

News Release

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Tax cutting council bucks national trend

As council tax bills continue to soar across the country one London council is leading the way in cutting bills and providing top class front line services.

Hammersmith & Fulham residents are set to see their council tax bills go down for the first time in over a decade. The council is proposing a 3 per cent council tax cut which is expected to be the biggest council tax drop in London – maybe the whole country.

On average council tax has risen by 86 per cent in the last decade with taxpayers now braced for another round of hefty hikes. Londoners have seen their bills increase more quickly than any other tax since 1997 placing a huge burden on everyone, not least pensioners, the less well off and those on fixed incomes. The Mayor of London has also just announced a double whammy of huge fare rises on buses and the tube as well as his annual increase in his share of the bill.

But in Hammersmith & Fulham the burden is being lifted with a lighter tax take and more cash for key front line services like schools and in cracking down on crime.

Cllr Stephen Greenhalgh, Hammersmith & Fulham Council leader, says, "This is the first budget since the May 2006 election and we are combining lower tax with more cash for things that matter to residents. The council is pumping in £1.5million over two years to pay for round the clock beat policing in our town centres as well as spending more on schools and providing free homecare for our most vulnerable residents."

"We were elected to cut council tax bills and deliver better front line services and this is what our first budget does. While other councils are piling more tax on their residents we are reversing that trend and turning back the clock so that our council tax is now at 2004 levels. That's got to be great news for everyone, particularly for our pensioners and those on low incomes."

Across the 32 boroughs and the City of London the average local tax burden has soared by 86 per cent since 1996-97, about twice the rate pay has gone up, so, as Councillor Greenhalgh explains, tax cuts are possible without affecting front line services.

Councillor Greenhalgh continues, "Delivering on our council tax promises means cutting waste and bureaucracy and looking to the market to see if services can be delivered more efficiently. We are not ideologically wedded to privatisation but surely it is prudent for in house services to be forced to compete with private contractors to see if the same, or even better, services can be delivered more efficiently."

Matthew Elliott, Chief Executive of the Taxpayers' Alliance says, "Council tax has doubled in ten years and some people now think annual increases are inevitable. So it's good news for taxpayers in Hammersmith & Fulham that the council is leading the way with a good cut that will start giving pensioners and hardworking families more of their own money to spend on their own priorities. We hope this starts a trend across London."

Hammersmith & Fulham's cut comes as other councils are moving in the other direction, piling the pressure on their taxpayers and struggling to keep **rises** below the government imposed ceiling of 5 per cent. And it's not just inefficient councils that taxpayers should be frightened of.

"It's true that the Mayor of London's hike, in his share of the bill, will eat into a large part of the savings we have made," continues Cllr Greenhalgh. "We have no control over what he does and although we have highlighted our concerns to him in the strongest possible terms – he just doesn't seem to care."

The budget report, which proposes the tax cuts, will be examined in a series of public scrutiny meetings early in the New Year before going to full council for final approval on February 28.

Cllr Greenhalgh concludes, "This budget is a good start, but it is only the beginning. Providing value for money drives everything we are doing to transform the town hall. We will be one of the only councils in the country to cut council tax this year and the benefits will be felt by everyone when lighter bills drop through their doors.

"It is important that people understand these tax cuts are not at the expense of frontline services. We are cutting council waste, red tape and bureaucracy and, as councils like our neighbours Wandsworth have proved, it is possible to have excellent frontline services and low council tax.

"Residents should compare our efficiency to the Mayor of London's tax escalator which will once again go up in 2007/8. He is going to hammer taxpayers with an increase of well over 5 per cent as well as clobbering commuters with a 33 per cent hike."

-Ends-

PHOTOCALL: Photo of Cllr Greenhalgh cutting tax is available by arrangement with Rob Mansfield.

NOTES TO EDITOR:

The band D reduction in Hammersmith & Fulham is £27.52p

London council tax has risen by 86 per cent since 1997. Council tax in Hammersmith & Fulham has gone up by more than 71 per cent in the last decade.

Efficiency savings in H&F total £14.5million and include:

- £3million from improved efficiency including contracting out home care, sharing services with neighbouring boroughs and improving working practices.

- £5million from reducing bureaucracy, staff and office costs including cutting political advisers and policy officers.
- Over £1million from increased income from expanded controlled parking, events and selling advertising space.
- £3million from getting better value for money from suppliers and from using new IT systems to cut costs.
- £0.5million from reduced debt payments.

Compare and contrast with last year's budget:

Growth has been cut back by £6.9 million. Growth was £16.3 million last year and is £9.4 million this year.

Efficiencies have increased by £2.2 million. They were £12.3 million last year, £14.5 this year.

Compare and contrast with the Mayor of London:

- Fares on tubes and buses up 33 per cent
- His share of the council tax bill up at least 5 per cent

Prior to setting up the GLA separate precepts were charged for the police and fire service. These totalled £100.74 in 1997/98 compared to the GLA precept of £288.61 in 2006/07.