

# Isitfair

## Council Tax Reform

### A non party political nationwide campaign

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#### Meeting with the Labour Party

Tuesday 13 June 2006 at the Department for Communities and Local Government, Westminster

Present:	Phil Woolas MP	Minister for Local Government and Community Cohesion
	Andrew Allberry	Director of Council Tax and Business Rates
	Patrick Owen	Head of Council Tax Policy
	David Nieberg	Press Officer
	Beverley Fountain	Private Secretary
	Christine Melsom	Isitfair
	Michael Boon	Grey Hairs Ltd, Consultants for Isitfair
	Janet Kelly	Isitfair (taking notes)

We were, as you can see, somewhat outnumbered!

Christine noted that Patrick Owen, on arrival, had placed on the table the letter containing our ten key questions submitted at his invitation as a result of the Send Your Bill to Prescott Day campaign. The Minister, however, agreed that this was a separate issue and that there would be no discussion on this matter today.

#### **Presentation by Grey Hairs Ltd**

It was explained that the objective was to devise a system for funding local expenditure that is more directly related to the incomes of those being called upon to provide that funding.

Attention was drawn to 'Isitfair's' proposed solution to the Council Tax problem; to replace Council Tax altogether with increases in national income tax and VAT. However, it was recognised that this was just one of the possible alternative approaches to relieving the hardship being caused by the Council Tax system in its current form and could be regarded as an interim measure to be introduced relatively quickly, thus providing the time and space needed to find the permanent solution.

The presentation covered a somewhat different approach based on the retention of a reformed property based tax which would be more compatible with real local democracy and local accountability.

The recommended changes were explained in some detail:

- ◆ Making central government grants to Local Authorities more directly related to the average income of the residents in those areas
- ◆ Making the banding structure within each local authority more similar to the income distribution within that local authority.

These two major changes would achieve little on their own. They do, however, result in a very significant improvement if they are both implemented together.

The presentation was well received. The Minister seemed slightly sceptical at the start but soon showed interest in the ideas put forward and asked further questions on a number of points.

We noted that some sort of regional banding has already found some favour.



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The Minister was handed copies of the 'Isitfair' proposal document, the Mending Local Democracy document on which the Executive Summary is based, and the Executive Summary itself. He asked whether Sir Michael Lyons had been provided with copies and Christine confirmed that he had indeed been sent both the main document and the Mending Local Democracy document. The Minister thought that Sir Michael should also see the Executive Summary. Christine said that 'Isitfair' representatives, including Michael Boon and herself, would be meeting Sir Michael Lyons in July.

Afternote: Christine questions whether it is necessary for Sir Michael Lyons to have details of today's presentation, bearing in mind that it is based on 'Mending Local Democracy'. Sir Michael will, of course, have copies of our other submissions.

Because the meeting was scheduled to last for only half an hour (although the Minister actually gave us about 45 minutes) there was obviously not enough time to say everything we would have liked to say.

However, we managed to discuss - albeit briefly - the subject of moving to lower banded property. Michael Boon emphasised his point about the lack of cheaper housing in London, the South East, South West and Eastern regions, and we pointed out that in any case the cost of moving house is so high that it would take many years to recoup the money spent on estate agents and solicitors fees, removal costs and VAT etc. In addition, the proposed HIP (Home Information Pack) only adds to these costs - a comment that the Minister very plainly didn't care for.