

Special Expenses

1. Overview

- 1.1. Special expenses are applied when the Council provides a service in a parish (or unparished area) which is provided in other parishes by a town or parish council.
- 1.2. The cost of this service has to be met by the Council Taxpayers of the town or parish where the Council is providing the service, so a special expense is charged to the Council Taxpayers of that parish.
- 1.3. It should be noted that special expenses are not additional spending over and above the budget set by the Council but a classification within the overall budget. The Authority's budget includes Special Expenses, and some Council Tax calculations are based on the total including Special Expenses.

2. Legislation

- 2.1. Section 35 of the Local Government Finance Act 1992 (the Act) specifies the items which are to be treated as special items for the purposes of calculating the Council Tax. There are three areas within the provisions of Section 35 of the Act that it is considered apply to the Council:
 - i. A precept relating to part only of the Council's area e.g. parish precepts.
 - ii. The whole of the expenses (or only some) of those incurred by the Council in performing in a part of its area a function performed elsewhere in its area by a Parish Council are its special expenses.
 - iii. Any net expenses which arise out of the Council's possession of property held in trust for a part of its area are Special Expenses.
- 2.2. The first two items above can only be treated as a special expense if the Council has made resolutions to that effect.
- 2.3. In practical terms this is done by the Council at the time of setting the Council Tax in February each year as the report presented to the Council is in the form of a resolution which sets out the calculations required under Chapter III of the Act.

3. Special Expense Items

3.1. The Council levies Special Expenses in respect of the following services provided in the previous Mendip and South Somerset Councils who had a special expenses policy:

- Closed churchyards that are maintained by the Council in parished areas.
- Play areas that are maintained by the Council in parished areas.

3.2. The whole of the net expense (inclusive of any income) is to be included in the definition of the special expense.

3.3. Those debt charges will be included for all projects which fall within a special expense to the extent that it would be for prudential borrowing, capital receipts or revenue funding. Debt charges on historic capital expenses are not included.

4. Calculation of Special Expenses

4.1. The Council calculate an average Council Tax across the whole of its area under section 31B of the Local Government Finance Act 1992. Included in that will be the amounts payable to parish councils under their precepts, plus the amounts the Council will spend on performing functions which are performed in parts of its area by parish councils.

4.2. Under section 34 of the Local Government Finance Act 1992, the Council must then deduct the total of any special items. For each part of its area, the Council must then add back amounts for any relevant special items for that part of its area. The amount added back is calculated by dividing the special item (i.e. the authority's estimated cost of performing the function in that part of its area) by the tax base for the part of the area in which the authority performs the function.

4.3. Treating expenses as special expenses does not affect the overall amount that the Council needs to raise through Council Tax, and does not, therefore, affect the average amount of council tax across the whole of the district. It simply means that, compared with what would happen if the expenses were not treated by the Council as special expenses, the council tax is:

- Relatively lower for areas where the parish council performs the concurrent function, as it includes the parish's costs but not the Council's costs of performing the function elsewhere; and
- Relatively higher for areas where the Council performs the function, as all of the Council's costs of performing the function must be met by taxpayers in the area where the Council performs it.

4.4. Special Expenses are estimated for the year approaching (in line with all other budget estimates). Special Expenses budgets in future years include previous under or overspends.

4.5. If work is undertaken through the Authority's capital programme, any effect from depreciation and funding does not have any effect in the revenue budget until the following year where an estimate is included where the capital expenditure is known, otherwise there is a time lag and it falls into the year after. If the item falls within the special expenses policy, then the special expenses budget for future years is amended to include the relevant costs.

Estimated costs for Special Expenses 2024-25

Budget	£
Play Areas	99,588
Closed Churchyards	131,389
Total Special Expenses	230,977

	Council Tax Base	
	2023-24	2024-25
Council Tax Base for Council	205,674	208,798
Special Expenses	£220,071	£230,977
Council Tax Band D	£1.07	£1.11
% Increase In Band D		3.7%

It is recommended that a resolution is passed to set the Special Expenses of £230,977 for 2024/25 as per the tables shown below.

Somerset Council Special Expenses Rate 2024-25

Parish	2024/25		
	Tax Base	Special Expense	Council Tax Band D Charge
		£	£
Ashwick	541.62	2,698	4.98
Croscombe	260.8	3,260	12.5
Evercreech	935.36	5,595	5.98
Frome	9,188.02	39,211	4.27
Glastonbury	3,229.47	37,054	11.47
Godney	94	1,175	12.5
Leigh on Mendip	224.28	486	2.17
Meare	547.52	5,812	10.61
Nunney	359.19	4,324	12.04
Pilton	488.67	6,108	12.5
Rode	508.61	1,792	3.52
Rodney Stoke	558.77	3,426	6.13
Shepton Mallet	3,449.61	16,226	4.7
Street	3,825.48	47,819	12.5
Tellisford	94.84	756	7.97
Trudoxhill	191.8	2,148	11.2
Walton	462.3	2,698	5.84
Wells	4,363.49	43,355	9.94
Castle Cary	869.9	4,002	4.6
Ilchester	749.75	1,717	2.29
Wayford	53.59	1,316	24.56
Total	30,997.07	230,977	
Total Council Tax Base	208,797.71	230,977	1.11