

REPORT TO:	<i>Kings Lynn Area Consultative Committee (KLACC)</i>		
DATE:	7th December 2022		
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 2023/2024.
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 2023/2024 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 2023/2024.
RECOMMENDATIONS:
<ol style="list-style-type: none"> 1. That the Committee endorse the Special Expenses charge for 2023/2024 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 2022/2023 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
Capital Scheme - Play Area	
Total	533,320
Taxbase 2022/2023	10,768
Band D Charge 2022/2023	49.53
Band D Charge 2021/2022	48.50

Increase **£1.03**

Percentage Increase **2.12%**

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. The Community Centre budget was reinstated in full during 2022/2023 as it was expected that staff would return to their usual place of work. Whilst restrictions have since been lifted, some staff continue to be located at the Community Centre due to continuing measures that the council is operating within. However, sections of centre have been reopened to the public with some usual functions resumed.

2. Special Expenses 2023/2024

2.1 The council tax base for King's Lynn for 2023/2024 is currently estimated at 10,835 which is an increase of 67 from 2022/2023. 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:

	Charge 2023/2024 £
Footway Lighting	68,130
Play Areas	50,330
Community Centres	66,460
Closed Churchyards	12,370
Allotments	9,040
Pavilions	65,200
Dog bins	13,290
Open Spaces	339,320
Bus Shelters	8,590
Public Conveniences	15,950
Parish Partnership Traffic Calming	1,450
Total charged as Special Expenses	650,130
Taxbase 2023/2024	10,835
Band D Charge 2023/2024	60.00
Band D Charge 2022/2023	49.53
Increase	£10.47
Percentage Increase	21.15%

2.3 The main movements between the special expenses charges for 2022/2023 and 2023/2024 are –

- Footway lighting increase of £23,150 – this increase in costs is due to a significant increase in utility rates of circa 57%. This is an estimated figure

including an element of forecasting so there is a possibility that this could increase further.

- Play areas increase of £3,870 – this increase reflects an increase in staffing costs and a small increase for utility costs.
- Community Centres increase of £14,810 – this increase is a result of significant increase in utility costs and a reduction in income levels due to a decline in room lettings and associated recharges.
- Closed churchyards, pavilions, dog bins, public conveniences – these increases are based on inflationary increases reflecting staffing, utility and general inflation increases.
- Open Spaces increase of £38,500 – this increase is again a reflection of increases in staffing costs as well as other inflationary increases.
- Bus Shelters increase of £1,140 – this is incorporating an increase in utility costs and the inclusion of the new bus shelter scheme running costs. This is offset by a reduction in rates and an increase in advertising income.

2.4 The above figures present a significant increase in the cost of services provided through special expenses. The increase of £10.47 significantly 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 £10.47 to £0.50, this will require supplementing from the council's budget. This supplement is currently estimated at around £108,000. 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. It should be noted that £0.50 equates to £5,400 based on the council tax base of 10,835.

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 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 2023/2024 and corresponding council supplement as set out in the report whilst noting the financial implications also set out in the report.