

Appendix 1 – Responses to the Welsh Government Phase 1 Consultation on Council Tax Reform to create “A Fairer Council Tax”

Question 1: The Council Tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a Council Tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly?

Question 2: Do you agree the Welsh Government should consider adding more Council Tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes we support the proposition of a national revaluation in 2025. The property market has changed so much since 2003 and it is difficult for residents to align their property bands based on a system of valuation thresholds that are not a reflection of modern day house prices. We also fully support the creation of new properties bands and the bottom and top of the scales to make the Council Tax more progressive. We also believe the banding ratios from ‘A to I’ should also be brought into the scope of this reform to ensure the taxable capacity is more distributed fairly between the bands.

Question 3: The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

We believe a transitional relief scheme is an important feature when implementing any national revaluation to limit the short term impact of any changes in bills – and over a three year period as a minimum. We also believe the transitional relief scheme needs to be a universal scheme, and one that is easily understood by residents and is fairly easy for councils to administer.

If additional bands are introduced to make the Council Tax more progressive, any transitional relief scheme will need to operate not only based on the banding changes but also on the financial impact on the changes in the bands. As a minimum, we would suggest any transitional scheme should factor in an impact threshold of £200 to ensure any annual increases above £200 in the Council Tax payable (excluding the annual inflationary rise) also contains the necessary protections to phase in the Council Tax increases over a three year period.

A Transitional Relief scheme similar to the one that existed for the three year period from 1 April 2005 would be a welcome step – this was set out in The Council Tax (Transitional Arrangements) (Wales) Regulations 2004.

Question 4: Do you agree the Welsh Government's Revenue Support Grant to Councils should be adjusted to take account of changes to revenues raised in each local area as a result of Council Tax reforms?

The Council understands the principle that changes in the Tax Base would result in the need to redistribute RSG based on the overall effects of the national revaluation.

However, as a local authority that has a higher proportion of properties in the middle to upper property bands, compared to the Welsh average, we believe changes in the Tax Base should not have a significant negative impact in future RSG settlements we receive as a result of Flintshire being a relatively prosperous area but with levels of deprivation in many parts of the County.

We believe a review of the overall funding formula to distribute RSG is increasingly necessary, especially if, as a direct result of the national revaluation, there is a risk of the Council receiving a smaller proportion of RSG per head of population.

Question 5: Do you agree there should be frequent Council Tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

We fully support proposals to ensure Council Tax revaluations are scheduled on a more frequent basis, noting the last one was undertaken in Wales nearly 19 years ago. We believe a national revaluation every 5 years is too frequent, and too costly, and would not result in major changes in the banding of properties, especially if domestic properties are re-banded at the point when structural changes or home improvements are completed.

We think a national revaluation every 10 years would be more appropriate and would still deliver on WG aims to ensure the Council Tax system remains up-to-date and fair.

Question 6: When properties are significantly improved, properties are only reviewed and potentially re-banded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Yes we strongly support a review of this area. We think properties that have undergone alterations should be reviewed at the relevant time based on the completion date of the alterations, rather than waiting for a sale to take place or for the next revaluation to take account of the change to the structure of the property.

We also believe this will add to the fairness of Council Tax system as it is not unreasonable for taxpayers to be subject to a banding review if their properties are enhanced as any property based tax system should keep abreast with changes in property values.

The current delayed system of re-bandings often has a detrimental and disproportionate impact on new owners who purchase properties based on a published Council Tax banding to then face an increased, and unexpected, Council Tax a few months after purchasing a property that may have been extended previously but not revalued. The current arrangements undermine fairness and transparency in the system.

Question 7: Do you have any views on rights of appeal for taxpayers or how Council Tax debt is managed? Please include any suggested improvements for either of these elements.

We think the appeals system is fair, transparent and independent and provides taxpayers with the ability to challenge decisions around property banding, as well as local authority decisions on liability discounts and exemption determinations.

The role of the Valuation Tribunal for Wales is critical to providing an independent review of VOA and local authority decisions.

To enhance the appeals system, we would recommend changes to the timescales for appealing to the Valuation Tribunal for Wales by allowing taxpayers to submit an appeal within 3 months of the billing authority's decision/response (instead of the existing 2 months' timeframe). This will provide taxpayers with greater flexibility to consider an appeal within 90 of a decision being taken by the local authority.

