

# MINUTES OF SPECIAL EXPENSES SCHEME TASK GROUP

4 SEPTEMBER 2019

## PRESENT:

### Members of the Group:

Councillors Leigh Hunt (Chair), Gillias, McQueen, Mistry, Mrs O'Rourke, Pacey-Day, Roodhouse and Picker

### Officers:

Mannie Ketley (Head of Corporate Resources and Chief Financial Officer), Jon Illingworth (Financial Services Manager and Deputy Chief Financial Officer), Chris Worman (Parks and Grounds Manager), Lynsey Parkinson (Corporate Accountant) and Veronika Beckova (Democratic Services Officer)

## 11. MINUTES

The minutes of the meeting held on 24 July 2019 were approved and signed by the Chair.

## 12. DECLARATIONS OF INTEREST

Councillor Gillias declared a general non-pecuniary interest by virtue of being a parish councillor.

## 13. RESPONSES TO THE CONSULTATION QUESTIONNAIRE

The Task Group received a presentation from the Financial Services Manager providing additional information requested at the last meeting and future options for Special Expenses. A copy of the presentation is annexed to the minutes.

The Head of Corporate Resources, the Parks and Grounds Manager and the Corporate Accountant attended the meeting to answer questions.

During the discussion, the following comments were made:

**Caldecott Park** – a breakdown of operational costs of Caldecott Park formed a part of the presentation. The task group's recommendation was derived from the information provided at past meetings.

### *Recommendation*

4 per cent of the cost of Caldecott Park be transferred to General Expenses

**Town Area Cemeteries** – figures for the rural users of the town area cemeteries formed a part of the presentation. No data for the users of parish cemeteries was available. The Task Group felt that as only one data set was available, no informed conclusion could be made at this point in time.

*Recommendation*

Due to insufficient data available, no change presently required.

**CCTV and Town Centre Security** – the Financial Services Manager clarified that the town centre management fee paid to the Rugby Business Improvement District (BID) was a contribution solely towards the cost of CCTV and Town Centre Security.

Within the presentation, the Task Group was provided with further figures for visitors from CV23 postcodes:

- Rugby Art Gallery and Museum school visits from 2016 until present (9 per cent); and
- users of the Benn Hall (18 per cent).

The Task Group's recommendation was derived from the information provided at the meeting. The two proposals, subject to a vote, were as follows:

- 13.5 per cent based on a simple calculation – RAGM school visits plus Benn Hall users divided by two; and
- 18 per cent based on the users of the Benn Hall figures.

*Recommendation*

13.5 per cent of the cost of the CCTV and Town Centre Security be transferred to General Expenses

## **14. REVIEW REPORT**

The Task Group discussed the draft review report in detail and formed recommendations based on the evidence and data presented during the review.

One of the recommendations formed was a biannual review of the Special Expenses Scheme. It was highlighted that the scheme was not reviewed for a number of years and the scrutiny review exercise provided a good base for any future reviews.

The review report will be revised by lead officers in consultation with the Chair and circulated to members of the Task Group for final consideration.

The final review report will be considered by Communities and Resources Overview and Scrutiny Committee at its meeting on 24 October 2019 prior to submission to Cabinet.

**CHAIR**

# Special Expenses Task and Finish Group

4 September 2019



## Recap of sessions to date

- Discussed purpose of the scheme
- Obtained views of Parishes on the scheme
- Confirmed not currently charging for concurrent services (double taxation)



## What is included in Town Area Special Expenses 2019/20

Cost Centre	Town Area Special Expenses	2019/20 Budget £
PKS00	Parks & Open Spaces	1,179,151
PKS09	Britain in Bloom	24,310
PKS14	Town Grass Cutting	141,600
	<b>Total Parks &amp; Open Spaces</b>	<b>1,345,061</b>
CEM00	Cemeteries	103,490
TVM00	Town Centre Management & CCTV	282,080
	<b>TOTAL</b>	<b>1,730,631</b>

