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Hinckley & Bosworth
Borough Council

Bill Cullen MBA (ISM), BA(Hons) MRTPI
Chief Executive

Date: 08 January 2018

To: **Members of the Hinckley Area Committee**

Mrs J Kirby (Chairman)
Mrs L Hodgkins (Vice-Chairman)
Mr DC Bill MBE
Mr SL Bray
Mr DS Cope

Mrs GAW Cope
Mr KWP Lynch
Mr K Nichols
Miss DM Taylor
Ms BM Witherford

Copy to all other Members of the Council

(other recipients for information)

Dear member,

There will be a meeting of the **HINCKLEY AREA COMMITTEE** in the G10, Ground Floor, Hinckley Hub on **TUESDAY, 16 JANUARY 2018** at **6.30 pm** and your attendance is required.

The agenda for the meeting is set out overleaf.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen
Democratic Services Officer

HINCKLEY AREA COMMITTEE - 16 JANUARY 2018

A G E N D A

1. APOLOGIES FOR ABSENCE
2. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 2)
To confirm the minutes of the meeting held on 27 June 2017.
3. ADDITIONAL URGENT BUSINESS BY REASON OF SPECIAL CIRCUMSTANCES
To be advised of any additional items of business which the Chairman decides by reason of special circumstances shall be taken as matters of urgency at this meeting.
4. DECLARATIONS OF INTEREST
To receive verbally from Members any disclosures which they are required to make in accordance with the Council's Code of Conduct or in pursuance of Section 106 of the Local Government Finance Act 1992. **This is in addition to the need for such disclosure to be also given when the relevant matter is reached on the agenda.**
5. QUESTIONS
To hear any questions in accordance with Council Procedure Rule 12.
6. HINCKLEY TOWNSCAPE HERITAGE PROJECT (Pages 3 - 10)
Report informing members about the submission of a first-round application to the Heritage Lottery Fund to seek funding for the establishment of a Townscape Heritage Scheme within Hinckley town centre conservation area.
7. SPECIAL EXPENSES AREA BUDGET (Pages 11 - 22)
The proposed draft revenue budget and council tax for 2018/19 for the Special Expenses Area of Hinckley.
8. GREEN SPACE DELIVERY PLAN UPDATE (Verbal Report)
To update members on the green space delivery plan.
9. HINCKLEY IN BLOOM UPDATE (Verbal Report)
In response to a request at the previous meeting, members will be update on progress.
10. GRIT BINS (Verbal Report)
11. COMMUNITY PLANS (Verbal Report)
Item requested by Cllrs Kirby & Witherford arising from the Emergency Planning briefing.
12. SPECIAL EXPENSES AREA REVIEW (Pages 23 - 34)
Report referred by the Scrutiny Commission which outlines the special expenses arrangements.
13. ANY OTHER ITEMS OF BUSINESS WHICH THE CHAIRMAN DECIDES HAVE TO BE DEALT WITH AS MATTERS OF URGENCY
14. MATTERS FROM WHICH THE PUBLIC MAY BE EXCLUDED

To consider the passing of a resolution under Section 100A(4) of the Local Government Act 1972 excluding the public from the undermentioned item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 10 of Schedule 12A of the 1972 Act.

15. DISPOSAL OF THE TRINITY LANE SITE (Pages 35 - 40)

To update members on the progress made negotiating with the successful bidders for the Trinity Lane site (former leisure centre).

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Agenda Item 2

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

HINCKLEY AREA COMMITTEE

27 JUNE 2017 AT 6.30 PM

PRESENT: Mrs J Kirby - Chairman
Mrs L Hodgkins – Vice-Chairman
Mr DC Bill MBE, Mr DS Cope, Mrs GAW Cope, Mr KWP Lynch and Ms BM Witherford

Members in attendance: Councillor Mr MA Hall

Officers in attendance: Ilyas Bham, Rebecca Owen, Ian Pinfold and Caroline Roffey

53 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Bray, Nichols and Taylor.

54 MINUTES OF THE PREVIOUS MEETING

It was moved by Councillor Mrs Cope, seconded by Councillor Lynch and

RESOLVED – the minutes of the meeting held on 23 January 2017 be confirmed and signed by the Chairman.

55 DECLARATIONS OF INTEREST

The following personal, non-pecuniary, interests were declared in relation to item 7 – Hinckley Community Initiative Fund:

Councillor Bill as a member of St Mary's Church;

Councillors Mr & Mrs Cope as members of Wykin Social Club;

Councillor Hodgkins as a supporter of the tennis club.

56 HINCKLEY SPECIAL EXPENSES OUTTURN 2016/17

The committee considered the 2016/17 outturn report and was informed that there was some carry forward due to delays in schemes and also some underspends which would be transferred to reserves.

RESOLVED – the report be noted.

57 HINCKLEY COMMUNITY INITIATIVE FUND

Members received a report which recommended funding allocations through the Hinckley Community Initiative Fund. It was noted that three schemes were recommended for the grant but a further three were recommended for rejection as, despite being worthy schemes, they had not achieved the required score in accordance with the set criteria.

Some members felt that all of the schemes would benefit the community and suggested that the underspend from 16-17 could be used to fund the additional three schemes (at a cost of £3,296). The Leader, in attendance, suggested requesting funding from the Developing Communities Fund for the additional projects. It was moved by Councillor Lynch, seconded by Councillor Bill and

RESOLVED –

- (i) The Strategic Leadership Team be RECOMMENDED to approve funding of the Tennis for all, St Mary's Church carpet and flooring and re-carpeting of the main bar area of Wykin Social Club, including the allocation of a further £439 to enable 50% funding of the Wykin Social Club scheme;
- (ii) The Strategic Leadership Team be RECOMMENDED to approve the transfer of £3,296 from the Developing Communities Fund to the Hinckley Community Initiative Fund to provide grants to the remaining three schemes;
- (iii) In the event of (ii) not being supported, the Strategic Leadership Team be RECOMMENDED to transfer £3,296 from special expenses budget reserves to provide grants to the remaining three schemes.

(The Meeting closed at 6.57 pm)

CHAIRMAN



Hinckley & Bosworth
Borough Council

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FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

HINCKLEY AREA COMMITTEE

16 January 2018

WARDS AFFECTED: CASTLE WARD

HINCKLEY TOWNSCAPE HERITAGE SCHEME

Report of Director (Environment and Planning)

1. PURPOSE OF REPORT

- 1.1 To inform about the submission of a first-round application to the Heritage Lottery Fund to seek funding for the establishment of a Townscape Heritage scheme within Hinckley Town Centre Conservation Area.

2. RECOMMENDATION

2.1 That Members:

- i. Note the content of this Report
- ii. Support the submission of a first-round Hinckley Townscape Heritage scheme application and if successful, the development of the scheme in 2018/19 and the delivery of the scheme from 2019/2020 onwards over a period of three years
- iii. Note the grant funding that is being sought from the Heritage Lottery Fund (set out in the report)
- iv. Note the approach to establishing the necessary match funding that is required by the Heritage Lottery Fund (set out in the report)

3. BACKGROUND TO THE REPORT

- 3.1 The Council's Local Plan 2006 to 2026 includes a number of spatial objectives to support the future of development of the borough. These objectives include a strong drive to deliver the **Regeneration of Urban Centres** such as Hinckley and a focus on the safeguarding and enhancement of the Hinckley's **Built Environment and Townscape Character**. Planning & Development Services is therefore pro-actively seeking opportunities to implement the Local Plan and has identified the opportunity of developing a **Townscape Heritage scheme** within part of the Hinckley Town Centre Conservation Area which is currently identified as being 'at risk' by Historic

England. The intention to develop and submit a Townscape Heritage scheme proposal for Hinckley Town Centre is included as an output within the **Town Centre's Vision**, approved by Executive in November 2015.

