



The Rt Hon Nick Raynsford MP
Minister of State for Local and
Regional Government

Cllr Mrs E Salloway
Leader of the Council
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Appendix D
to Report
F/18/01

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Jean Councillor Mrs Salloway
COUNCIL TAX RISES 2004/05

I was concerned to learn from press reports that your authority may be considering a rise of around 20% in its council tax next financial year.

I am sure that council tax payers in your area would find it hard to understand how such an increase could be justified. The government has delivered another good settlement for local authorities. We have increased total grant by 5.5% on a like for like basis. For the second year running all authorities will receive at least an above inflation grant increase. Central government support will now be 30% higher in real terms than it was in 1997.

The Government has made very clear its view that given this further significant investment in local services, and the scope for efficiency improvements, authorities can and should deliver council tax rises in low single figures in 2004/05. We will be looking very closely at final budgets and council tax rises for next year, and we will not hesitate to use our capping powers if that proves necessary.

Yours Sincerely
Nick Raynsford
NICK RAYNSFORD