

Special Expenses

Cabinet

Date: 6th February 2013

Authors:	Cabinet Member for Finance and Board Director, Resources
Wards:	All
Locality Affected:	All
Parishes Affected:	All

1. Purpose and Reasons

- 1.1. To seek approval of the amounts to be charged as Special Expenses for the Financial Year 2013/14.
- 1.2. To enable the Council Tax calculations to be undertaken, which have to be set by statute by 11th March and are scheduled to be considered by Council on 21st February 2013.

2. Recommendations

Cabinet is asked to:-

- 2.1. Note that a Cabinet Member Advisory Group has reviewed the methodology for calculating the level of Special Expenses being incurred within the Borough and advised that the new methodology represented a more accurate reflection of the costs associated with providing parish-type services in the non-parished area of the Borough;
- 2.2. Agree the level of Special Expenses for 2013/14 shall be £1,001,388;
- 2.3. Note that the charge per household is unchanged from 2011/12 and 2012/13;
- 2.4. Note the list of sites that will be charged as Special Expenses in 2013-14 set out in Appendix 1; and
- 2.5. Note the expenses listed in Appendix 2 shall be charged to all households of the Borough and shall **not** be Special Expenses.

3. Detail

Process to update the Special Expenses Methodology

- 3.1. The Cabinet Member for Finance established a Cabinet Member Advisory Group to oversee a fundamental review of the costs that it is proposed should be charged by way of Special Expenses to the non-parished area of the Borough only. This involved reviewing the location and purpose of each asset located within the non-parished area of the Borough and determining whether each site was mainly used by local people or had a wider strategic purpose. Members of the Advisory Group confirmed at its meeting on 23rd October 2012 that they were content with the new methodology and that it represented a more accurate reflection of the costs associated with providing parish-type services in the non-parished area of the Borough.

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- 3.2. In order to calculate the level of Special Expenses, the Council needs to be mindful of the three key inputs to the calculation; the proposed level of Council Tax increase, the tax base for the Special Expenses area and the level of budgeted expenditure on Special Expenses items.
- 3.3. The Coalition Government has offered a two-year grant to authorities that freeze Council Tax levels in 2013-14. For Swindon, this amounts to £851k for each of the two years 2013-14 and 2014-15, which equates to the level of additional income it would raise from a 1% Council Tax increase in 2013-14 using the 2012-13 methodology for calculating the tax base. The grant is time-limited and funding levels would drop back from 2015-16.
- 3.4. Should Council wish to freeze Council Tax and also show no change to both the general and Special Expenses elements of the Council Tax bill, then the charge per Band D household needs to be maintained at £27.81 for the Special Expenses element. With a tax base for the non-parished area of 36,008.2 Band D equivalent properties, this would mean the total level of Special Expenses for 2013/14 should be set at £1,001,388.
- 3.5. The tax base for 2013-14 is lower than in 2012/13 due to changes to the Council Tax Support (CTS) Scheme. Essentially, under the current arrangements, Council Tax Benefit is treated as Council Tax income and those households on benefit are included in the tax base of a council area. Under the proposed new Council Tax Support Scheme, the Council Tax Support is treated as a discount in the tax base calculations so effectively, the tax base becomes the number of households that actually pay Council Tax (and excludes a pro rata proportion of those in receipt of CTS). This effectively reduces the amount of Council Tax income for councils. The Coalition Government is then replacing most of this lost Council Tax income with additional grant.
- 3.6. The reduction in the tax base would result in the Special Expenses charge per household increasing with no change in the total level of expenditure. However, the introduction of the new methodology for calculating the charge results in a reduction in the total level of Special Expenses without any change in service levels. This therefore partly mitigates the impact of the Council Tax Support changes.
- 3.7. Using the calculated tax base for the Special Expenses area and level of expenditure on Special Expenses items assumed in the Draft Budget for 2013-14, the charge per household would increase marginally above the 2012-13 level per household. However, in order to avoid confusion for tax payers receiving their Council Tax bills and potentially showing an increase in part of their Council Tax bill, the Advisory Group opined that a minor adjustment be made to the level of overheads charged in the calculation and that the charge per household for 2013-14 be set at the same level as 2012-13. This equates to a charge of £1,001,388 in total and Members are asked to agree that this be the level of Special Expenses for 2013-14.

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Table 1 – Changes to level of Special Expenses as a result of new methodology

	2012-13	2013-14
	£	£
Allotments	50,930	47,067
Open Spaces/Recreation	580,360	672,223
Bus Shelters	17,310	16,951
Community Centres	472,508	238,757
Dog Bins	41,130	26,390
	1,162,238	1,001,388
Divided By the tax base for the non-parished area	41,792.1	36,008.2
Charge per Band D Household	27.81	27.81

- 3.8. Table 1 above shows changes to the level of service expenditure chargeable as Special Expenses in 2013-14 compared to 2012-13. These changes are not as a result of changes to the level of service provided but are instead as a result of changes to the way the costs are apportioned between the General and Special Expenses areas. For Community Centres, there has been no change in service levels but the budgeted expenditure has been increased in 2013-14 to recognise the overspend on the service in 2012-13 as a result of greater than anticipated Council involvement in the management of the centres.