- 3.2 The Townscape Heritage (TH) programme was launched in 1998 and is the Heritage Lottery Fund's (HLF) grant programme for the repair and regeneration of the historic environment in towns and cities. In allocating its funding, the HLF prioritises areas of social and economic deprivation that can demonstrate the key role historic buildings and spaces have to play in town centre regeneration. The HLF Programme has been highly successful in supporting a large number of heritage-led regeneration schemes throughout the UK. The HLF can cover a range of direct costs including: capital work such as building repairs and improvements to the public realm; activities and events to engage people with heritage; new staff posts to deliver the programme; and, professional fees.
- 3.3 During 2016, The Planning Major Projects Team explored the feasibility of a Townscape Heritage scheme for Hinckley. This included:
- Constructive dialogue with other local authorities that have implemented TH schemes;
 - Survey work across Hinckley Town Centre and in particular the Conservation Area;
 - The submission of a 'Project Enquiry Form' and a follow up meeting with the Heritage Lottery Fund to discuss the possibility of implementing a TH scheme;
 - Liaison with interested parties, including: relevant council departments; Hinckley Business Improvement District; Hinckley & District Chamber of Trade; Leicestershire County Council; Hinckley Museum; local civic groups; and, local educational and cultural establishments; and
 - Awareness raising activities, including: correspondence with local business owners; correspondence with local members and portfolio holders; providing a section on the council's website; providing information display boards for members of the public at Hinckley Library; and, Conservation Officer attendance with display boards at Town Centre events – Love Hinckley Market (14 May 2016) and at Hinckley BID Classic Car Meet (19 May 2016).
- 3.4 The first application to establish the scheme was submitted to the HLF in August 2016. Unfortunately the application was not successful despite a very strong submission and excellent support from members and local stakeholders in presenting the scheme to the HLF Regional board. Constructive feedback was provided by the HLF on the council's first application, with many positive aspects being identified including the backing of the scheme by members, the community and the voluntary sector, the good presentation given to the board including positive input from members and delivery partners, the range of proposed capital works, and the ability of the council to demonstrate project delivery including the Crescent and Leisure Centre. The Hinckley scheme was rated as a high priority but lost out regionally in a competitive process to Mansfield, with their submission being a second attempt.
- 3.5 The HLF feedback also covered some technical aspects with the first submission, in particular the need for a Council Heritage Strategy which incorporates the Townscape Heritage scheme and its role in addressing Heritage at Risk and delivering heritage-led regeneration within the town centre. Following this positive feedback from the HLF a second attempt at the application is being drafted. The minor technical aspects have been addressed and a Heritage Strategy has been

drafted, to be adopted by Council. Members and local stakeholders, the community and voluntary sector continue to support the scheme.

4. THE APPLICATION PROCESS

4.1 The HLF has a prescribed application process for organisations that are interested in running a TH scheme:

- **First-Round Application (December 2017):-** This is the competitive stage of developing a TH scheme and is run by the HLF on an annual basis (first round submissions are made by the 8 December and decisions are generally announced by the HLF by the following May). An application form must be submitted that sets out details of the proposed project; how it fits the criteria of a TH scheme; the grant monies that are requested for the development and delivery phases (if successful); and, the match funding that will be secured.
- **Development Phase (May 2018 to May 2019):-** in the event of a successful first-round application, the scheme would enter a development phase to prepare a second-round application to be submitted to HLF within a calendar year. The second-round application would provide a detailed programme of capital work and activities for the delivery of the TH scheme. The development of this work can be funded through grant monies that are received for this purpose if requested in the first-round application. For example, first round applications often include a request for grant funding to enable the appointment of a TH Project Coordinator who would oversee the development and delivery phases of the project.
- **Delivery Phase (Summer 2019 to Summer 2022):-** In the event that a grant is awarded, the TH scheme would enter its delivery phase making use of a delivery grant and any match funding that has been secured. The Hinckley TH scheme would be delivered over a three year period.

5. THE FOCUS OF THE APPLICATION

5.1 The Hinckley Townscape Heritage scheme will have three components; works to targeted town centre properties, public realm works at Church Walk, and a programme of public engagement.

5.2 Capital works of repair and restoration of traditional features including shop fronts have been identified for up to 25 targeted listed buildings or buildings of local importance located along Castle Street, The Borough and The Market Place, all within the Hinckley Town Centre Conservation Area. These capital works will address the reasons as to why the conservation is considered to be at risk, namely loss of original features and poor quality modern shop fronts, with attractive grant rates of 50 – 90% offered to property owners to incentivise take-up of the scheme. A number of reserve properties have been identified if any of the high and medium priority sites can not be delivered. The TH scheme area is identified on a map in Appendix 1. The physical extent of the TH area has been guided by the HLF but they have indicated that there could be scope to develop further TH schemes elsewhere in the Hinckley Conservation Area in the future, should there be a desire to do so.

5.3 A public realm improvement scheme is proposed for the upper section of Church Walk including the council owned car park. The scheme would improve the condition

of the area whilst improving physical access through the area from Argents Mead to Castle Street and directing people closer to the historic Castle mound.

- 5.4 As part of any HLF scheme there is the requirement to deliver a range of complementary activities, learning and training opportunities to engage people in the heritage of Hinckley and its townscape. An outline Activity Plan has been devised and the council will use their strong working relationship with key partners to deliver the programme of activities and opportunities.
- 5.5 Hinckley & District Museum is also currently developing an application to the Heritage Lottery Fund to deliver an extension to the Museum to house the recently restored Hansom Cab. The Museum's bid for funding will not be in competition with the TH scheme first-round application but will assist in complementing the increased heritage offer for Hinckley being proposed by the TH scheme.
- 5.6 The first-round application is currently being developed for submission by the deadline of 8 December 2017 (and will have been submitted prior to the Hinckley Area Committee meeting). It will provide evidence that this part of the Hinckley Conservation Area meets the criteria necessary to secure a Townscape Heritage scheme in line with the HLF's guidance. The first round stage is competitive and the outcome of the application process will very much depend upon the relative strength of the proposal against any other applications that may be submitted to HLF for Townscape Heritage schemes. The outcome of this process would be known in May 2018.

6. HLF GRANT FUNDING, MATCH FUNDING AND PROGRAMME SUPPORT

- 6.1 The overall gross total of the range of works, activities and supplementary requirements to be delivered by the Hinckley TH scheme amounts to £1,019,200. Project income, which includes the contributions made by property owners to the building works, cash contributions from the council and other organisations, and volunteer time to deliver the activity plan, reduces the amount of grant requested from the HLF to £773,000. The cost breakdown for each stage of the scheme is included in the Cost Breakdown spreadsheet attached to this report. Overall a total of £64,500 grant funding is to be requested from the HLF for the development phase and a total of £708,500 is to be requested for the delivery phase of the scheme.
- 6.2 For any TH scheme the HLF prescribes that applicants should identify a minimum of 5% match funding for any grant request below £1million. The match funding is required for both the development and delivery phases. For the development phase this equates to a contribution of £3,900 and it is proposed that this requirement can be met from existing budgets. For the delivery phase an amount of £83,500 can be secured via a Section 106 planning obligation (£58,500) and the Council Car Park maintenance capital budget (£25,000) as the Council contribution. By exceeding the minimum 5% requirement during the delivery phase of TH scheme it is likely that the council's chances of a successful first-round application will be increased.
- 6.3 The Planning Major Projects Team has also managed to secure contributions and support from other funders which includes a commitment to provide a cash contribution of £1,000 from the Hinckley Business Improvement District during the development phase of the scheme, and a likely commitment of £50,000 from the Leicester and Leicestershire Enterprise Partnership during the delivery phase of the scheme should the first-round application to the HLF be successful.

