



UPDATES AND INFORMATION FOR MEMBERS – APRIL 2020

Introduction

The Coronavirus has changed our world. When we will meet as an Association again is uncertain. However, a lot is still happening and we need to be involved. This update is second best to hosting the April Meeting (which has been cancelled) and is seeking your support for three items which are included in this update.

Update on Rail Liaison Committee for North Wales

the secretary has a meeting with TFW and other rail industry members where it is hoped the above can progress.

There is still concern over the 5.18 ex Holyhead service not stopping at many of the North Wales Stations.

The Secretary is meeting with TFW on 3rd April when more news will be available.

Update on Climate Change

A speaker on the Welsh Government position is to be arranged for later in the year.

A report on the Clean Air Act conference in Abersytwyth is posted below on the web site.

Clean Air Act for Wales

The notes from the Clean Air Act and Climate Change Conference are to be added to the web site and posted following this update.

Local Government Bill

The Local Government Bill is now progressing to approval. The full Act proposals can be seen at <http://www.assembly.wales/laid%20documents/cr-ld13085/cr-ld13085%20-e.pdf>.

The Association was invited and did attend the Committee to give oral evidence.

The main headings of note are:

- a) Voting rights for 16-17 year olds is accepted.
- b) Although there was overwhelming opposition both the County and Town/Community Councils the Committee is still looking for Councils to be able to choose between FPTP and STV voting systems. In practise it is likely that County Council will choose the system and Town Councils will be told which system they are going to us – probably in line with their own views.



Continued....

- c) Some prisoners may now vote.
- d) Overseas permanent residents will be allowed to vote.
- e) Fixing terms of Councils to 4 years.
- f) Candidates for election may come from the non-political staff of that authority.

A full list of the Committee recommendations is set out at **appendix A** for information.

Hospitals in North Wales

The Hospital Trust is attending the July Annual Meeting.

Update on Minister for North Wales

The Minister has written to the secretary confirming that a senior official will meet with the Association to consider this subject.

Council Tax

The paper on this subject to be posted on the web site for comments. Members are asked for any comments on this paper via email to the secretary. **See appendix B** to this update.

Business Rates

The paper on this subject to be posted on the web site for comments. Members are asked for any comments on this paper via email to the secretary. **See appendix C** to this update.

Homeless

A paper was put forward as a motion regarding homelessness and the veterans. The paper is to be published on the web site and a members vote held seeking support for the motion. Members are asked to consider the motion and let the Secretary know by email if you support or object to taking forward such a motion with actions. **See appendix D** for the motion details.

Consultations

I will keep a look out for any consultations from Welsh Government that are relevant to us all and will report on them as and when.

A further update will be issued in May 2020.

R A Robinson FRICS



APPENDIX A

LOCAL GOVERNMENT (ELECTIONS) WALES BILL

The main recommendations to Welsh Government by the Committee are:

Recommendation 1.

We recommend that the general principles of the Local Government and Elections (Wales) Bill are agreed by the Assembly.

Recommendation 2.

We recommend that the Bill should be amended to include specific provision to roll out an adequate level of education on politics and democracy in Wales across all schools. In particular, young people from the ages of 14 and 15 should receive this education to prepare them for voting at 16 years old. This programme of political awareness should be accompanied by clear lesson plans to empower teachers to deliver the lessons.

Recommendation 3.

We recommend that the duty in section 4 is extended to include a specific duty on electoral registration officers to promote awareness and provide assistance to relevant young people.

Recommendation 4.

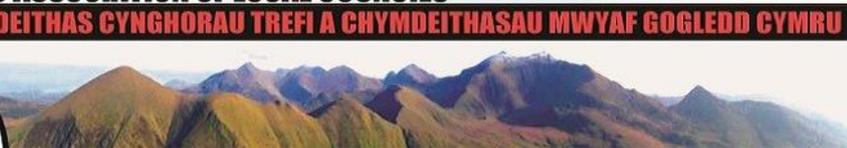
We recommend that the Welsh Government undertakes an engagement programme with the WLGA, principal councils and communities across Wales around reforming voting arrangements for local government elections. This work should include giving consideration to the impact that STV could have on increasing diversity among candidates and exploring mechanisms for citizens to express their views to principal councils on the voting system used.

Recommendation 5.

We recommend that the provision in section 13 is amended to include a duty on the Welsh Ministers to consult with the Electoral Commission before it makes rules about the conduct of local elections in Wales.

