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GRANDMOTHER FROM GLOUCESTERSHIRE BEHIND BARS FOR NOT PAYING

Grandmother from Gloucestershire behind bars for not paying. A grandmother was sent to prison yesterday for not paying her council tax owed to Stroud District Council. Gillian Woakes of Victory Road, Whiteshill appeared at Cheltenham Magistrates Court to explain why she had not paid a previously imposed court order. The bench found her guilty of culpable neglect and activated her suspended prison sentence of 31 days. The debt of £1,600 has been outstanding since 2010.

RETIRED VICAR WHO REFUSED TO PAY COUNCIL TAX AS MATTER OF PRINCIPLE WINS HIGH COURT VICTORY OVER EXCESSIVE COSTS

Anti-poverty campaigner Paul Nicolson, 82, took a stand after discovering that millions of poor people could be getting unfair bills for costs run up by local authorities who take action to collect unpaid council tax.

Mr Nicolson, a retired Anglican vicar and veteran of the poll tax protests, took legal action after complaining that magistrates ruling on allegations of council tax non-payment were failing to check the accuracy of costs bills.

He claimed that the figures run up by his Labour-controlled London Borough of Haringey were being wrongly “lumped on” to legal costs bills and were a “penalty” unfairly imposed on the poor, in a case he said had national implications.

“I’m delighted,” said Mr Nicolson after the ruling. “It’s game, set and match to the poor.”

He added: “I'm not a socialist. I'm a Christian. All I do is state the facts on poverty.”
For 16 years until 1999, Mr Nicolson was the real life Vicar of Dibley – the priest in the rural parish of Turville, Buckinghamshire, where Richard Curtis set his sitcom about a hapless female vicar.

The pensioner who moved to Tottenham in north London, had sold champagne before joining the church and fighting against unfair taxation. He said he began litigation in this case after not paying a council tax bill as a matter of principle.

He was then issued with a summons for non-payment of council tax by Haringey Council before magistrates in Tottenham made a 'liability order' against him and ordered him to pay £125 costs. He then asked a High Court judge to declare that magistrates failed to check the accuracy of the costs bill. Bosses at Haringey Council disputed his allegations, but Mrs Justice Andrews, who analysed evidence in a hearing at the High Court in London last month, ruled in Mr Nicolson’s favour.

Mrs Justice Andrews said she had concluded that magistrates in Tottenham had not had “relevant information” before them when making a costs order against Mr Nicolson.

Mr Nicolson said he had mounted the challenge because a £125 costs bill was a “very big penalty” on top of “the inevitable council tax arrears” generated by thousands of benefits claimants in Haringey. And he said the case had nationwide implications because about three million liability orders were granted by magistrates every year to councils in England and Wales.

Mr Nicolson added: “The related question is - what is the point of enforcing the council tax against people whose incomes are so low that they cannot pay?”

A Haringey Council spokesperson said: “We accept the court’s decision to quash the costs order in this case as magistrates did not have the relevant information before them.

“We welcome that the judge accepted our broad approach to calculating costs to cover legal proceedings. We will now consider this ruling in greater detail.”

BRC CALLS FOR GOVERNMENT TO MAINTAIN BUSINESS RATES REVIEW MOMENTUM

The British Retail Consortium (BRC) has called on the new Government to maintain momentum with a review of the controversial business rates system.

Last year the coalition government revealed in the Autumn Statement that it would undertake a structural review of business rates. The industry now wants the Conservative majority government to make business rates a priority.

A BRC spokesman said: “As the evidence review proceeds, ministers can stand by the aspiration that the system is no longer fit for purpose by setting out a vision of the future of business taxation, one that incorporates the role of rates within the framework.

“That would demonstrate the Government’s determination to play its role in the necessary long-term planning to revitalise our town centres and bring new ways to shop to the high street.”

Dreams boss Mike Logue, Boux Avenue owner Theo Paphitis, DFS chief executive Ian Filby and Karen Millen boss Mike Shearwood have all told Retail Week that they would like the incoming government to prioritise a business rates review.

