

# Isitfair

**Council Tax protest campaign** 

# A handbook



People - not properties - pay taxes

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# Join the Isitfair campaign

(Cut off and/or copy this page and give it to anyone you know who wants to be an Isitfair supporter and receive the Isitfair newsletters.)

Join Isitfair by registering on the web site at **www.isitfair.co.uk** or, if you are not on the Internet, complete this form and post it to:

Isitfair Willow Cottage Church Lane Headley Hants, GU35 8PJ

☐Yes, I want to be added to your mailing list.
☐ Yes, I would like to help.
Name:
Address:
Post code:
Tel. No:
Email:

#### Available documents

A number of documents supporting the campaign are available.

You can obtain copies from the Isitfair web site, or by post.

- The web site is at www.isitfair.co.uk
- If you are not on the Internet but want to know what documents are available - and receive them by post - contact Isitfair. The contact details are inside the front cover of this handbook.

#### Isitfair speakers

Isitfair can supply speakers in some areas of the country. If you arrange a meeting, and would like someone from Isitfair to speak, contact Isitfair HQ. (Contact details inside front cover.)

#### **Finally**

Thanks for your interest in the Isitfair campaign.

We hope you found this booklet useful.

If you want to be actively involved in the campaign by offering whatever skills, time and effort you can contribute, please contact Isitfair HQ. (Contact details inside the front cover.)

# Welcome to Isitfair

#### Council Tax is an unfair tax.

If you agree with this statement - then this booklet is for you.

#### What this booklet contains

This handbook is about the Isitfair Council Tax protest movement, which is campaigning to have Council Tax replaced by a system of funding Local Government that is more closely related to ability to pay - from income.

In the following pages, you will find useful information about how you can support the Isitfair campaign and, if you feel so inclined, how to get involved - and maybe even start and run an Isitfair campaign group in your area - if one does not already exist.

You may not find all of the material useful, and some of it may seem obvious. But bear with us, there is probably at least some information in this handbook that you will find interesting. Read and use the bits that are of use to you; ignore the bits that aren't.

We don't have all the answers so - if you have any suggestions for improvements or additions, please let us know. (See inside the front cover for our contact details.)

#### What this handbook does NOT contain

This handbook does not tell you how to set up and run an Isitfair group or a committee. It doesn't tell you how to keep accounts or how to use your computer - if you have one.

The focus is solely on campaigning; about getting the Isitfair message across, and about getting this foul tax consigned to the dustbin of history.

#### A brief history of Isitfair

Isitfair was started in October 2002 as a local action group in Hampshire, protesting against the year-on-year, inflation-busting increases in Council Tax.

After the first public meeting, in March 2003, a web site (www.isitfair.co.uk) was set up and the number of supporters, from all over the country, grew rapidly.

The web site now also contains a discussion forum which anyone can read and to which anyone can contribute and air their views about Council Tax.

Because of our campaign actions, Isitfair is now an organisation that is well known to the media, to the Government and to Local Authorities the length and breadth of the UK.

Isitfair supporters are regularly interviewed by the press, radio and television and our campaign has even been featured on ARD-TV - the German equivalent of the BBC.

- Non-payment. Many campaigners have decided to fight the battle by refusing to pay the inflation-busting increases that have been imposed over recent years. Their personal battles, many of which have involved Court action, have raised the profile of the campaign but, if you are considering taking this action contact Isitfair for further information and to find out about the legal implications of doing so.
- Make a donation. The Isitfair campaign is run on a voluntary basis and has no formal funding. The people who are actively involved in running and helping with the campaign give their time freely. If you want to support the campaign by making a donation please contact Isitfair. (Postage stamps are always gratefully received.)

So - **DON'T BE ONE OF THE SILENT MAJORITY**. Get involved in the Isitfair protest against this grossly unfair system of taxation. Your actions **will** make a difference, your voice **will** be heard - and you'll meet a lot of decent people into the bargain.

#### Isitfair groups

Contact Isitfair (the details are inside front cover) for information about your local Isitfair group - and other groups who support the Isitfair aim of having Council Tax reformed.

Your involvement and support will be welcomed - particularly if you are prepared to get stuck in and become an active participant.

The more of us there are - the more pressure we can bring to bear - and the sooner we will achieve out goal.

