



# TRIDENT TIMES

*The Official Newsletter of the*

*Weston-super-Mare Senior Citizens Forum*

*(a non-political organisation)*

*Associated with the "IsItFair Campaign"*

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GENERAL  
ELECTION  
MANIFESTO  
ACTION

## **TAXATION & SAVINGS**

These two issues always create strong feelings in our age group. We have worked and been taxed, we have saved a bit for our retirement and taxed on our savings, we are taxed on our basic pensions, then they abolished the 10p tax band and raided private sector pensions of £5 billion a year. Having saved a bit we now receive a negligible amount of interest and are left wondering if we would have been better off if we had not saved and left our future to State Benefits. Then, of course, Government considers you earn 10% on your savings if you do apply for benefits! If you earn a lot you can get away with taxation, whilst at the other end of the pecking order you are punished for being prudent.

Personal Tax Allowances vary with age and the worst affected are the ladies who retire at 60, their personal allowance remains at £6,475 the same as it was when they were working until the age of 65. At the age of 65 the Personal Tax Allowance for a single person is £9,490 and this increases to £9,640 when you reach seventy-five. The logic of this variation eludes me. What are these figures based on? The average income of a pensioner is between £10,000 - £12,000, but, it does mean the older you get the more of your own money you are allowed to keep!

We have always had a "save culture" as opposed to the "spend culture" which has brought about many of today's problems that will ultimately cost us all billions of pounds. What I am about to suggest is an encouragement to return to a "save culture".

**FIRSTLY**, basic rate taxpayers should pay no tax on income from savings.

Pensioners rely on interest to bolster their low pensions and are at present suffering from low interest rates. Nevertheless, even 1/2% interest attracts taxation. So we are asking for this change in the taxation law and we require a safeguard to ensure we get a fair return on our lifetime's savings.

**SECONDLY**, the Personal Tax Allowance for pensioners should be greatly increased so that it takes more pensioners out of taxation.

No tax on savings and increasing the personal allowance is a must if the Government is seriously considering reducing poverty. More needs to be done for the elderly who are locked into a system which discriminates against prudence instead of rewarding it. It is our savings which help the Banks to lend our money to help the younger members of our society to obtain mortgages – that is what makes the world go around.

### **CIRCULATION OF TRIDENT TIMES**

So far twenty-seven members have opted to receive Trident Times by email and I am sure there must be more of you who are computer literate and able to receive our newsletter on line.

Please forward your email address to Linda if you are on line - it will save us money and, as they say, "every little helps". Email: [arlington@bleadonhill.fsnet.co.uk](mailto:arlington@bleadonhill.fsnet.co.uk)

## NEXT MEETING

North Somerset Council's Senior Planning Officer, Graham Quick, will be giving an interesting illustration of how Weston will be meeting the challenges of future development, where will 9,000 homes go, what is in store for our town centre, traffic development, etc. Come and have your say.

We will also be debating the taxation and savings issue.

## WE HAVE A CONSTITUTION – NOT A TREATY!

It would appear that because we have a number of MPs on the fiddle, instead of sacking them we have to change our Constitution and the way we vote. That is what I call "Distraction Politics". There is nothing wrong with our Constitution that sacking bent MPs and radically changing the expense benefits wouldn't cure. As for changing the voting system, I would be up in arms, although I must say fiddling around with postal voting does seem to open it up to fraud. I like to know who I am voting for, not like the European Election where you had a voting slip the length of a toilet roll, where you didn't know who the person was, who you were voting for and yet. We voted for someone who will rake in £306,000 a year in pay and allowances (not expenses). They don't appoint the chairman of the Bank of England without an interview ... or do they?

Politicians are getting too cocky, they expect you to vote for a party, yet you don't know whether their candidates are donkeys or not.

I don't want to know whether they are married with 2.4 children, or that they had four GSCE levels. This is supposed to convey the feeling that they are normal, however, from what we've seen of late,

they are anything but. I want to know that they are honest, have integrity and have actually worked in the normal world, lived in the constituency and have some idea of the real world which the majority of us live in. I don't want a "born to be a politician" who hasn't had to hold down a job in real life. The job should be about people, not power over them, or ingratiating themselves to the Party so they can get rapid promotion to a job which they are incapable of carrying out. It always amazes me that they can be the Minister of Pensions one day and the Minister of Home Office Affairs the next..

The trouble is that once elected, absorbed into the political system of Westminster and receiving a salary plus expenses they would never achieve in a real job, they then tend to lose touch with reality and stop listening to those who elected them. The higher up the political tree they climb, the deafer they get. A political class and media elite has tried to irrevocably change this country against the wishes of the majority.

There needs to be meaningful change, not in our Constitution, but in those who seek to change our country by social engineering.

## REMEMBER

Please remember that there will be no meeting, or Trident Times, in August – we all get one month off!

On the 2<sup>nd</sup> September we will return with two outstanding speakers, Michelle or Kerry Michael on the Grand Pier Revival and our MP, John Penrose, on his work in Parliament.

