

Isitfair

Council Tax Reform

A non party political nationwide campaign

Newsletter 33 – October 2012

Included:

1. Council Tax freeze
2. Town and Parish councils
3. Councillors' allowances/expenses/pensions
4. Local Government salaries
5. Council Tax Benefit/Support

1. Council Tax freeze

Well, the Government has promised us another freeze in 2013/14, which they tell us represents a real terms cut of around two per cent, and a fall of nine per cent in real terms over the past three years. Doesn't feel much like it to me, it's still a very large lump out of our income. Of course, if the Government has no intention to replace council tax with something fairer, then I suppose we must accept that they have given us something – something the last Government never accomplished. So here are the basics:

- the offer (to participating authorities including shires, districts, London boroughs, unitary authorities, fire and police) of a grant the equivalent of a 1% rise in CT, for each of two years, in exchange for freezing CT in 2013/14.
- a proposed CT rise of more than 2% to trigger an automatic referendum. (The House of Commons will be asked to endorse this proposal before councils set their annual budgets in the spring.)

For more details see

<http://www.communities.gov.uk:80/news/corporate/2232092>

As they say, "It's better than a poke in the eye with a blunt stick," but we need change – will there ever be a Government prepared to do that?

2. Town/Parish Councils

So once again the Government has failed to address the subject of Town and Parish precepts.

We recognise that for the smaller Parish councils, whilst a rise in their precept in percentage terms may appear to be quite large, in pounds and pence it is not. However, it comes to something when a Town precept can be higher than that of the Fire Service and even higher than that of the District Council itself and yet, because these "local precepting authorities" (as the government calls them) have so far been excluded from the new referendum rules, they remain free of any formal brake on their spending and thus on the council tax precept that they levy. Successive Governments have turned a blind eye to the continual downloading of non statutory services by Districts to Towns/Parishes and appear in fact to be actively encouraging the formation of new parish councils. (I wonder why!) A sensible way must be found to include them in the referendum rules, otherwise the time will come when the phrase 'council tax freeze' is just a mockery.

Founder - Christine Melsom, Willow Cottage, Church Lane, Headley, Hampshire, GU35 8PJ
Web site: www.isitfair.co.uk E mail: c@isitfair.co.uk Tel: 01428 712 680

3. Councillors' allowances/expenses/pensions

(a) **Allowances/Expenses**. Isitfair stalwarts have carried out the annual task of checking up on councillors' allowances and expenses in Hampshire and find that there is little change on last year's figures. The 2011/12 figures show that

- the total amount claimed in allowances and expenses by these 78 county councillors amounted to £1,981,293 of which £1,357,536 was paid by the County Council, the remainder by Districts, Police and Fire Authorities and other bodies.
- 52 of the 78 county councillors were also members of District Councils (two were Leaders)
- 5 were members of the Police Authority
- 20 were members of the Fire Authority
- 7 were with National Park Authorities
- 2 were on LGA committees.
- 1 is appointed to the Homes & Communities Agency

Our champion councillor claimed around £70K in allowances and expenses. He juggles at least four hats and must, we think, live in a world where there are more than 24 hours in a day.

We are not suggesting for one moment that all these councillors are in it purely for the money but we know from experience that many people are surprised at the sheer size of the sums involved. It is this double, triple plus hatting that racks up allowances, or rather salaries because that is what they are, and turns our councillors into professional politicians. Maybe this is how it's meant to be. Maybe it's inevitable. But is it?

Some of the 78 also sit on town or parish councils and so have input and influence at all levels of local government. I don't know what you think, but that doesn't seem right to me. It certainly doesn't fit in with my idea of democracy.

This is Hampshire but we suspect it to be pretty well the norm. How is it in your area?

Note: Please ask me if you would like more detail on the Hampshire figures. As far as we are concerned, the figures are as accurate as we can make them bearing in mind how difficult it is to get hold of some of the info. If anyone complains that any of the figures are wrong - let them provide the correct ones. It seems that the request we made for all payments from every source to be available in one place is not going to happen yet. We will continue to push for this – it really is something of which the electorate should be made aware. There should be a dedicated page for every councillor in all councils where every penny they receive from the public purse is published. The public are entitled (I hate that word but it really does apply here) to have this information placed easily and honestly for all to see. Many people seem to think that their councillor does this job 'pro bono' and that could not be further from the truth. It is a job and they receive a salary and many of them also get a pension.

(b) **Pensions**. We have also spent some time on FOI regarding employers' (that is, taxpayers' of course) contributions paid into pension funds on behalf of councillors. Yes, councillors can opt to pay into the Local Government Pension Scheme and many of them do. I wonder how many of our "double and triple hatters" partake.

Extract from the rules: "The LGPS is available to all councillors and elected mayors of an English county council, district council or London borough council or of a Welsh county council or county borough council who are offered membership of the Scheme under the council's scheme of allowances and who are under age 75. Those who are offered membership are termed **eligible councillors**. If you have been offered membership of the Scheme it will be for you to decide whether or not to opt to join the Scheme."