Recommendation 6.

We recommend that the requirements on the Welsh Ministers to consult before making an Order to change the ordinary day of local elections are extended to include the Electoral Commission as a statutory consultee.



Recommendation 7.

We recommend that the provisions relating to registration without application are amended to ensure that individuals Local Government and Elections (Wales) Bill 6 registered in this way are placed on the closed electoral register rather than the open register

Recommendation 8.

We recommend that, in light of the significant policy change to allow employees of principal councils, bar those in politically restricted posts, to stand for election to the council which employs them, the Welsh Government should work with the WLGA and trade unions to develop guidance to staff and managers on dealing with the implications, particularly where unsuccessful staff continue their employment

Recommendation 9.

We recommend that the Welsh Government commissions an independent evaluation of the impact of the provisions relating to expenditure by returning officers following the first electoral-cycle where they are remunerated via their salaries.

Recommendation 10.

We recommend that the Welsh Government takes this opportunity to ensure consistency in the bilingual delivery of elections across Wales, in line with the principles established by the Welsh Language (Wales) Measure 2011

Recommendation 11.

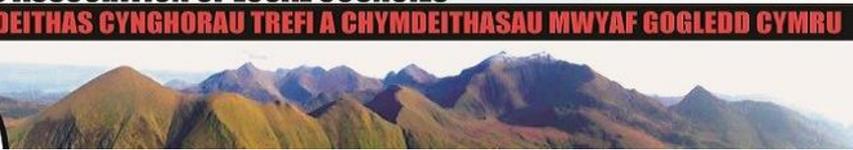
We recommend that the Welsh Government reviews the use of the general power of competence by principal councils and eligible community councils, by the end of the next local government electoral cycle, to understand its effectiveness

Recommendation 12.

We recommend that the duty in section 46(2) be amended to include a requirement on principal councils to collaborate with connected authorities to encourage participation in the making of decisions. Consequently, section 47 should also be amended so that participation strategies reflect this collaboration.

Recommendation 13.

We recommend that section 46(3) is amended so that fire and rescue authorities are named as a connected authority with a principal council.



Recommendation 14.

We recommend that the Welsh Government amends the Local Authorities (Model Code of Conduct) (Wales) Order so that councillors are not required to publish their home address in full within the register of Local Government and Elections (Wales) Bill 7 interests.

Recommendation 15.

We recommend that the Welsh Government clarifies the position regarding the publication of community councillors' home addresses and amends the Bill to extend the provision to them in section 50 if necessary.

Recommendation 16.

We recommend that the Welsh Government provides updated guidance on the use of private recording equipment at council meetings in light of the provisions in this Bill relating to the electronic broadcasting of council meetings

Recommendation 17.

We recommend that the Welsh Government extends the provisions in section 56 to include fire and rescue authorities.

Recommendation 18.

We recommend that the Welsh Government clarifies in guidance that town and community councils are able to produce composite reports covering all of their reporting obligations.

Recommendation 19.

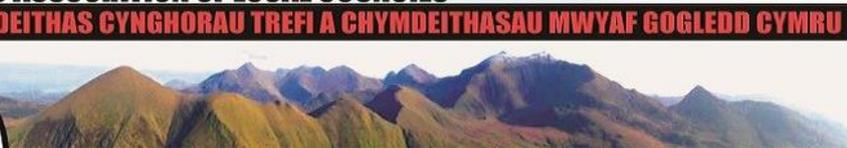
We recommend that the Welsh Government consults ALACE and SOLACE on changes relating to the performance management of chief executives prior to amendments to section 60 being tabled during the amending stages

Recommendation 20.

We recommend that the Welsh Government bring forward amendments to the Bill that would enable job-sharing for a wider range of specific roles.

Recommendation 21.

We recommend that the Welsh Government undertakes further work to explore the feasibility of enabling two individuals to jointly put themselves forward for election on a job-share basis



Recommendation 22.

We recommend that the Welsh Government actively promotes the provisions relating to assistants to executives and job-sharing as a means of increasing diversity among council executives.

Recommendation 23.

We recommend that the Welsh Government explores how a duty, similar to the duty on political group leaders to maintain standards Local Government and Elections (Wales) Bill 8 of conduct, could be placed on independent members currently not sitting within any political group.

Recommendation 24.

We recommend that the Bill be amended to enable the duty on leaders of political groups in relation to standards of conduct be extended to include leaders of groups within town and community councils, fire and rescue authorities and national park authorities.