- Use the Isitfair web site. If you are on the Internet and want to have your say about Council Tax on the Isitfair web site you can join the discussions in the User Forum. Anyone can read the discussions, but if you want to post your own views on any topic, or start a new topic, then you need to register and get a user name. You can find details of how to do this on the web site (www.isitfair.co.uk) and it's free.
- Join or start a local protest group. There are a number of Isitfair protest groups around the UK. If you want to join your local group or want to form a new group in your area, please contact Isitfair HQ. (Contact details inside front page.)
- Talk to your local Councillor(s). If you want to draw attention to any aspect of the way in which your Council is run, or the way in which your Council Tax is spent, write, phone or arrange to meet your local Councillor. However, if you want to demand that the present system of Council Tax is scrapped then you should write to your MP.
- Attend Council meetings. Most Council meetings are open to the public. Go along and see how they carry on their business. Many Councils also hold consultation meetings to invite the views of residents. Attend and express your views. You can also arrange a "deputation" to Council meetings to have your say on local issues. Contact Isitfair HQ for more information, if required. (Contact details inside front page.)
- Stop your Direct Debit. Councils prefer you to pay by DD because they are then in control of your money! Change to a Standing Order, or send a monthly cheque. You could even register your protest by paying in loose change as has been done by some Isitfair campaigners. This has usually been a good story for the local media to cover.

#### The aim of Isitfair

In a nutshell - we want the Council Tax system replaced by a system of funding local services that is more closely related to ability to pay.

Isitfair believes that basing ANY tax - such as Council Tax - solely on the estimated value of your home is unfair.

Your home, regardless of its size or value, does not generate income for you, so why should you be taxed as if it does? There is no link between the estimated value of your home and how much it costs to empty your bin, sweep the streets, provide books in the library, repair the roads and pavements, etc.

If the estimated market value of your property increases, does the cost of providing local services increase? **NO!** If there is a property price crash will the cost of local services fall? **NO!** 

One possible solution would be to scrap Council Tax and fund local services by increasing Income Tax and VAT - as Isitfair has suggested. But we recognise that such a solution is only one possible alternative way of relieving the hardship caused by the Council Tax in its current form.

## Membership and donations

Membership of Isitfair is free. There is no membership fee, no subscription fee, or any other charge. The campaign is funded entirely by donations of postage stamps, paper, envelopes and

contributions by cheque or postal order, made payable to "Isitfair", and sent to the campaign headquarters at:-

Isitfair Willow Cottage Church Lane Headley Hampshire GU35 8PJ

All donations are gratefully received and are used **ONLY** for campaign expenses such as the cost of printing and posting the campaign newsletter to those who can't receive it by email; producing materials such as posters, leaflets, this handbook and banners, and the costs associated with hiring rooms and halls for meetings, etc.

No-one involved in the campaign receives a salary or any other income from Isitfair funds and everyone gives their time, effort, expertise and advice on a voluntary and unpaid basis.

#### Isitfair is non-Party Political

Isitfair is not a Party Political organisation. We actively discourage any moves to introduce Party Politics into the campaign. That is why people from all walks of life and of different Political persuasions support the campaign.

Some people support the campaign as a matter of principle, but many support the campaign because they really can't afford to pay the ever-increasing amounts being demanded. Our common aim to have Council Tax reformed cuts across all Party Political

- Publicise the campaign at every opportunity. Mention the Isitfair campaign when you speak to family, friends, neighbours, work colleagues, fellow club members etc. Council Tax is a hot topic and will continue to be so.
- Put a sticker in your car. You can download a car sticker from the Isitfair web site - or ask for one (or more) by getting in touch with Isitfair HQ. (Contact details inside front page.)
- Write to your local newspaper. The letters page of your local newspaper is a good place to let off steam about Council Tax. You will also encourage other people to get involved in the campaign. Don't be discouraged if your first attempt doesn't get published keep trying. They'll soon get to know you. Look out for other peoples' letters in your newspapers and send a reply or follow-up. Try writing letters to the national newspapers. If you get one printed in any of those, you really have hit the jackpot!
- Get on radio. Your local radio station will sometimes feature
  the issue of Council Tax and ask for listeners to phone in.
  Take part and try to mention Isitfair. If you have a Council Tax
  story of local interest, contact your regional TV station and
  ask to speak to a journalist who covers Council Tax items.
- Petitions. Isitfair supporters nationwide have asked their MPs to present an Isitfair petition in the House of Commons. More than 60 MPs agreed and most read the petition from the floor of the House. Contact Isitfair HQ for help and advice. (Contact details inside front page.)
- **Get the Isitfair newsletters.** Join the Isitfair mailing list either by post or on the web site. It's all free. Contact Isitfair HQ. (Contact details inside front page.)

