Most people prepared to pay extra tax to fund better local services, study finds

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The majority of people would be willing to pay more in council tax or voluntary one-off levies to better fund particular local services across the country – a report issued today by Localis has claimed.

Exclusive polling undertaken by YouGov for the Localis report 'Monetising Goodwill' reveals the top five public services people would pay more per month in council tax are, in rank order: public health, fire, police, adult social care and children's social care.

The survey uncovered six issues with majority support for paying some extra cash as a voluntary one-off levy: helping older people to live independently for longer; support for local homeless people; improving disability access; repairing potholes; reducing loneliness and reducing anti-social behaviour.

Regional variations in attitudes to tax and spending showed residents of the East Midlands were the most willing to make bigger tax contributions, followed by respondents from Yorkshire and the Humber and London.

East Midlanders showed a marked preference to pay for better roads with nearly two-thirds (65%) willing to pay voluntary levies to repair potholes – a figure 12% higher than the national average – and the same percentage (65%) happy to accept a hike in council tax bills to boost road maintenance services, a figure 17% above the national figure.

Just under six-in-ten (59%) of those from Yorkshire and the Humber said they would pay a voluntary levy to support homeless people compared to 56% nationally and nearly two-fifths (39%) of people from the region would fund schemes to boost Wi-Fi speeds compared to only 30% nationally. Elsewhere, people in the South East expressed the greatest willingness (64%) to pay extra tax to fund the police while people in the North East were keenest to apply a voluntary levy to reduce dog fouling (40% compared to 32% nationally).

Variations by political allegiance saw Labour voters express themselves more willing to pay extra tax in every service barring road maintenance, where Conservative supporters were as willing to pay extra – with the biggest differences in the areas of social housing, improved sexual health and support for local homeless people.

Jonathan Werran, interim chief executive of Localis, said: "The agenda for improving local services and policy outcomes will fail if the agenda focuses solely on people paying more tax.

"Councils need greater fiscal flexibilities through the Government either raising precept caps significantly or by outright abolishing laws for triggering council tax referendums.

"But for their part residents deserve a right to choose by voting on spending packages funded by hikes in council tax charges, as well as a say in how extra funds raised by voluntary levies should be allocated to community groups delivering local services."

Report author, Localis head of research, Jack Airey, said: "Our work identifies the services and issues that the public would be willing to pay more to fund either in tax increases or a one-off levy. As the nation reaches a tipping point on austerity in local services, places should be provided the freedoms and platform to monetise that goodwill."

Paul Dossett, head of local government at Grant Thornton UK LLP, said: "Local people are passionate about the key issues in their area.

"Today's report from Localis shows how willing people are to contribute towards the provision of our public services and help tackle local issues, through both ongoing financial contributions and one off levies.

"The current models of public services are unsustainable and future investment must be driven by local priorities and need. We need to break down the centralised system of government funding and encourage the continued devolution of powers from Westminster to local areas.

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“No one knows a place better than the people that live there and local bodies need to be provided with greater flexibility and freedom to encourage local experimentation in the delivery of services.”

Richard Harries, director of the Power to Change Research Institute, said: “The current model of local government funding simply isn’t working and fresh thinking is desperately called for.

“As well as freeing local authorities to set tax at a level they think best meets local needs, today’s report highlights the way councils can work with the thousands of community businesses across England who are taking on everything from libraries to swimming pools into their own hands and making things better from the bottom up.

“Many of these organisations raise funds through innovative new ways such as crowdfunding or community share issues, which shows that when people are given a real stake in their community, they are often willing to contribute.”

ENDS

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Notes to Editors:

1. The report is being launched at St Matthew’s Conference Centre, Westminster and the leader of Westminster City Council, Cllr Nickie Aiken, will be on the panel of speakers – press places available – register here:

2. A copy of the report can be downloaded here:

Monetising Goodwill – Empowering places for civic renewal

3. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,620 adults. Fieldwork was undertaken between 08th - 09th March 2018. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+). YouGov is a member of the British Polling Council and abide by their rules.

4. Report Recommendations

Extending hypothecated local taxation:

Government should amend the Localism Act 2011 to remove Section 72 of Chapter 1 of Part 5. This clause introduced the referendum scheme for ‘excessive’ council tax rises.
Failing the scrapping of the referendum scheme, in the 2019/20 Local Government Finance Settlement, when laying their report before the House of Commons under section 52ZD(1) of the 1992 Act, the Secretary of State for Housing, Communities and Local Government should set council tax referendum thresholds at a rate that enables places to set hypothecated taxes and levies more freely. Like the social care precept, the Secretary of State should stipulate that greater freedoms are used specifically for hypothecated taxes and levied and for services and issues that reflect public will. The Secretary of State should also consider setting different thresholds by service-needs grounds or a willingness to contribute more.
The GLA, mayoral combined authorities, county councils, local authorities and town and parish councils should explore more widely the possibilities of levying hypothecates taxes at the local level. We have identified services and issues that are likely to carry public support using the public polling conducted for the report. However, local areas and their leaders will know best which services and issues need funding most.

Providing citizens a more direct role in budget setting and priorities:

Local authorities should use council tax administration forms to provide citizens the opportunity to direct new and existing funding in line with their priorities. Billing authorities should consider the following options:

o Enable residents the opportunity to direct up to twenty percent of total revenue raised to specific services and for achieving certain outcomes.

o Include the voluntary option to pay higher funding directed to specific services and issues, on top of the core bill. Billing authorities should limit the number of issues to pay for.

o Allow residents the opportunity to vote on specific spending packages. This would need to align with local elections.

Increasing contributions in the community and outside the formal bounds of the state:

Local authorities should further integrate crowdfunding platforms and community share models with their community development plans. Each campaign should be tied to specific community renewal projects. Using procurement, franchising and planning powers, local authorities should introduce contactless donation points in town and city centres. Donations should be ties to specific projects and issues, either via charities or other community organisations.

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