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Council tax capping

The draft Council Tax Limitation (England) (Maximum Amounts) Order 2004

Local Government Minister Nick Raynsford announced on 8 July 2004 that six local authorities will have their budgets for 2004/05 capped - Torbay, Herefordshire, Nottingham, Shepway, Fenland and Hereford & Worcester Fire Authority.

The draft *Council Tax Limitation (England) (Maximum Amounts) Order 2004*, which will implement the capping decision, was laid on the same day. The Order specifies the maximum budget for each of the six authorities. The Order is due to be debated in the House of Commons on 19 July 2004, and the cap will take effect if the order is approved. This is the first use of the Government's revised capping powers introduced in the *Local Government Act 1999*.

A further eight authorities are being nominated for capping in 2005/06. These authorities have 21 days in which to appeal against their proposed notional budgets.

This paper describes the capping mechanism, summarises the Government's capping criteria and the reaction to the announcement, and gives details of the case made by each authority against the capping decision.

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Summary of main points

On 8 July 2004 Local Government Minister Nick Raynsford announced in a written ministerial statement that five local authorities and one fire authority are to have their budgets for 2004/05 capped. This statement followed his announcement on 29 April 2004 that a number of authorities would be subject to either designation - ie capping 'in year' for 2004/05 - or nomination, which involves setting the authorities' maximum budget for the 2005/06 financial year. The written ministerial statement on 8 July said that the authorities to be capped would be all those announced on 29 April, with the exception of Telford & Wrekin, which appealed successfully against the threat of designation and will instead be nominated for 2005/06. The list of authorities where budgets will be capped for 2004/05 is therefore: Torbay, Herefordshire, Nottingham, Shepway, Fenland and Hereford & Worcester Fire Authority. Those authorities nominated for 2005/06 are Telford & Wrekin, Bedfordshire Fire Authority, Durham Fire Authority, Essex Fire Authority, Nottinghamshire Fire Authority, Cumbria Police Authority, Northamptonshire Police Authority and West Mercia Police Authority.

Each designated authority appealed against the decision to designate it, and therefore in order to implement the cap the Government laid the draft *Council Tax Limitation (England) Maximum Amounts) Order 2004* for approval by the House of Commons. The order is due to be debated in the House of Commons on Monday 19 July 2004. Each nominated authority made representations against the decision and will have 21 days in which to appeal following the final announcement. A further order will be required - again subject to approval by the House of Commons - if the nominated authorities take this opportunity.

The order specifies the maximum budget requirement for each authority for 2004/05. As budgets have already been set, and council tax bills have already been sent out, each authority will have to re-budget using the new figures, and will have to set new council tax levels and re-bill their council tax payers.

This paper does not discuss the current Balance of Funding Review, which will report on Tuesday 20 July,¹ or the local government finance system in general.²

¹ See Library Standard Note SN/PC/2856, *The Balance of Funding review and proposals to reform council tax*, 21 June 2004

² See Library Research Paper 02/56, *Local Government Finance in England: replacing the Standard Spending Assessment*, 11 October 2002, available at <http://www.parliament.uk/commons/lib/research/rp2002/rp02-056.pdf>

CONTENTS

I	Introduction	7
II	Reaction to the capping announcement	11
III	The Government's capping criteria	14
	A. Legislative background	14
	B. The capping criteria	16
IV	Background	18
	A. Council tax increases	18
	B. The Audit Commission's report on council tax increases	19
	C. The role of capping	21
	D. Arguments for and against capping	25
V	Capped authorities	30
	A. Designated authorities	30
	B. Nominated authorities	33
VI	The draft <i>Council Tax Limitation (England) (Maximum Amounts) Order 2004</i>	34
	Appendix A: Council tax figures 1993-4 to 2004-05	35
	Appendix B: Summary of relevant figures used to determine capping	36

I Introduction

Capping is a mechanism by which the Government may limit the budgets of councils and other local authorities (ie police authorities and, in London and the metropolitan counties, fire and civil defence authorities). The Government has the power - under the *Local Government Act 1999* - to decide on the criteria for capping, which for 2004/05 works by specifying a maximum budget for each authority. The capping criteria determined by the Government does not simply specify a maximum increase in council tax, but instead takes into account both the authority's budget increase and its council tax increase. It is therefore possible to have a high budget increase and low council tax increase, or indeed vice versa, without the authority being capped.

The Government has a number of capping options, including 'designating' an authority - 'in year' and therefore applying to 2004/5 - and 'nominating' an authority for 2005/06. The legislative provisions are further discussed in Part III below. In a statement on 29 April 2004, Nick Raynsford announced that seven authorities had been identified for budget capping in 2004/05. He also announced that the Government proposed using its capping powers to ensure next year's spending would not be excessive for a further seven authorities.

The authorities identified ('designated') for in-year capping in the announcement on 29 April 2004 were Herefordshire; Nottingham; Telford and Wrekin; Torbay; Fenland; Shepway; and Hereford and Worcester Fire Authority. The authorities 'nominated' for action on next year's budget were announced as Cumbria Police, Northamptonshire Police, West Mercia Police, Bedfordshire Fire, Durham Fire, Essex Fire and Nottingham Fire.³

Universal capping, used through much of the 1990's, was a method whereby the capping criteria were announced before authorities set their budget. This was abolished by the Labour Government elected in 1997 by means of the *Local Government Act 1999*. However, while the Act abolished universal capping, it still gave the Secretary of State capping powers, of a more discretionary nature – it is now up to the Secretary of State to decide on the capping criteria. This is discussed in more detail in Part III below.

Following average Band D council tax rises in England of 12.9% in 2003/04, Nick Raynsford started to bring pressure to bear on authorities to limit their council tax rise for 2004/05. He stated on a number of occasions that he would be prepared to use his capping powers, and that authorities should aim for a much lower council tax increase than in 2003/04. As part of this pressure, the Secretary of State, John Prescott, contacted authorities which reportedly were intending to implement a large council tax increase, reminding them of his capping powers. This pressure seems to have worked to a certain

³ HC Deb vol 420 c1019

extent, with average council tax increases in England being reduced to 5.9% for 2004/05, but a number of authorities nonetheless introduced sizeable council tax increases.

Announcing his initial decision on 29 April, Mr Raynsford gave his reasons for using his capping powers:

...some authorities' budget and council tax increases are still too high and impose unreasonable burdens on council tax payers. The Government therefore intend to take action against those authorities whose budget requirements they consider to be excessive. That is not something that we are doing lightly. The Government attach great importance to local accountability and believe that first and foremost it is for local authorities to set their council tax and justify it to their local electors. However, we also have a duty to protect council tax payers from increases that we believe to be excessive. Many people, including representatives of pensioner interests, have urged us to use our capping powers. Of course, it is not just the percentage increase in council tax that is relevant. We have first to decide whether an authority's budget requirement is excessive. In doing so, we have used the following principles. These are described in more detail in a report that is being placed in the Library of the House. In the case of unitary authorities, London boroughs, metropolitan districts, counties, the Greater London authority and the Isles of Scilly, our view is that budget requirements are excessive, if they involve an increase of more than 6.5 per cent. over last year's budget and if council tax has increased by more than 8.5 per cent. over the same period.

Shire districts are in a different position, as this year authorities no longer have to contribute 5 per cent. towards the cost of council tax and housing benefit. While that change has also affected some other local authorities, the amount involved represents a relatively insignificant element of their budgets whereas the change to shire district councils' much smaller budgets represents a considerable saving to them. We have therefore judged their budget requirements to be excessive if they are more than 2 per cent. higher than last year and, again, if council tax has increased by more than 8.5 per cent. As those are small authorities, whose increases in council tax may be correspondingly small in absolute terms, we have introduced a further test by applying those principles only to district councils with a band D council tax for 2004–05 greater than the shire district average.

Police and fire authorities also have a duty to be efficient and to act responsibly in setting their precepts. At the same time, we recognise that those services face particular pressures. We have therefore judged their budget requirements to be excessive if their budgets are more than 7 per cent. higher than last year and if their precepts have increased by more than 13 per cent. As those are single-purpose authorities, whose precept increases may be relatively small in absolute terms, we have applied a similar de minimis principle to that for shire districts. The principles have therefore been applied only to police and fire authorities with band D precepts for 2004–05 greater than the average for the relevant category of authority - either metropolitan or shire police, and either metropolitan or combined fire authorities.⁴

⁴ Ibid

Mr Raynsford said at the end of his statement:

We believe that the actions that we are taking represent a measured response to the increases that we have seen this year. We are pleased that many authorities have heeded our warnings, but some have not. We will listen carefully to the cases put forward by the authorities that I have named and, where justified, we will use the greater flexibility afforded by our new capping powers. However, authorities should be in no doubt that the Government mean business.

The final capping decision was announced on 8 July 2004.⁵ Torbay, Herefordshire, Nottingham, Shepway, Fenland and Hereford and Worcester Fire Authority will be designated for 2004/05, and Telford & Wrekin, Bedfordshire Fire, Durham Fire, Essex Fire, Nottinghamshire Fire, Cumbria Police, Northamptonshire Police and West Mercia Police are being nominated for 2005/06. The Minister said:

We are keeping our promise to act on high council tax increases. We have received written representations and I have met representatives from the authorities involved and listened carefully to their points of view. In the case of Hereford & Worcester Fire Authority, we have set a cap higher than originally proposed, to reflect the amount that the authority can reasonably be expected to cut from its budget at this stage. I am satisfied there will be no danger to public safety from our decision to cap the authority and that it will be able to deliver a good service and all its statutory functions within the maximum budget proposed. The evidence submitted by Hereford and Worcester suggests that they can make this level of savings without having to resort to redundancies. In the case of Telford & Wrekin, the rebate from revised council tax bills this year would have been only 66p for a Band D property. In the circumstances I have decided to set a notional budget instead of an in-year cap. Nomination is not a soft option. The nominated authorities have a clear message for next year - rein in your budgets next year, or face capping. I want taxpayers to be reassured that they should not face excessive tax increases next year. Today's announcement shows all authorities the Government means business. We have increased funding to local Government by 30% since 1997. There is simply no justification for excessive tax increases - and as we have shown today, we will take action where excessive increases are set. We hope that all authorities will take this message on board by setting prudent and reasonable council tax increases next year.⁶

The statement also announced the revised budgets for the various authorities:

Maximum 2004/05 budgets for the authorities who are being capped in year are:

⁵ HC Deb vol 423 c42WS, available at http://www.publications.parliament.uk/pa/cm200304/cmhansrd/cm040708/wmstext/40708m01.htm#40708m01.html_sbhd1

⁶ ODPM News Release 2004/0159, *Government sets out capping decisions*, 8 July 2004, available at http://www.odpm.gov.uk/pns/DisplayPN.cgi?pn_id=2004_0159

Herefordshire £175,320,000 [equating to savings of £253,000 on the original budget]

Nottingham £331,055,000 [savings of £180,000]

Torbay £138,815,000 [savings of £614,000]

Fenland £12,223,000 [savings of £300,000]

Shepway £15,494,000 [savings of £600,000]

Hereford & Worcester Fire £25,798,000 [savings of £1m]

Notional 2004/05 budgets for authorities who are being nominated for next year are:

Telford and Wrekin £169,374,000

Bedfordshire and Luton Combined Fire £23,146,000

County Durham & Darlington Fire £26,091,000

Essex Fire £63,292,000

Nottinghamshire & City of Nottingham Fire £38,981,000

Cumbria Police £85,462,000

Northamptonshire Police £96,663,000

West Mercia Police £165,321,000.⁷

The designated authorities are made up of 1 Labour, 2 Liberal Democrat and 1 Conservative authority, with 1 no overall control:

Herefordshire	No overall control
Fenland	Conservative
Nottingham	Labour
Shepway	Liberal Democrat
Torbay	Liberal Democrat

The cost of re-billing for each authority will amount to approximately 40% of the amount saved as a result of capping, as shown in the following table.⁸

Councils	Budget Savings	Rebilling Costs
Nottingham City	£180,000	c£250,000
Torbay	£614,000	c£100,000
Herefordshire	£253,000	£93,000
Fenland	£300,000	c£100,000
Hereford & Worcester	£1,000,000	c£500,000
Shepway	£600,000	c£93,000
TOTAL	£2,947,000	£1,136,000

⁷ Ibid

⁸ Source: Local Government Association

Hereford & Worcester were set a higher cap than originally proposed to “reflect the savings the authority could reasonably be required to make.”⁹

II Reaction to the capping announcement

The capping announcement was not made on the floor but as a written statement. This formed the basis of a point of order by Graham Allen MP for Nottingham North to which the Deputy Speaker replied “such matters may involve difficult questions of timing.”¹⁰ Earlier that day, at business questions on the day of the announcement, Graham Allen asked Peter Hain, Leader of the House of Commons:

Neither the House nor I, as a Nottingham Member, have been directly informed about this: I read in the newspaper this morning that my city of Nottingham is to be rate-capped. The council tax payers will be billed, at a cost of £250,000, for an over-budget of £180,000. Does my right hon. Friend accept that that is arrant nonsense and that over-centralisation has reached a ridiculous pitch? The orders are before the House at present. Will my right hon. Friend ensure that the matter is debated on the Floor of the House, rather than being tucked away in a Committee Upstairs, so that Members from Nottingham can bring the Deputy Prime Minister to the Dispatch Box instead of the Minister for Local and Regional Government, who is fully conversant with the fact that it is ridiculous to save £180,000 by charging council tax payers £250,000?¹¹

A similar point was made by Alan Simpson, MP for Nottingham South. Peter Hain replied to Mr Allen:

Both the Minister for Local and Regional Government and the Deputy Prime Minister will have carefully noted my hon. Friend's statement. The Minister for Local and Regional Government made a written ministerial statement today, which outlines the whole position, and my hon. Friend will be able to have sight of it now. Notwithstanding the issues that he properly raised about Nottingham, I am sure he will understand that it is in the interests of all council tax payers and of the country that local authorities keep their council tax rises to an absolute minimum, especially for people on fixed incomes.¹²

Replying to Mr Simpson, Mr Hain replied “the Government are between a rock and a hard place: local council tax payers, including his constituents, naturally become very angry about unacceptable council tax rises, and it is important that the Government maintain close control over excessive council tax increases.”¹³

⁹ HC Deb vol 423 c42WS

¹⁰ HC Deb 8 July 2004 vol 423 c1040

¹¹ Ibid c1035

¹² Ibid c1036

¹³ Ibid c1038

The Local Government Association political leaders (Cllr Sir Sandy Bruce-Lockhart, Chairman, Cllr Peter Chalke, Leader, Conservative Group, Cllr Sir Jeremy Beecham, vice-chairman and Leader, Labour Group, Cllr Chris Clarke, Leader, Liberal Democrat Group, Cllr Chloe Lambert, Leader, Independent) were 'united in their anger' at the capping statement:

The LGA political leaders were united in their anger at the hypocrisy of the government following today's capping announcement.