So the awarding of pensions to councillors seems to be a choice made by the councillors. Some councils, for example Cumbria, have decided not to partake, but many do. Remember that some councillors take home allowances (salaries) equivalent to middle management. In 2011/12, the contributions made by the taxpayer in Hampshire, on behalf of county councillors in the County Council and district councillors in the six participating District Councils, amounted to about a quarter of a million pounds, about 19% of each councillor's allowance.

4. Local Government Salaries

Some time ago Eric Pickles, the Secretary of State for Communities and Local Government, said that he would be working towards doing something about the unacceptable salaries of the elite employees in Local Government. It seems that this is still to come to fruition. The number of people in 'middle management' and the upper echelons appears to be increasing in leaps and bounds – and there seems little evidence to show that these salaries and the attendant perks are being curbed. Each week we have watched these jobs, with very fancy titles, being advertised in local government magazines.

- What does a Corporate Director Transformation and Resources do for £100K?
- Head of Strategic Client Services comes a bit cheaper at £85K.
- Three jobs in Dorset all attracting over £140K.
- Every day of every week, more and more positions demanding more from us for 'monopoly money' salaries.
- On top of these salaries, of course, there is the 19% (sometimes more, sometimes less, dependent on the pension fund involved) paid by the taxpayer into that pension fund.

Then councils try to tell us that they are having a hard time, they cannot manage the benefit changes demanded by Government.

Although there may be a cut in foot soldiers, the same cannot be said for middle management. Not a pay freeze in the true sense of the word because it would appear that incremental scales still apply.

5. Council Tax Benefit (now referred to as Council Tax Support)

As reported previously, the aim is to localise council tax support to local authorities, and to reduce total expenditure on Council Tax Benefit by 10% without affecting that paid to pensioners. Billing authorities have across the country been consulting with residents on the design of their draft schemes. It has now been announced, rather late in the day we would have thought, that to "assist the transition process", a further £100 million of funding will be made available to councils "to help support them in developing well-designed council tax support schemes and maintain positive incentives to work." But there are one or two strings attached. For example, those who would be on 100 per cent support under current council tax benefit arrangements must under a new scheme pay between zero and no more than 8.5 per cent of their council tax liability. Which does, it would appear, rather undermine a lot of the work the Councils have done so far.

Full details of this latest development can be seen at:

<http://www.communities.gov.uk/statements/corporate/2236815>

I have recently sought clarification on what happens if a council fails to come up with a scheme by the required date. Here is the response from DCLG:

"Billing authorities have an obligation to make a council tax reduction scheme by or on 31 January 2013 and if they fail to meet that obligation the default council tax reduction scheme will take effect in that authority's area. The default scheme will retain the criteria and allowances of the existing council tax benefit regime - it will not deliver the 10 per cent saving, which councils will need to find elsewhere. The reason for the default scheme is to make provision for council tax support for those who need it should a billing authority not make its own scheme by the January deadline. Council tax benefit is to be abolished on 1 April 2013.

"We believe local authorities will generally wish to avoid the situation of having the default scheme take effect, as it limits the way in which they deliver the 10 per cent saving, meaning this will not be found by reducing awards to council tax payers.

"Some authorities have, however, chosen to adopt a scheme very similar to the default scheme. Where an authority adopts a scheme, no matter what the content of that scheme (and even if it is the same or substantially similar to the default scheme) then it is a local scheme. Before making its scheme an authority is obliged to consult with major precepting authorities, publish a draft scheme and consult with such other persons it considers are likely to have an interest in the scheme. All schemes must comply with requirements prescribed by the Secretary of State in regulations (the prescribed requirements Regulations).

Founder - Christine Melsom, Willow Cottage, Church Lane, Headley, Hampshire, GU35 8PJ
Web site: www.isitfair.co.uk E mail: c@isitfair.co.uk Tel: 01428 712 680

"Further information is available on our website
<http://www.communities.gov.uk/localgovernment/localgovernmentfinance/counciltax/counciltaxsupport/> "

Just a reminder

There are still companies out there offering, for a fee, to check your house banding. You can do this yourself on the VOA web site <http://www.2010.voa.gov.uk/rli/en/basic/find>

Such a lot to cover, but as usual we have done our best

Yours in the cause,

Christine

Isitfair The Nationwide Campaign Calling For The Reform Of The Council Tax System.

Please visit www.isitfair.co.uk



Available (details on request):
car stickers, envelope stickers, Isitfair Introductory Booklet & Leaflet

Isitfair receives no funding from any organisation and survives on donations, gifts of stamps and on stationers' and printers' generosity.

Founder - Christine Melsom, Willow Cottage, Church Lane, Headley, Hampshire, GU35 8PJ
Web site: www.isitfair.co.uk E mail: c@isitfair.co.uk Tel: 01428 712 680