## Special Expenses Forecast 2020/21 – 2021/22

### For 2020/21 – 2021/22:

- Assumed 2% annual CPI increase on expenditure
- Assumed 5% increase in Parish Precepts

	2019/20 Budget £	2020/21 Estimate £	2021/22 Estimate £
Parks & Open Spaces	1,345,061.00	1,371,962.22	1,399,401.46
Cemeteries	103,490.00	105,559.80	107,671.00
Town Centre Management & CCTV	282,080.00	287,721.60	293,476.03
<b>Total Town Centre Expenditure</b>	<b>1,730,631.00</b>	<b>1,765,243.62</b>	<b>1,800,548.49</b>
<b>Parish Precepts</b>	<b>803,428.50</b>	<b>843,519.58</b>	<b>856,611.21</b>

## Special Expenses Forecast 2020/21 – 2021/22

- Tax Base estimates based on Local Plan data
- Large Tax Base increase estimated in parish areas (Gateway site in Churchover; Houlton in Clifton)

Tax Base Data	2019/20 Actual Tax Base	2020/21 Estimated Tax Base Increase	2020/21 Estimated Tax Base	2021/22 Estimated Tax Base Increase	2021/22 Estimated Tax Base
Rugby Town Area	22,702.25	+289.00	22,991.63	+333.00	23,324.25
Parish Areas	14,646.49	+822.00	15,468.49	+784.00	16,252.49
MOD	131.00	-	131.00	-	131.00
	<b>37,479.74</b>	<b>+1,111.00</b>	<b>38,590.74</b>	<b>+1,117.00</b>	<b>39,707.74</b>

## Special Expenses Forecast 2020/21 – 2021/22

What does this mean for the Council Tax bills?

- Borough General Expense includes a 2.99% council tax increase
- Town Area expenditure includes a 2% annual CPI increase
- Parish Precepts increased by 5%

	2019/20 Average Band D £	2020/21 Estimated Average Band D £	2020/21 £ Impact	2020/21 % Impact
Borough General Expenses	143.54	149.65	+6.10	+4.25%
Town Special Expense Area	76.23	76.78	+0.55	+0.72%
Parish Area	54.85	54.53	-0.32	-0.59%

## Future Options for Special Expenses – Caldecott Park

Cost of Caldecott Park	2019/20 Budget £000s
Direct Costs	148
Indirect Costs	70
Income	(1)
<b>Total</b>	<b>217</b>
Less capital charges	(37)
<b>Total attributable to Special Expenses</b>	<b>180</b>

### Options:

1. Do nothing – total cost remains in special expenses and is funded from urban area precepts
2. Transfer 4% of the cost (£7,200) to general expenses based on 2017 usage survey
3. Transfer 9% of the cost (£16,200) to general expenses based on RAGM school visits 2016-2019
4. Transfer 18% of the cost (£32,400) to general expenses based on Benn Hall usage data
5. Transfer 100% of the cost (£180,000) to general expenses as the facility is deemed to be a benefit to the whole Borough

## Caldecott Park – Impact of options on 2020/21 Average Band D

### Options:

1. Do nothing – total cost remains in special expenses and is funded from urban area precepts
2. Transfer 4% of the cost (£7,200) to general expenses based on 2017 usage survey
3. Transfer 9% of the cost (£16,200) to general expenses based on RAGM school visits 2016-2019
4. Transfer 18% of the cost (£32,400) to general expenses based on Benn Hall usage data
5. Transfer 100% of the cost (£180,000) to general expenses as the facility is deemed to be a benefit to the whole Borough

	Option 1 Do Nothing £	Option 2 Transfer 4% £	Option 3 Transfer 9% £	Option 4 Transfer 18% £	Option 5 Transfer 100% £
Borough General Expense	<b>149.65</b>	+0.19	+0.42	+0.84	+4.66
Town Special Expense	<b>76.78</b>	-0.31	-0.70	-1.41	-7.83