The leaders were particularly incensed at the imposition of in-year capping. To impose capping for 2004-05 at such a late point in the financial year is both ludicrous and irresponsible. Not least because re-billing is such an expensive option.

The re-billing costs associated with the capping announcement is half a million pounds. In Nottingham's case the cost exceeds the savings imposed by the government.

Today's announcement of imposed cuts of £1.9m in the 2004-05 budget for the five local authorities capped, is an example of this government's undermining of local choice and local democracy.

By capping a good authority such as Herefordshire the government is also breaking previous promises not to cap good and excellent authorities.

Sir Sandy Bruce Lockhart, chairman of the LGA and all four political group leaders said: 'Council tax has increased because government expenditure plans have not been matched with grant for local councils. This leaves councils with a choice of either cutting services or raising council tax higher than they would like.

'We believe that this choice should be left to local councils and ultimately the ballot box rather than the government.

'If councils are forced to make the painful choice between service cuts or increased council taxes surely that should be a local decision based on local needs, taken by the council and its community, not dictated by Whitehall', they said.

The LGA's chairman and all four political group leaders are united in their opposition to the government imposing its judgement on council tax levels.¹⁴

The Liberal Democrats' website quoted Edward Davey MP, the Liberal Democrat Shadow ODPM Secretary:

¹⁴ Local Government Association press release 092/04, *Government caps choice*, 8 July 2004, available at <http://www.lga.gov.uk/PressRelease.asp?lSection=0&id= SX91D4-A7825F30>

Capping means service cuts and extra costs for re-billing. It's not the right solution to the unfair council tax. When people see their public toilets closed or their services for elderly people slashed, they will know it is Labour ministers who are to blame. Ministers have failed to take account of local circumstances. Sitting in Whitehall John Prescott may think he's all seeing but he just doesn't understand what his policies do to ordinary people at the grassroots. Torbay Council has one of the lowest council tax levels in the South West and receives £26 per resident a year less than the average similar council, yet capping will now force it into unnecessary and painful cuts. Shepway District Council's tax rise this year was required as it had been spending more than it was raising under the old Tory council, with no financial reserves. Ministers have failed to recognise the mess Tories left in Shepway and that a one-off rise from a low base was needed for longer term financial stability. By capping, Labour have broken past election promises and have betrayed local government yet again. Council tax should be scrapped not capped.¹⁵

Outside the House there was rapid reaction to the announcement. For example, Nottinghamshire City Council Leader, Jon Collins, said "the Government's decision to cap our spending is not only unnecessary and a complete waste of money, it's totally unjustified...the City council is currently considering its legal position while deciding on a process for rebilling which would cause the minimum disruption."¹⁶ The Nottingham Evening Post quoted John Heppel, MP for Nottingham East and a government whip, as saying "I am extremely disappointed. I shall be talking to Ministers at the highest level about the process which led to this verdict." The same article quoted the Chairman of the Nottinghamshire & City of Nottingham Fire Authority, Graham Jackson, which was nominated, as saying "we are very disappointed that the Government does not recognise the unique challenges facing the Fire and Rescue service in Nottinghamshire."¹⁷ The Torbay Herald Express included an interview with Nick Raynsford who was quoted as saying "I regret having to do this but the public are very unhappy about large increases in council tax. Had we not done this, there would have been much larger increases across the country...Torbay Council was well aware of our expectations."¹⁸

Anthony Steen, MP for South Hams, was in favour of the decisions. His website comments:

Anthony Steen has lead from the front condemning councils of all political shades. He has been particularly vociferous in recent months regarding Torbay council's hike of four times the rate of inflation. He was particularly pleased to

¹⁵ Liberal Democrats press release, *Scrap it don't cap it*, 8 July 2004

¹⁶ Nottingham City Council press release, *£250,000 cost of council tax rebilling a 'complete waste of money'*, 8 July 2004

¹⁷ "City council capping row", *Nottingham Evening Post*, 9 July 2004, p5

¹⁸ "My regrets' by cuts minister", *Torbay Herald Express*, 9 July 2004, p2

see Torbay council capped which was what Anthony Steen had stridently argued for in Parliament and the press.¹⁹

III The Government's capping criteria

A. Legislative background

Government powers to limit local government spending, known as 'ratecapping', were originally introduced in the *Rates Act 1984*. Capping remained in place throughout the 1980s with parallel powers being contained in the *Local Government Finance Act 1988* and subsequently in section 54 of the *Local Government Finance Act 1992*. Between 1991 and 1997, the Conservative Government used a system called 'universal capping', which was the practice of publishing provisional capping criteria before councils set their budgets, thereby enabling councils to be sure that the budgets they set would not be capped. This system has advantages and disadvantages for councils. Without universal capping, councils could not be sure that their budgets would not be capped; on the other hand, universal capping had the effect of imposing capping across the board.

The following list shows those English councils subject to capping from 1991-2:

For the financial years 1991-92 to 2001-02 the following English local authorities were capped for the purposes of the community charge and council tax:

1991-92 Basildon Bristol Ipswich Lambeth Norwich Stoke-on-Trent
Warwickshire county council Wirral

1992-93 Basildon Cheltenham Gloucester Gloucestershire Greenwich Hillingdon
Lambeth Warwickshire

1993-94 Castle Point Gloucestershire Harlow

1994-95 City of Sheffield

1995-96 Devon county council Gloucestershire county council Shropshire county
council Somerset county council Lincolnshire police authority

Barnsley metropolitan borough City of Newcastle-upon-Tyne City of Sheffield
City of Norwich

1996-97 Cambridgeshire county council Oxfordshire county council

1997-98 Oxfordshire county council Somerset county council Warwickshire
county council

1998-99 Derbyshire county council

1999-2000 None

2000-01 None

2001-02 None

2002-03 None

2003-04 None²⁰

¹⁹ <http://www.anthonysteen.org.uk/issuerecord.jsp?ID=6>

²⁰ HC Deb 22 January 2002 vol 379 c330-1W

In its 1997 election manifesto Labour promised to remove “crude and universal” council tax capping, while retaining “powers to control excessive spending.” Derbyshire County Council were the last authority to be capped under the old rules,²¹ then the new Government introduced the *Local Government Bill 1998-1999*, which became the *Local Government Act 1999*.

Part II of the *Local Government Act 1999* lays down the rules for council tax capping. These are now more flexible than they were under the *Local Government Finance Act 1992*, which specified the previous rules. Under the current rules, the Secretary of State (who has the power to decide the principles which would lead to designation) may designate an authority if he considers that its budget requirements are excessive. This is ‘in-year’ designation (ie usually between April and July). An authority designated in this way has 21 days to either accept the amount, supply a revised budget or to challenge the decision. If the local authority challenges the amount, the Secretary of State considers any information put forward by the authority and then informs it of the amount which will be the maximum for its budget requirement of the year. The maximum amount will be set out in an order which must be approved by resolution of the House of Commons. The local authority is then informed of the maximum amount in a notice. If the local authority neither challenges the maximum amount nor accepts it, then the maximum amount has to be approved by resolution of the House of Commons.

An order laid before the House under the Act would be a draft order subject to the affirmative procedure and it would therefore have to be approved by the House of Commons before coming into effect.

Once the order comes into effect, the authority must make subsequent calculations (if it is a billing authority²²) or recalculate its budget (if it is a precepting authority²³). If the authority does not do this within the 21 days (35 days in the case of the Greater London Authority to reflect its more complex budget) then, if it is a billing authority, it cannot transfer any resources from its collection fund to the general fund and cannot make use of any council tax collected. In the case of a precepting authority, the authority which collects council tax on its behalf has no power to transfer this money to it. These restrictions apply until the local authority has recalculated its budget requirement.

An authority may also be subject to ‘nomination’, which applies to budgets in the following year. Generally it is expected that the local authority will be nominated at around the same time as in-year designation takes place.

²¹ See Library Research Paper 98/66, *Council tax capping in 1998/99*, 16 June 1998, available at <http://www.parliament.uk/commons/lib/research/rp98/rp98-066.pdf>

²² A ‘billing authority’ is the authority which bills council tax payer – eg a district council.

²³ Precepting authorities do not bill council tax payers directly but instead add a ‘precept’ to the bill sent out by the billing authority, which then pays the precepting authority’s portion.

The explanatory note to the *Local Government Act 1999* provides more detail:²⁴

71. *Section 52B* [of the *Local Government Finance Act 1992*] gives the Secretary of State the power to take action against an authority (under *section 52D*) if he decides that its budget requirement for the year under consideration is excessive. The Secretary of State must determine a set of principles that will be used to decide if the budget requirement is excessive and this set of principles must contain a comparison of the budget requirement for the year under consideration with that of an earlier year. The Secretary of State may also determine categories of authorities and any principles applied to authorities must be the same for all authorities within the category. If the Secretary of State does not determine categories, the same set of principles must be used for all authorities.

72. *Section 52C* provides that the Secretary of State may set a notional amount for the budget requirement for an authority. It may be used to set a notional amount for an authority where there has been a change in function or boundary so that a valid comparison can be made with the budget requirement for the year under consideration. It may also be used to set a notional amount where there was no budget requirement set for an earlier year.

73. *Section 52D* enables the Secretary of State, if he decides that the budget requirement is excessive, to designate or nominate the authority.²⁵

B. The capping criteria

In deciding on the capping criteria, the ODPM announced that the following categories of authority were determined for the purposes of section 52B of the *Local Government Finance Act 1992*:

- (a) London borough councils, metropolitan district councils, county councils in areas with no combined fire authority, the Isle of Wight, the Isles of Scilly, the Common Council of the City of London and the Greater London Authority;
- (b) 'Unitary' authorities (i.e. non-metropolitan district councils also exercising the functions of county councils in their areas) and county councils in areas with a combined fire authority;
- (c) district councils other than those in categories (a) and (b);
- (d) police authorities in metropolitan county areas;
- (e) police authorities other than those in category (d);
- (f) fire authorities in metropolitan county areas; and
- (g) combined fire authorities.

The Government commented in its response to the ODPM Select Committee's inquiry into local government revenue:

²⁴ <http://www.legislation.hmso.gov.uk/acts/en1999/99en27-a.htm>

²⁵ The Local Government Association have produced a short briefing setting out the procedure, available at http://www.lga.gov.uk/Documents/Briefing/Our_Work/finance/cappingnote.pdf

The Government has targeted capping powers and has made it clear that it will use these to cap excessive increases. Decisions on excessiveness are likely to be based on a number of principles which may or may not include the levels of council tax and council tax increases in 2004-05 - and the Government may determine other principles. However, the Government is not pre-judging the criteria. It will first need to consider information received on budgets and council tax increases from all local authorities.²⁶

The following principles of excessiveness, ie the determining factors for capping, were determined for each category of authority:

Categories (a) and (b)

6½% increase in budget requirement (less local precepts) between 2003/04 and 2004/05 and 8½% increase in Band D council tax (less local precepts) between 2003/04 and 2004/05

For authorities in category (b), the increase in budget requirement (less local precepts) between 2003/04 and 2004/05 is measured with respect to the alternative notional amount given in "The Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2004/05" approved by the House of Commons on 26th April. The increase in Band D council tax (less local precepts) between 2003/04 and 2004/05 is measured with respect to the indicative council tax for 2003/04. These figures have been notified to authorities and are available on the ODPM local government finance website at <http://www.local.odpm.gov.uk/finance/ctax/indctrep.xls>

Category (c)

2% increase in budget requirement (less local precepts) between 2003/04 and 2004/05 and 8½% increase in Band D council tax (less local precepts) between 2003/04 and 2004/05 and Band D council tax (less local precepts) for 2004/05 greater than the mean for category (c) authorities (£137).

Categories (d), (e), (f) and (g)

7% increase in budget requirement between 2003/04 and 2004/05 and 13% increase in Band D council tax between 2003/04 and 2004/05 and Band D council tax for 2004/05 greater than the mean for that category. (£93 for category (d), £121 for category (e), £45 for category (f) and £53 for category (g).)

