

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<i>Kings Lynn Area Consultative Committee (KLACC)</i>		
DATE:	26 th September 2024		
TITLE:	Budget Monitoring on Special Expense Charges for King's Lynn		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Cllr Chris Morley, Portfolio for Finance		
REPORT AUTHOR:	Michelle Drewery		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY

PURPOSE OF REPORT/SUMMARY:
To provide an update on King's Lynn Special Expenses for the years 2023/2024 and 2024/2025.
KEY ISSUES:
<p>The terms of reference for the King's Lynn Area Committee (KLAC) 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 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>
RECOMMENDATIONS:
<ol style="list-style-type: none">1. That the Committee consider the outturn for 2023/2024 and the monitoring position and projected outturn for 2024/2025 as detailed in 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 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 This report provides members with information on the final outturn position for 2023/24 and also the current position for 2024/25 for the period to end of August 2024.

1.4 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)

1.5 The total cost of Special Expenses should be 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.

2. Outturn Position 2023/24

2.1 The table below details the outturn position for the special expenses charge for 2023/2024 for King's Lynn:

	Charge 2023/2024	Outturn 2023/2024	Variance
	£	£	
Footway Lighting	96,840	98,787	1,947
Play Areas	50,380	62,700	12,320
Community Centres	78,780	35,609	-43,171
Closed Churchyards	12,160	12,160	0
Allotments	8,550	3,480	-5,070
Pavilions	80,350	86,245	5,895

Dog bins	13,290	14,970	1,680
Open Spaces	338,430	338,430	0
Bus Shelters	11,630	2,432	-9,198
Public Conveniences	16,250	16,254	4
Parish Partnership Traffic Calming	1,450	638	-812
Total	708,110	671,704	-36,406
Less BC Budget Support	-150,670	-114,264	
Net Total Charged as Special Expenses	557,440	557,440	
Taxbase	10,834.80	10,834.80	
Band D Charge	51.45	51.45	

2.2 The reasons for the main variances are detailed below –

- Footway lighting overspend due to increased repairs and maintenance costs offset by lower than anticipated electricity costs.
- Play Areas overspend due to a general increase in repairs and maintenance.
- Community Centres underspend due to significant additional income received at Fairstead Community Centre, negating the need for a Special Expenses contribution.
- Allotments underspend due to a reduction in repairs and maintenance costs.
- Pavilions overspend due to increased repairs and maintenance costs.
- Bus Shelters underspend due to a general reduction in repairs and maintenance costs offset somewhat by lower than anticipated income.

2.3 The year end position resulted in a lower spend of £36,406 which meant a reduced contribution from the council towards the costs for the year.

3. Current Monitoring Position 2024/2025

3.1 The 2024/2025 estimates have been reviewed for the period as at the end of August and there are currently minimal variances to report for 2024/2025 for Special Expenses within King's Lynn. The position will continue to be monitored and a further update will be provided to the KLAC meeting on 14 November 2024.

	Charge 2024/2025	Forecast Outturn 2024/2025	Variance
	£	£	£
Footway Lighting	54,130	55,761	1,631

Play Areas	51,030	57,278	6,248
Community Centres	56,140	49,712	-6,428
Closed Churchyards	12,800	12,800	0
Allotments	9,940	6,646	-3,294
Pavilions	62,960	63,769	809
Dog bins	14,970	14,970	0
Open Spaces	353,610	353,610	0
Bus Shelters	6,800	6,554	-246
Public Conveniences	16,140	16,140	0
Parish Partnership Traffic Calming	640	640	0
Gaywood Remembrance Service	0	2,000	2,000
Total	639,160	640,810	720
Less BC Budget Support	-60,340	-61,060	-720
Net Total Charged as Special Expenses	578,820	578,820	
Taxbase	11,019.10	11,019.10	
Band D Charge	52.53	52.53	

3.2 The reasons for the variances are detailed below –

- Footway lighting overspend due to higher than anticipated electricity costs. It is currently being offset by a lack of maintenance costs; however, it is not clear whether this will continue for the rest of the year, in which case, the overspend could be higher.
- Play areas overspend due to a general increase in repairs and maintenance costs.
- Community Centres underspend due to additional income received at Fairstead Community Centre which negates the need for a Special Expenses contribution.
- Allotments underspend due to a lack of repairs and maintenance costs.
- Gaywood Remembrance Service additional costs not budgeted for to be picked up by Special Expenses.

4. Financial Implications

4.1 The council currently contributes to special expense costs. Any overspends will create additional pressure on the council until such time as special expense costs can be met in full by taxpayers. A review of King's Lynn open space costs is to be undertaken which may result in a reduction of costs being charged to special expenses.

5. Conclusion

5.1 This report sets out the financial position on the King's Lynn Special Expenses for consideration by King's Lynn Area Committee (KLAC) as part of their Terms of Reference.

4.2 The Committee is asked to note the outturn for 2023/2024 and consider the monitoring position and projected outturn for 2024/2025 as set out in the report.