

JAMES SHARKEY

I am a local authority councillor representing Ward Three of Renfrewshire Council. I wish to make a contribution to the discussion that the Commission is promoting. I am writing in a personal capacity and would be happy to contribute further if asked.

The nature of these discussions is that those who wish to see change start from a position of their favoured scheme and proceed to discount alternatives, usually, by making unfavourable comparisons between the other schemes and their preference. My contribution I hope will contradict that method if only because I would ask the Commission to consider supporting a cocktail of funding as a principle of local government and not as a response to the current untenable position.

Instead of picking the least worst option of those available, I would ask that consideration be given to a range of funding sources so that the council is able to adjust its funding from local taxation to best fit its local community and economy. I would suggest that at least four sources should be available and would not object if in the process of this discussion more sources, but not less, were to be suggested. I would start with the following:

- a) restoration to local authorities of control of the Non-domestic rate
- b) a proportion of the excise duty raised on alcohol
- c) a Land Value Tax
- d) a property tax

I believe that the levels and proportions of these taxes should all be within the control of the local authority as this will allow the authority to respond to the needs of the community and the pressures from that community. Any argument that sought to constrain the influence of the authority over the setting of the levels or to determine what proportions would be preferred at central government would be an argument against localism and possibly even against local government itself.

The overriding problem with previously introduced changes in the source of local government funding has been the crisis-management nature of the change, whereby the system is retained past its useful life and the necessary revaluation becomes politically unacceptable. The new tax has a brief honeymoon period where the lack of incremental adjustment during old tax's unpopular existence is corrected by massive hikes which ensure that the new tax acquires the old tax's unpopularity, with some additional hostility thrown in. My point is not to argue the relative merit of any of the four sources above, but rather to argue that even the best new scheme will be wrecked, if it is subjected to a similar process. It is to avoid that trap that the cocktail of funding is suggested.

It could be argued that this is a predominantly political analysis of the problem, and I would agree. In fact I would say that to ignore the need for consent by the taxed is the primary reason for the failures of local government taxation in this country and if we look across the Irish Sea there is evidence that this is not just a British phenomenon. The approach I am suggesting could also cut across the problem of consent as, to carry the cocktail analogy to its limit, the mix of taxation could be adjusted to the taste of the local community. The test would then be through the ballot box as to a community's support for the actions of its council, as it should be in a democratic system.