We also believe our approach to the recovery of Council Tax is fair and proportionate and we work closely with taxpayers who struggle to pay. In doing so we always make payment agreements with taxpayers and maximise the take-up of CTRS as well as discount and exemption schemes.

The ability to pay is an increasing issue for many households and reform of the banding structure should help to address the imbalances within the existing system.

Council Tax forms a vital part of the Councils income and our success over a number of years in maximising collections and being one of the top collectors of Council Tax is testament to the way in which we constantly engage with residents, providing practical help and support at every opportunity.

Although the overriding majority of households are committed to paying Council Tax, there are a very small number of residents who have the ability to pay but who sadly refuse to pay or engage with the Council. Although the loss of committal action is accepted, we believe there needs to be a wider review of the debt recovery remedies open to local authorities, including accessibility to HMRC data to maximise the use of attachment of earnings where a local authority has secured a Liability Order.

Question 8: What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the Council Tax system?

We believe there are greater opportunities for data sharing between the Valuation Office and local authorities, especially in relation to the banding of properties.

Question 9: What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for purpose? Are there particular aspects of the rules which you think need to change or new rules created?

We welcome proposals to review the system for discounts, disregards, exemptions and premiums as part of a phase 2 consultation.

Some of the schemes are in need of improvement and a review of the eligibility criteria would be worthwhile. The discounts and disregards are very much designed to fit the demographics of the early 1990`s and require a refresh and possible simplification to make them fit for purpose. For example, there are several discounts for young people – Child Benefit, School Leaver, Student, Apprentice, but people now reaching 18 tend to stay in education so these schemes could be simplified.

Also there needs to be consistency in exemptions. E.g., 40 years ago, Apprentices were typically 16–18-year-olds whereas now they are much older and may have their own home, yet they only receive a disregard and not an exemption like students.

We would also consider amending the “in receipt of or entitled to” element to just “in receipt of” for relevant disregards, this will ensure easier verification and correct application.

The away “receiving care” and “resident in care home” require some consistency. The first requires no permanency, but the second does but the circumstances are usually the same.

The carers discount scheme is difficult to assess, especially when the person providing care provides intensive care but may also work full time, meaning they are typically ineligible for a Council Tax discount.

Council Tax discounts for long term hospital patients are very difficult for taxpayers to understand and many health board will not complete the application form as it is difficult to assess whether the patient is considered to be in need of long term care.

Question 10: What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

We support the proposals for Welsh Government to have greater autonomy to amend and improve existing discount schemes, as well as adding new discount schemes. We also believe local authorities should be provided with powers to set local rates for discounts.

Question 11: What is your view on how reductions in Council Tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

We believe this reduction scheme needs to be reviewed. The scheme was originally designed over 30 years ago and does not reflect modern day living needs for residents who are disabled and whose properties need to meet the needs of a disabled resident.

Modern day housing has, for many years, been constructed with accessibility in mind and most properties are reasonably accessible or have downstairs cloakrooms, without the need for adaptations. Also, as an increasing number of properties have two or more bathrooms it becomes difficult to determine if the second bathroom is for the disabled person or not or would have been there anyway.

Question 12: Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

We support proposals to review the titles and descriptions of certain discount schemes to reflect modern day language and which reduces barriers and encourages take-up.

Question 13: The Welsh Government expects there to be a continued need to support low-income households in paying their Council Tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

The CTRS system should continue as a means-tested scheme based on the existing framework of assessing income against needs.

The scheme generally works well but possible improvements include streamlining the process to make it easier for residents to claim CTRS, especially as part of the Universal Credit application process. It would improve CTRS take-up if a single application form to claim UC and CTRS could be established, similar to what used to happen with income support/JSA claimants.

We believe residents often get into arrears with their Council Tax when they should be entitled to CTRS. Some residents believe that an entitlement to UC provides an automatic (and passported) entitlement and award to CTRS.

A review of the CTRS backdating rules may also help to improve take-up as the 3 months backdate restriction can cause issues and lead to an inflexible system for vulnerable households.

Question 14: Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes

Question 15: Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes

Question 16: We would like to know your views on the effects that the proposed policies would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favorably than English. What effects do you think there would be? How positive effects could be increased, or negative effects be mitigated

No comments to make

Question 17: Please also explain how you believe the proposed policies could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

No comments to make

Question 18: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them.

No comments to make

