

## **COUNCIL TAXES IN ENGLAND – 2004/05**

In England, the average council tax per dwelling will be £967 in 2004/05, compared with £908 in 2003/04.

The average council tax per dwelling will be £1,035 in London, £1,005 in shire areas and £813 in metropolitan areas. These figures take into account reductions due to discounts but do not include reductions due to benefits.

The average council tax in 2004/05 for a Band D dwelling (occupied by two adults) will be £1,167, compared with £1,102 in 2003/04. This equates to an average increase in council tax between 2003/04 and 2004/05 of 5.9%.

Average Band D council taxes will be £1,119 in London, £1,186 in shire areas and £1,143 in metropolitan areas. These figures do not take account of any reductions due to discounts or benefits.

The average council tax payable per dwelling is lower than the average Band D council tax because most dwellings are in Bands A to C, and discounts are applied for single persons and second and long-term empty homes.

Local authority budget requirements in 2004/05 will total £66.56 billion. Adding on estimates of expenditure to be funded from reserves gives a figure for budgeted net revenue expenditure of £67.05 billion. Details are given in Table 4.

### **Notes to Editors**

1. Further information is available on the ODPM's local government finance web pages.

2. The tables can be viewed here:

Table 1 - 2004/05 Council taxes (average per dwelling and Band D for 2 adults): summary

Table 2 - 2004/05 Council taxes (average per dwelling and Band D for 2 adults): individual local authorities

Table 3 - 2004/05 Area council tax by band and average council tax per dwelling for the area

Table 4 – 2004/05 Budgeted local government net revenue expenditure: summary

3. Council taxes are set initially by each authority that receives revenue support grant (i.e. both the lower tier, billing authorities such as district councils and London boroughs, and the upper tier, major precepting authorities such as county councils, police authorities, fire authorities and the Greater London Authority). The billing authority's council tax may also include an amount used to finance parish or town councils (known as 'parish precepts'). Council taxes for all authorities providing services in an area appear on one council tax bill that comes from the billing authority.

4. The figures shown in the tables are taken from Budget Requirement returns provided to ODPM by local authorities.

5. Tables 1 and 2 give figures for the average council tax per dwelling and for the council tax for Band D dwellings occupied by 2 adults. Table 1 gives national, class, area and regional summaries, whereas Table 2 gives figures for each local authority. Figures for bands A to H and the average council tax per dwelling for the area of each billing authority are shown in Table 3.

6. Column 1 of Tables 1 and 2 shows what council taxpayers will on average be paying in each area, before Council Tax Benefit is taken into account. It has been calculated by dividing the amount to be raised by council taxes in 2004/05 by the estimated number of dwellings liable to pay council tax. The increase in average council tax per dwelling has not been included, as it is not an accurate like-for-like comparison due to changes in the number of dwellings in each band and changes between the number of dwellings entitled to discounts.

7. Nationally, most dwellings are in bands A to C: column 2 of Tables 1 and 2 shows the proportion of dwellings in each area that are in these bands.

8. In Tables 1 and 2 council taxes are also expressed in terms of authorities' own average Band D council taxes for a 2 adult dwelling, both including and excluding parish precepts where they exist. Figures are also given for the percentage increase over each authority's figure for 2003/04.

9. Combined fire authorities (CFAs) have set their own council taxes for the first time for 2004/05. Figures for the shire unitary and county councils within the area of a CFA are not therefore comparable between 2003/04 and 2004/05 because they include amounts for the fire service for 2003/04 but not for 2004/05.

10. For London boroughs, metropolitan and shire districts and shire unitary authorities, the final two columns show the average area council tax for a Band D, 2 adult dwelling for 2004/05 and the percentage increase over the corresponding figure for 2003/04. This definition differs from the Band D figures included in the earlier columns in that it also includes the council taxes for the other authorities providing services in the authority's area.

11. Table 3 shows the average council tax for a dwelling occupied by two adults in each area, for each band. Its final column shows the average council tax per dwelling for the area.

12. There are eight council tax bands: bands A to H. Band D is used as a basis for calculating the taxbase, and often for year-on-year comparisons on tax levels set. How much council tax each household pays depends on the value of the homes concerned, as estimated in the 1991 dwelling valuation exercise. The bands are:

<b>Band</b>	<b>Value of home (estimated at April 1991)</b>	<b>Proportion of the tax due for a Band D property</b>
A	Under £40,000	66.7%
B	£40,001 - £52,000	77.8%
C	£52,001 - £68,000	88.9%
D	£68,001 - £88,000	100.0%
E	£88,001 - £120,000	122.2%
F	£120,001 - £160,000	144.4%
G	£160,001 - £320,000	166.7%
H	Over £320,000	200.0%

13. Table 4 gives a summary of budgeted local government net revenue expenditure for England for 2004/05.