Local Government and Communities Committee

Consideration of the Council Tax (Substitution of Proportion) (Scotland) Order 2016

Submission from Kenneth Sutherland

Please find below my answers to the proposed questions:

**Overall, do you support the principles of the Government's plans to reform Council Tax?**

The principal of those with more pay more is of course fair, but a casual and very simplistic increase in percentage values of the larger properties isn’t the best way forward. Yes it may catch the vast majority of those able to pay extra which is great but we need to make the system as fair as possible.

**To what extent will the Government's proposed reforms make the system of Council Tax fairer?**

Same answer as above – it will on the whole make it fairer, but just because you have a big house doesn’t always mean that you can pay more.

Also what is ‘fair’ – is that paying for what you use? So if I live on my own and walk everywhere do I pay a lot less that those with 2-3 cars, 4 children many of whom are unruly etc. To me that would seem to be ‘fairer’ in the sense of you pay for what you use. So should we even be using the wording of it being ‘fair’? Do we not want a system that works for the social benefit of all – which is not always fair, but is considered to be a better system?

I want a better system socially, not necessarily the fairest system.

**To what extent will the changes be straightforward for local authorities to implement?**

Sounds like a change in percentage values is as simple as it gets. It’s based on old out of date data so nothing to change other than a minor calculation.

**Do you support the Government's planned changes to Council Tax reductions?**

Overall no. It’s better than nothing, but the system needs reworked – fully.
Please add any other comments on any aspect of the proposed reforms.

In order to make the system more proportional to someone’s wealth it needs to be based on more than one factor.

So one possible way to do this would be to get the entire households income and divide that by the number of people in that household and also then factor in the size and value of the property.

So that way a single person staying in a £200k house earning £45k will pay more than a family of 4 in the same house with a combined wage also of £45k – but as soon as the children move out then the amount that household will pay will go up as their ability to pay more will now have increased. They will still have 2 people in the same house compared to the single person – so will still pay less due to them having to split the same income two ways, but it gives a much better proportional system.

What will be need in the above situation is two fairly major changes –
All houses will need a revaluation (this needs to be simpler to update in the future, rather than doing it say every 10-20 years).

Tax laws will need to be changed (I think) so that the total income of a household will be known and be allowed to be shared. For those circumstances where perhaps multiple ‘professionals’ stay in one house/flat and they do not wish the others to know there income then they will all need to pay their percentage of the house/flat value and then for the income portion of it be deemed as being single/not of joint ownership. But whatever formula is devised it can’t be of benefit to declare yourself single if you are not. So in the same flat, then person earning £15K will pay the same as the person earning £45k on house/flat valuation part, but less on the income portion section.

This also has the impact of reducing the strain on families – which is what Scotland really needs. Those with big families will pay less – perhaps unfair, but socially much better. Scotland needs more young people to offset the imbalance due to the growing size of the older population. Everything should be done to encourage and grow our community – and this sort of tax change can do that.

Kenneth Sutherland