For authorities in category (g), the increase in budget requirement between 2003/04 and 2004/05 is measured with respect to the alternative notional amount given in "The Limitation of Council Tax and Precepts (Alternative Notional Amounts) Report (England) 2004/05" approved by the House of Commons on 26th April. The increase in Band D council tax between 2003/04 and 2004/05 is measured with respect to the indicative council tax for 2003/04.²⁷

²⁶ HC 402-II, 2003/04, *Memorandum by the Office of the Deputy Prime Minister*, available at <http://www.publications.parliament.uk/pa/cm200304/cmselect/cmodpm/402/402we02.htm>

²⁷ These figures are available on the ODPM local government finance website at <http://www.local.odpm.gov.uk/finance/ctax/indctrep.xls>. The report is available on the ODPM local government finance website at: <http://www.local.odpm.gov.uk/finance/ctax/capcomp.xls>

The procedure varies between the following types of authority, as explained on the ODPM website:

Shire district councils and unitary authorities

The Government will write to the authorities concerned designating them for 2004/05 and setting a maximum budget. The authorities have 21 days to respond. The Government will consider any recommendations they make and the information which they are required to send. The Government will then either make an order, to be approved by Parliament, designating them at the level of the proposed maximum budget or another level, or the Government will withdraw the designation and nominate them for 2004/05 instead.

Police and fire authorities

The Government is writing to the police authorities and four of the fire authorities – ie all except Hereford and Worcester – informing them that they are being nominated for 2005/06. In the light of the information they are required to send to the Government and any information they want to provide, the Government will then decide whether to set notional budget requirements for 2004/05 against which increase in 2005/06 will be measured, or to designate them for 2004/05.

The Government is also writing to Hereford and Worcester Fire Authority designating it for 2004/05 because of its ‘very large increases in its budget and council tax precept’ setting its maximum budget. The procedure will be the same as for unitary authorities and shire districts.²⁸

IV Background

A. Council tax increases

Council tax increases in England were 12.9% in 2003/04. This led to considerable public comment and to pressure from the Government for authorities to reduce their council tax levels for 2004/05. The following table shows council tax increases over these years; a table showing council tax increases since 1993/94 is given in Appendix A.

²⁸ LGA press release 092/04, *Government caps choice*, 8 July 2004

Headline Council Tax by class of authority in England: Band D,
£

		% Increase on		% Increase on
	2003-04	2002/03	2004-05	2003/04
Inner London	942	18.1%	987	4.8%
Outer London	1,125	18.2%	1,197	6.4%
Metropolitan Districts	1,098	8.0%	1,143	4.1%
Shire areas	1,114	13.2%	1,186	6.5%
<i>Of which:</i>				
Unitary Authorities	1,066	11.2%	1,145	7.4%
Shire Districts	1,129	13.8%	1,198	6.1%
England	1,102	12.9%	1,167	5.9%
Wales	837	9.8%	887	6.0%
Scotland	1,009	3.9%	1,053	4.4%

(a) Amounts shown are headline taxes, before transitional relief and benefits/ rebates

Sources: www.local.odpm.gov.uk

Headline figures giving council tax levels for the 2004-05 period are available in Library Standard Note SN/SG/2649.²⁹ Local Authority level information is provided in Library Standard Note SN/SG/3034.³⁰

B. The Audit Commission's report on council tax increases

The Audit Commission reported on the 2003-04 council tax increases in *Council Tax Increases 2003-4: Why were they so high?*. It suggested that lack of transparency over the calculation of the central grant was a fundamental flaw in the current system of local government finance.³¹ The summary of the report says:

The average increase of 12.9 per cent in council taxes in 2003/04 was the highest since council tax replaced the poll tax in 1993/94. It was 4.7 per cent higher in 2003/04 than 2002/03.

Increases of this level – with a majority of people facing percentage increases in council tax bills in double figures – have a major impact on citizens, particularly those on low or fixed incomes.

The increases were caused by a variety of factors, but there were two principal reasons. First, spending by councils went up by more than had been allowed for in the grant settlement. Second, the effect of the grant regime – whereby 75 per cent of funding comes from central government – was that each 1 per cent

²⁹ *Council tax: social indicators page*, 13 May 2004

³⁰ *Council tax: 2004/05*, 5 May 2004

³¹ *Council Tax Increases 2003-4: Why were they so high?* From <http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=ENGLISH^576^SUBJECT^488&ProdID=2301C12C-A495-4C17-AA67-1813C49D48EC&SectionID=sect1#>

councils added to spending above amounts allowed for in the grant settlement increased council tax by 4 per cent.

We found the causes of increased spending by councils included:

- cost pressures such as pay and price increases, increases in national insurance contributions, and increased pension costs;
- additional demand pressures, including, for example, the need to provide social services to increasing numbers of elderly people;
- national policy priorities, such as the requirement to increase funding for schools by an amount determined by government or to meet national waste recycling targets; and
- local policy priorities, such as additional spending on highways.

A spokeswoman for CIPFA³² was quoted as saying that “the present imbalance in local government funding distorts the scale and impact of council tax rises as a result of the gearing effect.”³³ The extra money made available had been added to the total grant rather than adjusting the formula spending shares.³⁴ Sir Jeremy Beecham, then Chair of the Local Government Association, said:

The Commission agrees with our belief that the current system is too complex, lacks proper accountability and is therefore ripe for reform. The answer lies in the balance of funding review which the LGA is sitting on with local government minister Nick Raynsford. Our goal is a fairer local taxation system that gives more responsibility to the local council for spending decisions. We must throw away prejudice and examine all the options with an open mind - whether that is a reformed property tax, elements of local income tax, a return of business rates to local control or a combination of these measures. I believe we can produce a system of local government funding that reinvigorates local democracy and further improves the quality of services.³⁵

The Prime Minister commented on the report in Prime Minister’s questions on 10 December 2003:

Norman Lamb: Does the Prime Minister agree with the conclusions of the Audit Commission that the council tax is “fundamentally flawed” and that this year’s increases have a great impact on citizens, particularly those on low and fixed incomes, many of whom are pensioners?

The Prime Minister: I do agree that, as the Audit Commission said in the main part of its report, there are fundamental flaws in the council tax system—which was introduced after the poll tax, I think. However, we have put huge additional

³² The Chartered Institute of Public Finance and Accountancy

³³ ‘Report is clear about who is at fault’, *Local Government Chronicle*, 12 December 2003

³⁴ More details on the changes are available on the ODPM website, at <http://www.local.odpm.gov.uk/finance/0405/tabs0452.htm>.

³⁵ Local Government Association press release 199/03, *Audit evidence supports our call, for council tax overhaul*, 4 December 2003. Gearing is the name for the phenomenon that because on average only 25% of local authority income is generated locally, a 4% rise in council tax is required to raise 1% extra income.

sums into local government this year, and it is important that councils understand that they have a measure of responsibility.³⁶

Nick Raynsford welcomed the report as a “useful and timely contribution to understanding why local authorities increased council tax by an average 12.9% last year.” He went on to say:

These rises are something we are all concerned about. The Audit Commission's report should be read as a whole. It identifies a range of contradictory factors, some of which are the responsibility of central government and some of which are the responsibility of local government. The Government is already doing much of what the report recommends. We have removed ring-fencing from £750m grant and provided greater transparency on transfers and adjustments within the provisional settlement. I am pleased the report recognises that the Government increased general grant to local authorities in 2003/4 by a record 5.9%. In all, we have increased funding to local authorities by 29% in real terms since 1997... We note the report's conclusions on capping. We agree public engagement is important but it is local authorities - not government - which set the council tax. We have made it clear we are quite prepared to use our targeted capping powers on excessive increases next year.³⁷

C. The role of capping

Capping has not been used since 1998/99, although the Government has retained the right to cap, as stated by Mr Raynsford on 10 July 2002:

Mr. Watts: To ask the Deputy Prime Minister whether he intends to use his reserve capping powers this year in respect of any local authorities' council tax increases; and if he will make a statement. [69416]

Mr. Raynsford: In our White Paper, "Strong Local Leadership--Quality Public Services", we made clear that we would use our reserve capping powers only in exceptional circumstances. We have carefully considered this year's increases and concluded it would not be appropriate to use the powers this year. (However, we remain concerned about the level of council tax increases and the willingness of local people to pay them. We have issued guidance on best practice on consulting local people about tax and spend decisions and we will be looking at how effectively authorities have engaged their local tax payers on future council tax increases.)³⁸

³⁶ HC Deb vol 415 c1050

³⁷ Council tax – the facts, Statement by Minister for Local Government Nick Raynsford, ODPM, 16 January 2004, available at http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/page/odpm_locgov_023988.hcsp

³⁸ HC Deb vol 388 c1004W

The Government had made clear for some time that it was prepared to use its capping powers following the large council tax increases of 2003/04. Nick Raynsford said that councils with high council tax increases were being examined, in answer to a question from Eric Pickles on 2 April 2003:

Mr. Eric Pickles (Brentwood and Ongar): In the past few weeks, the right hon. Gentleman has threatened local authorities with capping. In his answer to my hon. Friend the Member for East Devon (Mr. Swire) today, he suggested that he was still considering authorities. Last week, the Department made it clear that it had decided not to cap. Does the Minister's reply to my hon. Friend therefore relate to this year or next year? Will he confirm that councils that are being forced to increase their council tax are doing nothing more than passing on the Labour Government's stealth tax? Is he reluctant to cap because he knows that if he does so, the spotlight will shine on his fiddled and discredited financial settlement?

Mr. Raynsford: I am afraid that the hon. Gentleman is wrong on almost every count. That is not uncommon. Like any prudent Government, we are continuing to examine those authorities that have introduced very large council tax increases. I have made it clear that we shall do that next year, too. It is simply not sustainable for local authorities to impose increases of that order on their electorate. However, our policy is to give local government greater freedom and flexibility and not to intervene in the same way as the Conservative party when it was in power by crudely capping authorities and forcing them to make highly disruptive in-year changes. The overriding message of this year's council tax increases is that Tory councils cost people more. Tory councils are increasing their council tax by 16 per cent. and have the highest average council tax. The hon. Gentleman should deal with his party.³⁹

Nick Raynsford then said in a written ministerial statement on 15 September 2003:

Despite above inflation increases in grant for all English local authorities in 2003–04, we were disappointed that the average council tax increase was 12.9 per cent. Having looked at the budget returns from all English authorities, we have considered very carefully whether to use our powers under part IVA of the Local Government Act 1992 to cap any local authority budgets. We have decided against doing so this year.

Every local authority has a responsibility to its own taxpayers and electors. However, the Government are clear that the current trend in council tax rises is not sustainable. We will look at council tax rises very closely next year and we will also want to take account of the trend in increases over more than one year. Local authorities should be aware that we are prepared to use our targeted capping powers in 2004–05. In exceptional circumstances I do not rule out the

³⁹ HC Deb vol 402 c903

possibility of capping authorities categorised as "good" or "excellent" in the current and future comprehensive performance assessments.⁴⁰

He reiterated this point during the Local Government Finance Settlement statement on 19 November:

We are clear about the fact that the current trend in council tax rises is not sustainable. People expect their local councils to set reasonable council tax. They and we are looking to authorities to deliver high-quality services in a cost-effective way. Against the background of further substantial increases in Government grant, and the extension of freedoms and flexibilities to local authorities, large council tax increase are simply not acceptable.

Local authorities should be aware that the Government will examine next year's council tax rises very closely. We will be looking for evidence that authorities have realised efficiency savings. We will take account not only of one year's increases, but of the trend in increases over more than one year. Every local authority, including fire and police authorities, must be in no doubt that we are prepared to use our targeted capping powers in 2004–05, if necessary, to protect the interests of council tax payers.⁴¹

This policy was also stated by the Chancellor, Gordon Brown, during his pre-budget report on 10 December 2003:

While local performance standards and local publication of performance data will progressively replace the national targets, the Deputy Prime Minister and I are agreed that, having already set aside for English local authorities next year an additional £3.3 billion, the Government will, to ensure next year reasonable levels of council tax, be prepared to use capping powers where appropriate and necessary.⁴²

Nick Raynsford indicated that local authorities were being warned that they face spending caps if their budgets require significant increases in council tax bills. In an interview with BBC's Today programme, he said "I have got capping powers. We will use those powers if necessary." According to the report on the BBC website, he wrote to a number of councils who he believed might be planning an increase of more than 5%:

Speaking on BBC Radio 4's Today programme, Mr Raynsford was quizzed about the FT report which suggested he was threatening to cap councils that could be planning spending increases. "The FT is right that I have written to 31 councils from whom we have got information suggesting that they may be contemplating increases in council tax of above 5%," he told Today.

⁴⁰ HC Deb vol 410 c37-8WS

⁴¹ Available at http://www.publications.parliament.uk/pa/cm200203/cmhansrd/cm031119/debtext/31119-07.htm#31119-07_head0

⁴² HC Deb 10 December 2003 vol 415 c1067

But the minister said, he hoped this action would not be necessary. “This is just a preliminary letter and I hope as a result of it, councils that are considering a large increase in council tax will moderate their proposals.”

However, a spokeswoman for the Office of the Deputy Prime Minister said it had no plans to release the identity of the 31 councils who received letters. “We don't want to be in the business of naming and shaming”, she told BBC News Online. “The figures haven't been set yet by the councils and we won't announce names until those rises have been set. Negotiations and consultations are going on and we don't think it is fair to be putting those names out in public. Obviously, if the councils themselves want to make the letters public, that is up to them. We have no issue with that.”⁴³

The figure of 31 was updated to 54 by Mr Raynsford on 4 February 2004 during oral questions:

Mr. David Curry (Skipton and Ripon) (Con): It is nice to see that the Minister had prepared such a good impromptu response to that question. Does the [balance of funding] review include an examination of capping powers? Does he intend to cap every council and preceptor, with the exception of combined fire authorities, that seeks an increase in council tax revenue of more than 5 per cent?

Mr. Raynsford: The right hon. Gentleman will know that the balance of funding review is looking at the long-term issues relating to the balance of funding between central and local government sources. The specific issue of capping is topical, for obvious reasons. The Government have made it clear that we expect all authorities, including fire and police authorities, to budget prudently. We have also made it clear that we expect local authorities to look for council tax increases in low single figures, and I have already written to some 54 authorities that have indicated that they were considering unreasonably large increases. We take our responsibilities seriously, and we are determined to ensure that the levels of council tax are brought down so that people are not confronted with unreasonably high tax demands.