7 EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

7.1 This report is to be taken in open session.

8. FINANCIAL IMPLICATIONS [TF]

HLF Programme

8.1 The Councils element of the project is expected to be £87,400. The total cost of the scheme is expected to be £1,019,200 and a breakdown of funding is below:

Contributor	Value	Secure funding
Hinckley and Bosworth Borough Council	£87,400	£58k is s106 funding which is unsecured
Leicester and Leicestershire Enterprise Partnership	£50,000	Secured on basis of rest of the funding
Heritage Lottery Fund's	£773,000	Proposed bid
Local Businesses	£91,000	Not secured
Other contributions	£16,800	Secured (in kind volunteer time)
Hinckley Bid	£1,000	Secured

8.2 The Council match funding element is £87,400. The HLF requires a minimum of 5% match funding from the council, as mentioned in paragraph 6.2. This would mean a minimum contribution of £50,960 (total cost of £1,019,200 x 5%). The proposed contribution of £87,400 actually represents 8.58% of the costs

8.3 It is proposed Hinckley and Bosworth Borough Council provide £87,400 of funding to the project. This is broken down in the table below:

Activity	Amount	Proposal of funding
Development Phase Activities: Professional fees, employment of Project Coordinator, and delivery of events, activities and publicity	£3,900	To be met from existing resources
Delivery Phase costs: Repairs and conservation work, Other Capital Work, Project Coordinator, Professional fees, publicity and evaluation	£58,000	S106 funding and Resurfacing capital budget to be reduced in future years for this work
Delivery Phase costs: Repairs and conservation work, Other Capital Work, Project Coordinator, Professional fees, publicity and evaluation	£25,500	Existing Car Park Resurfacing budget

8.4 There is a potential that the funding from S106 will not be received in time to make payments to the project. This funding totals £58,000 and will only be received as the development meets its trigger points. Should this funding not be received a supplementary budget maybe required in line with the financial procedure rules.

Other Considerations

8.5 There is unsecure funding from other bodies which total £141,000. £50,000 has been proposed by the Leicester and Leicestershire Enterprise Partnership but has yet to be confirmed. In addition £91,000 is anticipated by commercial entities but has not

yet been confirmed. Should these funding avenues not be received a supplementary budget maybe required in line with the financial procedure rules.

- 8.6 Grant conditions and contractual arrangements will be finalised as part of accepting the grant conditions. If significant financial risks are identified at this point members will be briefed accordingly. Typically, risks may include:
- a) What's happens if funding is not spent in time and there are outstanding contractual obligations
 - b) Risks associated with selling the assets in future years.
 - c) Clawback arrangements
- 8.7 The exact split of whether the expenditure is revenue or capital is still to be determined.
- 8.8 Where capital expenditure is incurred and no asset is created for the Council, costs and associated income will be written off the general fund at no net cost to the General Fund.
- 8.9 Where an asset is created for the Council future revenue costs will met from existing budgets. Where the funding is used to create an asset for another organisation, the respective organisation will to pay for future revenue costs.

Approvals

- 8.10 If the proposal is supported, Council approval will be required in accordance with financial procedure rules.

9. LEGAL IMPLICATIONS [MR]

- 9.1 Local Government Act 2000 empowers HBBC to do anything it considers is likely to achieve the promotion of the economic, social or environmental well-being of its area.

10. CORPORATE PLAN IMPLICATIONS

- 10.1 This report contributes to all three priority ambitions of the Council, in particular:
Places - creating clean and attractive places to live and work
Prosperity – encouraging growth, attracting businesses, improving skills and supporting regeneration

11. CONSULTATION

- 11.1 The THI first-round application is being developed in consultation with the interested parties identified in paragraph 3.3 above.

12. RISK IMPLICATIONS

- 12.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 12.2 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 project have been identified, assessed and that controls are in place to manage them effectively.

- 12.3 The following significant risks associated with this report were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None identified	Risks associated with the development and delivery of the TH scheme will be identified as dealt with accordingly as the scheme progresses	Stephen Meynell

13. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

- 13.1 The purpose of the TH scheme will be to provide enhancements and activities that can be accessed by all users of this part of Hinckley Town Centre. Where necessary, any equality and rural implications will be taken into account during the development of the scheme.

14. CORPORATE IMPLICATIONS

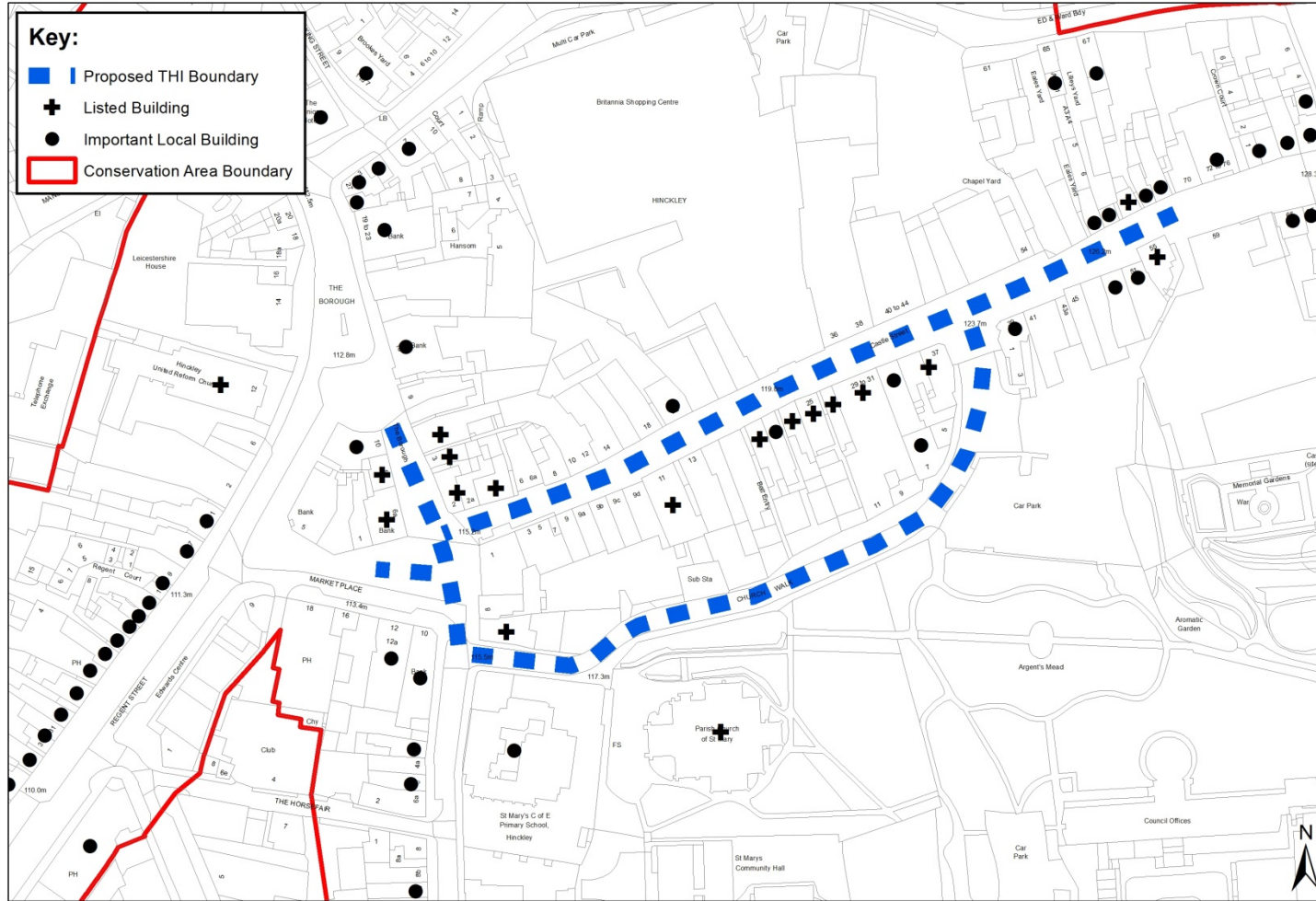
- 14.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications: None directly arising from this report
- Environmental implications: None directly arising from this report
- ICT implications: None directly arising from this report
- Asset Management implications: None directly arising from this report
- Procurement implications: None directly arising from this report
- Human Resources implications: None directly arising from this report
- Planning implications: None directly arising from this report
- Data Protection implications: None directly arising from this report
- Voluntary Sector: None directly arising from this report

