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'It's time to lower the council tax burden'

Council tax bills at one London council are set to come down again... as bills across the country reach an 'affordability ceiling' with many hard-working families struggling to cope.

Hammersmith & Fulham Council (H&F) is proposing a **3 per cent cut** in what may be the biggest reduction in Britain – for the second year in a row.

The news comes as the Government today announces its Revenue Support Grant settlement (RSG) which sets out central government funding for local authorities in 2008/9. The level of funding is a major factor in determining council tax bills.

In ten years the average council tax bill in London has risen by 86 per cent. Council leader Stephen Greenhalgh insists: "Too many families are being crippled by high bills. With high interest rates and the cost of living rising, we simply do not believe people can afford to pay any more.

"Household budgets are being squeezed from all directions and it is up to us to respond by lowering our tax burden.

"We have to do things differently and that's why we are planning to cut council tax by probably the biggest amount in Britain for the second year in a row," he added.

H&F has managed to produce substantial savings by competitively tendering council services, cutting waste and bureaucracy and by introducing new ways of smarter working.

"As a council we want to focus on delivering high quality public services and cutting red tape and inefficiency," said Councillor Greenhalgh. "That's why we have been given the highest rating of four stars by the Audit Commission for the quality of our services and that's why resident satisfaction is up for the second year in a row."

Around £90 million worth of services are being market tested in a bid to drive up standards while reducing the cost to taxpayers. "We expect this to yield up to £10 million of efficiency savings without impacting frontline services," said Councillor Greenhalgh.

For example, grounds maintenance for parks and open spaces is to be awarded to Quadron, saving up to £200,000 while improving the quality of the service. The result will bring about improvements to grass cutting, tree maintenance, weeding and the planting of shrubs and bulbs.

Meanwhile, more than £4m has been saved in agency costs, reducing the budget from £24m to £19.6m.

In fact, the very first cost saving move was to cut personal advisers to Cabinet Members – at an immediate saving of over £300,000 a year.

Savings have also been made in other backroom operations – for example by allowing people to renew parking permits online. Overall the council's award winning Customer Access Strategy has delivered £4m in savings while substantially improving our service to customers.

Smarter working has also paved the way for a reduction in office space, saving taxpayers £468,000.

"And it has achieved this at a time when official government figures show it is delivering better services for the taxpayer," added Councillor Greenhalgh.

This week the Taxpayers' Alliance highlighted H&F as an example for other local authorities to follow by reducing expenditure on communications. Cuts in spending include a £300,000 saving on the Council's newspaper, partly from increased income on commercial advertising, and £300,000 saving by contracting out print services.

While cutting tax, the Council is pumping in £1.5m as part of a £4m investment over two years in 24-hour policing in town centres. H&F is also planning to invest £1.5m in parks in 2008/9.

Clean streets, recycling, tackling anti-social behaviour and promoting affordable home ownership remain top priorities, along with improving health, and planning for £100m of investment in secondary schools under the Council's vision to make H&F a 'borough of opportunity'.

"Apart from cutting tax, this is a council with a real vision for what kind of borough we want," said Councillor Greenhalgh. "We are investing in schools of choice with 21st century educational facilities, we are determined to increase the number of affordable homes across the borough and we want to regenerate and renew run down our most deprived areas by unlocking high land values."

Following last year's three per cent reduction, H&F Council's value for money approval rating rose 16 per cent, according to the 2007 annual residents' survey.

Hammersmith & Fulham's Audit Commission rating also increased from three stars to the top-rated four stars.

Councillor Greenhalgh concluded: "This shows once and for all that you can reduce the tax burden on residents while improving the way the council runs things."

-Ends.-

NOTES TO EDITORS:

- 11 per cent **more** people think the Council is working to make the area safer compared to 2006
- 10 per cent **more** believe the Council is efficient and well run
- 10 per cent **more** believe the Council is trustworthy
- 10 per cent **more** believe the Council promotes the interests of local groups
- 7 per cent **more** believe the Council acts on the concerns of local residents
- 10 per cent **more** are satisfied with street lighting
- 13 per cent **more** are satisfied with recycling facilities.

While tax reduction has been proposed for the second year running, overall resident satisfaction with the area as a place to live is up for the second year running to 72 per cent.

2008/9 proposed efficiency savings include:

- £1.1million from streamlined human resources services and increased productivity
- £1million from reduced debt repayments
- £539,000 from providing services on-line and other customer access improvements
- £468,000 from reduction in office space
- £625,000 from market-testing services
- £150,000 from reducing energy consumption