NORTH YORKSHIRE COUNCIL

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Contact: Ian Godfrey
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<u>Parish precept arrangements 2026/27 and 2027/28</u>

Thank you for providing the required information on Parish Precepts for the 2026/27 financial year. Payments were made on the 30th April with a second payment scheduled at the end of September (if your precept is greater than £5000 per annum).

As the Council looks ahead to budget setting for 2027/28, I wanted to contact you early to ensure you are aware of the deadlines we are working towards.

<u>Parish precept</u>

Part of the council tax setting process requires parish and town councils to inform North Yorkshire Council of their precept amount for the following year. Although the council tax amounts for North Yorkshire will not be set until February 2027, it would be extremely helpful if you could **<u>confirm your precept amount by 31 December 2026</u>**. The work to calculate the various amounts for tax setting purposes and prepare for annual billing is extensive and your assistance will enable us to meet the challenging timescales.

Hopefully this early notification gives you enough time to assess your own expenditure requirements for the forthcoming year and seek parish council approval before the end of the year. Like last year, I will be sending another letter in September / October with a template requesting the precept for 2027/28.

<u>Council tax setting</u>

As a reminder, the role of the parish council is to determine the **<u>amount</u>** that they require to precept upon to cover the net cost of their services.

To assist parish councils in setting next year's precept it is our intention to issue a simple spreadsheet, which will allow you to calculate % uplifts and the resulting council tax charges by band, should you wish to use it. The spreadsheet will be provided to you, along with your tax base figure and instructions via email by the end of October 2026.

Please can you notify the Council of any changes to your bank details in order to update our payment records.

Council Tax Calculation

I would also like to clarify the council tax calculation, as this can cause some confusion, especially where the Council Tax charges changed when the Precept remained the same as the previous year. Below is an example of how the Band D Charge is calculated:

a) Property Valuations

All domestic dwellings are placed in a valuation band in accordance with instructions from the District Valuer from the Valuation Office Agency (part of the Inland Revenue). The amount of Council Tax payable is expressed as a Band D equivalent with all other bands paying a proportion of the Band D amount as follows:-

Valuation Band	Proportion of Tax Base Payable
A	6/9
B	7/9
C	8/9
D	1
E	11/9
F	13/9
G	15/9
H	18/9

b) Calculating the Council Tax Amount

The Band D Council Tax amount payable by residents in your Parish is a simple calculation based upon 2 factors:-

1. The amount of money that your Parish Council wishes to spend in the forthcoming year. This is known as the precept amount e.g. £25,000.

2. The number of dwellings in your Parish expressed in Band D equivalents – this is known as the tax base. For example, if your Parish has 250 properties in it and they are all in Valuation Band H, then your tax base is 500 (i.e.250 x 18/9). In reality, the calculation will be more complex as most Parish Councils have properties in most or all bands.

Once the two factors above are known, the Band D Council Tax is calculated by dividing the precept amount (per 1 above) by the tax base (per 2 above).

Using the examples above the Council Tax for a Band D property would be:

£25,000 divided by 500 (Band D equivalents) = £25,000 / 500 = £50.00

Please note that the number of dwellings is likely to change each year as the calculation takes into account any new properties, empty properties and households that are claiming various exemptions and reliefs, therefore if the Council keeps the Precept the same as the previous year the actual Band D Charge will change due to the change in the number of properties.

If you have any concerns, please get in contact with the team and we would be happy to help by e-mailing **strategicfinance@northyorks.gov.uk**

Yours faithfully

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