## OUR APPRECIATION

Our gratitude is extended to Kerry and Michelle Michael for their kind donation of £500 from the Axentis Michael Charitable Fund to help with the running costs of our Forum and the printing and circulation of our newsletter

## ANOTHER WAY TO ABOLISH COUNCIL TAX

At our last meeting members voted in favour of a Sales Tax, or an add-on to VAT. We have taken a look at the pros and cons of this approach by using as best we can figures provided by the National Office of Statistics.

As stated previously, we need to find £24billion to replace the loss of council tax income to Local Authorities. It is assumed by reports that the loss of VAT when Government reduced VAT from 17½% to 15% was £12½billion. So, to make up the shortfall by abolishing council tax would require a 5% increase in VAT or a new Sales Tax of 5%.

We looked at the VAT option and put forward a worse case scenario. We assumed that Government will put back the present reduction in VAT of 2½ % and may even increase it to 20% and we have worked the figures on a 25% VAT recognising that VAT does not cover all items which a Sales Tax would.

*Using figures prepared by Office of National Statistics.*

Average weekly spend of 2 Person pensioner household	£201.27 (no council tax)
Average weekly spend on food (Zero VAT)	£49.65
Average weekly spend on fuel (5% VAT)	£22.40
Average weekly spend on 15% VAT rated goods	£201.27
Less	49.65
Less	22.40 = £129.22
<i>(This £129.22 breaks down into £112.36 plus £16.86 VAT)</i>	

If VAT is increased from 15 to 25% the amount we would spend on goods rated at 25% would be £112.36 plus £28.09 = £140.45 which is an increase of £11.23 per week or £583.96 per year. It is assumed that the 5% rate would remain for fuel.

This increase seems pretty steep but it is far less than the amount spent annually by a 2 person household on Council Tax, and as the VAT increase is to allow the abolition of Council Tax, which would no longer be paid, the Council Tax paying household would be better off.

Of course any changes result in there being losers as well as winners. If a VAT rate of 25% was introduced in order to abolish Council Tax then clearly those currently on Council Tax Benefit would be worse off as they would be paying a higher rate of VAT. Clearly the Government would have to address this anomaly.

Apart from those who do not currently pay Council tax one might consider the VAT increase is a fairer option, the worse off will be paying more VAT, but this is less than they pay in council tax. Those in a position to spend more will also not be paying Council tax, but paying more in VAT to offset the costs shouldered by the Council Tax payer. The measure may deter excessive expenditure, to paraphrase a wartime slogan "Is your expenditure really necessary?" However, everyone would be contributing to the services provided by Council.

I would, however, remind you that all the options which have been put to you are dependent on the level of grant which Local Authorities receive from Central Government. These could be cut and, if so, a larger sum than £24billion would be required, or, if no change in the system of council tax, we would see soaring council tax increases.

*Thanks to Jack Luxon for helping to produce this information.*

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## FROM GRAVY TRAIN TO GUARANTEED PASSAGE

Now that the outcry of MPs expenses is dying down (but not forgotten) the “Bisto Kids’ Gravy Train” still has a remarkable pension scheme. Back benchers elected in 1997, sacked in 2010 equals a £21,000 pension. Their constituents would have to work forty-three years with a starting salary of £20,000 rising to £50,000 per year to achieve that kind of pension. What do we get? - the 17<sup>th</sup> Minister of Pensions in twelve years! That should give you some idea of the importance of the job and the indifference Parliament displays to us lesser mortals!

Back to our own Public Sector Scheme which is funded by council tax payers. Nationally, that scheme is one trillion pounds in debt. If you won the Jackpot on the Lottery every week for five years you might get somewhere near that amount. Our own Town Hall has a £170million deficit in its pension fund which, over the years, council tax payers will have to pay for. What a legacy that is. As I have said before, you are paying £11million a year now on your council tax bill.

Something interesting cropped up locally. The Council is considering privatising a number of Council Services. It is

probably little known, but Council employees are covered by what is known as a TUPE Agreement – it stands for Trade Union Public Employees Agreement. If a Department is privatised it is not unusual for the private company to take over some, or all, of the existing staff of that Department. If that happens TUPE rules exist and the takeover company must pay ex-council employees their same rate of pay and the same pension contributions because their rights are protected by TUPE.

This, of course, could be a disincentive for a private competitive company. Recent research by the CBI shows that the costs of providing gold plated pensions to State workers are now so high that companies are being deterred from bidding for Government contracts. Firms are reluctant to take on outsourced work from Councils if the contracts involve the transfer of public sector employees to their payrolls. This is because they would have to match the generous pension benefits those workers received in the public sector.

It is a protection that no worker has in the private sector and it is beginning to create a dilemma.

### DATE OF NEXT MEETING

**WEDNESDAY 2<sup>nd</sup> JULY – 2.00 pm**

**UNITED REFORMED CHURCH HALL  
Waterloo Street, Weston-super-Mare**

**GUEST SPEAKER: GRAHAM QUICK**  
**Senior Planning Officer, North Somerset Council**

**TOPIC: THE FUTURE DEVELOPMENT OF  
WESTON**

**followed by**

**DEBATE ON THE ISSUE OF SAVINGS & TAXATION**

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