Logue, Filby and Shearwood all urged politicians to consider the business rates system, but Logue believes it could take a while for reform to take place because he believes the new government would have other priorities.
The Government has already stated it aims to raise the same amount of money from business rates. As a result, some industry leaders have said online retailers will need to share a bigger burden of the business rates tax to provide relief for those with a large bricks-and-mortar presence.

The BRC has also called for “wider policy-making that’s based on clarity, certainty and transparency ... and would have the benefit of helping to deliver the right climate for retail to prosper in the next five years”.

TORY ELECTION VICTORY TRIGGERS LONDON LUXURY PROPERTY MARKET SURGE AS MANSION TAX FEARS DISSOLVE

In the hours after it became clear that the Tories had won a majority government at the general election, London estate agents reported a surge in luxury property sales as buyers' fears over Labour's proposed mansion tax were allayed.

Over £100m worth of top-end central London property was sold on a frenzied Friday as estate agents worked through the night to deal with the renewed interest from wealthy buyers.

"I've had correspondence last Friday and over the weekend with some 70 clients and other property contacts and all of them have said to me that the luxury London market is now "back in business", especially with the mansion tax and non-dom worries now blown out of the water due to the resounding win by the Conservatives", explained Peter Wetherell, chief executive of Wetherell.

The Mayfair estate agent, currently processing £29m worth of offers made on Friday, is expecting a "new wave of luxury sales and new instructions coming onto the Mayfair and wider West End marketplace."

Wetherell was far from the only estate agent to benefit from the mini buying boom as the London luxury market enjoyed one of its busiest days since the day before reforms to Stamp Duty, which placed higher taxes on properties costing more than £975,000, were introduced last December.

Gary Hersham, managing director of Beauchamp Estates, said: "Friday 8th May was bedlam, not that I'm complaining as any Prime Resi agent loves being at the centre of a hurricane of incoming calls from vendors and purchasers. My mobile lit up like a Christmas tree from the early hours, vibrated and flashed all day, and didn't stop until it ran out of juice late on Friday night."

"If Friday is any indication we will now see a big wave of previously pent up demand unleashed in the London housing market, which will lead to a rise in new instructions and sales across London and the Home Counties in particular, especially in the premium sector of the housing market."

Becky Fatemi, managing director of estate agent Rokstone, predicted an increase in buy-to-let investors next week and a sizeable increase in prices with a home worth £1m costing a further £100,000 by the end of the year.

Prime residential rates reached their highest level in three years last month, rising 3.3 per cent year on year since 2012.

LAND REFORM RATES WARNING ISSUED

Gamekeepers have warned that jobs will be lost if the Scottish Government removes exemptions from business rates for shooting and deer stalking.

More than two-thirds (71%) of respondents to a consultation on land reform agreed with the government's proposal to lift the exemption.
Scottish Gamekeepers Association chairman Alex Hogg said: "The Scottish Gamekeepers Association has maintained from day one that unless Scottish Government treads warily with the removal of exemptions from business rates for shooting and deer stalking, it could put working people on the dole on shoots with marginal profit, and there are many of these across the country.

"We have held constructive talks with environment minister Aileen McLeod about concerns we have for our members and she understands great care must be taken to ensure these vital jobs are safeguarded in fragile communities.

"We will continue to engage with Scottish Government over how this is to be achieved, in terms of the detail and how the rating system will work to alleviate job loss.

"Our members, and the communities of which they are a key part, would expect nothing less of us as an organisation."

The consultation also found three-quarters in favour of a proposal to set up a Land Reform Commission, 87% backing a land rights and responsibilities policy and 88% in favour of a proposal to improve information on land, its value and its ownership.

The consultation received 1,269 responses.

Land reform minister Dr Aileen McLeod said: "Our vision for land reform is for a stronger relationship between the people of Scotland and the land of Scotland, where ownership and use of the land delivers greater public benefits.

"Through the Land Reform Bill, one of our key aims is to remove barriers to communities' sustainable development by ensuring greater collaboration between communities and land owners."

Dr McLeod also set out a programme of fisheries reform, which aims to create a new management system, which has gone out to public consultation.

She said: "It is vital that we have a modern, evidence-based management system that is fit for purpose in the 21st century and is guided by the conservation needs of our wild species."

