



Ministry of Housing, Communities & Local Government

Rishi Sunak MP
Minister for Local Government

**Ministry of Housing, Communities and Local
Government**

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Cllr Janet Walton
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Dear Cllr Walton,

Council tax harmonisation in new unitary and merged councils

I am now writing to let you know the approach to council tax harmonisation which the Secretary of State is minded to adopt. This is to make appropriate secondary legislation that would allow the two new unitary councils and three merged councils being fully established on 1 April 2019 to implement their local preference. If your council wishes to make any further comments on this issue, please would you let us have these by 9 November 2018.

As he has previously indicated to Parliament, when considering his approach to council tax harmonisation, the Secretary of State has had regard to local preferences, the impact on individual council tax bills across the areas concerned, and the financial implications for the local authorities. He has sought to strike a balance between ensuring council tax payers do not experience a large increase in bills and not allowing residents in any one part of the area to be concerned that they are effectively contributing more to the cost of services than others in the area.

The secondary legislation that we are minded to make this autumn would provide for a maximum period for council tax harmonisation of seven years, with a fully harmonised council tax to be set by the start of year eight at the latest. This reflects the maximum harmonisation period among the local preferences of the five councils concerned. The regulations would also provide that a council can choose to apply the referendum principles in any year before harmonisation to either the average council tax across the new council's whole area, or to the council tax in each predecessor area. With these provisions, this would allow your council to adopt its local preference as set out in your letter of 18 June.

I am copying this letter to the MPs for your area, and to the leaders of the predecessor councils.

RISHI SUNAK MP