Background papers: None
 Contact Officer: Paul Grundy, ext.5671
 Executive Member: Cllr M Surtees

Appendix 1 – Proposed Townscape Heritage scheme area with Hinckley town centre

Hinckley Town Centre Conservation Area - Proposed Townscape Heritage Initiative



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FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

HINCKLEY AREA COMMITTEE

16 JANUARY 2018

WARDS AFFECTED: ALL HINCKLEY AREA WARDS

HINCKLEY AREA COMMITTEE BUDGET 2018/19

Report of Section 151 Officer

1. PURPOSE OF REPORT

- 1.1 To present the proposed draft revenue budget and council tax for 2018/19 for the Special Expenses Area of Hinckley.

2. RECOMMENDATION

- 2.1 That the Committee endorse the revenue and capital budgets and council tax for 2018/19.
- 2.2 That the Committee endorse the Fees and Charges for 2018/19.

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 2018/19 General Fund revenue budget (including the Special Expenses) will be presented to Council for approval in February 2018.

- 3.2 The budget for 2018/19 together with the latest estimate for 2017/18 is shown in **Appendix 1**. The proposed budget has been drawn up in accordance with the principles set out in the 2018/19 Budget Strategy. The key assumptions approved in this Strategy include:

- Reversal of one off growths from previous years
- 2% for the 2018/19 pay award has been included
- Application of no growth on non contract supplies and services
- Application of 3.9% inflation on contracted spend unless otherwise stipulated.
- A increase in £0.71 increase in Council Tax – Based on the local government settlement

Revised budget 2017/18

3.3 The net budget has been revised and is expected to be on budget.

Proposed budget 2018/19

3.4 The proposed expenditure budget for 2018/19 has been detailed in **Appendix 1** and has been prepared using the assumptions identified in 3.2. Compared to the latest estimate for 2017/18, service expenditure for the Special Expense Area has increased by £7,170 in 2018/19. This is a net movement created by a decrease in the budget for cemeteries of £2,140 and an increase in the budget for parks of £9,310. The main reasons for the decrease in the cemeteries service is that after allowing for inflation increases there is an estimated increase in burial income of £3,000 and a reduction in water charges of 4,000. The increase in the Parks budget is due to inflation increases.

3.5 At this stage no allowance has been made for the committee to fund Hollycroft Park.

Council Tax

3.6 The Tax Base (number of chargeable properties) in the Special Expenses Area has increased by 2.02% in 2018/19 when compared to 2017/18. This is comparable to the forecast of 2.0% which was assumed in the Medium Term Financial Strategy.

3.7 The December 2015 financial settlement increased the Council Tax Capping Limit for “lower tier authorities” by £5.00 annually for the next four years as long as Council Tax stays within the lower quartile for all districts. The £0.71 increase in Council Tax reflects HAC element of the £5. **It is therefore recommended that the Council Tax for the Special Expenses Area is increased by £0.71 for 2018/19 to £18.26 for an average Band D property.**

Fees and Charges

3.8 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

3.9 Based on the proposed budget, balances in the Special Expense Area at 31st March 2018 and 2019 are estimated as follows:

	£
Balance at 1 st April 2017	86,444
Transfer to/(from) Balances 2017/2018	62,693
Estimated Balance at 31 st March 2018	149,137

Transfer to/(from) Balances 2018/2019	
Estimated Balance at 31 March 2019	248,832

- 3.10 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 2019 is projected to be £158,069 based on the following movements:-

	£
Balance at 1 st April 2017	141,804
Transfer to Reserves	20,000
Transfer from Reserves (revenue)	(0)
Transfer from Reserves (capital)	(13,735)
Estimated Balance at 31 st March 2018	148,069
Transfer to Reserves	20,000
Transfer from Reserves (revenue)	(0)
Transfer from Reserves (capital)	(10,000)
Estimated Balance at 31 st March 2019	158,069

Capital Programme

- 3.11 The capital programme for the HAC is summarised below.

Hinckley Community Initiatives Fund	2017/18	2018/19	2019/20	2020-21
Total Annual Expenditure	13,735	10,000	10,000	10,000
Special Expenses Areas Reserves	(13,735)	(10,000)	(10,000)	(10,000)
HBBC Element	0	0	0	0

Memorial Safety Programme	2017/18	2018/19	2019/20	2020-21
HBBC Element	5,160	5,360	5,570	5,790

Green Spaces Delivery Plan	2017/18	2018/19	2019/20	2020-21
Total Cost	68,561	431,110	0	0
Less: Section 106 contributions	(68,651)	(353,630)	0	0
Less other private contributions	0	(77,480)	0	0
Less Special Expenses Area Reserve	0	0	0	0
HBBC Element	0	0	0	0

The programme is primarily 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

- 3.12 Any further potential schemes will be bought back to the committee before they are approved.
- 3.13 Members are requested to endorse the programme contained in Appendix 3.