## Future Options for Special Expenses - Town Centre Management & CCTV

Town Centre Management & CCTV	2019/20 Budget £000s
Net Expenditure	282,080

### Options:

1. Do nothing – total cost remains in special expenses and is funded from urban area precepts
2. Transfer 10% of the cost (£28,208) to general expenses based on Members vote.
3. Transfer 9% of the cost (£25,387) to general expenses based on RAGM School visits 2016-2019
4. Transfer 18% of the cost (£50,774) to general expenses based on Benn Hall usage data
5. Transfer 100% of the cost (£282,080) to general expenses as the facility is deemed to be a benefit to the whole Borough

## Town Centre & CCTV – Impact of options on 2020/21 Average Band D

### Options:

1. Do nothing – total cost remains in special expenses and is funded from urban area precepts
2. Transfer 10% of the cost (£28,208) to general expenses based on Members vote.
3. Transfer 9% of the cost (£25,387) to general expenses based on RAGM School visits 2016-2019
4. Transfer 18% of the cost (£50,774) to general expenses based on Benn Hall usage data
5. Transfer 100% of the cost (£282,080) to general expenses as the facility is deemed to be a benefit to the whole Borough

	Option 1 Do Nothing	Option 2 Transfer 10%	Option 3 Transfer 9%	Option 4 Transfer 18%	Option 5 Transfer 100%
Borough General Expense	149.65	+0.73	+0.66	+1.32	+7.31
Town Special Expense	76.78	-1.23	-1.10	-2.21	-12.27

## Future Options for Special Expenses - Cemeteries

Cemeteries	2019/20 Budget £000s
Net Expenditure	103,490

Data from Bereavement Services Manager:

	Burials from Rural Area	% of Total
2018/19	12	9
2017/18	8	6
2016/17	10	7
2015/16	13	7

### Options:

1. Do nothing – total cost remains in special expenses and is funded from urban area precepts
2. Transfer 9% of the cost (£9,314) to general expenses based on current activity data
3. Transfer 100% of the cost (£103,490) to general expenses as the facility is deemed to be a benefit to the whole Borough

## Cemeteries – Impact of options on 2020/21 Average Band D

### Options:

1. Do nothing – total cost remains in special expenses and is funded from urban area precepts
2. Transfer 9% of the cost (£9,314) to general expenses based on current activity data
3. Transfer 100% of the cost (£103,490) to general expenses as the facility is deemed to be a benefit to the whole Borough

	Option 1 Do Nothing £	Option 2 Transfer 9% £	Option 3 Transfer 100% £
Borough General Expense	149.65	+0.24	+2.68
Town Special Expense	76.78	-0.41	-4.50

## Cemeteries – further considerations

- Implications of Cemeteries reaching capacity
- Local Government Act 1972. Local Authorities Cemeteries Order 1977.  
*“A person whose name is on the electoral roll at the time of death has a right to be buried in their local authority area”*
- New Rainsbrook Cemetery – general or special expense?



## Capital Expenditure – Parks & Open Spaces

			2016/17	2017/18	2018/19
Parish Area	Long Lawford	s106	5,205	19,138	57,358
Town Area	Freemantle Road Park	s106	4,165	14,060	0
Town Area	Caldecott Park	s106	7,178	0	0
Town Area	Whitehall Rec	s106 + grant	261,921	25,580	0
Town Area	Millennium Green	s106 + grant	0	0	137,119
Town Area	Hollowell Way Park	S106 + grant + borrowing	0	0	151,086
Town Area	Various parks	borrowing	13,492	14,089	16,752
Town Area	Hillmorton rec	borrowing	54,532	0	0
Town Area	Addison Road Park	Borrowing	0	0	40,847
Town Area	Great Central Walk	Borrowing	0	47,217	69,012
			<b>346,493</b>	<b>120,084</b>	<b>472,174</b>

# Horizon Scanning

- When Parishes expand:
  - boundary changes i.e. Houlton?
- When setting precepts:
  - s106 funding running out
  - tax base changes