



# The Commission on Local Tax Reform

## Response to the Call for Written Evidence

June 2015

### ***Introduction***

The Scottish Women's Convention (SWC) is funded to engage with women throughout Scotland in order that their views might influence public policy.

The SWC uses the views of women to respond to Scottish and UK Government consultation papers.

### **SWC Evidence Source**

The Scottish Women's Convention engages with women using numerous communication channels including Roadshow events, Thematic Conferences and regional contact groups. This submission paper provides the views of women and reflects their opinions and experiences in a number of key areas relevant to the system of local taxation in Scotland.

### **Purpose of the Consultation**

The Commission on Local Tax Reform's remit is to identify and examine alternatives that would deliver a fairer system of local taxation (i.e. in place of Council tax) to support the funding of services delivered by local government.

In doing so, the Commission will consider:

- *The impacts on individuals, households and inequalities in income and wealth;*
- *The administrative and collection arrangements that apply, including the costs of transition and subsequent operation;*
- *Potential timetables for transition, with due regard to the 2017 Local Government elections;*
- *The impacts on supporting local democracy, including on the financial accountability and autonomy of Local Government; and*
- *The revenue raising capacity of the alternatives at both local authority and national levels.*

In conducting its work, the Commission will engage with communities across Scotland to assess public perceptions of the emerging findings and to reflect this evidence in its final analysis and recommendations.

**To what extent does the current system of Council Tax deliver a fair and effective system of local taxation in Scotland? Are there any features of the current system that you wish to see retained or changed?**

**Are there alternatives to the current system of Council Tax that you think would help to reform local taxation in Scotland? What are the main features of these, and why do you think they would deliver improvement?**

The SWC has consulted with women throughout Scotland on the current system of Council Tax. Overall, there was consensus that the way in which Council Tax is paid at the moment is not ideal, and perhaps a move towards a more income-based approach would be more beneficial. This could, however, prove problematic in terms of administration. Over the course of a lifetime, a person's income is much more likely to change frequently, whereas the cost of housing is not.

*“Surely if it's income-based then people will have to end up paying more overall to cover the costs of the amount of changes required. I understand why an income-based approach would seem like a good idea, however I think the overall costs would have to be carefully looked at.”*

Another issue with Council Tax being paid based on income is where the income is created. There are a number of commuter towns in Scotland, in which many people live, but travel to bigger cities to attend work. Similarly, there are a lot of people who work in well-paid jobs within specific local authority areas, such as in the oil industry in Aberdeen or at Grangemouth oil refinery, but do not live there. This could result in income being generated in one local authority, but not actually benefitting the area.

*“The poll tax was income based and it didn't work. We have to be very careful when thinking about changing this.”*

There are, however, arguments in support of making this form of local taxation income-based. There are a number of people who live in houses in the highest Council Tax banding who do not have a large income, for example older people, and they struggle to be able to pay their share.

*“These people are asset rich but income poor. You see it so often with older folk who are still living in their family home, or those who have bought a bigger house and have tried to sell it but have struggled because of the housing market.”*

Council Tax bandings are not based on individual property value. This can have a negative impact on families who live in an area with mixed housing.

*“Someone on a low wage with four kids in a three bedroom house can be paying the same as someone along the street with three working adults and three bedrooms. Surely looking at who lives in the house and what they're earning, as well as the value of their home, would be a fairer way of doing it?”*

**How well do you think that communities' local priorities are accounted for in the way that local taxation operates at the moment? If there is room for improvement, how should things change?**

Local people would without a doubt appreciate being given more say in the way that money collected from their Council is spent. This is particularly true in circumstances where services are being cut and this is impacting negatively on women.

Cuts are hitting all aspects of community life throughout Scotland. Over the last few years women from across the country have expressed similar opinions and have told their stories regarding the impact of cuts to local services. The examples below illustrate some of the key areas in which vital services have been reduced, and in some cases completely removed, more often than not without consideration of the opinions, needs and priorities of those whom they benefit the most.

*“The worst thing is it’s predominantly women who work in community services or who volunteer with them so it’s like a double whammy. They’re losing their jobs and the women who rely on the services are missing out.”*

In Falkirk, for example, all **community centres** currently have a crèche attached so that those attending - in the main, women - are able to attend training and courses because there is somewhere for their children to go. Due to funding cuts, the crèches will be closed by June.