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 (AR)

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:

Management of significant (Net Red) Risks		
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: Budget working papers and Civica files

Contact Officer: Ilyas Bham, Accountancy Manager ext 5924

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	2017/18 ORIGINAL ESTIMATE £	2017/18 REVISED ESTIMATE £	2018/19 ORIGINAL ESTIMATE £
SPECIAL EXPENSES (HINCKLEY)			
Urban parks	445,610	446,930	456,240
Cemeteries	137,260	138,940	136,800
Hinckley Town Centre Christmas Lights	2,000	2,000	2,000
Hinckley West Neighbourhood Watch	4,000	4,000	4,000
	588,870	591,870	599,040
Contribution to/(from) Reserves	20,000	20,000	20,000
Contribution to/(from) Balances	65,693	62,693	99,695
Net Expenditure	674,563	674,563	718,735
Contributions from S106 Reserves	(18,860)	(18,860)	(22,700)
Budget Requirement	655,703	655,703	696,035
Taxbase	37,362.0	37,362.0	38,118.0
Band D Council Tax	17.55	17.55	18.26
<u>Balances</u>			
Balance B/Fwd	70,444	86,444	149,137
Cont to Balances	65,693	62,693	99,695
Use of Balances	0	0	0
Balance (Deficit) c/fwd	136,137	149,137	248,832
<u>Reserves</u>			
Balance B/Fwd	137,439	141,804	148,069
Cont to/(from) Reserves	20,000	20,000	20,000
Use of Reserves (capital)	(15,000)	(13,735)	(10,000)
Balance (Deficit) c/fwd	142,439	148,069	158,069

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CATEGORY	VAT	2017/18	2018/19	% increase
CEMETERIES				
Interments				
of the body of a child up to the age of 18 yrs. inclusive.	Non-Business	No Charge	No Charge	-
<i>Interment of the body of a child up to 18 years of age is free into a single depth grave. Where interments are required at double depth or below then single depth interment charges for over 18's will apply.</i>				
of the body of a person whose age exceeded 18 yrs. (Inc. Caskets & Brick Graves)				
Single depth grave	Non-Business	436.00	453.00	3.90%
Double depth	Non-Business	504.00	524.00	3.97%
Triple depth grave	Non-Business	577.00	599.50	3.90%
of a Cremation Casket in a grave				
Casket depth / Ashes scattered under turf	Non-Business	131.50	137.00	4.18%
Double depth / In a brick grave or kerbed/concrete top	Non-Business	204.00	212.00	3.92%
Scattering of cremated remains	Non-Business	102.00	106.00	3.92%
Sexton led interment - No Funeral Director (in addition to above charges)	Non-Business	34.25	35.60	3.94%
Memorial repair	Non-Business	POA	POA	-
Note: - If resident outside Special Expense Area = double fees				
- Except for residents who had lived within the area for at least 25 years, but who lived outside the area for health care or welfare reasons for no longer than five years immediately prior to their death.				
- where available, work in the Cemeteries on Saturdays or Sundays will attract double fees				
Exclusive Rights of Burial for 70 Years				
Casket plot 150 x 90cm (5'x3') (up to 2 caskets/Ashes Interment)	Non-Business	306.50	318.50	3.92%
Grave plot of a child up to the age of 18yrs (Appropriate plot size) Special Expense Area	Non-Business	No Charge	No Charge	-
Grave plot of a child up to the age of 18yrs (Appropriate plot size) Outside Special Expense Area, but	Non-Business	204.00	212.00	3.92%
Grave plot of a child up to the age of 18yrs (Appropriate plot size) Outside of the Borough (Double Fees)	Non-Business	408.00	424.00	3.92%
Note: -Should parents opt for a grave size greater than the size of the coffin then normal grave purchase will apply (i.e. single fee for Special Expense Area, Double fees for outside the Borough)				
Grave plot 240 x 120cm (8'x4')	Non-Business	592.00	615.00	3.89%
Reservation Fee	Non-Business	102.00	106.00	3.92%
Reassignment / Transfer of Deed (If to spouse 50% reduction)	Non-Business	51.00	53.00	3.92%
Extension to ERoB 30yrs (1/2, 70yrs fee)	Non-Business	see above	see above	-
Note: - If grave is being purchased for the interment of someone who was not resident in Hinckley then double fees apply.				
Rights to Erect Memorial on a Grave Plot				
A memorial not exceeding 105cm wide (3' 6") and 120cm high (4')	Non-Business	141.50	147.00	3.89%
Kerb (where permitted)	Non-Business	249.00	259.00	4.02%
A memorial not exceeding 50cm (1'8") high	Non-Business	78.50	81.50	3.82%
Memorial kerb (In Garden of Rest)	Non-Business	113.00	117.50	3.98%
Install plaque on remembrance wall	Non-Business	91.50	95.00	3.83%
Additional Inscriptions	Non-Business	63.00	65.50	3.97%
# Note conditions apply to size of memorials in children's section and casket section				
Note: - Right to erect replacement memorials no charge. Changed memorials priced as above.				
Other Charges (incl. VAT)				
Entries in Book of Remembrance per line	Standard Rated	36.00	37.50	4.17%
Copy of Book of Remembrance page	Standard Rated	10.25	10.70	4.39%
Service in Cemetery Chapel	Non-Business	112.70	117.00	3.82%
Exhumations	Non-Business			
		Triple interment fees	Triple interment fees	-
Memorial Bench - Subject to Location availability	Standard Rated	1,100.00	1,143.00	3.91%
Memorial Bench Plaque to HBBC bench, subject to availability			275.00	New Charge
Memorial Tree - Subject to Location availability	Standard Rated	302.00	314.00	3.97%
Memorial plaque free standing (incl installation)	Standard Rated	413.50	POA	-
Search and Copy per burial record (where death occurred more than 5 years before search)	Standard Rated	10.25	10.70	4.39%
Soil removal from grave side for burial	Exempt	113.00	117.40	3.89%
Copy of entry in burial register	Standard Rated	2.10	2.20	4.76%
Natural burials / woodland scattering = same prices as for traditional burials/scatterings	Non-Business	POA	POA	-

