Local Government and Communities Committee

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

Submission from George Adam

The Committee requested views on the five questions relating to proposed changes to Local Council Tax.

Q1. Overall, do you support the principles of the Government’s plans to reform Council Tax?

NO. The percentage increases proposed in Bands ‘E’ to ‘H’ will only create more householders to apply for discount further reducing the finance needed for Council services.

The proposal to allocate these additional funds to Education on top of the £104 M for Attainment Gap in 153 schools pushes up the Education Budget to unacceptable levels.

In the Report from ‘The Commission on Local Tax Reform’ figure 3.2 for 2013/2014 had Education at 33% for Local Government Expenditure in Scotland.

Q2. To what extent will the Government’s proposed reforms make the system of Council Tax fairer?

The proposed reforms will make the Council Tax system EXTREMELY LESS FAIR.

In the evidence submitted to the Commission on the Reform of Local Council Tax, the results for 2013/2014 showed that the burden of Council Tax payments already fall on the households in Bands ‘E to H’.

“The four criteria for Discounts, Reductions and Exemptions were applied to a total of 1,676,412 dwellings --- a 66% of all dwellings in Scotland. Resulting in only 34% of dwellings contributing in full to the Council finances.

By this proposal will make the Council Tax system TOTALLY UNFAIR.

Q3. To what extent will the changes be straightforward for Local authorities to implement?
The Local Authorities have a very efficient system for the collection of Local Council Tax. The problem will arise on how to allocate the ‘extra tax’ direct to the Schools.

Q4. Do you support the Government’s planned changes to Council Tax reductions?

The existing criteria namely, ‘Exempt’; ‘Household Discounts’; ‘Household Reductions’; and Household with disability Reductions’ are explained concisely in Council literature. However, there is no magic bullet to ensure everyone that needs help will apply for relief on their Council Tax.

The Government proposal to add 77,000 (3% of total dwellings) for further council tax relief only reduces further the revenue for Council Tax budgets.

The proposed “targeted relief” to be available to 54,000 households in Bands ‘E to H’ will be required in many situations due to totally unfair, out of date Banding structure. However, will the ‘targeted households’ number be sufficient? 54,000 only represents 2% of the total number of dwellings in Scotland (2013/2014 data).

How many dwellings are there in Bands ‘E to H’? Again using the data for 2013/2014, there were 632,000 dwellings in Bands ‘E to H’, hence 54,000 ‘targeted’ households only represents 11.7% of the total. I would consider this to be inadequate number for an out of date banding system with many properties in the wrong Banding section.

Q5. Other comments on any aspect of the proposed reforms.

I would encourage the Committee members to read the Conclusions and Recommendations of the Report from the Commission on Reform of the Local Council Tax. “Chapter 13 – 13.1 The present Council Tax system must end.” “13.9 This is an opportunity that must not be missed.”

Submissions “Council Tax Reforms – Just Change – Appendix 3. The likely outcomes of a statistical revaluation of Council Tax subjects in Scotland.” “Professor Leishman’s report includes in his Summary – The number of habitable rooms and the internal floor are significant and positive in ALL areas (of the study) meaning the property value rises in relation to these factors.”

I would advocate that a system for Council Tax based on the floor area of habitable rooms at a Scottish fixed rate of £x.00 per square metre, could be
introduced NOW. Easier to understand, more acceptable and very fair. No need for costly five year revaluations with its two year costly appeals.

Yours faithfully

George D Adam