Recommendation 25.

We recommend that the Welsh Government, in developing guidance on community council training plans, addresses and supports the recommendations by the Independent Review Panel on mandatory training topics.

Recommendation 26.

We recommend that the Welsh Government amends the provisions relating to the duty on a principal council to report on its performance to include a deadline for the completion of the self-assessments every year.

Recommendation 27.

We recommend that the Welsh Government uses the opportunity, in the making of regulations, to specify minimum levels of skills, experience and representation from different professional sectors and communities required among members of panel performance assessments.

Recommendation 28. We recommend that the Welsh Government engages with the Auditor General for Wales to provide clarification on the arrangements for coordination between regulators in sections 118 and 119.



Recommendation 29.

We recommend that guidance issued by the Welsh Government clarifies that a special inspection report by the Auditor General for Wales can only be considered as evidence for making restructuring regulations under Chapter 2 of Part 7 if there is a wider range of evidence available.

Recommendation 30.

We recommend that the Welsh Government works with the WLGA to consider alternative measures for recouping debt accrued through non-payment of council tax, in light of the removal of imprisonment as a sanction.

Recommendation 31.

We recommend that the Welsh Government engages in urgent discussions with the three fire and rescue authorities in Wales on their concerns around the provisions in section 162. Such discussions should begin immediately to enable any necessary amendments to be tabled to the Bill during its amending

Recommendation 32.

We recommend that the Welsh Government explores options, within legislation, to place a statutory duty on local authorities to have a due regard to the right to adequate housing



APPENDIX B

COUNCIL TAX

Alternatives To The Council Tax

Options Instead of Council Tax

The public *hates* council tax?

First it was the rates, then the poll tax and now council tax. In the UK we seem to have an ingrained hatred of this form of taxation - whatever it is called.

The council tax was introduced in 1993 and the amount you pay depends on which area of the country you live in and which band your house price falls into. As such it isn't locked to the amount of money you earn, but if anything, with sky rocketing mortgage debt, how much money you owe.

The valuation of the house is based upon what it would have been worth in 1991 and it takes no account of where in the country you live. An example to illustrate the point is that a small terrace in London could be in a higher band than a detached property in Blackpool because in 1991 house prices were more in London than Blackpool. This says nothing about the income of the people living in either of these properties.

People generally understand the need for local taxation but get very annoyed when they hear rumours of

- Plans to re-grade houses when you know that the overall outcome will be more houses going up a band than down.
- Plans to 'snoop' on you to see if you have tried to improve your living circumstances by adding a swimming pool or extension then again re-grade your house up a level.
- Plans to increase the level of council tax if you live in a location with a nice view!

Who knows what the real truth behind any of these rumours is, but it just serves to annoy people more and more.

What are the alternatives though? Filling out petitions and complaining will not get us anywhere unless there are financially viable alternatives of collecting the revenue.

How much is raised by council tax?

In 2006-2007 the projected income from council tax is £22 billion up from £21 billion in 2005-2006. Sounds like a lot of money, how does it compare to the rest of the treasury income?

