South Gloucestershire Council

Special Expenses Policy

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Special Expenses Policy

1. Purpose

1.1. The purpose of this policy is to ensure that, so far as is practicable, local services are delivered equitably across the South Gloucestershire area at the most appropriate level of democratic accountability. This policy sets out both which areas of local expenditure will be met as a Special expense and which may be provided by Parish or Town Councils.

2. Overview

2.1. Special expenses are applied when South Gloucestershire Council provides a service in a parish which is provided in other parishes by a town or parish council.

2.2. The cost of this service has to be met by the council taxpayers of the town or parish where South Gloucestershire Council is providing the service so a special expense is charged to the council taxpayers of that parish.

2.3. Special expenses are not additional spending over and above the budget set by the South Gloucestershire 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.

3. Legislation

3.1. 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. Essentially, there are three areas within the provisions of Section 35 of the Act that it is considered apply to the Council:

3.1.1. A precept relating to part only of the Council's area e.g. parish precepts;

3.1.2. 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.

3.1.3. 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.

3.2. The first two items above can only be treated as a special expense if the Council has made resolutions to that effect.

3.3. 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.

4. Process

4.1. Special expenses are estimated for the year approaching (in line with all other budget estimates), in order to set the budget for South Gloucestershire Council and Council Tax for all parishes in the district.

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5. Special expenses items

5.1. The Council levies Special Expenses in accordance with the policy in respect of the following services:

5.1.1. Closed Church Yards

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

5.3. Those debt charges will be included for all projects which fall within a special expense (above) only to the extent that it would be for prudential borrowing, capital receipts or revenue finding, and debt charges on historic capital expenses would not be included.

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Explanatory note

South Gloucestershire Council completed the process of “parishing” all of the district in April 2023 following the 2022 – 2023 Community Governance Review.

Prior to that review there were significant areas of the district that were unparished. Special Expenses were an appropriate mechanism for ensuring that services in unparished areas were appropriately budgeted and charged to council taxpayers’ in those areas.

Now that the district is fully “parished” it is appropriate to revisit the use (and choice) of Special Expenses to remove discrepancies that have arisen between parish and town councils on the types of services that are delivered locally.

Parish and Town councils are not subject to a precepting cap (unlike South Gloucestershire Council) and such have more flexibility over the level of local taxation that they can apply enabling them to make decisions that best fit local need and character.

For the financial year 2026/27 the following items are charged as special expenses:

Allotments
Closed Churchyards
Bus Shelters
Public Conveniences
Play Areas and Playing Fields
Commuted sums
Parks and Open Spaces

It is of note that various Parish and Town Council’s already provide all of the above services through the process of precepting and as such the most equitable solution is to ensure that all Parish and Town Councils are able to have greater choice over which services best meet local need.

Similarly, it is important that where a service is required for the whole district – the cost of that service is bourn equally across all local taxpayers.

Accordingly, and from the financial year 2027/28 onwards, the following categorisation will apply:

1) Items to be met from South Gloucestershire general expenditure:

   Bus Shelters

2) Items to be charged as Special Expense Items:

   Closed churchyards

3) Items to be a local choice expense item (funded through Parish / Town Council precept):

   Allotments
   Public Conveniences
   Play Areas and Playing Fields
   Commuted sums
   Parks and Open Spaces

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