CATEGORY		VAT	2017/18	2018/19	% increase
GREEN SPACES & EVENTS					
Professional Fees					
Professional Fees	Parks & Cemetery matters/ staff led activities/ hour	Standard Rated	44.00	45.70	3.86%
Lost Keys		Standard Rated	33.00	34.30	3.94%
Bowls – Hollycroft Park					
Season Ticket -	Over 60 or Students under 18 in full-time education	Exempt	55.75	58.00	4.04%
	Ordinary	Exempt	79.50	82.50	3.77%
Per Rink / Per Hour	Over 60 or Students under 18 in full-time education	Standard Rated	3.60	3.70	2.78%
	Ordinary	Standard Rated	6.30	6.50	3.17%
<i>Note: - New members first season green fees = 25% discount Part Season Ticket - from July onwards 50% reduction</i>					
Tennis – Hollycroft Park					
Per Court per Hour	Adult	Standard Rated	7.25	7.50	3.45%
Off Peak Rate 11.00am - 3.00pm (Monday to Friday)		Standard Rated	5.40	5.60	3.70%
	Over 60 or Students under 18 in full-time education	Standard Rated	4.80	5.00	4.17%
Off Peak Rate 11.00am - 3.00pm (Monday to Friday)		Standard Rated	3.60	3.70	2.78%
	Mixed (Adult & Concession)	Standard Rated	5.85	6.10	4.27%
Off Peak Rate 11.00am - 3.00pm (Monday to Friday)		Standard Rated	4.45	4.60	3.37%
Tennis Balls & Rackets	Penalty - Lost Balls	Standard Rated	2.65	2.80	5.66%
	Penalty - Lost / Damaged Tennis Racket	Standard Rated	10.25	10.70	4.39%
Season Ticket (March to October, halves Court fees, maximum of 2 hours per week)					
	Over 60 or Students under 18 in full-time education	Standard Rated	55.75	58.00	4.04%
	Ordinary	Standard Rated	79.50	82.50	3.77%
Pitch & Put – Hollycroft Park					
Adult		Standard Rated	3.30	3.40	3.03%
Junior		Standard Rated	1.70	1.80	5.88%
Golf Balls & Clubs -	Penalty - lost Balls	Standard Rated	2.65	2.80	5.66%
	Penalty - lost Clubs	Standard Rated	10.25	10.70	4.39%
Groups of 10 or more students under 18 in full time education (price per person)		Standard Rated	1.45	1.50	3.45%
Hollycroft Park, Argents Mead, Parks & Open Spaces					
Hire of Bandstand, Parks and Open Spaces (Commercial Events) per day		Exempt	350.00	364.00	4.00%
Hire of Bandstand (Community Events) per day		Exempt	No Charge	No Charge	-
Hire of Bandstand (Registered Charities) per day		Exempt	No Charge	No Charge	-
Hire of Bandstand (Schools)		Exempt	No Charge	No Charge	-
Parks and Open Spaces (Fair & Circuses)		Exempt	387.00	387.00	-
Bond (Fairs & Circuses)		Exempt	640.00	640.00	-
Community / Non Profit Making Organisations		Exempt	No Charge	No Charge	-
Registered Charities		Exempt	No Charge	No Charge	-
Exclusive Rights to Sell Ice Cream		Standard Rated	Hide	Hide	-
Commercial use of Parks and Open spaces for Fitness Training or Dog Training (Annual Licence Fee)		Exempt	107.00	111.00	3.74%
Events					
Hot Food Stalls (Pitch 3m x 6m)		Standard Rated	66.50	69.00	3.76%
Other Stalls (Pitch 3m x 6m)		Standard Rated	POA	36.50	-
Additional Pitch to above				1/2 above Fee	New Charge
Stall Community / Non Profit Making Organisations				No Charge	New Charge
Stall Registered Charities				No Charge	New Charge
Leisure Activities including Rides		Standard Rated	46.50	48.50	4.30%
Daily Right to Sell Ice Cream at an event		Standard Rated	66.50	69.00	3.76%
Football & Cricket Pitches					
Pitch per 11 matches (per season)					
Team in the Borough pitch only		Exempt	264.50	275.00	3.97%
Team in the Borough pitch with changing room		Exempt	528.00	549.00	3.98%
Team Outside Borough pitch only		Exempt	357.50	371.00	3.78%
Team Outside Borough pitch with changing room		Exempt	660.50	686.00	3.86%
Junior					
Casual lettings - Per Match facilities:					
	Teams in the Borough	Standard Rated	71.50	74.00	3.50%
	Teams outside Borough	Standard Rated	81.50	84.70	3.93%
Casual lettings - Per Match without facilities:					
	Teams in the Borough	Standard Rated	38.50	40.00	3.90%
	Teams outside Borough	Standard Rated	48.50	50.40	3.92%
Junior					
Junior pitch only		Exempt	132.25	137.40	3.89%
Junior with pavilion			264.50	274.80	3.89%
Pavilion only		Standard Rated	1/2 fee with facilities	1/2 fee with facilities	-
Practice pitch - per session (max 2 hours)		Standard Rated	18.60	19.30	3.76%

Year 17/18

Projects	S106 received	S106 Not received	External Funding	Total Cost
Preston Road	2,754			2,754
Queens Park	10,900			10,900
Langdale Park (SEA)	35,767			35,767
Richmond Park Phase 2	19,140			19,140
Totals	68,561	0	0	68,561

Year 18/19

Projects	S106 received	S106 Not received	External Funding	Total Cost
Waterside Play Area	70,668			70,668
Clarendon Park (SEA)	76,646	836	77,480	154,962
The Greens	150,480			150,480
Harrowbrook Corridor (SEA)		5,000		5,000
Waterside Open Spaces (SEA)		50,000		50,000

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Hinckley & Bosworth Borough Council

FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

SCRUTINY COMMISSION
HINCKLEY AREA COMMITTEE

9 October 2017
16 January 2018

WARDS AFFECTED: ALL HINCKLEY AREA WARDS

SCRUTINY REVIEW: SPECIAL EXPENSES AREA

Report of Head of Finance

1. PURPOSE OF REPORT

- 1.1 To consider this report which was prepared for the Scrutiny Commission and referred by that body to the Hinckley Area Committee for consideration.

2. RECOMMENDATION

- 2.1 That the Hinckley Area Committee:

- Considers if there is a requirement for a special expenses policy for governing what costs will be considered as special expenses
- Considers the options for the Hinckley Area Committee (HAC) as listed at paragraphs 4.1 to 4.8 and to propose if a preferred option should be put to Council.

3. BACKGROUND TO THE REPORT

- 3.1 When a council sets its annual budget it is required to consider which of its expenses are “General” and chargeable to all taxpayers in the district and which are its “Special Expenses” and chargeable to taxpayers in the towns /parishes where the expenses relate to.

- 3.2 Council tax special expenses are for expenses taken into account when calculating the authority’s council tax requirement, to cover charges to parts rather than the whole authority and are normally associated with covering the costs things, such as maintenance of parks and other open spaces that are not covered by parish councils. Special expenses should not be charged in areas where the cost of that function being charged for is covered by another body, such as via a parish precept. This avoids double taxation for the same service. Although exactly what items are included in special expenses will vary from council to council, and there needs to be a resolution by the billing authority to treat an area as a special expenses area and

levy a charge on that area. Special expenses can be levied in areas covered by a parish precept where the precept does not cover the items to be charged for via a special expenses element. There is no legal requirement to have a separate committee to consider the charge, most councils do not have such committees.

- 3.3 The power to include charges within Council Tax for items of expenditure noted as special expenses stems from the Local Government Finance Act 1992, as amended by the 2012 Act.
- 3.4 The borough consists of 24 parished areas, and one unparished area covering Hinckley. It is the urban area of Hinckley, which is subject to a special expenses element included in the council tax. The original coverage of the charge was for Parks and Open Spaces, Cemeteries and "Poop Scoop" schemes. From 2013/14 the costs of Argents Mead park was removed except for the War Memorial.
- 3.5 The original terms of reference did give further areas that fall within the scope of the HAC. It also gave the potential for the HAC to put forward proposals for growth items, including negative growth, items for both revenue and capital items. This would include proposals for applying for developer contributions for any major works to parks, community centres or any other significant changes to the current service provision within the special expenses area. Similarly any changes to the scale of fees and charges for facilities wholly within the special expenses area would be considered by the Committee. This was subject to three principals (in summary full version presented to HAC on 10/11/2016):
 - The final decision on budget items or scale of charges is retained by the full council (or executive, then cabinet, where delegation allows)
 - The Council (or Executive, then cabinet) want to delegate decision making powers on any specific issues to the committee they may do as and when that issue arises
 - Any item which affects the special expenses area, but also other areas should not be considered specifically by this committee

Review of current arrangements

- 3.6 The current position is that the HAC reviews the budget set for them based on costs allocated to the Hinckley area as special expenses. The Committee does not set a separate charge, similar to a precept for parishes, as the decision on the level of council tax, including special expenses, is agreed by full council. In addition, the decision as to what is categorised as a special expenses is also a decision for the full council (See para 3.13 for legal requirements). Therefore, the current scope of responsibility and power to raise additional income, influence the level of increase in council tax or reduce expenditure for Hinckley based functions is limited.
- 3.7 This position is being reviewed to ensure it meets the requirements of The Council and that the HAC is fit for purpose, is being used effectively and that it covers the correct budgetary areas. An alternative would be for the special expenses elements to fall under normal budgetary control procedures. There is no specific requirement for a separate Special Expenses Committee, and as noted above, the current procedures give limited ability to alter the current level of budget or services that fall within its remit.
- 3.8 Currently special expenses are only charged in the unparished areas, this is not the case in all councils. For example, Harborough District Council charge for services in

parish areas they feel met the definition of special expenses under their special expenses policy.