Mr. Curry: That is an interesting choice of words. The Minister is now talking about budgeting prudently. A few weeks ago, he was waving a big stick at anyone who proposed an increase of more than “low single figures”—that was the expression that he used over and over again. He has sent out letters to some councils that are proposing increases of barely more than 5 per cent. and to others proposing increases in the teens. However, some councils that propose increases in the teens have not received a letter. Who are going to get all these billets-doux? Should not the Minister employ a better cuttings service, so that he can find out more about what is happening? When is going to send a billet-doux across the river to the new Labour candidate for the mayoralty of London?

⁴³ “Councils receive written warning”, *BBC News website*, 16 January 2004, available at http://news.bbc.co.uk/1/hi/uk_politics/3402359.stm

Mr. Raynsford: It is appropriate for the right hon. Gentleman to talk about getting a better cuttings service, given the Conservatives' record in power of cutting services. [Interruption.] That was not a rehearsed answer, either. We have written to 54 authorities about which we have had indications that they might be considering increases in excess of 5 per cent. That is not necessarily an indication of the level at which we will cap, but it is right that authorities should be aware that the Government attach great importance to achieving increases in low single figures. That is the basis on which I have written to those authorities, and if there are others considering large council tax increases to whom I have not already written, I hope that the right hon. Gentleman will help to supply that information in respect of Tory authorities—which are among those proposing the highest increases—and I will be very happy to write to them.⁴⁴

The names of the authorities concerned were not released.

D. Arguments for and against capping

The Local Government Association is against capping and has issued a number of statements about it, available on their website.⁴⁵ On 28 April they issued a press release which quoted Sir Jeremy Beecham, then Chair of the LGA:

Capping amounts to a government admission that too much of the pressure of increased spending on public services such as education and social services, has been placed on an inflexible property tax that doesn't grow as the rest of the economy grows. The short-term answer is to properly fund additional pressures so that councils can choose to keep council tax within inflation; the longer term answer is a system of local taxation that ensures councils have much more control of their income, and can take full responsibility for their spending decisions through local elections. It is now several weeks since councils set their budgets for this year and sent out their bills, so the public are going to be confused. It will be several more weeks before any final decisions are made by government as to whether to confirm these caps, or whether they'll listen to the views of the affected councils. In the meantime, councils will lose income because it will be harder to collect the tax. Forward planning and concentrating on improvement will be very difficult. If the cap is confirmed, and this won't be before the local elections in June, then bills will have to be recalculated and re-sent, paid for by council tax payers. Spending on specific services will need to be cut mid-year. This is not a recipe for good government. It is ironic that one of the likely candidates for capping is an authority classed as 'excellent' by the Audit Commission, and one that therefore had been promised new freedoms and flexibilities, one of which was freedom from the fear of capping. That broken

⁴⁴ HC Deb vol 418 c745

⁴⁵ See eg <http://www.lga.gov.uk/PressRelease.asp?id=SXB0C1-A78225B5>, <http://www.lga.gov.uk/PressRelease.asp?id=SXB0C1-A7820A30> and <http://www.lga.gov.uk/PressRelease.asp?id=SXB0C1-A781FEB0>.

promise speaks for itself. The far-reaching reform of council tax is now inevitable. In the meantime, capping will merely add to the pain.⁴⁶

The Government had previously indicated that it would not cap those councils categorised as excellent under the Audit Commission's comprehensive performance assessment system. This was stated again by Nick Raynsford during oral questions on 5 March 2003:

Mr. Mark Field (Cities of London and Westminster): Will the Minister give an assurance that those councils that were deemed excellent in the recent review will be exempt from any proposed capping?

Mr. Raynsford: We have already made it clear that we do not intend to cap authorities that have an excellent or good rating under the comprehensive performance assessment. However, it is incumbent on authorities that aspire to be good and excellent to be responsible in the organisation of their financial affairs. I am sure that the Audit Commission will want to keep a close watch on all authorities, including those that are good and excellent, to ensure that there are sound budgeting standards and that the temptation to manipulate the council tax for political purposes does not get the better of some authorities' judgment.⁴⁷

However, as noted above, Nick Raynsford said on 16 September 2003 that this would no longer apply.⁴⁸ Sir Sandy Bruce-Lockhart, then vice chairman of the Local Government Association, said:

The government promised more financial autonomy for the councils independently proven to be good and excellent at the end of last year. We have had our arguments and believe that the freedoms and flexibilities are limited and not coming quickly enough, but nobody expected government to start threatening to renege on specific commitments.

If this approach becomes the norm, councils would simply lose faith in talk of partnerships with Whitehall, and the damage to central and local relations would be very hard to repair.

To date we have been able to work constructively with local government minister Nick Raynsford. The current work on the review of the balance of funding between central and local government is evidence of that. Today's announcement seems out of kilter with this way of working and we need an explanation. Government has to let go, and trust councils who are deemed to be good and

⁴⁶ LGA press release 057/04, *Capping will make death of council tax more painful*, 28 April 2004, available at <http://www.lga.gov.uk/PressRelease.asp?lSection=0&id= SX10FA-A7822CB9>

⁴⁷ HC Deb vol 400 c805

⁴⁸ See HC Deb vol 410 c37-8WS

excellent to get on with the job, including the job of sound financial decision-making.⁴⁹

Comprehensive performance assessments classify councils into 5 categories: excellent, good, fair, weak and poor, on the basis of their performance on a set of core services and an assessment of the council's corporate ability. Telford and Wrekin were classified as excellent by the Audit Commission in the 2003 CPA round.

Philip Hammond, responding on behalf of the Conservative Party to the initial capping announcement on 29 April, said:

What we have just heard is the culmination of a sorry story of fiddled figures and broken promises ending in a finale that may make the Deputy Prime Minister feel good, but which will do nothing to address the underlying driver of soaring council taxes—fiddled local funding from Whitehall and the never-ending torrent of new burdens, targets and red tapes from his interfering Department.

In opposition, Labour pledged to end capping and in 1999, it brought in a Bill to create a new capping regime. In 2002, it pledged that no authority rated good or excellent in the comprehensive performance assessment would be subject to capping powers; today two such authorities are in the list that has just been announced, making a mockery of the whole costly CPA process and the billion pounds a year of council tax payers' money that it costs... The use of arbitrary criteria and the double threshold has had perverse effects. Six uncapped unitaries have higher percentage budget increases than Telford and Wrekin and five have higher percentage band D precept increases. Yet Telford and Wrekin gets capped; others do not - fiddled capping on top of fiddled funding. Can the Minister explain why he did not apply a test of absolute council tax levels to the unitaries - distinguishing high-taxing councils from those with a relatively high single-year increase - as he has done with every other category of authority capped?⁵⁰

Edward Davey, on behalf of the Liberal Democrats, said:

How can the Minister impose random and heavy cuts on local services for pensioners and children when the independent Audit Commission said that it is the Government's council tax system that is "fundamentally flawed"? How can the Minister pretend to be the friend of local government and local democracy when he is reverting to the old Tory tricks that he used to vote against?

The absurdity of capping can be revealed by looking at any of the councils affected, but let us take Shepway. Will the right hon. Gentleman admit, for the record, that the 29 per cent. rise this year comes after a 10-year average rise of just 3 per cent.? Will he acknowledge that whereas the average band D council

⁴⁹ LGA press release 143/03, *Threats and broken commitments would damage local central partnership*, 16 September 2003

⁵⁰ Ibid c1022

tax in England has gone up in the past 10 years by 94 per cent., in Shepway it has risen by only 37.4 per cent.? Will he admit that when the Liberal Democrats took over Shepway council from the Conservatives last May, they inherited a council that had suffered years of poor financial management and was spending more than it was raising, with no financial reserves? Why, then, has the Minister not taken account of local circumstances and given local politicians the chance to do what they were elected for, to put right the Tory mess?⁵¹

The Local Government Association issued a statement disagreeing with the decision to cap. Sir Jeremy Beecham, then Chair of the LGA, said:

Today's announcement is unnecessary, does nothing to address the underlying problems within the local government finance system, and is more likely to make them worse.

The revival of capping is a bitter disappointment for all our member authorities – those who have been capped could even find their funding problems exacerbated by expensive re-billing which could cost more than £1 for every household. Some of the prospective savings are so minimal – in Shepway's case for example just 20p a week per household - there is the ironic twist that government intervention will end up costing tax payers far more to get a lower tax bill. Ministers have reneged on their pledge that capping would only be used in the most extreme of circumstances, which this is not. It is particularly regrettable that amongst the authorities named are both excellent and good rated authorities, which ministers pledged would not be affected. The excellent-rated Telford and Wrekin for example now face capping despite having an overall spend lower than Government guidelines and one of the lowest council taxes in their region. Such a draconian intervention is simply not justified by the realities on the ground. As the Audit Commission concluded last year, councils have acted responsibly and have had to deal with pressures to passport increases. Indeed increases in local government expenditure as a whole at 31% compare favourably with central government increases at 50%.⁵²

An article in *Public Finance* claimed:

Telford is hoping Raynsford will do the maths and accept that the budget saving he has demanded will be much smaller than the costs of implementing an in-year capping order. "We're £31,020 over on a budget of £169m, the equivalent of 64p a year on a Band D property. It will cost us £200,000 to rebill," says [Steve] Wellings [Director of Resources]. Nottingham City Council, another Labour authority, whose tax went up by 9.6%, tells a similar story. It has been told to slice £180,000 from its £331.2m budget for 2004/05: precisely what the council

⁵¹ Ibid c1025

⁵² LGA Press Release 059/04, *LGA frustration and disappointment over government capping announcement*, 29 April 2004, available at <http://www.lga.gov.uk/PressRelease.asp?id= SX92D6-A7822DC1>

says it will cost to rebill. Surprisingly, ministers did not take account of the cost to authorities of having to send out new council tax bills before deciding which authorities to cap. Raynsford, speaking immediately after his statement to Parliament, confirmed this. "We do take this into account but it's at this next stage, the 21 days, that we do it."⁵³

The CBI on the other hand 'strongly backed' the Government's decision:

The CBI today (Thursday) strongly backed the government for capping some council tax bills and stepped up its criticism of town hall waste. The employers' organisation estimates that councils could achieve efficiency savings worth some £3bn a year, 15 per cent of the council tax bill. It said some local authorities were trying "to use their get out of jail free card" by pressing for higher council taxes and changes to business rates. It said some town hall leaders were "dragging their feet" on reforms such as making greater use of the private sector and joint local authority purchasing.

John Williams, CBI Director of Public Services, said: "It's regrettable that we have got to this point but ministers are right to be tough because there is significant scope for delivering better value for money. Council tax rises have clearly caused significant concern and now some town hall leaders are looking for increases to business rates. Frankly, that is not acceptable when there are major question marks over performance. Local authorities must demonstrate real value for money before looking for other sources of funding. The CBI doesn't believe in crude capping but clearly some councils have given ministers no choice."⁵⁴

The ODPM select Committee report into *Local government revenue*⁵⁵ quoted a number of witnesses who commented on capping, including the Local Government Information Unit:

We believe that it should be left to local people to decide whether their council has acted properly in setting the local tax rate. Capping budgets denies local accountability. There is not a cogent economic case for the central control of local taxation.⁵⁶

Professor Tony Travers of the London School of Economics argued:

I do not think capping is an appropriate mechanism, in part because the margin on local government spending in any year is very small in relation to the whole

⁵³ "Overspenders count the cost of capping", www.publicfinance.co.uk, 7 May 2004

⁵⁴ CBI News Release, *CBI backs plan to cap councils and steps up attack on £3bn town hall waste bill*, 29 April 2004

⁵⁵ HC 402-I 2003/04, 16 July 2004, available at http://www.parliament.uk/parliamentary_committees/odpm/odpm_reports_publications.cfm

⁵⁶ Ibid, p25

economy and therefore I think it is unlikely to unbalance the economy in any one year, but in terms of local accountability I think that having national government intervening to set local taxes is very damaging to the notion of accountability at the local level.⁵⁷

On the other hand, the Report also quoted Paul Woods of the Association of North East Councils, who believed that “history has shown that there is a need to have a reserve power of capping. I think there needs to be that pressure.”⁵⁸

The Committee recommended:

It is much more appropriate for local authorities to be held to account for local decisions, including the level of local taxation, through the ballot box. If the Government insist on retaining capping, capping should be selective, rather than general and selected local authorities should be given a year in which to meet the requirements.⁵⁹

V Capped authorities

A. Designated authorities

The seven authorities originally designated for capping were given 21 days to appeal against the decision to cap their budgets. Each council was also allowed a thirty-minute meeting with the Minister and officials at which they could present their case against the decision.

Herefordshire issued a notice challenging Mr Raynsford’s decision on 28 May 2004. The basis of the challenge was that “Herefordshire Council is, on any analysis of spend, in the bottom quartile of spend compared with other unitary authorities... despite having to provide services to a dispersed population in the most sparsely populated unitary authority.”⁶⁰ The council also stated that its council tax is below the unitary authority average, that the proposed revision to its budget requirement is £253,000, equating to an annual reduction in council tax at Band D of £3.80 or 7p per week, and that the estimated rebilling costs are in excess of £100,000 generating additional costs of £1.25 per annum at Band D or 2½p per week. The council also claimed that the Minister could meet his objectives by nominating not designating them.