You might also want to include information about your personal circumstances, such as "My Council Tax is now x% of my income" or "I now pay more Council Tax than Income Tax".

And mention that you are an Isitfair supporter. They need to know that we are all in this together.

 Write to Government Ministers. The Department for Communities and Local Government (the DCLG) is the Government department that is responsible for the administration of Council Tax.

Write to them, and tell them what you think about Council tax.

NOTE: Because their jobs change more often than the weather (and to keep our printing costs down) we haven't included the names of the Ministers here, so see the enclosed insert for the names and contact details of the people who currently have the top jobs in the DCLG.

- Write to Shadow Ministers. Write to the Opposition Shadow Ministers and also tell them what you think about Council Tax. (Their names and contact details are also on the enclosed insert.)
- Write to the PM. You can write to the Prime Minister at 10
   Downing Street, London SW1A 2AA. You will probably get a
   reply from No. 10 saying that your letter has been passed to
   the Department for Communities and Local Government (the
   DCLG), but, if enough letters arrive at No. 10, it will make an
   impact.

boundaries and extends to a number of Members of Parliament from all the main Political Parties.

That said, our cause **IS** political (with a small "p") in the sense that we have to deal with Politicians. It has to be this way because the only way in which we can get the system changed is by persuading the Government of the day to change the existing legislation.

#### A brief history of Local Government funding

Apart from a short period of time in the late 1980s and early 1990s, local taxation has been property-based ever since *The Rates* were first introduced in 1601 when the Poor Law was introduced. (The Poor Law was one of the first ever systems for the provision of social security - no bad thing - and remained in operation in the United Kingdom until the establishment of the Welfare State in the 20th century.)

The Rates were levied on residential property and were based on the estimated rental value of the property.

Because of public unrest when rateable values were reassessed in the 1980s, *The Rates* were abolished in Scotland in 1989, and in England and Wales in 1990, and replaced by the Community Charge (the Poll Tax) which was a fixed charge that everyone was expected to pay.

Because of its unpopularity at the time (and the riots that contributed to the eventual downfall of Margaret Thatcher - and later, the Major Government) the Poll Tax was hurriedly replaced by the Council Tax. And that's when the problems *really* started.

Council Tax is based on the estimated market value of your property, with a discount for people living alone and, on average, pays for about 25% of the cost of local services. The remaining 75% comes in the form of grants from central Government - so it's all still our money!

Some regions receive larger grants than others and the way the Government distributes the grants has set North against South, and town against country. If the Government, for real reasons, thinks it is necessary to fund some regions more generously than others, we can't object. But, when they do it by robbing Peter to pay Paul, then it is wrong.

The means-tested Council Tax Benefit (CTB) system was introduced in 1993, supposedly to help those on low or fixed incomes pay their Council Tax. But CTB is a disaster. It is expensive to administer, and far too complicated. The claim form runs to 40 pages and they even want to know about any savings your children may have. No wonder some people don't claim it.

#### The unfairness of Council Tax

Consider the story of three houses, all in the same Council Tax band - all receiving the same level, quantity and quality of local services. The first house is occupied by a professional couple with no children and a disposable income of, say, £40,000 a year.

In the second house live a young married couple, with a one year old child. The husband earns £20,000 per annum. The wife stays at home to look after the youngster.

paying a bit more for local services. (Increases in business rates have been pegged to the rate of inflation for years. The same does not apply to Council Tax for private properties.)

Education, the Police and the Fire Service could be funded directly by the Government, from general taxation. The Local Authorities could then dismantle some of their huge bureaucracies but still retain a trouble-shooting role, using their practical, local expertise wherever it might be needed.

#### Some things YOU can do to help

 Write to your MP. Any changes to Council Tax will require new legislation, so raise the issue with your MP and ask for his/her support. You can write to your MP at:

<Name of your MP> House of Commons London SW1A 0AA.

Make sure that **Council Tax** appears in the subject line of your letter or email and always **ask questions** - and **ask for a reply**.

Ask what their policies and plans are regarding Council tax.