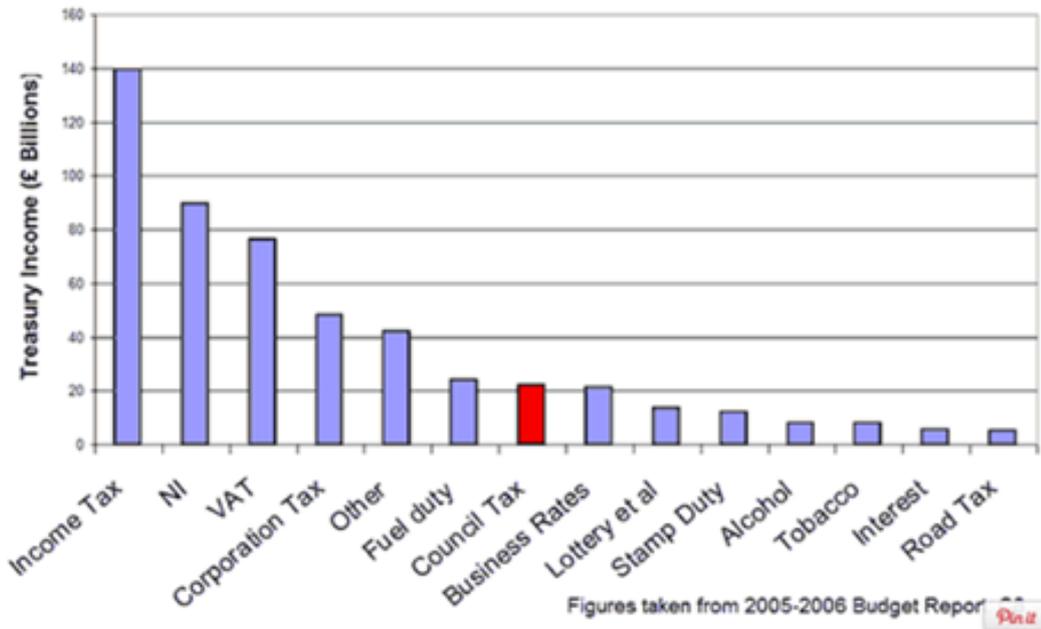


3 Easy Steps:

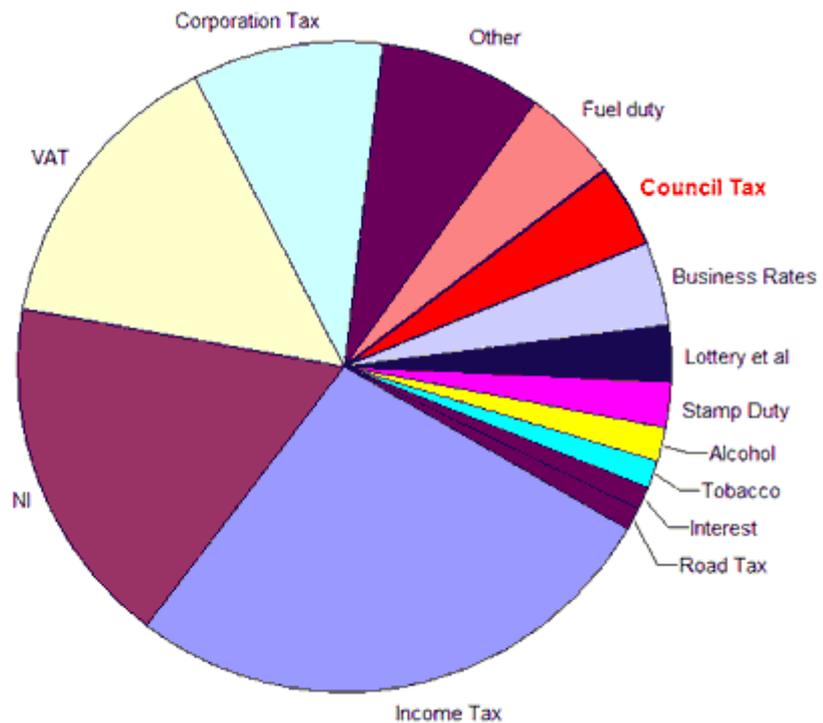
- 1) Click 'Start Now'
- 2) Download on our website!
- 3) Get Free Forms

Free Forms Now

No sqn given



So whilst it seems a lot of money to you and me as part of the overall treasury income it is about 4%.



Figures taken from 2005-2006 Budget Report: C8



But, where would the money come from?

There seem to be a few options:

Regressive Taxation

If everyone had to pay a fixed amount of £5000 on their income that would be a regressive tax. Why, well if you earned £10000 per year you would be paying 50% of your income as tax and if you earned £50000 per year the rate would be 20%. So the more money you earn the less percentage taxation you pay. Obviously this isn't fair for lower income earners.

Council tax is seen by many as a regressive tax.

Progressive Tax

Here you are taxed different rates which get higher the more you earn. For example if you earned £10000 per year and paid 20% tax you would pay £2000. In a progressive tax system there would be a change in tax rate at a certain level of income, say £32000. Therefore you pay 20% on the first £32000 and then 40% on the last £18000 of an overall £50000 income totalling £13600 tax.

Proportional / Flat rate tax

Here everyone pays say 20% so in the above examples the lower income earner would pay £2000 and the higher income earner £10000.

Why are these important, well governments recognize that one section of society cannot take the whole burden of the tax system. Obviously making the lower income earners even poorer is no good (so no regressive tax), but neither is over taxing the higher income earners as it doesn't encourage enterprise (so not too much of a progressive tax). The general opinion is to have something that is progressive but not too much.

