

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<i>Kings Lynn Area Committee (KLAC)</i>		
DATE:	21 November 2024		
TITLE:	Recommendations on Special Expense Charge for King's Lynn		
TYPE OF REPORT:	<i>Policy Development</i>		
PORTFOLIO(S):	Cllr Chris Morley, Portfolio Holder for Finance		
REPORT AUTHOR:	Michelle Drewery, Assistant Director Resources		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

### **REPORT SUMMARY**

PURPOSE OF REPORT/SUMMARY:
To consider the proposed King's Lynn Special Expenses for the year 2025/2026
KEY ISSUES:
<p>The terms of reference for the King's Lynn Area Committee (KLAC) describe one of its roles as acting as a forum, on the funding raised by, and utilisation of the King's Lynn Special Expenses including the determination of where surplus funding raised in connection with King's Lynn special expenses should be utilised in the area. KLAC can also determine the spend of any budget allocated to them and also provide recommendations to Cabinet on new priorities for King's Lynn Special Expenses.</p> <p>Any recommendations will need to be made in full consideration of the implications on the Special Expenses charge.</p>
OPTIONS CONSIDERED:
<ol style="list-style-type: none"> <li>1. Make no recommendations for changes to Special Expenses for the 2025/2026 financial year.</li> <li>2. Make recommendations to Cabinet on the priorities for, and utilisation of, the Special Expenses charge for King's Lynn, for the period 2025/2026</li> </ol>
RECOMMENDATIONS:
<ol style="list-style-type: none"> <li>1. That the Committee endorse the Special Expenses charge for 2025/2026 as set out in section 2.2 of the report.</li> </ol>
REASONS FOR RECOMMENDATIONS:
Making recommendations on the utilisation of Special Expenses for King's Lynn was within the original terms of reference of the Committee.

## 1. Introduction

1.1 The Terms of Reference for KLAC set out the following:

- To determine the spend of any budgets allocated to KLAC
- To determine where surplus funding raised in connection with King's Lynn Special Expenses should be utilised within the area
- To provide recommendations to Cabinet on new priorities for King's Lynn Special Expenses.
- To monitor King's Lynn Special Expenses throughout the financial year.

1.2 The Local Government Finance Act 1992 defines a Local Authority's Special Expenses. It states that Special Expenses are any expenses incurred by the authority in performing in a part of its area, a function performed elsewhere by a Parish Council.

1.3 Special Expenses are currently charged for:

- Footway Lighting
- Play Areas
- Community Centres
- Closed Churchyards
- Allotments
- Pavilions
- Dog Bins
- Open Spaces
- Bus Shelters
- Public Conveniences (80% of costs of Walks Broadwalk and Management Building facilities)
- Parish Partnership
- Play area (Capital Scheme)

1.4 The total cost of Special Expenses is met by the Council taxpayers of King's Lynn. The annual charge to the residents is made through an addition to the Council Tax bill. The table below details the special expenses charge 2024/2025 for King's Lynn.

	<b>Charge 2024/2025 £</b>
Footway Lighting	54,130
Play Areas	51,030
Community Centres	56,140
Closed Churchyards	12,800
Allotments	9,940
Pavilions	62,960
Dog bins	14,970
Open Spaces	353,610
Bus Shelters	6,800
Public Conveniences	16,140
Parish Partnership Traffic Calming	640
<b>Total</b>	<b>639,160</b>
Borough Council Budget Support	(60,340)

<b>Revised Total</b>	<b>578,820</b>
Taxbase	11,019.1
<b>Band D Charge</b>	<b>52.53</b>
Band D Charge 2023/2024	51.45
<b>Increase</b>	<b>£1.08</b>
<b>Percentage Increase</b>	<b>2.1%</b>

## 2. Special Expenses 2025/2026

2.1 The council tax base for King's Lynn for 2025/2026 is currently estimated at 11,192.1 which is an increase of 173 from 2024/2025. This is subject to approval at this time.

2.2 The table below details the estimated cost of special expense charges for King's Lynn:

	<b>Charge 2025/2026 £</b>
Footway Lighting	50,080
Play Areas	52,260
Community Centres	55,810
Closed Churchyards	13,350
Allotments	10,650
Pavilions	61,970
Dog bins	15,350
Open Spaces	366,560
Bus Shelters	17,500
Public Conveniences	16,710
Parish Partnership Traffic Calming	0
Gaywood Remembrance Service	2,000
<b>Total</b>	<b>662,240</b>
Borough Council Budget Support - TBC	-
<b>Revised Total</b>	<b>662,240</b>
Taxbase	11,192.1
<b>Band D Charge</b>	<b>59.17</b>
<b>Band D Charge 2024/2025</b>	<b>52.53</b>
<b>Increase</b>	<b>£6.64</b>
Percentage increase	11.22%

2.3 The main movements between the special expenses charges for 2024/2025 and 2025/2026 are –

- Footway lighting decrease of £4,050 – this decrease in costs is due to an expected decrease in utility rates due to prices advised to take effect from 1 April 2025. This is an estimated figure and is still being reviewed and is subject to change.
- Open Spaces increase of £12,950 – this increase is due to an estimated increase in staffing costs. This is an estimated figure and is still being reviewed and is subject to change.
- Bus Shelters increase of £10,700 – this increase is due to the loss of the advertising income, which is not anticipated to be able to re-realise.
- Parish Partnership Traffic Calming decrease of £640 – these schemes have now ceased as the proposed timeframe to reclaim the project funding has elapsed.
- Gaywood Remembrance Service increase of £2,000 – this cost has been built in for the cost of the road closure and stewards in relation to the Gaywood Remembrance Services as a longer-term funding solution.

NB – It is worth noting that all of the areas are estimated figures at the present time but could be subject to change when our base budget assumptions are approved/confirmed later in the month. The referendum limits may also change when the December Budget is announced later in the year, which may allow us to charge more before breaching the limits.

2.4 The above figures present a significant increase in the cost of services provided through special expenses. The increase of £6.64 slightly exceeds the £5 increase in council tax that the council is permitted to levy without going through a referendum exercise.

2.5 The council applies a notional split of the £5 increase in council tax as follows:

Borough Council	£4.50
Special Expenses	£0.50

2.6 In order to bring the level of increase in special expenses down from £6.64 to £0.50, this will require supplementing from the council's budget. The council will not know the true figure until the budget setting process is near completion and the council tax resolution can be calculated in detail. The council will maximise the £0.50 increase across all special expenses and arrive at a balancing figure. This will take into account the overall level of special expenses across all parishes.

### **3. New Schemes**

3.1 There are currently no proposals for new schemes for consideration at the time of writing this report. However, as can be seen from the detail in the report, there is no spare capacity to fund any new schemes at this point in time.

### **4. Financial Implications**

4.1 There will be financial implications associated with the allocation of Special Expenses. The implications will be dependent on the recommendations which the Committee make to Cabinet.

- 4.2 As can be seen from the report, increases in the level of special expenses will have an impact on the council's core budget. If the council exceeds the £5 council tax referendum limit (subject to confirmation) on increasing council tax overall, it may be necessary to make further amendments to comply with the legislation on council tax increases. These will be reported back accordingly.
- 4.3 Due to the significant increase in special expense cost, the financial implications may impact on future years also which will limit the possibility of any new schemes being brought forward unless fully funded.

## **5. Conclusion**

- 5.1 The Committee is asked to consider and endorse the special expenses charge for 2025/2026 and corresponding council supplement as set out in the report whilst noting the financial implications also set out in the report.