⁵⁷ Ibid, p25

⁵⁸ Ibid, p26

⁵⁹ Ibid, p27

⁶⁰ Herefordshire District Council, *Notice to the First Secretary of State under Section 52(e) of the Local Government Finance Act 1992*, May 2004,

Band D council tax and budget requirement, 2000/01 - 2004/05
Herefordshire

	Own Band D council tax (excluding parish precepts)		Budget requirement (excluding parish precepts)	
	£	annual % change	£	annual % change
00/01	677	..	132,729	..
01/02	744	10%	141,325	6%
02/03	807	8%	150,282	6%
03/04	925	15%	167,544	11%
04/05	960	4%	175,573	5%

Note: Figures for 2004/05 are actual figures and not the alternative notional amounts used in the ODPM calculations. Notional amounts take account of changes in Local Authority functions

Source: Council Tax Demands and Precepts, CIPFA

Torbay Council, supported by Adrian Sanders, Liberal Democrat MP for Torbay, met Nick Raynsford on 24 May to present their appeal against the capping decision. The appeal centred on the position of Torbay as having the second lowest council tax in Devon, even though the council tax rise was 9.9%. According to the Council, the appeal was supported by a number of local businesses.⁶¹

Band D council tax and budget requirement, 2000/01 - 2004/05
Torbay

	Own Band D council tax (excluding parish precepts)		Budget requirement (excluding parish precepts)	
	£	annual % change	£	annual % change
00/01	733	..	114,295	..
01/02	787	7%	119,425	4%
02/03	873	11%	123,218	3%
03/04	958	10%	135,000	10%
04/05	999	4%	139,429	3%

Note: Figures for 2004/05 are actual figures and not the alternative notional amounts used in the ODPM calculations. Notional amounts take account of changes in Local Authority functions

Source: Council Tax Demands and Precepts, CIPFA

⁶¹ *Response to notification under section 52e of the Local Government Finance Act 1992*, Torbay Council, 2004, available at http://www.torbay.gov.uk/capping_appeal.pdf

Shepway appealed on the basis that for a high council tax increase was necessary to solve a “dire financial situation which was none of our making.”⁶²

Band D council tax and budget requirement, 2000/01 - 2004/05

Shepway

	Own Band D council tax (excluding parish precepts)		Budget requirement (excluding parish precepts)	
	£	annual % change	£	annual % change
00/01	127	..	13,278	..
01/02	135	6%	13,866	4%
02/03	147	9%	14,591	5%
03/04	160	9%	15,190	4%
04/05	206	28%	16,092	6%

Source: Council Tax Demands and Precepts, CIPFA

Fenland met Nick Raynsford on 14 June 2004. They were of the opinion “that there appears to be no rationale behind the criteria for “capping” as our Council Tax increase is lower than some authorities which have not been “capped”. Fenland’s Council Tax average, when compared to other Councils in Cambridgeshire, is the lowest in the region and lower than the national average.” The Appeal was based on a number of issues: “the Tax Base - relative tax raising resources available to the Council; “Double Capping” - the impact of the Government effectively “capping” our Government Grant; central/local control and democratic freedom, and timing and value-for-money judgements regarding re-billing.”⁶³

Band D council tax and budget requirement, 2000/01 - 2004/05

Fenland

	Own Band D council tax (excluding parish precepts)		Budget requirement (excluding parish precepts)	
	£	annual % change	£	annual % change
00/01	100	..	8,601	..
01/02	106	6%	8,962	4%
02/03	132	24%	9,789	9%
03/04	180	36%	11,792	20%
04/05	206	14%	12,522	6%

Source: Council Tax Demands and Precepts, CIPFA

⁶² Shepway District Council press release, *Frustration and disappointment at capping appeal decision*, 8 July 2004

⁶³ Fenland District Council, Cabinet minutes, 18 May 2004, available at <http://www.fenlanddc.com/meetings14.asp>

Hereford & Worcester Fire Authority believed that the authority's original budget requirement should stand:

because it is based on robust financial calculations having regard to the authority's statutory obligations; the authority's budget policy underpinning its Integrated Risk Management Plan; the need to protect the authority's financial standing and to manage risk; financial performance in 2003/04; and other reasons including the strengths of the authority's financial control procedures including audit considerations.⁶⁴

B. Nominated authorities

Telford & Wrekin Borough Council were originally on the list of those councils due to be designated for 2004/05. The council appealed against the original decision, on the following basis:

- Lowest council tax in the West Midlands
- Cumulative tax rise since 1998 of around 49% against a national average of 69%
- Highest performing council in the West Midlands
- Awarded Beacon status twice by the Government in 2004/05 – an exemplar for delivering quality services
- Institute of Public Finance report which independently verifies that Telford & Wrekin is a low-spending authority
- Overall spending lower than Government guidelines – second lowest unitary in the country
- Services provided for 4,000 people every year for which the council gets no grant from the Government
- £4.2 million of government grant – equivalent to 10.5% on the council tax - lost in the Government's grant rules
- Average of over £2.7 million of savings made every year – a total of £19.2 million since 1998⁶⁵

Announcing the decision to cancel Telford & Wrekin's designation for 2004/05, Nick Raynsford said:

I am cancelling the designation of Telford & Wrekin and nominating it instead with a proposed notional budget for this year of £169,374,000. This is the same as the maximum budget we proposed when it was designated in April. Had the authority been capped in year, its council taxpayers would have received a rebate

⁶⁴ "Capping" - challenging the first Secretary of State's proposal to impose a lower maximum amount as the budget requirement for 2004-05, Hereford & Worcester Combined Fire Authority, 2004, available at <http://www.hwfire.org.uk/PDF%20Files/capping%20130504.pdf>

⁶⁵ Borough of Telford & Wrekin press notice, *Council launches appeal against capping*, 29 April 2004

of only 66p per Band D property. We are writing to the authority today and it will have 21 days in which to challenge the proposed notional budget.⁶⁶

Notional budgets were set for the other seven authorities (see Part I above). The nominated authorities will have 21 days from the date of the announcement to challenge the proposed budgets.

VI The draft *Council Tax Limitation (England) (Maximum Amounts) Order 2004*

The Order was laid on 8 July 2004 under section 52(f) of the Local Government Finance Act 1992. As a draft Order, it will not come into force until the House of Commons approves it. The House will debate it on 18 July 2004. As it is a financial instrument it will not be debated in the House of Lords. It will come into force on the day after the day on which it is made.

If it is confirmed, then the designated authorities will have 21 days to issue fresh council tax bills.

⁶⁶ HC Deb 8 July 2004 vol 423 c42-3WS

Appendix A: Council tax figures 1993-4 to 2004-05

Headline Council Tax by class of authority in England: Band D, 2 Adults ^(a)

£	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Increase in	
												2004-05	2004-05
Inner London	564	523	573	633	646	658	679	708	757	797	942	987	4.8%
Outer London	554	539	577	606	654	703	760	818	889	952	1,125	1,197	6.4%
Metropolitan District	637	644	678	725	779	833	878	919	968	1,017	1,098	1,143	4.1%
Shire areas	..	..	..	631	671	736	792	843	897	984	1,114	1,186	6.5%
<i>Of which:</i>													
Unitary Authorities	..	..	..	679	698	736	779	825	879	958	1,066	1,145	7.4%
Shire Districts	551	572	597	631	667	738	796	848	903	992	1,129	1,198	6.1%
England	569	580	609	646	688	747	798	847	901	976	1,102	1,167	5.9%
Wales	328	350	392	462	495	555	602	669	710	762	837	887	6.0%
Scotland	556	588	624	708	783	827	849	886	929	971	1,009	1,053	4.4%

(a) Amounts shown are headline taxes, before transitional relief and benefits/ rebates

Sources: www.local.odpm.gov.uk

Appendix B: Summary of relevant figures used to determine capping

Category (a) : London borough councils, metropolitan district councils, county councils in areas with no combined fire authority the Isle of Wight, the Isles of Scilly, the Common Council of the City of London and the Greater London Authority.

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax (excluding parish precepts) (£) (1)	03-04 budget requirement (excluding parish precepts) (£) (2)	04-05 Own Band D council tax (excluding parish precepts) (£) (3)	04-05 budget requirement (excluding parish precepts) (£) (4)	% increase in Own Band D council tax 03-04 to 04-05 (excl. parish precepts) (5)	% increase in budget requirement 03-04 to 04-05 (excluding parish precepts) (6)
Inner London Boroughs						
Camden	933.14	286,458,000	959.13	307,449,000	2.8%	7.3%
Greenwich	863.97	311,631,000	899.37	333,059,000	4.1%	6.9%
Hackney	934.07	346,026,000	979.84	363,812,000	4.9%	5.1%
Hammersmith & Fulham	848.49	218,078,000	890.07	235,108,600	4.9%	7.8%
Islington	824.81	280,063,000	866.05	301,788,000	5.0%	7.8%
Kensington & Chelsea	680.84	191,080,000	712.70	202,034,695	4.7%	5.7%
Lambeth	770.60	357,711,606	809.12	382,791,000	5.0%	7.0%
Lewisham	857.14	342,296,500	899.96	365,586,000	5.0%	6.8%
Southwark	809.78	379,411,000	829.21	407,461,448	2.4%	7.4%
Tower Hamlets	732.22	377,053,000	766.69	407,851,000	4.7%	8.2%
Wandsworth	359.63	258,162,000	359.63	268,956,614	0.0%	4.2%
Westminster	345.76	255,187,490	363.83	268,632,483	5.2%	5.3%
Outer London Boroughs						
Barking & Dagenham	823.74	205,200,000	868.68	220,168,000	5.5%	7.3%
Barnet	910.21	338,287,450	972.43	354,894,410	6.8%	4.9%
Bexley	878.05	238,139,613	944.27	250,739,477	7.5%	5.3%
Brent	850.65	327,648,000	899.83	347,415,000	5.8%	6.0%
Bromley	748.59	278,951,000	799.16	291,349,000	6.8%	4.4%
Croydon	862.07	354,069,000	924.14	371,788,000	7.2%	5.0%
Ealing	889.60	348,449,000	950.31	368,943,000	6.8%	5.9%
Enfield	898.28	330,612,000	951.66	354,230,000	5.9%	7.1%
Haringey	949.60	308,158,800	1,017.97	327,552,000	7.2%	6.3%
Harrow	1,001.16	229,770,960	1,033.89	242,533,140	3.3%	5.6%
Havering	991.60	240,042,754	1,042.67	252,138,536	5.2%	5.0%
Hillingdon	929.27	269,792,280	974.07	285,667,499	4.8%	5.9%
Hounslow	955.63	259,709,900	1,020.84	276,164,600	6.8%	6.3%
Kingston-upon-Thames	997.72	146,780,000	1,067.36	157,350,000	7.0%	7.2%
Merton	919.17	187,912,000	968.11	199,761,000	5.3%	6.3%
Newham	780.26	395,923,110	817.71	418,100,462	4.8%	5.6%
Redbridge	853.95	264,781,000	900.80	281,227,100	5.5%	6.2%
Richmond-upon-Thames	1,043.83	175,315,916	1,097.72	183,182,900	5.2%	4.5%
Sutton	874.14	188,386,000	938.84	203,040,000	7.4%	7.8%
Waltham Forest	946.14	285,994,300	1,003.37	301,354,600	6.0%	5.4%
County councils in areas with no combined fire authority						
Cornwall	781.65	438,800,000	837.85	476,548,165	7.2%	8.6%
Cumbria	890.43	443,677,000	928.30	473,543,000	4.3%	6.7%
Gloucestershire	843.81	486,110,000	888.76	517,379,000	5.3%	6.4%
Hertfordshire	849.74	957,116,662	894.57	1,016,679,510	5.3%	6.2%
Lincolnshire	810.00	559,370,567	857.79	601,274,606	5.9%	7.5%
Norfolk	879.12	691,238,306	929.70	739,664,449	5.8%	7.0%
Northamptonshire	794.24	552,353,000	833.27	591,285,000	4.9%	7.0%
Northumberland	974.50	293,434,550	1,022.64	314,720,500	4.9%	7.3%
Oxfordshire	870.41	508,136,000	924.81	547,760,000	6.2%	7.8%
Somerset	858.36	432,060,000	907.29	456,080,000	5.7%	5.6%
Suffolk	890.28	580,524,671	924.48	616,620,214	3.8%	6.2%
Surrey	851.49	884,054,893	889.38	939,661,185	4.4%	6.3%
Warwickshire	865.14	430,421,585	922.21	465,119,203	6.6%	8.1%
West Sussex	859.32	644,813,000	910.26	682,050,000	5.9%	5.8%