GOVERNMENT URGED TO LET COUNCILS SET TAX RATES ON HOMES

The new Conservative government has today been urged to implement wholesale reform to local taxation by abolishing council tax bands and replacing them with a flat rate levy on property values, set by individual local authorities.

In a report published today, think-thank CentreForum argued that reform was needed to address the issue of council tax values still being based on 1991 values, and to address calls for residents in higher-value properties to pay more.

Both Labour and the Liberal Democrats were promising to bring in a mansion tax on properties worth more than £2m if they won the general election, which the think-tanks said was bad policy disguised as good politics'.

Today’s Moving beyond Mansion Tax report said that rather than adding the proposed mansion tax, the new government should instead reform council tax to make it a flat rate tax on the value of domestic properties.
It argued that revamping council tax would strengthen the links between taxpayers and local services and be a fairer way of rebalancing UK property taxation than an annual tax on homes worth £2m.

Under the plan, local authorities could set the percentage rate of this property tax, and would retain all revenue raised on homes valued at £2m or below to pay for local services. Tax raised from properties worth more than £2m should be pooled by all local authorities and redistributed among them to replace council tax support.

Tom Papworth, associate director for economic policy at CentreForum and one of the report’s authors, said a mansion tax was ‘a flawed idea that in no way guaranteed that the extra tax burden fell on those with the broadest shoulders’.

He added: ‘Rather than creating a new, complex and unfair tax, politicians should look to reform our existing property tax system. This should include a long overdue examination of taxing economic rent on land, and immediate reform to council tax to make it a fair and efficient means of raising money for local government.’

The report further suggested that government should create a Royal Commission to consider the appropriate balance of taxes on property and the issue of unearned economic rents on land.

Responding to the report, a spokesman for the Department for Communities and Local Government said the government would work with town halls to keep council tax down for residents, and would continue to place a cap on increases that can be implemented without a local referendum.

‘Over the past five years, average council tax bills in England have fallen by 11% in real terms, giving families greater financial security and this government will seek to continue this trend by working with councillors to deliver high quality and value for money services for the people they serve.’

A FISCAL FIX FOR A PECULIARLY FLAWED PROPERTY MARKET

The British property market is both alluring to foreign investors and peculiarly dysfunctional. One of the flaws at its heart is the council tax system, which is monstrous and unique. No other advanced country has such an unfair property tax.

For a start, it is a mystery why the UK is so attached to the value bands that applied when the tax was introduced by the Conservatives in 1991, when most nations base taxes on recent market values. This would not be hard to fix: most owners can value their homes from Land Registry information processed by property websites such as Rightmove.

Retaining outdated bands only magnifies the system’s unfair anomalies. For example, a household at the bottom of band H (for the highest value properties) — where homes are on average worth perhaps £1.2m (the equivalent of £320,000 in 1991 prices) — pays 30 per cent of the tax, as a percentage of value, paid by a household at the top of band A (lowest value
properties), where the average home costs about £120,000 (£40,000 in 1991). A family in a £2.4m home pays only 7.5 per cent of the rate faced by a band A taxpayer in a £60,000 home in the same local authority.

Council tax relief, a sticking plaster for the poor, in fact traps many in poverty. From April 1 2013 hundreds of thousands of people became liable for council tax for the first time, after the Conservative-led coalition government cut by 10 per cent the amount available for relief and allowed local authorities to set their own eligibility criteria. “Council tax has overtaken credit cards as the most common debt problem in Britain”, according to Citizens Advice.

Introducing a progressive element would be simple: borrow features of income tax. Making the first £40,000 of value free of tax would take hundreds of thousands out of the poverty trap. A higher tax rate for the value above £5m would tap a little of the taxable capacity of the plutocrats. Successful reform would require overcoming the inability to pay of the cash-poor and asset-rich. A good method would be to offer everyone a tax deferral in return for an equity stake in their property. Those paying cash would be offered a small discount since managing deferral incurs costs.

