

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<i>Kings Lynn Area Consultative Committee (KLACC)</i>		
DATE:	11 th November 2021		
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 2022/2023.
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">1. Make no recommendations for changes to Special Expenses for the 2022/2023 financial year.2. Make recommendations to Cabinet on the priorities for, and utilisation of, the Special Expenses charge for King's Lynn, for the period 2022/2023.
RECOMMENDATIONS:
<ol style="list-style-type: none">1. That the Committee endorse the Special Expenses charge for 2022/2023 as set out in section 2.2 of the report.
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 2021/2022 for King’s Lynn.

	Charge 2021/2022 £
Footway Lighting	49,325
Play Areas	37,900
Community Centres	26,980
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
Total	524,445
Less Council Tax Support Grant	(6,873)
Net Total Charged as Special Expenses	517,572
Taxbase 2021/2022	10,660

Band D Charge 2021/2022	48.50
Band D Charge 2020/2021	46.58
Increase	£1.92
Percentage Increase	4.13%

1.5 Due to the impact of Covid and subsequent closure of some buildings to the general public since 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 is expected that staff will be shortly be relocated back to their original place of work so the centre will be able to resume some of its usual functions accepting there may be continuing covid safe practices that needs to be complied with. The community centre budget was reduced for 2021/2022 to take account of the reduction in costs but will be reinstated from 2022/2023.

2. Special Expenses 2022/2023

2.1 The council tax base for King's Lynn for 2022/2023 is estimated at 10,768 which is an increase of 108 from 2021/2022. This is subject to approval at this time.

2.2 The table below details the special expenses charge 2021/2022 for King's Lynn.

	Charge 2022/2023 £
Footway Lighting	44,980
Play Areas	46,550
Community Centres	51,650
Closed Churchyards	10,910
Allotments	7,230
Pavilions	36,420
Dog bins	12,140
Open Spaces	300,820
Bus Shelters	7,450
Public Conveniences	14,520
Parish Partnership Traffic Calming	1,450
Total charged as Special Expenses	534,120
Taxbase 2022/2023	10,768
Band D Charge 2022/2023	49.60
Band D Charge 2021/2022	48.50
Increase	£1.10
Percentage Increase	2.27%

2.3 The main movements between the special expenses charge for 2021/2022 and 2022/2023 are –

- Footway lighting reduction of £4,345 – an additional cost was incurred in 2021/2022 due to a planned refit of lighting. It is currently expected that costs will reduce in line with previous years spend. However, we are waiting for confirmation of this so there is a risk this figure could increase on confirmation.
- Play areas increase of £6,305 – this increase is due to a general increase in repairs and maintenance costs reflected increases incurred in the last two financial years. Some additional cost also incurred related to covid compliance measures being implemented, however, this was funded by grant income.
- Community Centres increase of £24,670 – this increase is a result of reinstating the community centre budget as explained at paragraph 1.5
- Closed churchyards, pavilions, dog bins, public conveniences – these increases are based on inflationary increases.
- Open Spaces reduction of £16,930 – this decrease is due to the removal of a site at Salters Road. There was also a review undertaken of tractor cutting to ensure plans aligned with maintenance on the ground
- Bus Shelters reduction of £2,200 – this reduction is the net change in estimated costs reflecting an increase in bus shelter income from advertising which is offset by the contribution to the proposed bus shelter scheme of £2,300 (see Section 3).

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 were deferred and the council received a one year settlement which included continuation of the revenue support grant for one year. The council currently has no information on what financial settlement it might receive from Government for 2022/23 at this stage. Central Government have indicated to Government Departments such as the Department for Levelling Up, Housing and Communities (formally MHCLG) that there may be a multi-year settlement but there is no certainty that this will be passed on to Local Authorities. Without any certainty, it has been necessary to remove the Council Tax Support Grant element from the calculation for special expenses.

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 There is one new scheme proposed for consideration at the time of writing this report for a bus shelter at Elvington Road, King's Lynn. This is set out in detail in a separate report. The proposal is for a bid to the Parish Partnership Fund with an estimated cost of £8,595.

3.2 If successful, 50% funding will awarded from the fund and £2,000 has been offered as a match funding contribution from Cllr Colwell (from the Local Member Fund). This leaves £2,300 to be met through special expenses. This cost can be spread across 5 years equating to £460 per annum (4.3p per Band D equivalent).

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 If the proposed bus shelter scheme at Section 3 is not successful then the costs will be removed from special expenses accordingly. This would reduce the increase from £1.10 per Band D equivalent to £0.89 (2.27% to 1.83%).
- 4.3 If special expenses exceed the £5 council tax referendum limit (subject to confirmation) on increasing council tax, it may be necessary to make further amendments to comply with the legislation on council tax increases. These will be reported back accordingly.

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 2022/2023 as set out in the report whilst noting the financial implications as set out in the report.