

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<i>Kings Lynn Area Consultative Committee (KLACC)</i>		
DATE:	9 <sup>th</sup> November 2020		
TITLE:	Recommendations on Special Expense Charge for King's Lynn		
TYPE OF REPORT:	<i>Policy Development</i>		
PORTFOLIO(S):	TBC		
REPORT AUTHOR:	Michelle Drewery		
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 2021/2022.
KEY ISSUES:
<p>The terms of reference for the King's Lynn Area Consultative Committee (KLACC) describe one of its roles as acting as a consultative forum, on the funding raised by, and utilisation of the King's Lynn Special Expenses, and to offer input on priorities for this expenditure and if appropriate the level of funds to be raised. This will need to be a recommendation to Cabinet.</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 2021/2022 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 2021/2022.</li> </ol>
RECOMMENDATIONS:
<ol style="list-style-type: none"> <li>1. That the Committee endorse the Special Expenses charge for 2021/2022 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 One of the Terms of Reference of KLACC, is “to act as a consultative forum on the funding raised by, and utilisation of the King’s Lynn Special Expenses, and to offer input on priorities for this expenditure and if appropriate the level of funds to be raised.”

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 tax payers 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 2020/2021 for King’s Lynn.

	<b>Charge 2020/2021 £</b>
Footway Lighting	39,220
Play Areas	36,600
Community Centres	43,550
Closed Churchyards	10,390
Allotments	7,470
Pavilions	33,480
Dog bins	12,650
Open Spaces	302,380
Bus Shelters	750
Public Conveniences	13,820
Parish Partnership Traffic Calming	1,445
Capital Scheme - Play Area	2,345
<b>Total</b>	<b><u>504,100</u></b>
Less Council Tax Support Grant	(7,050)
<b>Net Total Charged as Special Expenses</b>	<b>497,050</b>
Taxbase 2020/2021	10,672.1
<b>Band D Charge 2020/2021</b>	<b>46.57</b>

Band D Charge 2019/2020	46.79
<b>Decrease</b>	<b>0.22</b>
<b>Percentage Decrease</b>	<b>0.46%</b>

- 1.5 Due to the impact of Covid and subsequent closure of some buildings to the general public during lockdown, it was necessary to relocate some council staff to South Lynn Community Centre in order to provide a Covid-safe working environment for staff. It has not yet been possible to move staff back to their original place of work at this time. The implication of this is that the council has agreed to waiver any charges for the Centre whilst it cannot be used by the Community resulting in an estimated £20k saving on Special Expenses for 2020/21. The use of this has been considered where details are set out in a separate report from the informal working group for Open Spaces. Please see section 3 for further information in relation to this.

## 2. Special Expenses 2021/2022

- 2.1 The council tax base for King's Lynn for 2021/2022 is estimated at 10,660.2 which is a decrease of 11.9 from 2020/2021. This is subject to approval at this time.
- 2.2 The table below details the special expenses charge 2021/2022 for King's Lynn.

	<b>Charge 2021/22 £</b>
Footway Lighting	49,325
Play Areas	37,900
Community Centres	45,200
Closed Churchyards	10,570
Allotments	7,900
Pavilions	34,750
Dog bins	11,760
Open Spaces	317,750
Bus Shelters (Parish Partnership)	750
Bus Shelters	8,900
Public Conveniences	14,070
Parish Partnership Traffic Calming	1,445
Capital Scheme - Play Area	2,345
<b>Total</b>	<b>542,665</b>
Less Council Tax Support Grant	(6,873)
<b>Net Total Charged as Special Expenses</b>	<b>535,792</b>
Taxbase 2021/2022	10,660.2
<b>Band D Charge 2021/2022</b>	<b>50.26</b>
Band D Charge 2020/2021	46.57
<b>Increase</b>	<b>£3.69</b>

## **Percentage Increase**

**7.91%**

Note: Band D Charge is subject to a further increase of 14p if the recommendation of the informal working group for Open Spaces for CCTV is approved.

2.3 The main movements between the special expenses charge for 2020/2021 and 2021/2022 are –

- Footway lighting – this increase of £10,105 is in relation to a planned refit of lighting in 2021/22. Once completed it is expected the planned costs will reduce in line with current year spend again with a potential reduction in electricity costs. This is currently being explored as a capital item and if confirmed could be apportioned over the lifetime of the asset. If this can be treated as such, it will reduce the cost as set out in 2.2.
- Open Spaces – this increase is due to extra grass cutting taken on at additional areas without a commuted sum - mainly Marsh Lane and Lynnsport.
- Bus Shelters – the figure of £8,900 relates to the net cost of maintaining bus shelters which has been funded in recent years by a reserve which is forecast to be fully expended in the current financial year.

2.4 It was anticipated that the Council would not receive any revenue support grant in 2021/2022 due to implementation of reforms to local government funding. However, due to the pandemic, the reforms have now been deferred. At the time of writing this report, the council has been given no information on what financial settlement it might receive from Government for 2021/22 other than a one year settlement is likely where details are expected to follow later in the year. It is assumed that the continuation of the council tax support grant will be passed on to parishes as it has done in recent years. If this changes, then this element will need to be removed from the calculation for special expenses. In the meantime, the amount of council tax support grant allocated to King's Lynn special expenses is based on the number of council tax payers receiving the discount and in 2021/2022 the grant is £6,873, a reduction of £177. Local council tax support reduces in line with the Borough's reduction in revenue support grant. As it is anticipated that this continues for one year into 2021/2022 the level of support is anticipated to remain the same as for 2020/2021.

2.5 Consideration needs to be given to the affordability of any new schemes as to whether they are within the £5 limit on increasing council tax.

### **3. New Schemes**

3.1 A number of proposals for the Play Areas are detailed in a separate report from the informal working group for Open Spaces. This also includes proposals for the £20k underspend mentioned in paragraph 1.5. If the CCTV proposal is approved this will add 14p to the 2021/2022 special expenses charge, taking it from £49.43 to £49.57.

### **4. Financial Implications**

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

4.2 In the event that there is any remaining underspend from the current estimate of £20k, this could be used to offset some of the increased costs for 2021/22.

## **5. Conclusion**

- 5.1 As part of their terms of reference the King's Lynn Area Consultative Committee (KLACC) can make recommendations on priorities for the expenditure and if appropriate the level of funds to be raised through Special Expenses within King's Lynn.
- 5.2 The Committee is asked to consider and endorse the special expenses charge for 2021/2022 as set out in the report.