	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax (excluding parish precepts) (£) (1)	03-04 budget requirement (excluding parish precepts) (£) (2)	04-05 Own Band D council tax (excluding parish precepts) (£) (3)	04-05 budget requirement (excluding parish precepts) (£) (4)	% increase in Own Band D council tax 03-04 to 04-05 (excl. parish precepts) (5)	% increase in budget requirement 03-04 to 04-05 (excluding parish precepts) (6)
Local authority						
Metropolitan district councils						
Bolton	983.10	293,724,358	1,017.18	309,901,000	3.5%	5.5%
Bury	951.98	183,133,000	975.78	193,928,500	2.5%	5.9%
Manchester	974.20	567,817,692	991.98	599,742,000	1.8%	5.6%
Oldham	1,087.20	266,623,324	1,138.44	281,791,139	4.7%	5.7%
Rochdale	968.75	240,254,805	1,010.88	252,524,234	4.3%	5.1%
Salford	1,105.35	268,886,000	1,144.08	280,403,000	3.5%	4.3%
Stockport	1,018.71	282,446,235	1,056.37	292,843,988	3.7%	3.7%
Tameside	957.68	243,785,000	982.52	253,055,000	2.6%	3.8%
Trafford	790.65	210,646,016	849.16	221,133,993	7.4%	5.0%
Wigan	966.24	320,422,731	994.14	337,602,297	2.9%	5.4%
Knowsley	942.76	207,519,070	966.33	217,844,000	2.5%	5.0%
Liverpool	1,029.74	603,627,000	1,060.63	629,386,000	3.0%	4.3%
St Helens	986.49	195,607,006	1,011.14	206,261,000	2.5%	5.4%
Sefton	970.95	305,572,376	1,016.70	321,648,477	4.7%	5.3%
Wirral	1,000.33	361,971,500	1,012.99	373,773,100	1.3%	3.3%
Barnsley	901.25	231,829,850	949.47	245,655,936	5.4%	6.0%
Doncaster	886.48	313,358,640	929.47	328,802,190	4.8%	4.9%
Rotherham	928.22	280,799,662	972.26	296,935,610	4.7%	5.7%
Sheffield	1,013.78	569,273,000	1,063.96	597,617,000	4.9%	5.0%
Gateshead	1,112.14	226,436,575	1,167.63	238,136,531	5.0%	5.2%
Newcastle-upon-Tyne	1,116.91	313,240,000	1,172.07	329,300,000	4.9%	5.1%
North Tyneside	1,047.79	213,039,472	1,098.51	222,826,187	4.8%	4.6%
South Tyneside	1,005.05	181,289,000	1,054.79	190,222,000	4.9%	4.9%
Sunderland	925.91	321,985,981	971.27	338,667,429	4.9%	5.2%
Birmingham	971.46	1,282,147,000	986.03	1,360,195,000	1.5%	6.1%
Coventry	1,064.04	341,893,140	1,090.63	361,175,965	2.5%	5.6%
Dudley	900.81	310,957,000	914.46	327,375,000	1.5%	5.3%
Sandwell	987.00	349,847,000	1,005.75	370,857,000	1.9%	6.0%
Solihull	889.33	203,088,820	912.65	213,683,000	2.6%	5.2%
Walsall	1,082.27	305,920,379	1,113.66	321,312,744	2.9%	5.0%
Wolverhampton	1,024.20	288,870,352	1,054.20	305,757,066	2.9%	5.8%
Bradford	887.70	548,569,000	914.10	574,873,500	3.0%	4.8%
Calderdale	999.93	210,987,760	1,031.05	223,276,997	3.1%	5.8%
Kirklees	958.99	404,707,000	987.28	425,995,000	2.9%	5.3%
Leeds	853.04	726,133,000	891.80	758,189,720	4.5%	4.4%
Wakefield	863.15	325,992,100	888.17	340,043,499	2.9%	4.3%
Isle of Wight	1,024.00	147,748,000	1,074.18	157,749,000	4.9%	6.8%
Isles of Scilly	724.88	3,524,290	779.04	3,782,140	7.5%	7.3%
Common Council of the City of	623.93	111,389,660	671.97	115,716,272	7.7%	3.9%
Greater London Authority	224.40	2,690,500,000	241.33	2,813,800,000	7.5%	4.6%

Source: www.odpm.gov.uk

Category (b) : 'Unitary' authorities (i.e. non-metropolitan district councils also exercising the functions of county councils in their areas) and county councils in areas with a combined fire authority.

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Indicative Own Band D council tax (excluding parish precepts)	03-04 budget requirement (incl. Fire ANA changes) (excluding parish precepts)	04-05 Own Band D council tax (excluding parish precepts)	04-05 budget requirement (excluding parish precepts)	% increase in Own Band D council tax 03-04 to 04-05 (excl. parish precepts)	% increase in budget requirement 03-04 to 04-05 (excluding parish precepts)
	(£) (1)	(£) (2)	(£) (3)	(£) (4)	(5)	(6)
Unitary authorities						
Bath & North East Somerset	901.18	151,648,000	944.55	160,496,000	4.8%	5.8%
Blackburn with Darwen	1,031.23	169,431,000	1,060.86	178,722,500	2.9%	5.5%
Blackpool	945.74	158,906,000	1,028.38	168,408,000	8.7%	6.0%
Bournemouth	948.31	156,524,000	1,004.59	164,307,788	5.9%	5.0%
Bracknell Forest	770.05	93,403,000	834.75	100,064,578	8.4%	7.1%
Brighton & Hove	921.39	261,692,000	993.14	273,821,000	7.8%	4.6%
Bristol	1,019.65	389,937,000	1,063.73	407,270,503	4.3%	4.4%
Darlington	864.81	99,790,000	932.73	105,564,000	7.9%	5.8%
Derby	861.32	237,253,000	903.82	251,890,000	4.9%	6.2%
East Riding of Yorkshire	917.05	297,482,000	963.14	315,272,649	5.0%	6.0%
Halton	872.76	140,696,000	916.14	146,841,520	5.0%	4.4%
Hartlepool	1,048.71	108,994,000	1,110.92	115,120,000	5.9%	5.6%
Herefordshire	880.84	162,149,000	959.53	175,573,000	8.9%	8.3%
Kingston-upon-Hull	868.60	286,834,000	902.45	299,268,964	3.9%	4.3%
Leicester	903.84	334,900,000	982.75	356,252,000	8.7%	6.4%
Luton	840.83	206,239,000	896.43	220,745,943	6.6%	7.0%
Medway	775.35	254,057,000	851.22	268,239,221	9.8%	5.6%
Middlesbrough	923.10	160,742,000	987.35	164,407,600	7.0%	2.3%
Milton Keynes	832.68	215,135,000	894.82	232,437,670	7.5%	8.0%
North East Lincolnshire	998.51	175,242,000	1,062.41	183,160,072	6.4%	4.5%
North Lincolnshire	974.52	159,434,000	1,028.00	168,982,508	5.5%	6.0%
North Somerset	897.19	171,652,000	956.74	182,716,900	6.6%	6.4%
Nottingham	987.44	310,849,000	1,081.95	331,235,290	9.6%	6.6%
Peterborough	889.20	174,280,000	934.59	187,118,003	5.1%	7.4%
Plymouth	893.47	251,202,000	951.54	264,235,000	6.5%	5.2%
Poole	910.43	121,848,000	955.89	127,500,000	5.0%	4.6%
Portsmouth	855.29	196,649,000	907.93	205,197,210	6.2%	4.3%
Reading	1,009.83	140,390,000	1,047.89	149,200,000	3.8%	6.3%
Redcar & Cleveland	960.12	157,516,000	1,017.66	166,457,650	6.0%	5.7%
Rutland	1,071.73	33,073,000	1,153.41	35,708,250	7.6%	8.0%
Slough	835.87	136,881,000	885.16	146,297,550	5.9%	6.9%
South Gloucestershire	916.66	220,863,000	978.11	235,042,616	6.7%	6.4%
Southampton	945.21	226,720,000	1,016.77	241,884,215	7.6%	6.7%
Southend-on-Sea	804.15	174,959,000	858.49	182,727,000	6.8%	4.4%
Stockton-on-Tees	921.49	192,517,000	974.00	202,677,584	5.7%	5.3%
Stoke-on-Trent	859.71	250,398,000	901.93	263,528,000	4.9%	5.2%
Swindon	877.14	175,685,000	941.38	185,777,000	7.3%	5.7%
Telford & Wrekin	824.11	158,251,000	894.82	169,405,020	8.6%	7.0%
Thurrock	871.16	151,226,000	904.05	162,061,002	3.8%	7.2%
Torbay	908.69	130,209,000	999.05	139,429,000	9.9%	7.1%
Warrington	840.71	181,912,000	881.90	191,525,000	4.9%	5.3%
West Berkshire	947.79	139,123,000	1,023.17	149,052,638	8.0%	7.1%
Windsor & Maidenhead	812.10	119,409,000	884.05	126,598,000	8.9%	6.0%
Wokingham	950.23	129,548,000	987.43	136,537,230	3.9%	5.4%
York	782.12	147,817,000	848.75	157,401,000	8.5%	6.5%

	Data for 2003/04		Data for 2004/05			
	03-04 Indicative Own Band D council tax (excluding parish precepts) (£) (1)	03-04 budget requirement (incl. Fire ANA changes) (excluding parish precepts) (£) (2)	04-05 Own Band D council tax (excluding parish precepts) (£) (3)	04-05 budget requirement (excluding parish precepts) (£) (4)	% increase in Own Band D council tax 03-04 to 04-05 (excl. parish precepts) (5)	% increase in budget requirement 03-04 to 04-05 (excluding parish precepts) (6)
Local authority						
County councils in areas with a combined fire authority						
Bedfordshire	893.46	343,288,000	942.75	366,507,000	5.5%	6.8%
Buckinghamshire	812.14	406,126,000	857.62	434,140,000	5.6%	6.9%
Cambridgeshire	760.46	429,533,000	813.24	466,094,541	6.9%	8.5%
Cheshire	852.44	571,573,000	887.46	608,617,000	4.1%	6.5%
Derbyshire	871.22	628,843,000	896.87	667,943,000	2.9%	6.2%
Devon	857.60	589,450,000	900.36	627,875,877	5.0%	6.5%
Dorset	877.22	317,033,000	918.00	337,405,300	4.6%	6.4%
Durham	845.27	446,022,000	884.16	476,784,593	4.6%	6.9%
East Sussex	876.31	438,903,000	919.92	463,267,000	5.0%	5.6%
Essex	851.19	1,168,017,000	891.54	1,241,932,637	4.7%	6.3%
Hampshire	802.39	991,205,000	840.15	1,052,275,000	4.7%	6.2%
Kent	803.77	1,198,889,000	845.73	1,273,812,000	5.2%	6.2%
Lancashire	897.39	1,017,592,000	927.11	1,079,901,000	3.3%	6.1%
Leicestershire	814.85	479,956,000	866.99	514,593,370	6.4%	7.2%
North Yorkshire	772.67	468,672,000	817.09	500,629,000	5.7%	6.8%
Nottinghamshire	947.67	656,956,000	994.11	697,051,000	4.9%	6.1%
Shropshire	808.72	237,166,000	848.05	253,638,000	4.9%	6.9%
Staffordshire	774.75	653,068,000	823.11	697,461,000	6.2%	6.8%
Wiltshire	803.61	349,939,000	852.15	375,829,000	6.0%	7.4%
Worcestershire	778.30	421,431,000	824.52	453,345,000	5.9%	7.6%

Source: www.odpm.gov.uk

Category (c) : District councils other than those in categories (a) and (b)

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax (excluding parish precepts)	03-04 budget requirement (excluding parish precepts)	04-05 Own Band D council tax (excluding parish precepts)	04-05 budget requirement (excluding parish precepts)	% increase in Own Band D council tax 03-04 to 04-05 (excl. parish precepts)	% increase in budget requirement 03-04 to 04-05 (excluding parish precepts)
	(£)	(£)	(£)	(£)		
	(1)	(2)	(3)	(4)	(5)	(6)
Bedford	114.51	19,074,000	128.06	18,198,000	11.8%	-4.6%
Mid Bedfordshire	83.16	10,646,300	90.18	10,514,896	8.4%	-1.2%
South Bedfordshire	130.03	12,897,679	136.40	12,772,359	4.9%	-1.0%
Aylesbury Vale	105.65	17,012,860	115.32	17,324,465	9.2%	1.8%
Chiltern	117.82	8,979,780	129.09	8,825,670	9.6%	-1.7%
South Bucks	102.77	6,174,478	112.52	5,955,520	9.5%	-3.5%
Wycombe	111.41	16,507,900	114.52	16,016,900	2.8%	-3.0%
Cambridge	126.59	15,841,120	131.65	15,534,930	4.0%	-1.9%
East Cambridgeshire	107.27	8,077,316	112.65	7,782,865	5.0%	-3.6%
Fenland	180.11	11,792,923	206.19	12,522,360	14.5%	6.2%
Huntingdonshire	82.53	14,041,033	94.53	14,025,177	14.5%	-0.1%
South Cambridgeshire	69.99	10,069,220	70.00	9,764,290	0.0%	-3.0%
Chester	140.87	15,111,300	149.18	14,849,500	5.9%	-1.7%
Congleton	135.62	8,928,010	140.92	8,771,778	3.9%	-1.7%
Crewe & Nantwich	126.46	13,059,992	132.54	12,919,621	4.8%	-1.1%
Ellesmere Port & Neston	149.04	9,854,920	155.77	9,864,990	4.5%	0.1%
Macclesfield	129.05	15,722,505	139.92	15,675,500	8.4%	-0.3%
Vale Royal	124.67	12,726,934	130.65	12,790,835	4.8%	0.5%
Caradon	135.90	9,572,360	148.12	9,710,610	9.0%	1.4%
Carrick	120.98	10,498,297	129.79	10,347,130	7.3%	-1.4%
Kerrier	151.84	12,682,422	164.27	12,284,846	8.2%	-3.1%
North Cornwall	126.05	10,614,129	134.61	10,559,532	6.8%	-0.5%
Penwith	118.54	8,757,950	122.09	7,985,951	3.0%	-8.8%
Restormel	124.57	12,056,224	133.29	11,520,943	7.0%	-4.4%
Allerdale	114.77	12,823,920	118.78	11,787,640	3.5%	-8.1%
Barrow-in-Furness	171.05	10,558,140	178.39	10,471,870	4.3%	-0.8%
Carlisle	155.61	13,775,687	159.66	13,613,731	2.6%	-1.2%
Copeland	141.63	9,268,000	148.57	8,932,526	4.9%	-3.6%
Eden	129.28	6,543,140	134.26	6,340,327	3.9%	-3.1%
South Lakeland	136.78	12,463,500	142.14	12,115,400	3.9%	-2.8%
Amber Valley	125.41	12,801,600	128.91	12,377,300	2.8%	-3.3%
Bolsover	126.47	8,651,228	132.73	8,489,015	4.9%	-1.9%
Chesterfield	109.85	11,749,726	112.94	11,313,717	2.8%	-3.7%
Derbyshire Dales	141.75	8,534,691	150.12	8,421,741	5.9%	-1.3%
Erewash	128.33	11,768,875	137.93	11,778,340	7.5%	0.1%
High Peak	140.08	10,598,930	146.95	10,245,660	4.9%	-3.3%
North East Derbyshire	133.10	10,210,380	137.07	10,163,390	3.0%	-0.5%
South Derbyshire	120.45	8,631,534	126.48	8,720,405	5.0%	1.0%
East Devon	96.39	12,180,870	102.09	12,041,110	5.9%	-1.1%
Exeter	97.95	13,308,481	102.74	12,790,228	4.9%	-3.9%
Mid Devon	144.67	8,850,600	148.00	8,701,116	2.3%	-1.7%
North Devon	129.78	11,327,000	136.01	10,630,000	4.8%	-6.2%
South Hams	104.87	8,972,793	110.00	8,504,291	4.9%	-5.2%
Teignbridge	126.13	14,184,769	128.90	13,577,000	2.2%	-4.3%
Torridge	109.11	7,139,657	116.22	7,048,042	6.5%	-1.3%
West Devon	137.71	6,526,361	150.70	6,334,357	9.4%	-2.9%
Christchurch	117.96	4,947,330	135.47	4,931,020	14.8%	-0.3%
East Dorset	132.00	8,585,350	147.70	8,582,200	11.9%	0.0%
North Dorset	72.38	5,838,607	79.50	5,578,000	9.8%	-4.5%
Purbeck	120.41	5,245,400	126.32	5,179,380	4.9%	-1.3%
West Dorset	98.02	11,258,215	105.74	11,020,750	7.9%	-2.1%
Weymouth & Portland	199.94	9,364,626	213.74	9,064,400	6.9%	-3.2%
Chester-le-Street	146.12	6,718,942	153.42	6,643,140	5.0%	-1.1%
Derwentside	235.10	13,155,000	240.96	13,077,960	2.5%	-0.6%
Durham City	161.39	11,085,022	172.69	11,077,213	7.0%	-0.1%
Easington	155.71	13,812,349	160.20	13,506,433	2.9%	-2.2%
Sedgefield	161.44	12,002,000	170.44	12,000,000	5.6%	0.0%
Teesdale	161.58	3,518,824	177.52	3,526,660	9.9%	0.2%

