

## Blog: Conservative and Labour councils both cost you less

Posted on Monday 4th April 2011

By Chris Game - Visiting Lecturer

When I used to teach undergraduates, one way I'd introduce the really basic stuff about council tax would be to have them Google 'Conservative councils cost you less', then 'Labour councils cost you less', and get them to explain how both claims were true and, on their own, almost equally meaningless. For at least those who had never had to pay the tax themselves, the exercise had some novelty. It's hard to believe the parties' competing claims cut much ice with anyone who's given a few seconds' thought to the subject, but, since the actual figures are now so easily accessible, it can't do any harm to give them an airing.

'Conservative councils cost you less' will get you the current version of the Conservative case, set out verbatim by growing numbers of Conservative Associations as the local elections approach:

'Analysis shows that Conservative councils continue to provide lower levels of council tax than Labour or Liberal Democrat councils. Averaged across tiers, Conservative-controlled councils charge £43 a year less than Labour-controlled councils on a Band D home, and £114 a year less than Liberal Democrat-controlled councils.'

Labour's case was actually included in Ed Miliband's speech launching the party's local election campaign:

'Analysis of local authority council tax charges for 2011/12 shows that Labour councils charge council taxpayers on average £207 less than Tory councils and £40 less than Lib Dem councils.'

I suppose the first point to note is the cross-party admission that Liberal Democrat councils seem to have a stronger commitment to the provision of services for their local residents than either of the other parties. At issue here, though, is the relative tax cost of the parties' service provision, and, when the claims are placed alongside each other, we see immediately that they are measuring different things: average Band D charges in the Conservatives' case, average tax bills in Labour's.

The tax base for council tax is a ratio system centred on Band D: Band A paying 6/9 (2/3) of Band D; Band B 7/9, and so on up to Band H paying 18/9 (2x) of Band D. Councils calculate their tax base by weighting the number of dwellings in each band to Band D, and report their budget headlines in terms of 'Council tax for council services (Band D)'.

Band D has thus become a benchmark for comparative purposes, and it is perfectly reasonable for the Conservatives to use it – reasonable but disingenuous. Not so much because only a small minority of properties (15% in England) are actually in Band D, but because, exacerbated by the absence of any revaluation since 1991, the mix of property bands across authorities and regions nowadays varies starkly. In my own authority of Birmingham 37% of properties are Band A, and just 8% in Bands E to H combined. Neighbouring Solihull has 16% Band As and 29% E to H. In the North East there are 56% Band As, in the South East 9%, in London 3%.

All of which obviously means that, to raise a certain tax income in an authority with mainly Band A to C properties requires a much higher Band D tax than in one comprising many E to H properties. The average bills paid by tax payers will vary similarly – being generally higher than the Band D figure in more affluent and Conservative-inclined areas, and lower in less affluent or Labour-inclined ones. Hence Labour's equally disingenuous preference for average tax bill figures. Two contrasting Inner London boroughs provide an illustration. Kensington and Chelsea: Band D - £1,092; average tax per dwelling - £1,312; Tower Hamlets: Band D – £1,195; average tax per dwelling - £1,036.

As noted, the parties have been playing this game seemingly forever, and at one time it fell to party researchers or friendly academics to have to ascertain councils' political control, decide whether it had been long enough to influence budgetary and tax policy, and produce the necessary statistics. Today, possibly irritated at hearing the same arguments repeated year after year, the estimable House of Commons Library staff have taken over, so that we can compare the figures for ourselves – and a great deal more besides (Thank you, Matthew Keep and colleagues!).

House of Commons Library, Council Tax 2011/12 – Standard Note SN/SG/5924, 29 March 2011 (p.7) -

<http://www.parliament.uk/briefingpapers/commons/lib/research/briefings/snsg-05924.pdf>

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