

## SPECIAL EXPENSES – A SUMMARY

### 1.0 FINANCIAL ARRANGEMENTS WITH PARISH COUNCILS – THE PRINCIPLES

- 1.1 Financial arrangements with Parish Councils are specifically aimed at avoiding 'double taxation' – the situation where the costs of certain services are charged twice to local taxpayers because the parish provides a service but the District Council still charges taxpayers in the parish for the equivalent services it provides elsewhere.
- 1.2 Double taxation might apply, for example, if the residents of a parish were to be charged via the Parish Council precept, for the maintenance of playing fields in the parish (a function performed only by the Parish Council in that area and paid for only by the parishioners), and for a share of the cost of maintenance of playing fields in the remainder of the district (carried out by the District Council elsewhere).
- 1.3 Guidance provided in August 2004 by the then Office of the Deputy Prime Minister suggested that there should be five principles that should govern arrangements between District Councils and Parish Councils.
1. Fairness in the provision and access to services
  2. Simplicity to keep operating costs to a minimum
  3. Transparency to help understanding
  4. Democratic control and accountability to distinguish between funding provided to a parish by the district for a service carried out by the parish and funding raised through the parish precept for services carried out by the parish
  5. Finance should follow function so that where service provision is devolved or transferred from the District to the Parish Council funding is also transferred with the about agreed between the Councils.
- 1.4 Prior to the Local Government Finance Act 1992, the Council made grants to Parish Councils where they carried out a 'concurrent' function in their area that would normally have been performed by the District Council.
- 1.5 Other arrangements (that have not been used here) could be support in goods or in kind and agency agreements under S101 of the Local Government Act 1972 or S20 of the Local Government Act 2000 where a Parish Council acts as an agent for the District in carrying out a task for which it is paid an agreed rate.
- 1.6 The Local Government Finance Act 1992 provides for different amounts of council tax to be calculated for different parts, eg parished and unparished areas, of a district, depending on what, if any, 'special items' relate to those parts.
- 1.7 A special item is an item which relates to only part of a District Council's area. A parish precept is one special item. 'Special expenses' are another special item.
- 1.8 There are five different types of special expense, but the one affecting this district is set out in Section 35(2)(d) which provides that:-

“any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by the sub-treasurer of the Inner Temple, the under-treasurer of the Middle Temple, a parish or community council or the Chairman of a Parish Meeting are the authority's special expenses unless a resolution of the authority to the contrary effect is in force.”

## ESTIMATED SPECIAL EXPENSE CHARGE AT BAND "D" : 10 YEAR BASIS FOR RECHARGING

| Parish                                  | Council Tax Base<br>(Number of dwellings expressed as Band D)<br>(a) | Estimated 10 year major repairs cost<br>(b) | Estimated 10 year maintenance and trees cost<br>(c) | Estimated 10 year total costs<br>(d) | Estimated Annual charge<br>(e)= (d)/10 | Total estimated charge at Band "D"<br>(f)=(e)/(a) |
|---|--|---|---|--------------------------------------|--|---|
| St Helen's Churchyard, Amotherby        | 152.32   | £88,880                                     | £13,730   | £102,610                             | £10,261                                | £67.36  |
| Holy Cross Churchyard, Gilling East     | 102.22   | £34,450                                     | £6,500  | £40,950                              | £4,095                                 | £40.06  |
| St Mary's Priory Churchyard, Old Malton | 1862.35  | £24,330                                     | £7,000  | £31,330                              | £3,133                                 | £1.68   |
| St Nicholas Churchyard, Norton          | 2,459.57   | £10,450                                     | £3,500  | £13,950                              | £1,395                                 | £0.57   |
| All Saints Churchyard, Slingsby         | 259.31   | £48,220                                     | £6,400  | £54,620                              | £5,462                                 | £21.06  |
| All Saints Churchyard, Terrington       | 238.11   | £19,455                                     | £7,000  | £26,455                              | £2,645                                 | £11.11  |
| St Hilda's Churchyard, Ampleforth       | 362.80   | £29,400                                     | £9,770  | £39,170                              | £3,917                                 | £10.80  |
| TOTAL                                   |  | £255,185                                    | £53,900   | £309,085                             | £30,908                                |   |