Local Income Tax

The plan would be to get rid of the council tax and replace it with a rate of local income tax that was determined by the local authority (presumably with some limitations or capping structure in place). This income tax would be collected via the same methods as NI and income tax and so would be reasonably efficient.

The Liberal Democrats (LibDems) like this as an alternative to the council tax and it is outlined in their [Tax Commission Report](#). According to the report it would be combined with allowing local authorities the power to set and collect their own business rates. This was previously stopped due to authorities raising business rates and lowering domestic rates as businesses generally cant vote!



The LibDems have concerns about dropping council tax as it has a few nice points (at least for a government)

- It can act to slow down sudden increases in the housing market and may overall make it less volatile.
- It's difficult to evade even for the very rich, which is becoming more of an issue for governments.

To replace the income from council tax the level of local income tax would need to be around 4.0-4.5%, but would be settable by the local authority.

They estimate that removing the bureaucracy of council tax would save £300 million pounds per year.

Raise Other Taxes

One of the champions of this idea and is the Isitfair campaign. It has put pen to paper and is actively seeking to open dialogue with the policy makers to try and find alternates to the council tax, which it believes as unfair - hence the name.

They see council tax a regressive tax as isn't strongly linked to the amount of money you earn and wish to change this without altering the whole progressiveness of the tax system.

They have looked at a few options for raising more tax, that would effect people on an ability to pay rather than an happenstance circumstances.

They identify income tax and VAT as the main areas for tax review. Income tax is a progressive taxes which is good and VAT is about purchasing power and so to some extent is a matter of choice (except when placed on energy).

They would propose spreading the loss of council tax income to these two other taxes. There are a few options for the actual amounts. One example is (rounded to the nearest whole percentages)

- Basic rate income tax - 24%
- Higher rate income tax - 42%
- VAT - 21%

This would raise around £25 billion or more than enough to cover the loss of council tax and keep the tax system at roughly the same progressive level.



Last resort I wrote to them, via email of course and got a back a bullet point list of what their intentions, I guess that's what you would call them, are with regards to local taxation and I quote from the email

"Conservatives want to see councils freed from the top-down regulations, burdens, red tape, regional diktats, not only to allow local communities to set their own priorities, but also to keep costs and hence taxes down for local people. We are:

- Opposing Labour's agenda to raise council tax further through its plans for a council tax revaluation, re-banding and home improvement tax.
- Pressing the Government to relieve councils of the unfunded burdens, regulations, inspection and red tape that have forced up council tax.
- Arguing for councils to have more freedom and discretion to fund their local priorities - not Whitehall's.
- Calling for power to be given back to local people, and the abolition of the unelected and unwanted regional assemblies."

Well I'm a lot clearer now - power to the people, cut red tape and oppose the government.

Council Tax Conclusions

As a country we require a certain level of overall taxation to run things, directly or indirectly that money mostly comes from us.

Council tax is a regressive tax as it is not wholly linked to the income of the individual or household, but rather the valuation of the property. As such it is seen, rightly in the authors opinion, as unfair.

The overall income from the council tax is around £22 billion and if it were to be capped or scrapped the loss of monies would have to come from elsewhere. The two main option for this appear to be

Replace it a with a local income tax based upon the ability to pay and is hence progressive.

Replace it with changes to the national income tax rate (both lower and higher) and also raise the VAT rate both of these are based upon ability to pay and are progressive.

Overall something needs to be done to quiet the growing discontent on council tax and these alternatives will need to be considered in light of the upcoming Lyon's Review on Council Tax by the government.

Recommendation:

The recommendation is to seek an early review of Council Tax by the UK government seeking also a replacement via an income tax based system.



APPENDIX C

BUSINESS RATES (Retail High Streets in particular)

“The governments just haven’t got it. They need to take some responsibility for the high street’s decline.”

The Entertainer’s chief executive Gary Grant is far from the only prominent figure to blame business rates for the worryingly extensive roster of retailers facing insolvency or administration.

Recently, books retailer Foyle’s largely blamed their £88,791 loss on the rise in business rates, while fresh research from real estate advisory group Altus suggests that business rates rises were a key factor in House of Fraser’s recently announced CVA.

Last year, Argos chief executive John Rogers said it was “it is no surprise the profit warnings tended to be from those companies that predominantly have a high street presence, because they are paying a cost to their business that’s not borne by most of their online competition,” joining MPs from the influential Treasury Select Committee in his criticism.