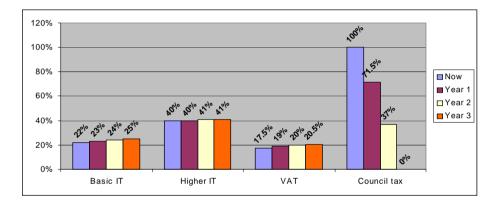
Mention the inflation-busting increases that you have had to pay over the years.

If you live in Wales, draw attention to the effects that the property re-banding has had on your Council Tax bill.

So, the Government could do something to help - now!

The power has always been available, is still there, and a change could be implemented more-or-less immediately.

With regard to changing the Council Tax system itself, one possible solution would be to fund local government from Income Tax and VAT and scrap Council Tax altogether. Small increases in Income Tax and VAT could be phased in over three years - while Council Tax was reduced to zero over the same period - as shown in the chart below.



Isitfair has suggested that this three-year scheme should be put in place as soon as possible, but only as an interim solution - to overcome the existing hardship that many are suffering.

The three-year period would then allow the Government the time to work out a better, long-term solution.

In addition, the Government could give more of the Business Rates back to the Councils and let our local businesses help by In the third house is a pensioner couple with a disposable income of £10,000 a year.

Say that each couple receives a Council Tax bill for £1,200.

For the well-off professional couple, this £1,200 bill is 3% of their after-tax income. For the young married couple it is almost 5% of their disposable income. For the pensioners it is 12%.

The question is, 'Is it fair?'

No, it's not. Why should those with the lowest income carry the heaviest burden? The assumption that the value of your home somehow equates to your ability to pay is completely false.

People on low incomes know all about economising and there are many things they learn to do without. They cut their coats according to the available cloth but if Councils and the Government keep taking the cloth some will end with no coat!

That is why Isitfair is both the name of our campaign - and the reason for it.

#### Paying for local services

We all agree that we need to contribute to the cost of local services, but doing it by taxing us on the estimated value of our homes is not the way to do it.

Some people argue that the cost of providing local services has a price - just as a packet of cornflakes has a price - and you don't get cornflakes any cheaper just because your income is smaller. This is true, but the argument doesn't stand up because you don't *have* to buy cornflakes and - even if you do buy them - you have a choice (Kellogg's or "own brand", for example).

No such choice is available when it comes to Council Tax. It's "Pay up - or else!"

#### Continuing increases

For many years, annual increases in Council Tax have exceeded the rate of inflation, sometimes by four or five times. Even with the Government capping any increases, we are still seeing increases of twice the published rate of inflation - with every indication that this trend will continue.

People on low and fixed incomes, pensioners, newly married couples, young people striving for their independence and buying their first property (or renting for that matter), are all hit hard. Retired people who thought that their pensions and modest, hard-earned savings would be enough to see them through, are now facing with horror the clammy, waiting arms of the Council Tax Benefit system and the dreaded insult of the means-testing that accompanies it.

Many pensioners and low-paid people have written to Government Ministers to protest about the escalating Council Taxes. Most have received a polite standard reply along the lines of:

"Setting the rate for Council Tax is a matter for local government where you live. Nothing to do with Ministers. And - if you are a pensioner - You have been given £200 for winter fuel." So why has Council Tax gone up so much? This is why:

The Support Grants from central Government do not fully cover the cost of all the things the Government tells the Councils they must do - by law. Therefore, the Councils have to make up the difference by increasing the Council Tax.

But many Councils - whether they are County, District, Borough, Town or Parish - are not blameless. Their over-manning; their inefficiency; their "pet" projects, and their "Spend, spend, spend" culture, all add to the problems - and the costs.

The Audit Commission, in their report about the **huge** increases in Council Tax in 2003/4, found that "the increases in spending in local government were not in all cases unavoidable." Which, by deciphering the double-negative, means that many Councils could spend less - but only if they have a mind to do so.

Any commercial organisation would soon go bust if it carried on the way many Councils operate.

### Changing the Council Tax system

One of the Isitfair supporters - a solicitor - has made a study of the 1992 Local Government Finance Act - the legislation to do with Council Tax. Here is part of his conclusion:

'There seem to be ample powers for the Secretary of State to make regulations, orders etc., (Delegated Legislation) to reduce or even remove Council Tax liability for any specified persons or premises.'