

Isitfair®

Council Tax Reform

A non party political nationwide campaign

NEWSLETTER SPECIAL - June 2011

Councils' Credit Cards

News has not been good this week for the council tax payer and also the tax payer in general. I refer not to the cuts being made to the grants paid to the councils but to the revelations in the national press.

We have heard little more from the councils than threats regarding the cuts they will be forced to make due to huge cuts in Government grant. We have been threatened with the loss of the core services, or at least cut backs. Even the lollypop lady has not come through unscathed. Many pensioners will have lost their travel tokens and many will have lost their day centres. Many councils have cut back on staff for the Sure Start initiative.

Then we have this bombshell – millions of pounds spent on credit cards, much of it by privileged people already receiving salaries far beyond those of people in similar employment in the private sector. Why have they been allowed to get away with it? Why have councillors not stopped this? Have their senior executives become so powerful that they can now ride rough shod over the people we voted into power?

As we all know, a credit card, used carefully, can be a useful tool in managing a household budget. Presumably the same applies to local government. Many local authorities may claim to have appropriate and robust procedures in place to ensure proper use. Perhaps some do have those procedures in place; it would now appear that many do not.

Who makes the decision to give these cards out to all and sundry? Is every bill checked at the end of each month? Do they account for every penny? If not, why not? Is the bill paid every month? If not, how much interest has been incurred? Has anyone been disciplined or sacked for misuse of these cards, which like their pensions, appear to be gold plated? How many free lunches, how many first class train tickets, how many chauffeur driven cars? It is time for the councils to reveal all.

The councils agreed to reveal only those purchases of more than £500 and these include huge amounts of money being paid by council executives to their own associations for conferences and for first class accommodation. I would suggest that purchases under the ceiling of £500 would be even more telling and probably be higher, much higher, than the list published.

Mr. Pickles promised us when elected to Government that he would cut out the overspending within councils, but each day the press finds something new where councillors and councils are cheating the public of their hard earned cash. We have all had to tighten our belts, except, it seems, the high earners who appear to run the councils, with superfluous councillors as their figureheads. Well, Mr. Pickles, we now look to you as the Minister for this greedy, overloaded and bloated local bureaucracy, with only its own survival in mind, to do something about it. You have made a start with the requirement to reveal all spends over £500, but more is needed. Certainly **ALL** credit card transactions must be revealed **including those under £500**. Make them reveal all their profligate spending, make them answerable to the public. The councillors, who also cost us millions each year, must rein in the spending of the people they employ on our behalf.

I would be quite happy to do the job; I have a very good pair of sharp scissors - that's all that would be needed.

But first, I shall be asking my local councils for some answers. Perhaps, if all this made your hackles rise, you might consider doing the same. I shall be very interested to see any responses.

Questions you might ask

Can you please supply me with the following information for the individual years 2007/2008, 2008/2009, 2009/2010 and 2010/2011:

- How much money was paid in fees for conferences involving SOLACE during these individual years?
- How much money has been paid for any other conferences during these individual years?
- How much money has been paid for travelling expenses meals and hotel accommodation over the same years for staff attending these conferences?
- How much money has been paid out for councillors to attend conferences over the same years?
- How much money has been paid for travelling expenses, meals and hotel accommodation over the same years for councillors attending these conferences?

ISITFAIR at the DCLG

We now have the approval for our notes taken on our last visit to Eland House they are reproduced below. We have another meeting in June. If there is anything constructive that you would like us to bring to the attention of the Department of Communities and Local Government, please send me and I will deliver (nothing abusive please, please).

Some of you have been in touch regarding Land Value Tax and the growing unease at just how you may be affected if it were introduced. The following letter has been received from the Treasury:

"As you may know, your letter of 19th April to the Secretary of State for Communities and Local Government about land value tax has been passed on to the Treasury. I am replying as Minister responsible for this policy area.

"We appreciate the concerns you raise regarding the introduction of a land value tax as a substitute for council tax. As you may be aware, the Government sets tax policy at the Budget. In Budget 2011 the Chancellor did not make any specific announcement regarding land value tax. This reflects the fact that the Government has no plans to introduce a tax of this kind at this time.

"I hope you find this message reassuring and can allay the concerns of your members.

Yours sincerely
David Gauke MP

Just note three little words '**at this time**'

ISITFAIR MEETING AT DCLG

The following are informal notes on a meeting at Eland House on Tuesday 19 April 2011 when Christine Melsom, Michael Boon and Janet Kelly met with Jane Todorovic, Deputy Director, Local Government Finance.

