Local Government and Communities Committee

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

Submission from Stella Thomson

I am responding as an individual rather than as an expert on any area to the call for evidence on the above changes to Council Tax. To put my comments in context I am the joint owner/occupier of a band E house built in the 1950s which we bought in 2000. Because the area (Fairmilehead) has excellent local schools the market value of our house has climbed steadily since we moved here 16 years ago and is higher than other similar houses elsewhere in Edinburgh. The proposed system will increase our Council Tax bill by 7.5%. I believe our household income may also be above the median for a band E house. A truly progressive system should have required a greater contribution from us. This is a flaw of the council tax system and a reason why I was disappointed that the Government chose to continue with council tax as the only local tax. I would have preferred some element of local taxes to have included LVT or LIT.

Until we have an independent Scotland (which I look forward to) I believe the Scottish Government should take every opportunity offered by the limited powers it has to demonstrate the principle of progressive taxation.

To address the points for which comments were requested:

Do I support the Government plans to reform council tax in principle?

- I wholeheartedly support the idea that local taxes should be progressive. In this respect Council Tax has limitations (see comments above) but I accept that the changes proposed in principle will make it more progressive than it is currently. However, if we are going forward with Council Tax as the platform for local taxation, then I believe revaluation MUST be a part of the system both now and on an ongoing basis. I listened to the Holyrood debate last week (on-line 21/9/16) and I believe regular revaluation could be achieved without difficulty. Without revaluation the Council Tax system will be flawed and increasingly open to anomalies because of the 1991 valuation comparison rate and the difficulty of valuing newer house and also improved houses against the benchmark set more than 20 years ago.

To what extent will the Government’s proposed reforms make the system of Council Tax fairer?
The increase in the ratio paid by those in houses in higher bands, along with some targeted relief as specified seems likely to broadly raise greater income from those who seem to have the means to pay it. However, this is still a blunt instrument (see my introduction regarding our own position with an unknown number of people who could pay more not being asked to do so). I know many people who are in the opposite position of having a smaller income but a higher banded house who will benefit from the reliefs which seem fair.

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

- I presume this approach will the most straightforward because it is the most like our current system but have no expertise to offer

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

- I’m not really sure what the child premium is.

**Any Other Comments?**

- I believe local taxes should be fair and progressive but also that local government should be accountable for raising a good proportion of what it spends. I strongly believe the Scottish Government should set out a long term strategy for devolution of powers to Local Authorities allowing them to raise income through additional means relevant to the authority (e.g. tourist taxes, LVT or LIT) so long as these are also progressive. I believe the Government should also trust the electorate to become more engaged with local politics, vote in higher numbers, and in other ways hold the local Government to account for the services it provides if it does this.

Yours sincerely

Stella Thomson