



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

HINCKLEY AREA COMMITTEE

27 January 2020

WARDS AFFECTED: Hinckley Area

---

## HINCKLEY AREA COMMITTEE BUDGET 2020/21

---

### Report of Head of Finance

#### 1. PURPOSE OF REPORT

- 1.1 To present the proposed draft revenue budget and council tax for 2020/21 for the Special Expenses Area of Hinckley.

#### 2. RECOMMENDATION

- 2.1 That the Committee endorse the revenue and capital budgets and council tax for 2020/21.
- 2.2 That the Committee endorse the Fees and Charges for 2020/21.

#### 3. BACKGROUND TO THE REPORT

- 3.1 This report presents the budget relating to the Special Expenses Area of Hinckley for the Committee to consider and make recommendations to Council for approval. The 2020/21 General Fund revenue budget (including the Special Expenses) will be presented to Council for approval in February 2020.

- 3.2 The budget for 2020/21 together with the latest estimate for 2019/20 is shown in **Appendix 1**. The proposed budget has been drawn up in accordance with the principles set out in the 2020/21 Budget Strategy. The key assumptions approved in this Strategy include:

- Reversal of one off growths from previous years
- 2.0% for the 2020/21 pay award has been included.
- Application of no growth on non contract supplies and services
- An increase of £0.44 in Council Tax (2.3%)

#### **Revised budget 2019/20**

- 3.3 The net budget as detailed in **Appendix 1** has been revised and has increased by £1,910. This is due to a £1,000 increase in the payment to Hinckley West Neighbourhood watch and £910 of additional salary costs.

### Proposed budget 2020/21

- 3.4 The proposed expenditure budget for 2020/21 has been detailed in **Appendix 1** and has been prepared using the assumptions identified in 3.2. Compared to the Original estimate for 2019/20, service expenditure for the Special Expense Area has increased by £69,440. This is a net movement created by an increase in pay and contract inflation an additional £31,500 for an agreed contribution towards town centre car parking and £5,500 towards the Proms in the Park.

### Council Tax

- 3.5 The Tax Base (number of chargeable properties) in the Special Expenses Area has increased by 1.012% in 2020/21 when compared to 2019/20. This is compared against the forecast of 2.0% which was assumed in the Medium Term Financial Strategy in February 2019.
- 3.6 Although the financial settlement allows for a potential £5 increase on Council Tax the current recommendation is an increase of 2.3% (£0.44) **It is therefore recommended that the Council Tax for the Special Expenses Area is increased by £0.44 for 2020/21 to £19.41 for an average Band D property.**
- 3.7 **This equates to an average Band D increase of £1.77 over the Hinckley area tax base which is 11024.6, with a band D charge of £68.66 for 2020/21.**

### Heritage Action Zone

- 3.8 The Council has put a bid in to Historic England for a £2 million project for a variety of improvements in Hinckley. Included within the programme are public realm improvements in Church Walk & Castle Street with a gross cost over £1 million. The overall package cost for the two schemes is summarised below:-

	<b>Year 1: 2020/21 (£)</b>	<b>Year 2: 2021/22 (£)</b>	<b>Year 3: 2022/23 (£)</b>	<b>Year 4: 2023/24 (£)</b>	<b>Total (£)</b>
Historic England	36,000	154,200	116,700	101,100	408,000
HAC	19,000	52,800	40,300	34,900	147,000
LLEP	10,000	190,000	175,000	125,000	500,000
<b>Total</b>	<b>65,000</b>	<b>397,000</b>	<b>332,000</b>	<b>261,000</b>	<b>1,055,000</b>

The overall project is still conditional on external funding. However brief details are attached in Appendix 3. The HAC are requested to make a contribution of £147,000 across 4 years to fund the schemes.

### Fees and Charges

- 3.9 Fees and Charges that relate to this committee are attached in **Appendix 2**. Members are requested to review the charges and endorse the officer recommendations in the Appendix.

## **Balances and Reserves**

- 3.10 Based on the proposed budget, balances in the Special Expense Area at 31<sup>st</sup> March 2020 and 2021 are estimated as follows:

	£
Balance at 1 <sup>st</sup> April 2019	(261,137)
Transfer to/(from) Balances 2019/2020	(102,357)
Estimated Balance at 31 <sup>st</sup> March 2020	(363,494)
Transfer to/(from) Balances 2020/2021	(1,282)
Estimated Balance at 31 March 2021	(364,776)

- 3.11 Earmarked reserves have been set aside for the Special Expense Area to meet the cost of Green Space projects within Hinckley. This reserve at 31 March 2021 is projected to be £176,463 based on the following movements:-

	£
Balance at 1 <sup>st</sup> April 2019	(153,863)
Transfer to Reserves	(20,000)
Transfer from Reserves (revenue)	0
Transfer from Reserves (capital)	10,000
Estimated Balance at 31 <sup>st</sup> March 2020	(163,863)
Transfer to Reserves	(110,000)
Transfer from Reserves (revenue)	31,500
Transfer from Reserves (capital)	29,000
Estimated Balance at 31 <sup>st</sup> March 2021	(213,363)

## **Capital Programme**

- 3.12 The capital programme for the HAC is summarised below:

<b>Hinckley Community Initiatives Fund</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Total Annual Expenditure	10,000	10,000	10,000	10,000
Special Expenses Areas Reserves	(10,000)	(10,000)	(10,000)	(10,000)
<b>HBBC Element</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Memorial Safety Programme</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Total Annual Expenditure	5,570	5,790	5,950	6,110
Special Expenses Areas Reserves	(5,570)	(5,790)	(5,950)	(6,110)
<b>HBBC Element</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Green Spaces Delivery Plan</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Total Cost	2113	426,110	0	0
Less: Section 106 contributions	(2,113)	(348,812)	0	0
Less other private contributions	0	(77,298)	0	0
<b>HBBC Element</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Hinckley Action Zone</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
Total Cost	0	65,000	397,000	332,000
Less: Historic England grant	0	(36,000)	(154,200)	(116,700)
Less: LLEP funding	0	(10,000)	(190,000)	(175,000)
<b>HBBC Element</b>	<b>0</b>	<b>19,000</b>	<b>52,800</b>	<b>40,300</b>

Apart from the Heritage Action Zone is the programme is based on the current Green Spaces Delivery Plan. A detail of the plan is included at Appendix 3. These schemes are primarily funded through external contributions. Where income has not been received officers have based the contribution on the latest information available. If the actual funding is materially different to those anticipated a further report will be presented to the committee to discuss the financial implications

3.13 Any further potential schemes will be brought back to the committee before they are approved.

3.14 Members are requested to endorse the programme.

#### 4. FINANCIAL IMPLICATIONS [IB]

4.1 Balances and reserves in this report have not been adjusted for other reports that will be presented to the Committee on the day.

Other implications are contained within the body of the report.

#### 5. LEGAL IMPLICATIONS [MR]

5.1 None

#### 6. CORPORATE PLAN IMPLICATIONS

6.1 Expenditure incurred to achieve an attractive 'green' borough that minimises its impact on the environment

#### 7. CONSULTATION

7.1 None.

#### 8. RISK IMPLICATIONS

8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

<b>Management of significant (Net Red) Risks</b>		
Risk Description	Mitigating actions	Owner
None	None	None

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 All expenditure and income relates to the urban area of Hinckley.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications

---

Background papers: Civica Reports

Contact Officer: Ilyas Bham, Accountancy Manager x5924

Executive Member: Councillor K Lynch