the precept to fund the net budgeted expenditure for 2019/20. The proposed Band D Council Tax within this option would not have any adverse impact on working balances and the ability for the District Council to implement the full £5 increase permissible.

**Option 2** : A 32p reduction to the current Band D Council tax to £16.50 would raise £382,932 in precept which would result into a net surplus of £18,092 for HWTC. This option would not have any impact on the ability for the District Council to implement the full £5 increase permissible.

**Option 3** : Band D tax above £16.50 for HWTC will have an impact on the ability for the District Council to implement the full £5 increase permissible. This option is **NOT** recommended.

**Option 4** : Band D tax of £16.82 (same as last year) for HWTC will limit the District Council's ability to increase the Band D by only £4.89. This option is **NOT** recommended.