4. Alternative Options

- 4.1. Members could decide to recommend a different level of Special Expenses, which would result in the charge per household shown on the Council Tax bills being greater or smaller than that for 2012-13. As the Special Expenses form part of the Council's overall Budget, any increase or reduction would need to be compensated with a corresponding change to the level of general expenses, if Members were minded to keep the overall Council Budget unchanged. Each £100k change in the level of Special Expenses would result in a 10% change in the Band D Council Tax charge for the non-parished area and a corresponding 0.1% change in the General Expenses charged across all households in the Borough. The table below sets out the impact for a range of alternative sums.

Table 2 – Impact of Alternative Levels of Special Expenses

	Special Expenses			General Expenses		
	Total	Band D	Change	Change	Band D	Change
	£'000	£	%	£'000	£	%
100k lower than proposed level	901	25.03	-10.0%	100	1,132.33	+0.1%
Proposed Level 2013-14	1,001	27.81	0.0%	0	1,130.80	0.0%
100k higher than proposed level	1,101	30.59	+10.0%	-	1,129.27	-0.1%

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5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1. Where there are financial implications these have been reflected in the body of the report.

Legal and Human Rights Implications

- 5.2. Legal and human rights implications have been taken into account in drafting this report. It is considered that the recommendations are compatible with Convention Rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3. There are no such direct implications.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4. The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

Diversity Impact Assessment

- 5.5. The report is making no recommendations around changes to services so no diversity impact assessment has been undertaken.

6. Consultees

- 6.1. The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted on all reports.

7. Background Papers and Appendices

Background Paper:-

- 7.1. Report to the Corporate Government Working Group – 23rd October 2012

Appendices:-

- 7.2. Appendix 1a – Open Spaces proposed to be charged as Special Expenses in 2013-14
- 7.3. Appendix 1b – Recreation Sites proposed to be charged as Special Expenses in 2013-14
- 7.4. Appendix 2 – Sites proposed to be charged as General Expenses in 2013-14

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Appendix 1a

Special Expenses 2013-14 - Open Spaces

Location	Previously listed as:-
Angel Ridge	
Camden Close Grange Park	
Eastleaze Field	Play Area
Folly Field.	
Freshbrook Field	
Greendown Field	Bess Road Play Area
Greendown Plantation	
Hayland Copse	Hay Lane Copse
Hesketh Crescent Play Area	
Horseshoe Crescent	
Kiln Field	
Langstone Way	
Liden Green	
Liden parkway	
Mayenden Field	
Mead Field Freshbrook	
Okus Wood	
Plough Furlong	Nine Elms
Royal Mead	
Sandringham Rd Open space	
Shanhill Field Freshbrook	
Snodshill Park Eldene	
Sparcells Farm Field	
Toothill Parkway	
Toothill Park	
Turnpike Field Freshbrook	
White Edge Moor Play Area	
Whitehill Field	
Wick Lane, Liden	
Wick Lane Play Areas	
Withymead Field	The Chesters

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Appendix 1b

Special Expenses 2013-14 – Recreation

Location	Previously listed as:
Alanbrook Crescent Play Area	
Alton Close Play Area	
Barnum Court Play Area	Deaves Court
Broad Green Play Area	
Cambria Bridge Rec Ground	
Churchward Park	Penzance Drive under open spaces
Clay Hill Play Area	
Clay Pit Park	
Colingsmead Play Area	
Concord Drive	
Edinburgh St Rec Ground	
Elm Ridge Play Area	
Euclid St Recreation Ground	
Godolphin Close Play Area	
Guildford Avenue Open Space	
Haylane Grange Park	
Huntley Close Play Area	
Iffley Road Open Space	
Lordsmith Green Play Area	
Minety Road Play Area	
Munro Close Play Area	
Nine Elms Play Area	
Oliver Close Play Area	
Pembroke Park Play Area	
Penhill Park Play Area	
Pinehurst West Play Area	
Quarry Road Rec Ground	
Rodbourne Recreation Ground	
Savenake Street Play Area	
Spring Gardens Rec Ground	
The Circle	
The Holbeins Play Area	
The Park, Faringdon Road	
The Quarries	
Uxbridge Close Play Area	
Walcot West Play Area	Eastern Avenue Play Area
Westcott Recreation Ground	
Wilcox Close	
Wills Avenue Play Area	

