



Department for
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Dear Kevin,

COUNCIL TAX RISES IN SURREY

Thank you for your letter of 26 February regarding the council tax referendums legislation and your desire to increase council tax bills by 24 per cent.

Under the last Administration, council tax more than doubled. This Government has so far managed to cut council tax by 11 per cent in real terms, thanks to the combination of the Government's council tax freeze initiative and due to the democratic checks and balances from council tax referendums introduced under the Localism Act.

Increasing council tax is the lazy option. I would note that Surrey Police has a habit of trying to increase council tax, and was even capped by the last Administration. Surrey Police's council tax rose from £45 on Band D bills in 1997-98 to £199 by 2010-11, a rise of 342 per cent. Since 2010-11, it has risen to £212. The Surrey Police precept is now bigger than Surrey's district council precepts. Yet contrary to top-down Whitehall capping, the new regime of a local referendum leaves the final decision in the hands of local taxpayers.

As far as I am aware, when you ran for election as Police and Crime Commissioner, you made absolutely no mention of your plans for big hikes in council tax. The Coalition Government's stated plans for spending savings to help pay off the deficit left by the last Administration were already public at that time. I would suggest you have a weak democratic mandate on this issue, given your shyness on tax hikes before you asked people to vote for you.

A council tax referendum could have been held on general election day at minimal marginal cost to taxpayers. In the event of a 'no' vote, provisions are in place to facilitate re-billing at minimal cost – rolling over the saving to the next year's bill, unless the taxpayer requests the credit being made immediately in-year. The wording of the referendum question itself incorporates advice from the Electoral Commission. Indeed, others and the Police and Crime Commissioner for Bedfordshire have not found the referendum rules that restrictive – he is

taking his proposed council tax hike to a referendum in May. I hope his referendum will be accompanied by very robust scrutiny of how his Police Force uses public money and the potential waste and inefficiencies that still remain.

You point to the YouGov survey, but on closer inspection¹, you were very selective in your questions. You asked whether local residents wanted a council tax rise of 1.99 per cent or 24 per cent (off the back of a loaded question on cuts). You did not ask the option of whether local residents wanted a council tax freeze and whether Surrey Police should take up the offer of additional government funding.

However, I do not believe it is a great use of taxpayers' money by a supposedly cash-strapped body to be spending money on such glorified opinion polls. It has been reported that the cost of the YouGov survey was in the region of £11,000 of taxpayers' money.² This is all money for old rope, which is why my Department scrapped the Whitehall obligation for councils to spend a fortune on opinion polls.

You complain about the fact that you cannot campaign with taxpayers' money in the run up to a council tax referendum. This is intentional. Whilst you may have hit taxpayers' with the cost of your political opinion polling, it is not acceptable for taxpayers to be forced bankroll your political campaigning as well. Such campaigning should take place using private funds – such as raised through a political party or locally-raised donations. The fact that you have no such public support is not an argument for Surrey residents to pay higher taxes to bankroll the cause of even higher taxes.

To facilitate public scrutiny, I am placing this letter in the public domain.

THE RT HON ERIC PICKLES MP

¹ <http://www.surrey-pcc.gov.uk/wp-content/uploads/2015/01/Referendum-Survey-data.pdf>

² <http://www.getsurrey.co.uk/news/surrey-news/surrey-police-crime-commissioner-kevin-8697604>