

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<i>Kings Lynn Area Consultative Committee (KLACC)</i>		
DATE:	16 November 2023		
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**

<b>PURPOSE OF REPORT/SUMMARY:</b>
To consider the proposed King's Lynn Special Expenses for the year 2024/2025.
<b>KEY ISSUES:</b>
<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>
<b>OPTIONS CONSIDERED:</b>
<ol style="list-style-type: none"><li>1. Make no recommendations for changes to Special Expenses for the 2024/2025 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 2024/2025.</li></ol>
<b>RECOMMENDATIONS:</b>
<ol style="list-style-type: none"><li>1. That the Committee endorse the Special Expenses charge for 2024/2025 as set out in section 2.2 of the report.</li></ol>
<b>REASONS FOR RECOMMENDATIONS:</b>
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 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 2023/2024 for King’s Lynn.

	<b>Charge 2023/2024 £</b>
Footway Lighting	96,840
Play Areas	50,380
Community Centres	78,780
Closed Churchyards	12,160
Allotments	8,550
Pavilions	80,350
Dog bins	13,290
Open Spaces	338,430
Bus Shelters	11,630
Public Conveniences	16,250
Parish Partnership Traffic Calming	1,450
<b>Total</b>	<b>708,110</b>
Borough Council Budget Support	(150,670)
<b>Revised Total</b>	<b>557,440</b>
Taxbase 2023/2024	10,835
<b>Band D Charge 2023/2024</b>	<b>51.45</b>

Band D Charge 2022/2023	49.53
<b>Increase</b>	<b>£1.92</b>
<b>Percentage Increase</b>	<b>3.88%</b>

1.5 Since the closure of some buildings to the general public during the pandemic, some council staff have remained at South Lynn Community Centre. The Community Centre budget was reinstated in full during as it was expected that staff would return to their usual place of work but for various reasons this has not happened. As a result, a sum of £10,810 was set aside in a reserve which relates to the sum returned in 2022/2023 due to this occupancy. It is expected that this will be used to contribute towards capital improvement schemes as proposed and supported by KLACC members.

## 2. Special Expenses 2024/2025

2.1 The council tax base for King's Lynn for 2024/2025 is currently estimated at 11,019 which is an increase of 184 from 2023/2024. 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>Estimate 2024/2025 £</b>
Footway Lighting	99,310
Play Areas	51,360
Community Centres	81,060
Closed Churchyards	12,580
Allotments	7,570
Pavilions	87,860
Dog bins	14,970
Open Spaces	357,770
Bus Shelters	6,530
Public Conveniences*	15,950
Parish Partnership Traffic Calming*	1,450
<b>Total</b>	<b>736,410</b>
*Note these items are subject to update	
Borough Council Budget Support	(TBC)
<b>Revised Total</b>	<b>736,410</b>
Taxbase 2023/2024	11,019
<b>Band D Charge 2023/2024</b>	<b>66.83</b>
Band D Charge 2022/2023	51.45
<b>Increase</b>	<b>£15.38</b>
<b>Percentage Increase</b>	<b>29.90%</b>

2.3 The main movements between the special expenses charges for 2023/2024 and 2024/2025 are –

- Footway lighting increase of £2,470 – this increase in costs is due to an expected increase in utility rates due to new contract prices advised to take effect from 1 April 2024. This is an estimated figure and is still being reviewed and is subject to change.
- Play areas increase of £980 – a new schedule and itinerary has been developed. Further clarification required on whether this increase reflects this.
- Community Centres increase of £2,280 – this increase in costs is due to an expected increase in utility rates due to new contract prices advised to take effect from 1 April 2024. This is an estimated figure and is still being reviewed and is subject to change.
- Closed churchyards increase of £420 is due to an estimated increase in staffing costs.
- Allotments reduction of £980 is the net position following an estimated increase in rental income of £1,720 offset by an increase in costs for maintenance and staffing.
- Pavilions increase of £7,510 is mainly due to increase in utility costs. This is being investigated and is subject to change.
- Dog bins increase of £1,680 is due to an inflationary increase of 6.8%
- Open Spaces increase of £19,340 – this increase is due to an estimated increase in staffing costs as well as other inflationary increases including utility costs so is subject to change.
- Bus Shelters decrease of £5,100 – this decrease in costs is due to an expected decrease in utility rates due to new contract prices advised to take effect from 1 April 2024. This is an estimated figure and is still being reviewed and is subject to change.
- Public conveniences decrease of £300 – these increases are based on inflationary increases for materials and staffing.

2.4 The above figures present a significant increase in the cost of services provided through special expenses. The increase of £15.38 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 £15.38 to £0.50, this will require supplementing from the council's budget. This supplement is currently estimated at around £163,980. 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 £5,510 based on the council tax base of 11,019.

### **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 2024/2025 and corresponding council supplement as set out in the report whilst noting the financial implications also set out in the report.