- 3.9 In order for a special expense to be levied it must meet the definition of being a concurrent function. Therefore, a special expense is one incurred, if the function carried out by The Council is in only part of its area, but the same function is also carried out in another part of the district by one or more parish councils (Local Government Finance Act 1992, S35(2)(d)). The detailed identification of concurrent functions is therefore essential for treating items as a special expenses provision.
- 3.10 Therefore, any changes to the current financial areas that fall under special expenses would have to meet this test, appendix A give examples of items that may fall under special expenses, it is not meant to be a list of all items that are special expenses or to be an exhaustive list.
- 3.11 The strengths of using the special expenses provisions are that it meets three important principles for financial arrangements:
- fairness between council tax bills,
 - transparency, and
 - democratic control and accountability.

Therefore having a system of overview, which could be via a committee or scrutiny function, is needed to ensure these principles are delivered and maintained. That Committee or scrutiny function does not have to be one dedicated solely to the review of special expenses.

- 3.12 Countering this view is the notion of simplicity, in terms of keeping the administrative costs of The Council to a minimum. For example, special expenses are not considered significant then the billing authority may decide not to charge separately for them. However where the amounts involved are significant, and a decision has been made not to charge special expenses, it should have in place other means to ensure that finance follows function where concurrent functions exist and local taxpayers are being charged twice for them. The alternatives to special expenses are noted in the table below.

Alternative	How it works	Comment
Grants	The Billing Authority could pay a grant to some or all Parish/Town Councils towards the cost of a concurrent service. Council Tax payers pay the same throughout HBBC, but some of the Billing Authority budget is paid as a grant. This means that the Parish/Town precept is reduced by the grant amount and the Parish/Town Council can decide how to use the additional income subject to any conditions associated with the grant.	This is the simplest to administer.
Support in goods and kind	The Billing Authority provides support in goods, kind or expertise e.g. granting a peppercorn rent	This would not work for HAC as already using HBBC assets
Agency agreement	The Billing Authority pays a Parish/Town Council for providing a service rather than delivering it directly.	

- 3.13 To address the issue of concurrency being met for the levying a special expense for the Hinckley area, it may require consideration of a special expenses policy or scheme to be approved by The Council. This may then lead to expenses in parished areas falling under this definition, which is the case in other council areas, and then a wider remit than that of the current HAC would be needed. If it remains as it currently is then it could be moved to fall under the normal budgetary control arrangements with a Member lead. The introduction of a wider special expenses policy, if it begins to have an impact outside of the Hinckley area, may not be considered desirable to introduce as it would further complicate the administration of Council Tax.
- 3.14 It is also sensible to establish those areas that are considered borough wide expenses. For example, Northampton Borough Council has designed a special expenses scheme, whereby The Council defined some parks as being for the benefit of the entire borough. These tend to be the larger parks, but not in all cases with smaller parks being included. Therefore merely having an asset in the special expenses area, such as Hollycroft Park, does not make it a basis for a special expense charge.
- 3.15 To clarify The Council's position a special expenses scheme or policy should be approved by The Council to guide what is included with special expense charges included in council tax. This may potential identify areas outside of the Hinckley area that could be subject to special expenses charges, but is unlikely as most functions that could be considered special expenses should be covered by Parish Council precepts. Also, it could be decided that outside of Hinckley the impact is relatively insignificant and there is no requirement for a special expenses charge to be made.

Special Expenses and Council Tax calculations

- 3.16 The council tax charge for the Hinckley area includes a special expenses element. The basis of this charge is governed by the requirements of the Local Government Finance Act 1992. There has been some concern that the special expenses have not fallen where they are incurred, or that Council Tax payer outside the area have been charged for special expenses items.
- 3.17 The Council has to calculate council tax and special expenses based on the requirements of the Local Government Finance Act. This means that The Council has to calculate the average of tax over the whole of the council tax area and special expenses. Then the total of special expenses are then deducted. This gives the average council tax increase net of special expenses. Then The Council has to add back the total special expenses costs, but divides that cost by the tax base for the area to which the special expense applies. This means that taxpayers outside the special expenses area are not charged for the costs of functions that do not fall in their area. This is why two differing increase are referred to in relation to council tax increases when split between the Whole Council and special expenses.
- 3.18 The table below gives how this was used for the 2017/18 budget requirement for council tax, a more detailed breakdown is given in appendix 2. This table demonstrate that although the average increase in council tax spread over all council taxpayers, those council tax payers in the Hinckley area had a £6.43 increase in its council tax bill when the treatment of special expenses is included. This is because the special expenses element is borne by those taxpayers living in the Hinckley area. This would be similar to parish areas that have to cover the costs of parish precept in their area.

Basis of calculation	2016/17	2017/18
To fund HBBC + Special Expenses	£4,261,912.00	£4,561,526.00
Tax base	36,399	37,362
Average cost	£117.09	£122.09
Increase		£5.00
Deduct Special expenses	-£612,952.00	-£655,703.00
To fund HBBC	£3,648,960.00	£3,905,823.00
	£100.25	£104.54
Increase (before parish or Special Exps)		£4.29
Increase in special expenses if spread over entire tax base	£16.84	£17.55
Increase		£0.71
Special expense cost	£612,952.00	£655,703.00
Special expenses tax base	10,238	10575
Cost falling on special expense area	£59.87	£62.01
Increase for special expenses		£2.14
Total increase for council tax payers in special expenses area (£4.29+£2.14)		£6.43

- 3.19 Therefore any decision to change the basis of special expenses needs to consider the impact on council tax payer, in particular moving functions that have a borough wide benefit would lead to the tax costs falling unfairly on a minority of the council tax base. For example, if a further £100,000 of costs had been considered to be special expenses, then the £6.43 increase noted above would become £13.20, when across all council tax payers The Council had agreed an average £5 increase. This is because of the “parish precept” type of impact special expenses has in the Hinckley area.
- 3.20 The HAC cannot raise a precept as a parish can, as special expenses are a method for the calculation of Council Tax for the whole of the Borough. However, consideration of special expenses can also cover income generation assets such as car parks. This could be used to off set the required increase in Council Tax in areas affected.

Proposed options

- 4.0 Changes to the current special expenses policy will be subject to consultation as it has a disproportionate impact on council tax payers in the Hinckley area. Therefore, before significant changes are made to the costs that fall into the special expenses charge a legal view will be required on whether consultation is required

No change

- 4.1 The current system has the benefit of being in place and generally understood and accepted by Hinckley Council Tax payers. The HAC is established and monitors the current spend. The current remit could remain unchanged and any functions not currently within its budget considered borough wide. Appendix 2 has a breakdown of the 2017/18 budget.

- 4.2 This has the benefit of simplicity, but leaves a committee with a limited scope of responsibility beyond monitoring the budget. This may be seen as an overly complicated way of monitoring what is effectively a charging mechanism laid down in legislation. Also, it does not address the question of fairness of taxation as if the current arrangements should reflect a definition of what constitutes a special expense attributable to an area and what is a borough wide benefit and funded by all council tax payers.

Dissolve the current HAC

- 4.3 The scope and responsibility of the current HAC is limited, it has little influence over what is charged for that area or the increase in Council Tax for the Hinckley area. The special expenses charge is effectively a calculation based on guidance in legislation, which has to be followed where there are special expenses. This could be covered by the normal budgetary control mechanism, with a Member lead. Other elements of special expenses, such as car park income and market consideration could be covered using the same budgetary control systems. The number of Councils with a special expenses based committee appears low based on a review of other council's committee structures, whereas the charging of special expenses is not unusual.
- 4.4 Potentially this may mean there is less scrutiny of what is being treated as special expenses.

