

Isitfair

Council Tax Reform

A non party political nationwide campaign

Meeting with the Conservative Party

Thursday 2 August 2007 at the Houses of Parliament, Westminster

Present:

Mr Eric Pickles MP	Shadow Secretary of State for Communities and Local Government
Mr Andrew Griffiths	Chief of Staff
Mrs Christine Melsom	Isitfair
Mr Michael Boon	Grey Hairs Ltd, Consultants for Isitfair
Mr Colin Aiken	Isitfair
Mrs Janet Kelly	Isitfair (taking notes)

1. Isitfair

Christine said that we at 'Isitfair' had, since we last met with Mr Pickles, moved on from our original proposal which had advocated rises in income tax and VAT sufficient to enable the abolition of Council Tax altogether. We accepted, albeit reluctantly, that this solution would destroy any concept of localism and was unlikely to be adopted by any of the major political parties. We were therefore now exploring other avenues. However, 'Isitfair' remains a protest group whose members consider the present system of council tax unfair. They want reform. She stressed that many people, not only pensioners but also those on low income (young as well as old), find their council tax bills a considerable hardship taking an unacceptable percentage of their income.

2. Fairness and Localism

Michael Boon presented his paper "Fairness and Localism". This outlines what has gone wrong with the present system and suggests two possible solutions:

- ♦ If Council Tax is to remain, the key point to recognise is that the system for calculating Central Government grants needs to change – from one based on property bands to one based on peoples' incomes
- ♦ Council Tax could be partially or wholly, replaced or supplemented, by a true local income tax – not the type being proposed by the Liberal Democrats which is really a national tax. To avoid undue administrative expense, as well as the displacement of economic activity, such a tax needs to be based on locally determined allowances – and not on locally determined rates of tax.

Mr Pickles was interested in this proposal, particularly in the statistical tables illustrating the "before" and "after" situations. The basic principles of this proposal were briefly explained.

A further meeting was proposed for the autumn, possibly involving Alistair Burt MP (a member of the team), to discuss these matters in greater detail.

3. Charges

We were asked our opinion on charges for local services. How much money should be paid by the consumer (charges) and how much by the citizen (tax). Our initial response was that basic services should definitely not be charged for, but that perhaps less basic services could be. Mr Pickles said there were huge inconsistencies across the country in the proportion of money raised by local authorities by charging for services.

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4. Timing of Reform

It was explained by Mr Pickles that this is a long term problem and that the solution would need to be phased in order to cushion the effects.

5. Conclusion

Mr Pickles said that there had plainly been interesting developments within 'Isitfair' and he looked forward to further dialogue in the autumn.