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax (excluding parish precepts) (£) (1)	03-04 budget requirement (excluding parish precepts) (£) (2)	04-05 Own Band D council tax (excluding parish precepts) (£) (3)	04-05 budget requirement (excluding parish precepts) (£) (4)	% increase in Own Band D council tax 03-04 to 04-05 (excl. parish precepts) (5)	% increase in budget requirement 03-04 to 04-05 (excluding parish precepts) (6)
	Wear Valley	180.96	9,398,732	184.77	9,189,224	2.1%	-2.2%
Eastbourne	181.33	16,054,443	190.20	15,411,916	4.9%	-4.0%
Hastings	187.98	14,786,114	196.44	13,566,740	4.5%	-8.2%
Lewes	143.50	10,680,929	153.90	10,518,782	7.2%	-1.5%
Rother	132.87	11,413,070	142.05	10,896,240	6.9%	-4.5%
Wealden	130.31	15,340,000	138.03	15,128,000	5.9%	-1.4%
Basildon	195.92	25,912,303	205.20	25,413,011	4.7%	-1.9%
Braintree	124.38	14,473,500	131.22	14,470,900	5.5%	0.0%
Brentwood	143.08	9,098,460	148.05	9,056,500	3.5%	-0.5%
Castle Point	184.51	10,519,237	189.99	10,327,869	3.0%	-1.8%
Chelmsford	124.46	16,637,036	130.62	16,327,956	4.9%	-1.9%
Colchester	136.89	18,535,100	146.79	18,325,700	7.2%	-1.1%
Epping Forest	122.22	14,162,953	127.08	13,759,439	4.0%	-2.8%
Harlow	208.71	13,473,520	216.00	13,439,809	3.5%	-0.3%
Maldon	121.51	6,555,768	137.60	6,406,900	13.2%	-2.3%
Rochford	142.29	8,193,400	155.16	8,235,600	9.0%	0.5%
Tendring	110.82	16,521,249	120.36	15,881,460	8.6%	-3.9%
Uttlesford	108.70	7,003,026	116.82	7,072,956	7.5%	1.0%
Cheltenham	148.63	13,864,000	152.80	13,502,725	2.8%	-2.6%
Cotswold	117.74	9,261,825	121.86	8,801,263	3.5%	-5.0%
Forest of Dean	140.75	8,992,320	144.28	8,774,720	2.5%	-2.4%
Gloucester	138.23	14,694,430	149.20	14,386,356	7.9%	-2.1%
Stroud	156.66	12,318,100	160.58	12,068,140	2.5%	-2.0%
Tewkesbury	74.21	6,983,493	76.33	6,492,110	2.9%	-7.0%
Basingstoke & Deane	87.65	14,517,000	89.84	13,378,000	2.5%	-7.8%
East Hampshire	117.17	11,353,000	121.52	10,802,000	3.7%	-4.9%
Eastleigh	121.91	12,311,000	123.85	11,470,000	1.6%	-6.8%
Fareham	120.24	9,864,850	123.30	9,792,400	2.5%	-0.7%
Gosport	156.28	10,477,590	174.33	10,647,910	11.5%	1.6%
Hart	133.15	8,474,900	136.72	8,214,900	2.7%	-3.1%
Havant	143.55	15,343,000	151.88	14,690,000	5.8%	-4.3%
New Forest	124.83	19,068,010	130.94	18,659,130	4.9%	-2.1%
Rushmoor	147.73	10,968,000	152.07	10,390,000	2.9%	-5.3%
Test Valley	93.89	10,261,857	101.61	9,893,270	8.2%	-3.6%
Winchester	113.61	11,417,290	118.16	11,284,310	4.0%	-1.2%
Broxbourne	86.39	8,911,026	90.71	8,774,954	5.0%	-1.5%
Dacorum	120.48	15,297,205	132.50	15,452,783	10.0%	1.0%
East Hertfordshire	118.98	13,690,312	126.36	13,696,040	6.2%	0.0%
Hertsmere	121.54	12,462,292	127.40	11,797,163	4.8%	-5.3%
North Hertfordshire	150.76	13,884,000	155.39	13,861,390	3.1%	-0.2%
St Albans	143.33	15,385,000	149.29	15,153,000	4.2%	-1.5%
Stevenage	152.21	10,664,778	159.83	10,444,232	5.0%	-2.1%
Three Rivers	148.11	10,538,132	150.71	10,277,535	1.8%	-2.5%
Watford	225.90	14,171,920	231.93	13,873,300	2.7%	-2.1%
Welwyn Hatfield	155.63	12,044,483	166.25	12,192,015	6.8%	1.2%
Ashford	101.43	11,334,480	107.01	11,268,710	5.5%	-0.6%
Canterbury	128.24	17,443,167	143.64	17,331,409	12.0%	-0.6%
Dartford	122.68	10,438,698	125.73	10,203,734	2.5%	-2.3%
Dover	112.94	13,636,308	121.86	13,260,571	7.9%	-2.8%
Gravesham	121.32	11,401,280	127.25	11,127,560	4.9%	-2.4%
Maidstone	171.89	18,162,710	178.59	18,093,800	3.9%	-0.4%
Sevenoaks	130.87	12,578,000	139.23	11,945,844	6.4%	-5.0%
Shepway	160.33	15,189,571	205.80	16,091,976	28.4%	5.9%
Swale	115.46	15,636,260	124.98	14,518,150	8.2%	-7.2%
Thanet	151.20	19,041,670	165.51	17,869,400	9.5%	-6.2%
Tonbridge & Malling	125.46	11,999,600	131.67	11,451,500	4.9%	-4.6%
Tunbridge Wells	101.55	11,418,037	110.92	10,718,785	9.2%	-6.1%
Burnley	201.68	15,619,003	211.76	14,827,295	5.0%	-5.1%
Chorley	144.58	11,627,500	155.99	11,765,400	7.9%	1.2%
Fylde	126.60	8,328,145	139.20	8,275,490	10.0%	-0.6%
Hyndburn	174.43	11,889,200	181.22	11,469,200	3.9%	-3.5%

Local authority	Data for 2003/04		Data for 2004/05			
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	Lancaster	136.60	18,969,000	149.23	18,520,000	9.2%
Pendle	195.22	13,621,000	207.95	13,573,030	6.5%	-0.4%
Preston	207.48	22,197,413	207.47	21,379,217	0.0%	-3.7%
Ribble Valley	112.69	5,457,007	115.99	5,385,711	2.9%	-1.3%
Rossendale	206.64	9,486,790	216.86	9,380,801	4.9%	-1.1%
South Ribble	156.29	11,843,365	170.35	11,843,813	9.0%	0.0%
West Lancashire	155.84	13,814,800	158.96	13,564,370	2.0%	-1.8%
Wyre	130.89	12,688,099	142.68	12,436,920	9.0%	-2.0%
Blaby	104.82	7,360,528	109.89	7,524,000	4.8%	2.2%
Charnwood	101.68	15,242,700	107.58	15,101,000	5.8%	-0.9%
Harborough	132.44	7,795,000	139.98	7,931,370	5.7%	1.7%
Hinckley & Bosworth	83.24	8,119,220	91.25	8,248,232	9.6%	1.6%
Melton	131.42	5,436,079	140.12	5,501,328	6.6%	1.2%
North West Leicestershire	144.87	9,792,030	151.78	9,717,230	4.8%	-0.8%
Oadby & Wigston	159.75	5,823,580	169.22	6,045,840	5.9%	3.8%
Boston	133.23	7,751,920	146.31	7,713,770	9.8%	-0.5%
East Lindsey	90.64	17,081,359	92.88	16,315,081	2.5%	-4.5%
Lincoln	170.81	13,291,716	183.60	13,285,531	7.5%	0.0%
North Kesteven	108.90	9,624,800	115.09	9,743,000	5.7%	1.2%
South Holland	127.21	9,793,042	134.09	10,051,356	5.4%	2.6%
South Kesteven	100.39	12,516,000	107.02	12,565,000	6.6%	0.4%
West Lindsey	147.04	9,810,000	161.55	9,915,270	9.9%	1.1%
Breckland	52.72	11,283,295	58.13	10,625,609	10.3%	-5.8%
Broadland	90.26	10,182,500	96.52	9,888,900	6.9%	-2.9%
Great Yarmouth	109.60	12,301,354	116.73	11,723,571	6.5%	-4.7%
King's Lynn & West Norfolk	109.27	17,290,720	113.95	16,905,760	4.3%	-2.2%
North Norfolk	106.66	11,580,691	115.11	11,478,376	7.9%	-0.9%
Norwich	177.58	20,269,465	182.88	19,770,315	3.0%	-2.5%
South Norfolk	108.57	10,772,860	116.10	10,839,210	6.9%	0.6%
Craven	122.92	6,435,800	126.34	6,169,530	2.8%	-4.1%
Hambleton	62.01	7,336,244	68.00	6,978,353	9.7%	-4.9%
Harrogate	165.36	19,136,500	177.72	19,280,000	7.5%	0.7%
Richmondshire	151.52	6,186,330	159.86	6,070,820	5.5%	-1.9%
Ryedale	146.63	6,888,310	153.69	6,594,470	4.8%	-4.3%
Scarborough	158.34	16,748,660	172.60	16,455,060	9.0%	-1.8%
Selby	127.90	8,991,038	131.74	9,028,872	3.0%	0.4%
Corby	135.97	6,858,052	142.76	6,908,638	5.0%	0.7%
Daventry	99.35	6,894,545	112.26	7,178,862	13.0%	4.1%
East Northamptonshire	90.00	7,141,420	96.75	7,231,900	7.5%	1.3%
Kettering	144.37	9,615,000	157.35	9,747,000	9.0%	1.4%
Northampton	158.80	26,376,312	166.98	26,144,769	5.2%	-0.9%
South Northamptonshire	121.15	8,046,307	131.47	8,344,397	8.5%	3.7%
Wellingborough	95.86	7,411,828	105.04	7,551,840	9.6%	1.9%
Alnwick	142.49	4,314,285	146.62	4,193,736	2.9%	-2.8%
Berwick-upon-Tweed	153.51	3,895,934	158.86	3,868,857	3.5%	-0.7%
Blyth Valley	144.90	10,468,620	144.92	10,176,620	0.0%	-2.8%
Castle Morpeth	161.69	6,166,231	164.77	6,063,676	1.9%	-1.7%
Tynedale	144.17	7,497,960	147.76	7,087,170	2.5%	-5.5%
Wansbeck	155.16	8,906,674	159.06	8,760,651	2.5%	-1.6%
Ashfield	140.56	13,394,510	144.06	13,187,880	2.5%	-1.5%
Bassetlaw	132.16	13,703,980	135.46	13,424,488	2.5%	-2.0%
Broxtowe	128.07	11,131,650	132.65	10,979,900	3.6%	-1.4%
Gedling	113.05	11,061,287	121.41	11,006,908	7.4%	-0.5%
Mansfield	159.76	13,619,850	164.21	13,292,300	2.8%	-2.4%
Newark & Sherwood	139.38	13,634,780	144.85	13,380,110	3.9%	-1.9%
Rushcliffe	96.60	9,206,779	101.43	9,037,337	5.0%	-1.8%
Cherwell	99.99	13,995,655	106.00	13,733,315	6.0%	-1.9%
Oxford	204.60	23,797,891	212.94	23,047,867	4.1%	-3.2%
South Oxfordshire	110.46	13,115,028	113.33	12,430,280	2.6%	-5.2%
Vale of White Horse	83.59	10,345,208	88.19	9,951,584	5.5%	-3.8%
West Oxfordshire	60.00	7,675,880	63.00	7,571,744	5.0%	-1.4%
Bridgnorth	86.23	4,988,900	90.36	4,978,620	4.8%	-0.2%