*“Will the classes then have to stop because the women they were benefitting won’t be able to go because there’s no longer provision for their kids to be looked after? This could lead to the closure of some centres overall, and again women will lose out.”*

One of the centres will continue to operate as a private company providing childcare services. The Council will provide a contract to the company and pay for the services. However this means additional pressure on that group of women who will now have significantly more responsibilities in terms of running a business.

Services such as those which assist **disabled people** into employment are being forced to charge users, as otherwise funding cuts mean they would have to close altogether. People also have to now pay for services which they did not have to in the past. In some areas community groups were able to hire areas in libraries, school/community halls etc for free, however payment must now be made to make use of these spaces.

Significant cuts to **Community Learning and Development (CLD)** are having a detrimental impact on the health and wellbeing of those who use and benefit from these services.

*“They have a really good understanding of how communities actually work. Their loss will be felt far and wide.”*

Facilities such as **community centres and youth groups** have had funding reduced and in some cases removed.

*“There were really good youth groups which were well attended but they just can’t afford to do everything they used to because of reduced funding. It’s such a shame because with these groups young people were able to experience new things.”*

Services which women rely on, such as **after school and holiday clubs**, have also become more expensive to attend as subsidies have been removed. In some areas, women have to put one child into a holiday club for a morning and the other child in for the afternoon as they cannot afford to send both all day.

*“People don’t realise nowadays that when women say ‘I’m skint’, they genuinely mean it.”*

Cuts to **education** budgets have led to the reduction, and in some cases removal, of part-time, evening and leisure classes. This has had a negative impact on women, who had been able to gain skills and qualifications through studying this way. The leisure classes which are still available can be expensive and *“out of reach”* for those on low incomes.

Attendance at classes and **community activities** are dwindling, because people *“either can’t afford to go or just don’t have the time”*. The importance of keeping physically and mentally well cannot be underestimated and participation in, for example, exercise classes is a good way of promoting social inclusion.

*“It’s very easy for people to fall into, or back into, depression if they don’t have anything to look forward to.”*

**Jobs** in the public sector, in which women predominate, are also subject to cuts and redundancies. Those who remain in the workforce are under additional stress as they now have to do the job of more than one person, sometimes in fewer hours and more often than not with no wage rise.

There are concerns that services will *“simply disappear”* because of cuts. Many of these important community facilities are run through **voluntary organisations**, which rely on precarious funding. Services which offer advice and assistance are vital, particularly in the current financial climate. In local carers centres, waiting times to see a financial advisor are as high as two and a half months. Welfare Reform measures will mean an increased reliance on these services and that should be recognised.

*“There are so many organisations going after the same pots of money. It’s only natural that some will go as a result. The impact of their removal is never fully considered.”*

It is extremely important that communities’ local priorities are accounted for in the way that local taxation operates. They should be able to have more of a say regarding their own priorities. This would ensure that local people advise the Council as to which of the services and facilities provided are of the greatest benefit to the people who use them. In many areas, public consultation appears to take place. In many cases, however, information about this type of engagement with communities is not readily available. In order for the views of local people to be properly gathered, such consultations should be advertised in as many areas as possible, including local press, libraries, supermarkets, schools etc.

*“Council staff are often invited to give their opinions, but they will usually, understandably, be most interested in protecting funding for the department they work in. More meaningful public consultation, which actually takes into account what’s important to local people, would give a much broader idea of how funding and resources should actually be allocated.”*

It is also vital that the needs of those living in more remote communities are taken into account. Rural Scotland accounts of 94% of the country’s land mass, and makes up 18% of the population. The reduction or withdrawal of services in these areas has a devastating impact on women. This must be considered with regards to any potential changes to local tax reform, particularly given the scale of the Local Authorities which encompass these areas.

**It is clear from discussions held by the SWC that cuts being made at a local level are impacting negatively on women. Giving communities more of a say would provide the opportunity for their opinions, views and priorities to be taken into account. This would mean that the money generated through local taxation, insofar as possible, is being spent in the best interests and key concerns of local people.**

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