



PART B:	RECOMMENDATIONS TO COUNCIL
REPORT TO:	POLICY AND RESOURCES
DATE:	30 SEPTEMBER 2010
REPORT OF THE:	CORPORATE DIRECTOR (s151) PAUL CRESSWELL
TITLE OF REPORT:	COUNCIL TAX – SPECIAL EXPENSES
WARDS AFFECTED:	CROPTON, THORNTON-LE-DALE, SINNINGTON, DALES, AMOTHERBY

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 This report considers the charging of Special Expenses to the Parishes formally part of Pickering Rural District Council.

2.0 RECOMMENDATION

2.1 That Council is recommended to approve the removal of Parishes from the Special Expenses where no street lighting provision presently exists from the 1 April 2011.

3.0 REASON FOR RECOMMENDATION

3.1 A review of Special Expenses has been undertaken in response to correspondence from the chairman of Hartoft Parish meeting.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks to the Council the recommendations.

REPORT

5.0 BACKGROUND AND INTRODUCTION

5.1 The Council has charged special expenses as part of Council tax for selected Parishes since 1974 and the formation of Ryedale District Council. No review has been undertaken in that time. Recent correspondence from the chairman of Hartoft Parish Meeting has highlighted the need for a review.

6.0 POLICY CONTEXT

6.1 This report proposes a policy change on the charging of Special Expenses.

7.0 CONSULTATION

7.1 Consultation on this issue has not taken place.

8.0 REPORT DETAILS

8.1 The concept of “special expenses” dates back to the Local Government Act 1933. Further provision was made in the Local Government Act 1972. Section 147 of that Act deemed all expenses to be general unless the District Council by resolution declared any expenses to be special expenses chargeable on only part of their area. The current provisions are set out in Section 35 of the Local Government Finance Act 1992 which lists limited categories of expense which may be treated by a billing authority as “special expenses”.

8.2 In this context “Special Expenses” is expenditure incurred by a Council on providing a service within part of its area that is also performed by a Parish or Town Council. Special Expenses are then only chargeable to the Council's area that benefits from the function provided by the District Council. The calculation does not alter the total value of resources raised from Council Tax payers but rather enables the Council to charge households within the non-parished area more than those in the parished areas that receive some services from their local Parish Council rather than from the District Council.

8.3 Accordingly Special Expenses provide a mechanism for distinguishing the costs of a specific function, and levying that cost specifically on those Council tax payers who benefit from the function.

8.4 Special Expenses are levied by the District Council as follows in 2010-2011:

Town/Parish	£
Malton	7,180
Norton	16,840
Pickering Rural	27,960
Total	51,980

8.5 These expenses relate to the management of street lighting in the areas of the former Malton and Norton Urban District Councils and Pickering Rural District Council (PRDC). For information Ryedale District Council formerly undertook this role for former Pickering Urban District Council area, however they now undertake the function themselves, financed through their precept.

8.6 Street lighting is not the statutory responsibility of the District Council, it is not therefore a charge which should be included within the Council's annual budget where the cost would be met by all Ryedale Council Tax payers. The Council undertakes this role on behalf of the parishes which formed part of the former Councils. This avoids each of the parishes being formally constituted as a Parish Council and levying a precept to cover the costs on an individual basis and then managing their own maintenance and repair etc. Of course any Parish Council can elect to take on this role outside of the Council at any time.

8.7 Prior to 1974, when Ryedale District Council was created, PRDC would have

undertaken street lighting across its whole area and charge as part of their rate. On transfer to Ryedale District Council in 1974 the 'local services' provided and administered by the Parish, Urban and Rural Councils were absorbed into the new District Councils. However as street lighting was not a statutory responsibility of the newly formed Council a policy decision to deal with this through a special expense would have been taken. Special expenses are used in a number of Councils to cover such issues.

8.8 The following table sets out the situation in relation to the former PRDC Parishes:

Parish	Equivalent Band D properties	Special Levy Paid	No of Street Lights
Aislaby, Middleton and Wreton	313.45	3,137.63	8
Allerston and Wilton	197.87	1,980.67	22
Barughs Ambo	89.20	892.89	6
Cropton	114.17	1,142.84	13
Ebberston and Yedingham	253.94	2,541.94	30
Hartoft	31.27	313.01	0
Kirby Misperton	136.26	1,363.96	20
Levisham	50.24	502.90	8
Lockton	126.17	1,262.96	16
Marishes	56.46	565.16	0
Marton	98.81	989.09	22
Newton on Rawcliffe and Stape	125.63	1,257.56	14
Normanby	67.67	677.38	7
Rosedale East and West	173.63	1,738.04	11
Sinnington	146.11	1,462.56	29
Thornton le Dale	812.60	8,134.13	103
Total	2,793.48	27,962.72	309

8.9 As can be seen from the above table both Hartoft and Marishes parishes do not directly benefit from the provision of street lighting but are charged special expenses of £10.01 per band D property. There are currently no plans to introduce street lighting in either of these parishes.

8.10 As previously stated any Parish can elect to withdraw from special expenses and finance their own street lighting provision. Such action would require a formal decision of a constituted Parish Council which does not presently exist in all parishes.

8.11 In light of the findings above and the apparent inequality for both Hartoft and Marishes Parish residents a change to policy is proposed in that only the former parishes of PRDC in which street lights are presently provided should be charged special expenses.

8.12 The net result of this change would be the removal of the special expenses charge from the residents of Hartoft and Marishes parishes and a marginal increase in costs for residents of the remaining form PRDC parishes. This increase based on current costs would be approximately 32p per year per band D property.

8.13 It is proposed that this policy change is enacted for Council Tax bills for 2011/2012 onwards. Changing the policy before this date would require rebilling of all former PRDC residents, changes to direct debit payments, possible recovery action changes and explanation which would carry a significant administrative cost with the adjustments to bills being a few pence.

9.0 IMPLICATIONS

9.1 The following implications have been identified:

- a) Financial
There are no financial implications to the Authority from the recommendation in this report.
- b) Legal
There are no significant legal implications arising from this report.
- c) Other
There are no significant other implications arising out of this report.

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Background Papers:
None.

Background Papers are available for inspection at:
n/a.