Suppose the tax rate was 1 per cent. For those choosing deferral, the government would register a 1 per cent gross equity stake, to be paid out at the next transfer of ownership. After 10 years of deferral, the government would own a 10 per cent stake. The combination of the discount and the prospect of having to share capital gains with the government (that is, other taxpayers) would ensure many chose the cash option.

Such a tax would encourage downsizing; helping to ensure that a regular supply of properties came on to the market. This would in turn generate tax revenue. Central government should take tax deferrals on to its balance sheet and supplement local authority revenue with the annual cash equivalent of the deferred tax payments for that year.

There would be many economic benefits, not least productivity gains from better use of housing stock. Higher revenue from reformed council tax would permit cuts in the stamp duty land tax, improving labour mobility. Where there are pockets of negative equity, prices would rise. At the upper end of the market prices would fall, inducing a temporary decline in house price indices, making property more affordable for the young. With lower prospective capital appreciation, many of the thousands of empty upmarket homes owned by foreign investors would be sold or offered for rent. Upward pressure on London rents would moderate. As foreign speculators pull out, sterling should fall, shifting the UK recovery towards exports and away from consumption.

A fairer society, higher productivity and a more sustainable recovery are thereby achievable.
BP'S £8.3M CHARGE FOR SITE IS SCOTLAND'S BIGGEST

Oil major BP pays £8.3 million in business rates for its Sullom Voe oil terminal on Shetland, the highest figure of any individual property in Scotland, a new report has revealed.

According to the research by property firm Ryden, the Ministry of Defence has the second highest bill for its naval base at Faslane, with annual rates totalling £6m.

Edinburgh and Glasgow airports are also among the top payers, with bills amounting to £5.8m and £4.9m respectively.

The figures come as businesses await news of a planned review of the heavily-criticised rates system in both Scotland and England.

Ryden partner Tim Bunker said it remained to be seen whether politicians will deliver on pre-election promises over business rates.

He said: “The Scottish Government raises £2.6 billion annually from commercial rates, which have low collection costs, - meaning it will be extremely difficult to find a suitable and fair alternative.

“If we look at income from business rates and council tax, the figures sit at around £2.6bn and £2.55bn respectively. Talks of overhauling the rates system to assist businesses while maintaining fiscal neutrality mean that the substantial revenues lost through rates would have to be passed from business to the public. I very much doubt that most people would accept – or could afford – their council tax bill being doubled.”

Rates bills are calculated using rents at a particular period in time. Firms are paying rates based on rents in 2008 because the five-yearly rating revaluation process which sets bills was postponed until 2017.

Bunker said: “Due to the recession and the effect on rents, many businesses would have seen their rates bill decrease this year, had the revaluation gone ahead. The question now is that when 2017 comes around, will bills reduce enough?

“There has been much debate about the effect on the small businesses of the current commercial rates burden, but many of the largest ratepayers are often overlooked.”

CBI MAKES BUSINESS RATES RECOMMENDATIONS

The Confederation of British Industry (CBI) has said that "ever increasing" business rates (property tax rates) are not sustainable, and has recommended a series of reforms that would deliver GBP3bn (USD4.6bn) in tax relief for companies.
Prior to this month's general election, the Government launched a review of business rates in England. It is seeking feedback on the fairness and sustainability of business rates based on property values. A discussion document released in March requests views on how rates could better take into account the individual circumstances of businesses, and whether rates should be reformed to better reflect wider economic conditions. It also asks whether there is any evidence in favor of the Government considering a move away from a property-based business tax toward alternative tax bases.

According to the CBI, the business rates system is clunky and outdated. The Confederation said that businesses recognize that in a challenging fiscal context, it would be better to reform than significantly reduce this tax. Business rates raise GBP27bn in tax revenue.

The CBI recommended that business rates be indexed in line with the consumer price index (CPI), rather than the retail price index (RPI). It also argued for the smallest commercial properties to be taken out of business rates, to remove disproportionate administrative burdens for both business and the Government. More frequent valuations would help make business rates more responsive to economic conditions, it said.

The CBI said that taken together, these reforms would amount to a GBP3bn tax cut for business.

The UK business rates system was introduced in 1990 to help raise revenue to pay for local services. Rates, paid by occupiers of non-domestic properties, are now devolved within the UK.