



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

**Finance, Economic Development and  
Corporate Services Overview and Scrutiny  
Committee**

5 September 2019

**Report of:** Councillor Adam Stokes  
Cabinet Member for Finance



## Review of Deepings Special Expense Area

### Report Author

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Corporate Priority:	Decision type:	Wards:
<b>Administrative</b>	<b>Administrative</b>	<b>Two or more Wards</b>

<b>Reviewed by:</b>	Gillian Goddard, Senior Financial Accountant	20 August 2019
<b>Approved by:</b>	Richard Wyles, Director of Finance	22 August 2019
<b>Signed off by:</b>	Councillor Adam Stokes, Cabinet Member for Finance	22 August 2019

### Recommendation (s) to the decision maker (s)

1. Finance, Economic Development and Corporate Services Overview and Scrutiny Committee is asked to consider the future of Deepings Special Expense Area

## 1 The Background to the Report

- 1.1 A provision of the Local Government Act 1992 (section 34 and 35) allows Councils to classify by resolution, certain expenditure and income as “special” rather than general, indicating that the related tax burden is chargeable against a part rather than the whole of the Council’s area.
- 1.2 A Special Expense Area (SEA) has a separate tax levy similar to a parish/town council precept. It relates to expenses that in other locations within the district are picked up by the parish/town council eg playing fields, cemeteries.
- 1.3 SEA’s are created to avoid “double taxation” where a resident of South Kesteven would pay for facilities in their own parish (via their parish precept) and also pay towards another facility in another parish through the District Council precept.
- 1.4 A resolution was passed in 2002 establishing Deepings Special Expense Area (SEA) with the tax levy being charged to the residents of Market Deeping and Deeping St James.
- 1.5 Deepings SEA consists of expenditure relating to sports facilities at Linchfield Road. This SEA was created to ensure the costs of creating an outdoor sports amenity were met by local tax payers who have the opportunity to utilise the facility. This mirrors the arrangement in parishes. However, it is timely to review this, as the usage by the local school and clubs has changed since the inception of the SEA.
- 1.6 The budgets allocated to the SEA and the Council Tax Band D charge can be seen in the table below:

	2017/18	2018/19	2019/20	2020/21	2021/22
Deepings SEA budget	£14,047	£12,654	£12,500	£12,800	£12,800
Band D Council Tax Charge	£3.15	£3.24	£3.33	£3.33	£3.33

- 1.7 Any budget underspends are transferred at the year end to a specific Deepings SEA reserve. As at 1<sup>st</sup> April 2019 the balance of Deepings SEA reserve stood at £374. The reserve is used to ensure any variances between precepts and actual costs are maintained outside the General Fund.
- 1.8 The SEA contributes to the grounds’ maintenance of the outdoor sports pitches.
- 1.9 The freehold of the pitches is not owned by SKDC and the day to day management of the pitches is undertaken by the leisure provider.
- 1.10 A sub lease of the Linchfield Road site to the Rugby club is at a peppercorn rent of £1 per annum and expired on 31 March 2015. The Club are holding over under the provisions of the Landlord and Tenant Act 1954. The lease gives the free use of two rugby pitches to the Deepings Rugby Union Football Club. Outside of this arrangement the pitches are available for hire by the public via Deepings Leisure Centre in the same manner as the football pitches. Hirers pay fees for the use of the pitches which are collected by the leisure provider.

## 2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 N/A

## 3 Available Options Considered

- 3.1 Continue the lease with the rugby club on the existing terms with no change to the budget.
- 3.2 Renegotiate the lease with the rugby club reviewing value for money, with an aim to reduce the SEA precept.
- 3.3 The Council returns the management and control of the pitches to the freeholders by agreement, leaving them free to explore the future use of the facilities within the community and terminate the SEA.

**4 Preferred Option**

- 4.1 The committee is asked to consider the contents of this report and recommend a proposed way forward.

**5 Next Steps – Communication and Implementation of the Decision**

**6 Financial Implications**

- 6.1 The financial implications are within the body of the report.

**Financial Implications reviewed by: Gillian Goddard, Senior Financial Accountant**

**7 Legal and Governance Implications**

- 7.1 There are no specific legal implications to highlight that are not covered in the report.

**Legal Implications reviewed by: Shahin Ismail**

**8 Equality and Safeguarding Implications**

- 8.1 N/A

**9 Risk and Mitigation**

- 9.1 N/A

**10 Community Safety Implications**

- 10.1 N/A

**11 Other Implications (where significant)**

- 11.1 N/A

**12 Background Papers**

- 12.1 None

**13 Appendices**

- 13.1 None

<b>Report Timeline:</b>	Date of Publication on Forward Plan (if required)	Not applicable
	Previously Considered by:	Not applicable
	Final Decision date	Any recommendations will be considered as part of the Council’s budget proposals