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	North Shropshire	119.04	6,615,656	124.98	6,620,710	5.0%
Oswestry	171.42	4,856,075	182.96	4,976,263	6.7%	2.5%
Shrewsbury & Atcham	127.69	10,623,302	131.85	10,466,726	3.3%	-1.5%
South Shropshire	166.79	5,845,452	180.02	5,895,607	7.9%	0.9%
Mendip	117.62	11,577,339	122.16	11,265,024	3.9%	-2.7%
Sedgemoor	104.44	11,962,957	105.97	11,494,173	1.5%	-3.9%
South Somerset	118.41	16,518,000	124.32	15,519,000	5.0%	-6.0%
Taunton Deane	110.16	11,287,515	117.30	11,000,953	6.5%	-2.5%
West Somerset	105.11	4,854,100	108.07	4,196,300	2.8%	-13.6%
Cannock Chase	151.57	11,329,818	159.15	11,343,981	5.0%	0.1%
East Staffordshire	150.76	13,340,832	158.31	13,217,000	5.0%	-0.9%
Lichfield	105.76	9,456,700	112.87	8,979,300	6.7%	-5.0%
Newcastle-under-Lyme	141.03	14,002,000	146.66	13,465,650	4.0%	-3.8%
South Staffordshire	75.31	8,515,099	79.08	8,238,680	5.0%	-3.2%
Stafford	124.58	13,045,051	127.95	12,875,948	2.7%	-1.3%
Staffordshire Moorlands	128.61	9,983,930	133.82	9,802,590	4.1%	-1.8%
Tamworth	106.87	7,802,940	114.87	7,820,140	7.5%	0.2%
Babergh	112.11	8,291,000	115.30	8,195,600	2.8%	-1.2%
Forest Heath	106.40	6,545,455	111.70	6,513,911	5.0%	-0.5%
Ipswich	256.14	19,809,040	268.74	19,370,580	4.9%	-2.2%
Mid Suffolk	115.48	8,951,860	122.39	8,977,381	6.0%	0.3%
St Edmundsbury	141.12	11,077,537	150.30	11,186,000	6.5%	1.0%
Suffolk Coastal	114.30	12,655,100	119.88	12,130,400	4.9%	-4.1%
Waveney	116.05	13,941,130	121.53	13,172,429	4.7%	-5.5%
Elmbridge	162.94	16,364,690	174.21	15,884,880	6.9%	-2.9%
Epsom & Ewell	121.36	7,706,303	127.11	7,433,600	4.7%	-3.5%
Guildford	120.64	14,333,970	124.75	13,965,410	3.4%	-2.6%
Mole Valley	119.33	8,234,508	125.37	8,192,195	5.1%	-0.5%
Reigate & Banstead	149.73	14,345,500	155.57	14,225,300	3.9%	-0.8%
Runnymede	85.50	7,596,000	100.44	7,730,100	17.5%	1.8%
Spelthorne	118.61	10,230,950	134.21	9,979,315	13.2%	-2.5%
Surrey Heath	142.32	9,772,740	150.26	9,604,650	5.6%	-1.7%
Tandridge	144.63	8,910,900	151.26	8,899,100	4.6%	-0.1%
Waverley	124.56	12,020,000	132.30	11,955,000	6.2%	-0.5%
Woking	159.12	12,226,057	166.77	12,117,073	4.8%	-0.9%
North Warwickshire	177.44	7,755,573	182.41	7,725,545	2.8%	-0.4%
Nuneaton & Bedworth	174.11	15,602,960	182.81	15,663,350	5.0%	0.4%
Rugby	144.95	10,720,100	148.38	10,574,850	2.4%	-1.4%
Stratford-on-Avon	103.25	11,124,600	106.80	10,639,420	3.4%	-4.4%
Warwick	105.73	13,553,605	114.29	13,514,200	8.1%	-0.3%
Adur	206.51	8,619,460	216.40	8,599,040	4.8%	-0.2%
Arun	121.76	16,477,731	132.12	16,223,339	8.5%	-1.5%
Chichester	110.48	11,988,700	113.23	11,694,500	2.5%	-2.5%
Crawley	153.90	14,404,990	162.36	14,409,400	5.5%	0.0%
Horsham	109.19	11,795,000	113.44	11,542,071	3.9%	-2.1%
Mid Sussex	113.76	12,505,732	118.98	11,887,760	4.6%	-4.9%
Worthing	154.53	13,365,000	169.65	12,909,000	9.8%	-3.4%
Kennet	106.89	8,269,110	112.23	7,892,780	5.0%	-4.6%
North Wiltshire	106.68	12,492,647	113.52	11,932,017	6.4%	-4.5%
Salisbury	112.12	11,785,380	118.08	11,537,328	5.3%	-2.1%
West Wiltshire	119.84	11,738,000	125.16	11,438,664	4.4%	-2.6%
Bromsgrove	141.92	9,055,364	150.70	8,989,405	6.2%	-0.7%
Malvern Hills	114.84	7,620,617	110.02	6,973,846	-4.2%	-8.5%
Redditch	169.87	9,906,000	169.85	9,709,900	0.0%	-2.0%
Worcester	130.88	11,231,000	134.16	10,860,618	2.5%	-3.3%
Wychavon	93.14	10,576,646	95.36	9,945,580	2.4%	-6.0%
Wyre Forest	160.14	11,721,260	168.04	11,340,290	4.9%	-3.3%

Mean Council Tax for 2004/05 for category (c) : £137

Source: www.odpm.gov.uk

Category (d) : Police authorities in metropolitan county areas

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax	03-04 budget requirement	04-05 Own Band D council tax	04-05 budget requirement	% increase in Own Band D council tax 03-04 to 04-05	% increase in budget requirement 03-04 to 04-05
	(£)	(£)	(£)	(£)		
	(1)	(2)	(3)	(4)	(5)	(6)
Greater Manchester	91.65	450,871,499	98.52	468,918,991	7.5%	4.0%
Merseyside	101.54	282,863,100	110.17	294,867,054	8.5%	4.2%
South Yorkshire	94.30	207,209,984	102.79	216,571,182	9.0%	4.5%
Northumbria	63.80	241,230,000	66.93	249,810,000	4.9%	3.6%
West Midlands	71.16	441,200,000	80.08	460,600,000	12.5%	4.4%
West Yorkshire	88.81	345,577,000	102.06	363,701,000	14.9%	5.2%

Mean Council Tax for 2004/05 for category (d) : £93

Source: www.odpm.gov.uk

Category (e) : Police authorities other than those in category (d)

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax	03-04 budget requirement	04-05 Own Band D council tax	04-05 budget requirement	% increase in Own Band D council tax 03-04 to 04-05	% increase in budget requirement 03-04 to 04-05
	(£)	(£)	(£)	(£)		
	(1)	(2)	(3)	(4)	(5)	(6)
Avon & Somerset	111.64	215,885,000	125.09	228,655,000	12.0%	5.9%
Bedfordshire	93.44	78,229,003	107.17	83,054,572	14.7%	6.2%
Cambridgeshire	113.31	99,148,253	129.33	106,055,212	14.1%	7.0%
Cheshire	88.10	135,181,659	97.71	142,258,000	10.9%	5.2%
Cleveland	120.22	103,727,300	136.84	109,402,380	13.8%	5.5%
Cumbria	130.71	79,742,000	150.28	85,600,000	15.0%	7.3%
Derbyshire	111.77	132,864,562	122.88	139,837,742	9.9%	5.2%
Devon & Cornwall	103.27	220,160,398	113.39	233,169,539	9.8%	5.9%
Dorset	123.39	95,566,400	135.36	101,678,000	9.7%	6.4%
Durham	79.56	95,729,626	91.53	100,663,547	15.0%	5.2%
Essex	92.97	212,755,956	99.27	222,081,539	6.8%	4.4%
Gloucestershire	142.59	86,850,000	156.71	92,024,000	9.9%	6.0%
Hampshire	97.29	247,614,000	108.36	261,498,000	11.4%	5.6%
Hertfordshire	98.28	143,154,785	112.53	152,728,042	14.5%	6.7%
Humberside	113.04	141,992,061	129.96	150,435,067	15.0%	5.9%
Kent	94.95	233,039,000	105.66	245,810,000	11.3%	5.5%
Lancashire	87.57	216,769,000	100.70	228,935,000	15.0%	5.6%
Leicestershire	104.77	130,089,110	120.11	138,064,985	14.6%	6.1%
Lincolnshire	104.40	81,127,664	112.23	85,105,554	7.5%	4.9%
Norfolk	121.95	113,530,398	138.69	121,310,265	13.7%	6.9%
North Yorkshire	156.00	114,280,000	171.50	122,000,000	9.9%	6.8%
Northamptonshire	130.09	90,339,100	149.43	96,778,000	14.9%	7.1%
Nottinghamshire	109.30	158,152,410	120.12	165,744,393	9.9%	4.8%
Staffordshire	126.50	149,082,000	138.44	157,082,000	9.4%	5.4%
Suffolk	109.35	89,657,905	119.70	94,623,931	9.5%	5.5%
Surrey	135.09	149,229,177	147.06	157,869,681	8.9%	5.8%
Sussex	97.74	211,150,000	105.12	221,648,000	7.6%	5.0%
Thames Valley	106.24	292,370,658	120.51	311,517,644	13.4%	6.5%
Warwickshire	117.30	70,288,000	126.55	73,890,000	7.9%	5.1%
West Mercia	119.80	154,505,000	137.69	165,838,000	14.9%	7.3%
Wiltshire	109.68	83,823,000	120.63	88,293,000	10.0%	5.3%

Mean Council Tax for 2004/05 for category (e) : £121

Source: www.odpm.gov.uk

Category (f) : Fire authorities in metropolitan county areas

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Own Band D council tax	03-04 budget requirement	04-05 Own Band D council tax	04-05 budget requirement	% increase in Own Band D council tax 03-04 to 04-05	% increase in budget requirement 03-04 to 04-05
	(£) (1)	(£) (2)	(£) (3)	(£) (4)	(5)	(6)
Greater Manchester	39.96	104,284,993	42.66	109,077,747	6.8%	4.6%
Merseyside	49.59	69,669,000	52.00	73,576,000	4.9%	5.6%
South Yorkshire	43.91	49,662,500	46.54	52,531,485	6.0%	5.8%
Tyne and Wear	58.94	54,750,000	62.32	57,217,000	5.7%	4.5%
West Midlands	36.49	101,467,000	39.32	107,185,000	7.8%	5.6%
West Yorkshire	38.55	80,682,800	41.62	84,718,000	8.0%	5.0%

Mean Council Tax for 2004/05 for category (f) : £45

Source: www.odpm.gov.uk

Category (g) : Combined Fire Authorities

Local authority	Data for 2003/04		Data for 2004/05			
	03-04 Indicative Own Band D council tax	03-04 budget requirement (incl. Fire ANA changes)	04-05 Own Band D council tax	04-05 budget requirement	% increase in Own Band D council tax 03-04 to 04-05	% increase in budget requirement 03-04 to 04-05
	(£) (1)	(£) (2)	(£) (3)	(£) (4)	(5)	(6)
Avon	42.02	38,315,000	46.44	40,794,365	10.5%	6.5%
Bedfordshire	58.09	21,055,000	69.75	23,947,061	20.1%	13.7%
Berkshire	42.58	26,949,000	43.97	28,181,879	3.3%	4.6%
Buckinghamshire	41.17	21,506,000	44.65	23,084,000	8.5%	7.3%
Cambridgeshire	39.58	21,362,000	45.99	23,724,805	16.2%	11.1%
Cheshire	51.39	33,589,000	55.60	36,005,010	8.2%	7.2%
Cleveland	47.25	28,634,000	48.74	29,950,064	3.2%	4.6%
Derbyshire	45.60	30,934,000	52.34	34,021,400	14.8%	10.0%
Devon	51.94	41,282,000	55.59	44,049,000	7.0%	6.7%
Dorset	40.64	22,587,000	46.53	24,884,300	14.5%	10.2%
Durham	61.97	24,125,000	74.25	26,844,944	19.8%	11.3%
East Sussex	57.40	29,876,000	63.80	32,752,000	11.1%	9.6%
Essex	48.67	57,767,000	56.43	64,169,041	15.9%	11.1%
Hampshire	46.16	53,658,000	51.30	58,367,914	11.1%	8.8%
Hereford and Worcester	46.54	22,444,000	60.21	26,798,000	29.4%	19.4%
Humberside	56.39	38,821,000	61.23	41,593,794	8.6%	7.1%
Kent	51.88	57,345,000	55.35	61,164,000	6.7%	6.7%
Lancashire	46.67	53,481,000	49.64	56,155,000	6.4%	5.0%
Leicestershire	36.50	26,400,000	41.08	28,642,830	12.5%	8.5%
North Yorkshire	50.22	26,265,000	50.54	27,153,000	0.6%	3.4%
Nottinghamshire	49.94	35,798,000	57.08	39,186,134	14.3%	9.5%
Shropshire	60.33	15,745,000	66.24	17,096,100	9.8%	8.6%
Staffordshire	45.23	31,770,000	52.17	34,966,590	15.3%	10.1%
Wiltshire	43.98	18,584,000	47.92	19,845,900	9.0%	6.8%

Mean Council Tax for 2004/05 for category (g) : £53

Source: www.odpm.gov.uk