The list of the tax’s critics is almost as long as the list of retailers large and small who are struggling to make ends meet in the current retail climate.

But just how much of the blame for the high street are current woes can be pinned on this controversial tax?

“The fundamental issue is persisting with the link between rates liability and property value”

“Unsecured borrowing was the least since November 2012 chiming with the recent drop in consumer confidence and rise in saving intentions,” Altus Group’s head of UK business rates Robert Hayton told the *Retail Gazette*.

“Add to the mix the already lethal cocktail of increased operating costs for the national living wage and apprenticeship levy against a backdrop of rates bills having rose by more than a fifth before the revaluation creates the perfect storm for 2018 being the year of the CVA.



“Business rates are rarely the sole driver for insolvencies but certainly a contributory factor being one of the least negotiable taxes and the hardest to defer.”

Placing the sole blame for a very complex and multifaceted issue on a single piece of legislation is always going to be reductionist, and could cause more problems than it solves.

That said, unlike wider economic burdens that cannot be controlled, such as customers’ exodus away from physical retail or the fall in the value of the pound, business rates stands out as a seemingly unnecessary weight on retailers’ shoulders.

This is largely due to the fact it is based on an outdated framework for retail, failing to account for the lightning-fast, but never unexpected rise of online players.

As Richard Roberts, head of retail at independent legal practice Brabners, points out, traditional retailers are hindered by their reliance on high footfall properties.

“High-street vendors have far less choice about where they locate their stores than ecommerce businesses who enjoy the geographical freedom to base themselves in more remote locations, which benefit from far lower rateable values,” he said.

“The fundamental issue is persisting with the link between rates liability and property value, meaning high-street retailers are punished because they need to have a physical presence in high-footfall, high-value locations.

“Unless the link between property value and business rates is severed, we will see increasing numbers of outlets forced out of urban centres leading to more boarded-up units and high streets with little variety beyond charity shops, £1 retailers and pop-up traders.”

Since the initial rates rise came into effect last year, both the Chancellor Philip Hammond and newly-appointed Home Secretary Sajid Javid have promised change.

The most concrete effort to alleviate pressure was announced in the Autumn Budget last year. Hammond announced that the inflation measure used to calculate the rates would move from the Retail Prices Index (RPI), to the lower Consumer Price Index (CPI).

Though the move was largely welcomed, Roberts described it as “the government re-arranging the deck chairs on the Titanic”.



Hayton added that despite the headline £2.3 billion reprieve the industry would enjoy as a consequence of this change, it is but a drop in the ocean of the overall costs of the tax.

“Even with business rates rises limited for this financial year to last September’s CPI rate of three per cent, that still drove business rates bills from April for 2018/19 up for the embattled retail sector by £226 million,” he said.

With a further 55,000 retail businesses having to deal with yet more rises this year, it’s no stretch of the imagination to assume the current shop vacancies situation will get worse.

Possible solutions

There have been many possible solutions all with difficulties.

It is suggested that a turnover tax is the best solution for businesses, this will then relate to ability to pay.

Recommendation:

The recommendation is to seek an early review of a business rate overall in the UK and to seek its replacement asap possibly with a turnover tax. (i.e. a small percentage of actual income).



APPENDIX D

Notice of Motion put forward by Councillor Mrs. Joan Butterfield for consideration by Full Council:

“This Council in accordance with the “Armed Forces Covenant” resolves:

- To make formal representations to the Ministry of Defence to request that surplus service family housing and barrack accommodation on disused military bases across the UK be made available to local housing authorities for the purpose of providing housing to veterans of the armed services.
- This housing should be accompanied by on-site advice, support and training facilities in a familiar environment to assist the veterans during the transition from military to civilian life and to reduce the risk of them becoming homeless on leaving the services.
- Requests that the other Unitary Authorities in the UK pass similar Motions

Background:

As of 2018 the Ministry of Defence had in the region of 11,000ⁱ empty properties formerly used for the housing of service family accommodation. Although these properties are no longer owned by the MOD they are required to rent them back and maintain them at a cost to the UK government of £25 million a year.

As of June 2019

- at least 12,000 ex-servicemen and women are estimated to be sleeping rough across the UKⁱⁱ
- There were some 47 military sites, including former barracks and training centres currently disused and deemed surplus to military requirementsⁱⁱⁱ

The purpose of the Motion is to utilise surplus military accommodation and training facilities to provide a half-way house to assist veterans requiring additional support on leaving the services to enter into civilian life