

News

Council tax bills across North Yorkshire set to be brought in line

A bold attempt to provide a unified approach to council tax across North Yorkshire is being drawn up to ensure that hundreds of thousands of residents pay the same rate and provide millions of pounds to finance vital services.

The move to draw together council tax bills so that all households across the county are paying the same amount has to be instigated due to the largest overhaul of local democracy in North Yorkshire in almost half a century.

The advent of a new council covering the whole of the county in the spring of next year means that there is a legal requirement to ensure that all council taxpayers in North Yorkshire are charged the same amount.

The major task of unifying all council tax bills across the seven districts in North Yorkshire is set to see a phased shift spread over the next two financial years as some areas are paying higher rates than others. The proposals are due to be considered by members of North Yorkshire County Council's decision-making executive when they meet on Tuesday, October 18.

In Hambleton, which has the lowest level of council tax in the county, taxpayers have annual bills totalling £1,586.83 for an average band D property, while the highest bill of £1,723.27 is in the Harrogate district.

The move to harmonise the level of council tax across North Yorkshire would see bills for an average Band D property rise by £44.75 during each of the two financial years on a bill of £1,586.83 in Hambleton, £12.88 on a bill of £1,650.57 in the Selby district, £10.88 on a bill of £1,654.56 in Craven and by 38 pence on a bill of £1,675.56 in Ryedale.

By comparison, council tax bills for a similar Band D property in Harrogate would fall by £23.47 during each of the two years the harmonisation is set to be introduced on the current bill of £1,723.27, while the Scarborough district would see an annual reduction of £17.89 on a bill of £1,712.10 and Richmondshire would witness a decrease each year of £8.01 on a bill of £1,692.35.

However, the rises and falls due to harmonisation do not take into account the annual increase in council tax bills, which is set to be approved by county councillors in February next year ahead of the launch of the new North Yorkshire Council. The figures for current bills also relate to just the precept for county and district authorities, and do not include money for North Yorkshire Police, the county's fire brigade and parish or town councils.

Councillors on a cross-party working group involved in the plans to create a unified approach to the payment of council tax in North Yorkshire have recognised the demands that are being placed on households during the cost of living crisis that has engulfed the nation, and have therefore proposed to phase the scheme in over two years.

The working group, which was established by the county council's executive in June, considered a range of proposals, including harmonising council tax bills over a period of up to eight years.

North Yorkshire County Council's executive member for finance, Cllr Gareth Dadd, who is also the authority's deputy leader, said: "The challenge to harmonise council tax bills across the county is obviously a significant one, but it is an issue we have to address before the new North Yorkshire Council is launched in April next year.

"We are acutely aware of the financial pressures which everyone is under not just in North Yorkshire, but across the whole country, as we see inflation rising and the cost of energy soar along with the price of food and drink and other essential items.

"A great deal of work has gone into the proposed scheme to harmonise council tax bills across all seven districts, and we believe that the plan that has been drawn up to introduce the changes over the two years represents the fairest way forward for everyone involved."

There would be huge variations in the amount of funding generated if the decision was taken to opt for moving council tax levels to the lowest amount seen in Hambleton or choosing to adopt the highest level in Harrogate. Funding from council tax is used to finance services ranging from waste collection and recycling to highways maintenance and adult social care.

If council tax bills were brought in line with Hambleton, there would be an annual reduction of funding in the region of £21 million, falling from the current level of £401.8 million to £380.4 million.

By comparison, an extra £11.3 million would be generated by increasing council tax bills to the level currently paid in the Harrogate district, with the average across North Yorkshire for owners of a Band D property paying £1,723.27 instead of £1,676.32.

The working group, which was chaired by Cllr Cliff Lunn and supported by council officers and independent consultants, met three times before proposing that the fairest and most efficient way forward was for the harmonisation of council tax to take an average of all existing bills and then make the changes across two financial years. The group involved members from across different political parties including some senior councillors of the existing district councils, which are currently responsible for billing.

Meanwhile, members of the county council's executive will be asked at the same meeting on Tuesday, October 18, to approve plans for a streamlined approach to providing financial support running into millions of pounds to households in the greatest need.

A policy to unify the provision of financial aid for council tax bills has been drawn up and is set to be introduced from the spring of next year when the new North Yorkshire Council is launched.

Executive members will consider the proposals which will provide up to 100 per cent reductions on council tax bills for households on the lowest incomes. The proposed scheme is expected to increase the overall level of support for the lowest income households, whilst reducing the administrative burden placed on the new council by the introduction of Universal Credit.

Cllr Dadd said: “We are very aware that those who are facing the biggest financial pressures are being hit the hardest by the cost of living. The proposals for council tax reduction are aimed at benefiting those who are most in need, and ensuring that thousands of people are given the greatest amount of support possible across North Yorkshire.”

The current structure has seen different approaches administered across North Yorkshire’s existing seven district and borough councils, which are the authorities responsible for the billing of council tax. For instance, three of the district councils in Craven, Hambleton and Scarborough currently require working age applicants to pay a minimum amount of their council tax bills, with the greatest contribution being 12.5 per cent. The remaining districts and borough authorities allow working age applicants up to 100 per cent financial support for their council tax bills.

The cost of administering the new scheme is expected to be £37 million, and will require an additional £2.4 million for it to be delivered when compared to the current structure which is administered by North Yorkshire’s district and borough councils. However, £2 million is set to be used from funding raised through a council tax discounts and premiums scheme, while the efficiencies achieved by introducing the unified approach are expected to cover the extra costs.

Council tax reduction was introduced by the Government in April 2013 to replace the previous council tax benefit scheme administered by the Department for Work and Pensions.

The new national scheme placed the duty to create a local scheme for applications from working age people on the authorities responsible for council tax billing. However, support for pensioners is provided under regulations set out by the Government, and not the local scheme overseen by billing authorities.

Ends

Image attached: North Yorkshire County Council’s executive member for finance, Cllr Gareth Dadd, who is also the authority’s deputy leader.

Notes to editors: The biggest shake-up in local government in North Yorkshire in nearly half-a-century is currently being undertaken to pave the way a devolution deal. The Government has stipulated that a key requirement for any devolution deal for North Yorkshire is for the current two-tier system of local government, with the county council and seven district councils, to be replaced by a single unitary authority. A proposed devolution deal was announced in August to hand over decision-making powers and hundreds of millions of pounds in funding to political leaders in York and North Yorkshire. City of York Council will continue as a unitary authority to run in tandem with the new North Yorkshire Council, which will launch on April 1 next year.

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