Local Government and Communities Committee

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

Submission from Mike Macdonald

There should be an end to the 'freeze' on local authority revenue raising (at present, by means of the Council Tax), to allow local authorities to meet the needs of their residents. As far as possible, decisions about locally-raised revenue and expenditure should be taken at the local authority level ('subsidiarity'). Increases in locally-raised revenue should not be used to meet Scottish Government aspirations/policies on increasing expenditure on schools or the 'child premium'. The latter are 'national' responsibilities and ought to be funded from within overall Scottish Government annual revenues. Questions about the provision of additional school places, or closure of schools in remote areas, would need to be negotiated between the Scottish Government and the local authorities.

There is clearly a problem about disparities between local authorities - between urban authorities in Mainland Scotland and the (Highland) and Island authorities - as to the amount of revenue they can raise locally. There would need to be a means, similar to the former 'Rates Support Grant', for the Scottish Government to redistribute to the rural and island LAs, and to the authorities of disadvantaged urban areas, to allow for the provision of broadly comparable local services throughout Scotland.

There should be a revaluation of properties that better reflects increases in house prices ('values') since 1991 than the proposed increases in levels of Council Tax in the higher tax bands. I have no opinion on the basis on which the revaluation should be made. However, I support the Scottish Government's decision to end 'Right to Buy', and local authorities should be able to use increased revenue to build publicly-owned housing for rent.

Yours sincerely,

Mike Macdonald.