Enhance the current Remit of the HAC

- 4.5 The current role of the HAC could be enhanced by allowing them to take over more functions that are deemed to fall solely within the Hinckley area, both income and cost generating functions. This could not be covered by additional council tax to The Council as a whole, as HAC cannot levy a precept. However, by controlling costs and generating income it may be possible to reduce the impact on council tax payers within the Hinckley area. This could also lead to new asset creation if funds allowed.
- 4.6 This enhanced role would mean allocating income streams, such as from some car parks in Hinckley and the use of those funds to the discretion of the HAC. In addition, income from events, such as from Markets, Allotments or events organised by the HAC would also become part of the special expenses budget.
- 4.7 Controlling costs, could involve HAC having some control over awarding contracts for areas, such as grounds maintenance. This element of increased income and cost control would give the HAC more scope and a stronger reason to have committee coverage.
- 4.8 In the short to medium term this is likely to significantly increase the costs to council tax payers in the Hinckley area. An example of costs that The Council could decide to treat as a special expense is Holycroft Park. This would mean it is no longer considered a borough wide facility and the costs would fall on council tax payers in the Hinckley area. The estimated costs that would become part of the special expense budget is a net impact of £159,000, or an increase for Hinckley area council tax payers of £15.04. The main cause of this increase is the grounds maintenance costs of £126,000 per year. Currently there is only £27,000 of income associated with Holycroft Park. In the first year, this increase could be offset by using all of the reserves held in the HAC budget.

Move to the formation of a Hinckley Town Council

- 4.9 The move to enhance the HAC role would increase the potential for the formation of a Hinckley based Town Council. This would be the indication if full decision making over the level of income, via a precept, was the desired outcome, but this is a significant extension of the current position.
- 4.10 To set up a town or parish council, there needs to be a petition presented to The Council containing the signatures of at least 7.5% of the local population, with a clear reason to the purpose behind creating the new parish or town council. This does not automatically lead to the creation of a new town council, but leads to a Community Governance Review meaning The Council would then have to launch a consultation process to confirm a majority of residents are in favour before setting the date for the first election and creation of the parish council.
- 4.11 This has risks for The Council as the more that is labelled as part of special expenses prior to this, the higher the risk that it will be lost to the newly established town Council. For example, if borough wide assets, such as a park, were treated as part of special expenses, the more likely that asset would become part of the asset base of the new town council. This would mean the Borough Council loses control of that asset and any potential future benefits.
- 4.12 Therefore there is the potential for costs to fall on The Council and resources to be tied up in creating the town council that could be more productively used. Also, the establishment of the town council does not remove the need for the Borough Council to consider if it needs to levy a special expense charge. Also, a town council the size of the HAC's budget would also need to employ staff directly, which would add costs. The result could be a higher tax burden for residents within the Hinckley area for little benefit in the level of services provided.

Other considerations

- 4.12 Any change to the current arrangements should be based on clarification of what HBBC's definition of what falls within special expenses, based on the requirements of the Local Government Finance Act 1992. This would need to be clarified in terms of having a set policy. This could potentially mean other parishes areas would be captured by this policy, with implications for how Council Tax is administered and the need to commence charging special expenses in more areas than Hinckley. This may not be considered suitable and would require consultation with any parishes affected.

5. FINANCIAL IMPLICATIONS [AW]

- 5.1 Balances and reserves of the HAC budget will be affected by any decision to extend the range of functions considered as special expenses in that area.
- 5.2 Other implications are contained within the body of the report.

6. LEGAL IMPLICATIONS (AR)

- 6.1 Within the body of this report it sets out the relevant statutory powers under the Local Government Finance Act 1992.
- 6.2 In addition to this, and also referred to within the body of this report, an assessment will need to be undertaken as to whether there is a requirement for a public

consultation. Under a duty to consult the Council is required to undertake a consultation with:

- (a) Representatives of persons liable to pay any tax, precept or levy to or in respect of the authority;
- (b) Representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions;
- (c) Representatives of persons who use or are likely to use services provided by the authority; and
- (d) Representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.

If this is required to be undertaken, then the responses will need to be considered, prior to the implementation of any decision.

7. CORPORATE PLAN IMPLICATIONS

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

8. CONSULTATION

- 8.1 None.

9. RISK IMPLICATIONS

- 9.1 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:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None	None	None

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

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

11. CORPORATE IMPLICATIONS

- 11.1 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: Budget working papers and Civica files

Contact Officer: Ashley Wilson, Head of Finance 5906

Executive Member: Cllr M Hall

Appendix A:

- Allotments
- Boating pools
- Bus shelters
- Car parking (off street)
- CCTV (installation and maintenance)
- Cemeteries and burial grounds
- Changing rooms and pavilions maintenance
- Christmas lights and trees
- Closed cemeteries and burial grounds
- Commons and common pastures
- Community centres
- Crematoria
- Entertainment and the arts
- Footway lighting
- Grants to bus operators
- Grass cutting
- Grounds maintenance relating to open spaces, recreation grounds and sports pitches, including children's play areas
- Information services (transport, tourism)
- Highways maintenance
- Leisure facilities
- Litter and dog waste bins
- Museums
- Open spaces
- Parks
- Playgrounds
- Play schemes
- Playing fields
- Public clocks
- Public conveniences
- Public seats adjoining highways
- Recreation grounds
- Sports pitches
- Street cleansing
- Subsidies for uneconomic post or telecommunications services
- Taxi fare concessions
- Tourism promotion
- Traffic calming
- Village greens
- Village halls
- War memorials

Items are currently within special expenses are listed in Appendix b

Appendix B

Description	Value
Grounds Maintenance (Routine)	£271,710.00
Salaries - Full Time	£105,250.00
Interments	£57,800.00
Grounds Maintenance (Additional Works)	£34,670.00
Asset Management Recharge	£34,110.00
Tree Works	£23,200.00
Play Area Maintenance	£23,050.00
Materials	£16,500.00
Poop Scoop (Special Expenses)	£12,450.00
Effluent Treatment	£7,880.00
Water Metered	£7,820.00
Depot Office Recharge	£7,040.00
Hired & Contracted Services	£6,250.00
Accounting adjustments, e.g. pensions, capital charges.	£5,630.00
Electricity	£5,100.00
Equipment Purchase	£4,790.00
Legal Department Recharge	£4,580.00
Accountancy Recharge	£4,200.00
Creditors Management Recharge	£4,190.00
Hinckley Neighbourhood Watch	£4,000.00
Equipment Maintenance	£3,440.00
Central I.T. Recharge	£3,290.00
NNDR	£2,950.00
Footpath Lighting Recharge Leics CC	£2,580.00
Human Resources Recharge	£2,520.00
Communication & Promotion Recharge	£2,480.00
Car Allowances	£2,410.00
Public Liability Insurance	£2,260.00
Contact Centre Recharge	£2,060.00
Hinckley Town Centre Christmas Lights	£2,000.00
Items costing less than £2,000	£11,200.00
Total Costs	£677,410.00
Burial Fees	-£78,500.00
Hire Fees	-£3,100.00
Income items less than £2,000	-£1,310.00
	-£82,910.00
Net movement reserves and balances	£61,203.00
Budget Requirement	£655,703.00

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By virtue of paragraph(s) 3, 10 of Part 1 of Schedule 12A of the Local Government Act 1972.

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