

SAACT Newsletter

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Scrap Council Tax Now!

Scottish Action Against Council Tax is a non party-political pressure group dedicated to the abolition of the present system of Council Tax.

SAACT, while autonomous, has historical links with, and corresponding aims to, the Isitfair group in England and Wales. i.e. Scrap this tax in favour of a fair system.

We believe that the Council Tax is grossly unfair. We contend that the whole basis of this regressive tax is flawed and therefore no amount of tinkering with the system, aimed at giving it a veneer of fairness for short term political gain, can be justified.

Real Progress At Last?

With the summer parliamentary recess now over we can look forward, hopefully, to some real progress in local taxation reform. Events prior to the recess should be positive indicators of what is to come in the near future.

The first of these, on June 21st, was the parliamentary debate on a motion in the name of Derek Brownlee(Con) and supported by Labour, intended as a preemptive wrecking of plans by the Liberal Democrats and the SNP with regard to local income tax:

“That the Parliament does not support the introduction of a local income tax as a replacement for the council tax.”

Several amendments were put forward, including one by Tavish Scott(LD) which was eventually carried:

“That the Parliament believes that local income tax, which is based on ability to pay, is a fairer system of local taxation than the discredited and unfair council tax and notes the position of the Green Party in regard to land value taxation.”

The voting was:-

For 64 (SNP-47 ; LD-16 ; IND-1)

Against 62 (LAB-46 ; CON-16)

Abstentions 2 (GREEN-2)

This outcome essentially gives the Government a green light to introduce a bill to scrap council

tax in favour of a local income tax, thus fulfilling the pre-election manifesto promises of the Liberal Democrat Party and the SNP.

The debate was interesting and particularly revealing as to some attitudes and policies of the various parties. For example we thought that Robert Brown(LD) encapsulated the thoughts of many of us on Labour party policies by:

“The most revealing thing is Labour's backing for the council tax. If ever there was a litmus test of the true nature of new Labour, it must be its backing for the Tory council tax. It is hard to imagine the founding fathers of socialism rejecting a reform that is based on ability to pay and making a nurse, care worker, postman, train conductor or call centre worker pay more, so that Brian Soutar, Bernie Ecclestone, Paul Drayson or the Duke of Buccleuch can pay less.”

Also, it was encouraging that John Swinney(SNP) should say:

“We will consult on detailed proposals later this year We will listen to the views of other parties, key stakeholders and the people of Scotland, who foot the bill.

Introducing a local income tax will take time, so we will take early steps to offer support to those who have suffered as they faced larger council tax bills each year. That is why we will do all we can to avoid council tax increases. Our aim is to deliver a freeze on council tax rates until that tax can be replaced by a fairer system.

.....
We stood for election on a platform of abolishing the unfair council tax. We are determined to deliver that in the lifetime of this parliamentary session and to honour our commitment to the people of Scotland. It is a sign of the times that I am pleased to support the amendment in the name of Tavish Scott.”

And from Bob Doris(SNP):

“This Parliament has the power to abolish the council tax. Members who fail to abolish it will not be forgiven by the people of Scotland.”

The second significant event was the briefing given by the Cabinet Secretary for Finance and Sustainable Growth, John Swinney, to the Local Government and Communities Committee on June 27th. A few selected extracts from his evidence follow:

“In the autumn, the Government will publish a consultation document on the abolition of the council tax and the introduction of a local income tax. I expect to take views on that document for a period of time thereafter. Once we have seen all the feedback to the consultation, we will draft legislation. It is difficult for me to predict exactly when the legislation will reach the committee, but I would be surprised if it were here any earlier than the middle of 2008.”

“I said earlier that the freeze in council tax would be applied in cash terms to the council tax rate that was set in April 2007. Therefore, whatever people were paying in April 2007 is what I envisage they will pay until the introduction of the local income tax. That is my plan for the time-scale for the freeze.”

“The local income tax system will be complex—I accept that. However, by arguing for a flat rate of local income tax on its introduction, I hope to ease some of that complexity in its initial implementation. That is a practical measure, which will also significantly reduce any costs that might be incurred in the calculation and design of the local income tax. It will significantly reduce the administrative burden of the local income tax on those who have to administer it, which may be a range of businesses around Scotland. In my view, there is a clear, pragmatic logic to ensuring that there is a flat rate on introduction.”

“.....the Administration wants a constructive, positive relationship with local authorities. I am pretty clear that what I want to achieve from my discussions with local authorities is a council tax freeze and to ensure that public services are delivered effectively and efficiently to the people of Scotland. We will ask local authorities to deliver certain outcomes, but those do not conflict in any way with the role of central Government and the right of local authorities to determine their priorities. We will be saying to local authorities that we want them to achieve a council tax freeze, and that we may want them,

as the education secretary has said, to reduce class sizes in primaries 1, 2 and 3. Those are reasonable outcomes that we want local authorities to deliver.

What we will not be doing is micromanaging local authorities.”

The Future

Dare we hope, at the risk of mixing metaphors, that there is real light at the end of the dark council tax tunnel and not just a false dawn? It is heartening to detect some initial signs in Parliament of willingness to accept the principle of cross-party cooperation for the benefit of the people.

We would disagree with those of all political persuasions who would appear to be fixated with the debate over what percentage of people would pay less or pay more under this or that implementation of local income tax.

What matters is that the new system is fair. To project percentage winners or losers from the starting point of the totally unfair council tax is meaningless.

While a freeze on council tax levels is welcome, we hope that the Government and Parliament appreciate that to freeze a tax which is causing misery to very many of the poorest of our people, still means prolonged misery. This measure must not result in any degree of complacency or lack of urgency in the preparation of a bill to scrap council tax altogether, and we agree that this urgency may mean the incremental improvement of a newly established system of local taxation.

Membership of SAACT

We hope you have found this issue of SAACT Newsletter both interesting and thought provoking. If so, please pass it on to your friends and consider joining our mailing list or even taking a more active part in our campaign. Send your e-mail and/or postal address to the Secretary to receive future issues.

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