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Appendix 2

List of sites, by statute, which are recommended to be charged generally

Function	Power / Duty	Location	Reason
Recreation	Purchase/lease plant & lands for public walks or pleasure grounds	Bruddel Woods.	2
		Canal Walk.	2
		Cheney Manor Ponds	2
		Cheney Manor Rec. Ground.	2
		Clanfield Road Play Area	3
		County Ground.	2
		Covingham Walk.	1
		Cowdrey Close Play Area	3
		Crawford Close East Play Area	3
		Crawford Close West Play Area	3
		Croftwoods	2
		Deerhurst Way Play Area	3
		Dorset Green Play Area	3
		Dulverton Play Area	3
		Fleetwood Court Play Area	3
		Freshbrook Way Play Area	3
		Gainsborough Way Play Area	2
		Great Copse	3
		Hawthorn Road Play area	2
		Hreod Burna Parkway.	2
		Kimberley Play Area	3
		Kingshill Canal	3
		Leslie Close Play Area	3
		Linden Avenue Play Area	3
		Longthorpe Close Play Area	3
		Lydiard Country Park	2
		Lyndhurst Crescent Play Area	2
		Mannington Recreation Ground	2
		Markenfield Play Area	3
		Marlborough Road Recreation Ground	2
		Medlar Court Play Area	3
		Melksham Close Play Area	3
		Monkton Close Play Area	3
		Moredon Canal	2
		Moredon Playing Field & Sports	2
		Oakham Close South Play Area	3
		Penhill Copse.	2
		Penhill Park Area.	2
		Pheasant Close Play Area	3

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Function	Power / Duty	Location	Reason
Recreation <i>ctd.</i>		Pilgrim Close Play Area	3
		Queens Park	2
		Ramsbury Avenue Play Area	3
		Risingham Mead Play Area	3
		Rodbourne Cheney Rec. Ground.	2
		Wheeler Avenue Play Area	3
		Sevenfields	2
		Shaftesbury Avenue Play Area	3
		Shrewton Walk & Play Area	3
		Southbrook Recreation.	2
		Stamford Close West Play Area	3
		Stanfield Close East Play Area	3
		St Marks Recreation Ground.	2
		Swindon Road Park	1
		The Meads Play Areas Eldene	3
		The Lawn Amenity Area.	2
		The Park	2
		Tintagel Close Play Area	3
		Tovey Road Play Area	3
		Town Gardens	2
		Tulip Tree Close Play Area	3
		Wakefield Play Area	3
		Walcot Recreation Ground.	2
		Weedon Rd. Open Space.	1
		Winterslow Road Play Area	3
Open Spaces	Power to acquire &	Basil Close.	1
	Power to maintain.	Blackland Copse	2
		Blagrove Parkway	2
		Bryony Way Field	1
		Caraway Drive	3
		Clover Park Woodhall Park	1
		Conisborough Play Area	3
		Dalefoot Woodhall Park	3
		Fenland Close	3
		Fiveways Field Play Area	3
		Francombes	2
		Freshbrook Parkway	2
		Gutters Close Field	2
		Haydon Brook Parkway.	2
		Haydon Brook Walk	2
		Heaton Close	1
		Highdown Way	1

Further information on the subject of this report can be obtained from
Kirsty Cole on Direct Dial No. 464610 or Email kcole@swindon.gov.uk

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Function	Power / Duty	Location	Reason
Open Spaces ctd.		Highland Close Shaw	3
		Liden Drive Play Area	3
		Liden Park	2
		Little Copse	1
		Mellow Ground Copse (Bluebell Copse)	1
		Mellow Ground Field.(Westfield Way Field)	1
		Newark Close Play Area	3
		Oasthouse Middleleaze	3
		Oliver Close	3
		Peatmoor Copse.	2
		Peatmoor Lagoon.	2
		Picton Close Middleleaze	3
		Peatmoor Park	2
		Rectory Field	2
		Redcap Gardens Shaw	3
		Richard Jefferies Parkway.	2
		Riverside Park	2
		Shaw Forest Park	2
		Shaw Ridge	2
		Shaw Valley Parkway	2
		Standon Way	1
		Tadpole Brook	1
		Tamworth Drive	3
		The Ridge Woodhall Park.	1
		Wallis Drive	1
		Westlea Park	2
		Westlea Parkway	2
		Westfields Way Copse	1
		Wick Farm Orchard	1
		Woodhall & Moredon Parkway	2

Reason

- 1 This indicates a function provided within a Parish by the Borough Council, which has not been charged specifically to the Parish concerned. These cost have historically been charged as a general expense, and it as proposed that this should be continued.
- 2 These are sites provided and maintained as part of the strategic aim of the Council to enhance the overall environmental look of the Borough and to improve the quality of life for people seeking a more leisurely way to spend their spare time. Sites set aside for football, cricket and similar games are part of the Council's strategy to encourage outdoor sports and are therefore included in this category.
- 3 Play spaces used for informal play, which incur inspection and maintenance costs.