The purpose of the discussion was to take our views on the localisation of council tax benefit in England and in particular any concerns or issues we would like to raise ahead of a formal consultation. The Secretary of State's written ministerial statement on this subject is at:

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110217/wmstext/110217m0001.htm#11021758000060>

1. Ms Todorovic confirmed that the aim is to reduce the overall cost of Council Tax Benefit by ten per cent. She agreed to provide details of the amount of money involved overall.

Post meeting response. Saving level: The Spending Review document, 2010, sets out a saving of £485 million in 2013-14. The link is http://cdn.hm-treasury.gov.uk/sr2010_completereport.pdf. See page 12.

2. The other aspect of the reform is to localise council tax support to local authorities, while ensuring support for vulnerable people, particularly pensioners.

3. She confirmed that the benefit would continue to be funded by central government but is likely to be via a grant rather than the present method where the council reclaims from central government.
4. We stressed that any new arrangements must not in any circumstances lead to a rise in the council tax bills of those who pay. She confirmed that the reform was not intended to raise overall council tax levels.
5. We all agreed that it was a good thing for local authorities to save money.
6. We said that in our opinion CTB should never be at 100% for anybody. Everybody should make some financial contribution to the services that they use. This, we feel, will ensure that every elector will, if a council tax referendum is held, have an incentive to vote for the lowest taxation consistent with the efficient provision of services. We repeated our view, expressed at an earlier meeting with Bob Neill, that voting in a council tax referendum must be confined to those who pay council tax. We explained that this view was agreed by over ninety per cent of our members who took part in our survey last year.
7. With regard to means testing, we think the savings threshold, as it stands, is so wildly out of date that it is risible. The principle employed implies interest rates on savings for those of State Pension age at 10% plus, and for those not of State Pension age, at well over 20%! Although we recognise that times are hard, we believe something needs to be done to put matters right. Christine pointed out that homeowners need to have savings for the maintenance of their properties, an expensive business these days. It would appear that those who are entitled to multiple benefits are often better off financially than those relying on a relatively small income and savings. What incentive is there to save for retirement?
8. We suggest that the amount of any central government funding of CTB should be provided to Local Authorities on the basis of what the average council tax per dwelling "ought" to be for that Authority. (The "ought" is something that Central Government already uses when arriving at the amount of grant to be received by each Local Authority.) Michael expands on this in his document.
9. One of our members has suggested that people work for their Council Tax Benefit/Rebate. The pros and cons of this were discussed. Obviously this should not apply to the very elderly or the infirm, but we consider it could be good both for the unemployed and for the government finances. The work involved could be labelled "community service" but would not necessarily mean litter picking or graffiti removal; it could be any job which needed doing and of which the person involved is capable. The pay would probably be set at the minimum wage, and the money earned deducted from the council tax bill.

Other matters

10. a. Local Government Resource Review. We would welcome the opportunity of some input into this, and to meet with the team involved. Ms Todorovic said she would look into this for us.

Afternote: Meeting at DCLG to be held in June.

- b. We believe that the quite remarkable anomalies in council tax across the country could, to some extent, be dealt with by a change in the grants system. Michael mentioned the possibility that grants might be based on income distribution. We drew attention to the apparent attempt by the previous administration to equalise Band D payments across the country. Rather ridiculous, we think, when a Band D dwelling in one area is at best a two-up two-down, and in another a large detached house!

11. We asked whether there was likely to be funding available to enable a further year's council tax freeze. Ms Todorovic said she would find out and let us know.

Post meeting response: Freeze grant: the Council Tax freeze is over the full 4 years of the Spending Review period.

12. We handed over the following documents:

- Reforming Council Tax Benefit by Michael Boon
- Working for your rebate, an idea submitted by an Isitfair member
- Universal Benefit – a paper submitted by an Isitfair member
- "The Town/Parish council tax precept rip-off continues – an update"

13. We handed over two envelopes addressed to Rt Hon Eric Pickles MP, and Bob Neill MP, which contained the above documents and a short covering letter.

Conclusion

We thought this an interesting and constructive meeting.

BLACKBERRY PHONES AND MOBILES - COST TO COUNCIL TAX PAYERS

Recently through FOI requests councils told us about the number of Blackberry phones (or the equivalent) and mobile telephones used by employees and also the cost to the council tax payers. We opted to sample County, Unitary and Metropolitan councils. The results were quite staggering. In some councils almost half of the staff had a mobile phone of one sort or another. Another admitted that they had no set way of recording just who had these phones and that many had been lost or stolen. In another case (pointed out to me by a local journalist) there were cases of people no longer employed, running up bills. One council paid a bill of £1.2 million last year. Again, these councils speak of cutting core services. Again these councils claim they have been badly served by Government. If you would like further details contact me.

Yours in the cause,

Christine

Isitfair The Nationwide Campaign Calling For The Reform Of The Council Tax System.
Please visit www.isitfair.co.uk