

RESPONDENT INFORMATION

To help us make the most of your response, please tell us about yourself and how you want us to use the information you provide. There are some questions marked * and these must be answered by all respondents, unless you are directed past this question.

* I am responding as:	<input type="checkbox"/> An individual
	<input checked="" type="checkbox"/> An organisation/group
Name of Organisation (if appropriate)	<i>Comhairle nan Eilean Siar</i>
Forename	<i>Robert</i>
Surname	<i>Emmott</i>
Address	<i>Council Offices, Sandwick Road, Stornoway, Isle of Lewis</i>
Postcode	<i>HS1 2BW</i>
Telephone	
Email	
Do you consider yourself or your organisation as from or representing?	
<input checked="" type="checkbox"/> a rural area	<input type="checkbox"/> an urban area
<input type="checkbox"/> an area with both urban and rural parts	<input type="checkbox"/> don't know / not applicable
Would you be happy to be approached by the Commission for further discussion about your submission?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If you are responding as an individual:	
* Do you agree to your response being made available to the public on the Commission's web site?	<input type="checkbox"/> Yes <input type="checkbox"/> No
* If you have agreed to your response being made available to the public, please tell us if we may also make your name and address available. (Please select one option only)	
<input type="checkbox"/> Yes, make my response, name and address all available	
<input type="checkbox"/> Yes, make my response available, but not my name and address	
<input type="checkbox"/> Yes, make my response and name available, but not my address	
<i>If you are responding as an individual we would be grateful if you could provide some additional information at the end of this form. This is absolutely optional but will help us get an overall picture of the information we receive.</i>	
If you are responding as a group or organisation:	
* The name and address of your organisation will be made public on the Commission's web site. Are you content for your response to also be made available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Which of the following best describes your organisation? (Please select one option only)	
<input type="checkbox"/> Community Group	<input type="checkbox"/> A business
<input checked="" type="checkbox"/> Local Authority	<input type="checkbox"/> A government department or agency
<input type="checkbox"/> Other public sector organisation	<input type="checkbox"/> A social enterprise
<input type="checkbox"/> Third Sector organisation	<input type="checkbox"/> Other (please specify)
<input type="checkbox"/> Professional body	
Short description of the main purpose of your organisation:	

Tell us what you think

We have not provided a long list of questions, but we do want to hear what you have to say about some themes. Please respond to as few or as many as you wish. If you would prefer to send us other information, please feel free to do so. However, it would be helpful to keep your response to no more than eight pages.

If you are able to, please provide evidence or examples in support of what you say. This will help us explore your ideas further.

1. SCOTLAND'S CURRENT SYSTEM OF COUNCIL TAX

To what extent does the current system of council tax deliver a fair and effective system of local taxation in Scotland? Are there any features of the current system that you wish to see retained or changed?

You may wish to illustrate your answer with examples from your own experience.

The Comhairle's view is that Council Tax offers the following advantages:

- 1. it is set locally and can be used to raise revenues to fund priorities;*
- 2. it provides clear accountability;*
- 3. the principles are easy to understand and taxpayers are familiar with them;*
- 4. it is easy to collect (the Comhairle's collection rate is 96% in year);*
- 5. the yield is easy to predict;*
- 6. collection costs are relatively low;*
- 7. it is difficult to avoid; and*
- 8. it can be used to influence local housing strategy (for example, second or empty homes).*

However, Council Tax also has a number of disadvantages:

- 1. as only 8% of the Comhairle's budget is funded by Council Tax the degree of accountability is limited;*
- 2. it is regressive;*
- 3. it is not buoyant (that is, revenues do not rise as the economy grows).*

Overall the Comhairle is in favour of retaining Council Tax but believes that this requires:

- 1. a review of the reliefs and discounts;*
- 2. a greater number of property bands; and*
- 3. a regular revaluation of properties*

Through the Our Islands Our Future campaign the Comhairle, together with the other Island Councils, has been arguing for greater subsidiarity. The ability to levy taxes and the accountability arising from this is considered a fundamental aspect of any tier of government.

2. REFORM OF LOCAL TAXATION

Are there alternatives to the current system of council tax that you think would help to reform local taxation in Scotland? What are the main features of these, and why do you think they would deliver improvement?

Do you have any examples of why this is the case?

The Comhairle's view is that a reformed Council Tax would provide the most effective property based taxation system.

The regressive nature of Council Tax, could be addressed through a local income tax, which as well as being progressive would also be buoyant.

However, the income generated by such a tax would be likely to fluctuate much more than a property based tax, would leading to a reduction in stability. This would be more marked in a small authority such as Comhairle nan Eilean Siar.

To retain public accountability the level of the income tax would need to be set locally but this would represent a significant administrative burden. In practical terms the only organisation that could effectively and efficiently collect income tax is HMRC (who acknowledge that tax avoidance and evasion mean they don't collect everything due).

The new Scottish Rate of Income Tax includes a system for varying the tax rate based on where taxpayers live and a similar system could be used for each Scottish Local Authority.

The Comhairle would not wish to see a nationally set tax replacing Council Tax as this would remove the ability of Councils to raise taxes to deliver services. Neither would the Comhairle wish to see jobs associated with the collection of local taxation centralised away from the Islands.

Any move from a property based to an income based tax represents a fundamental shift in approach and will have winners and losers as the tax burden shifts from what is broadly a wealth based tax to an income based tax. Any change to the tax system should be considered on a phased basis to minimise instability and maximise collection rates.

3. LOCAL PRIORITIES

How well do you think that communities' local priorities are accounted for in the way that local taxation operates at the moment? If there is room for improvement, how should things change?

Do you have any ideas or examples about how this could improve people's lives?

The community understands the link between Council Tax and service provision, though the fact that Council Tax and Rates income only represent around 8% each of Comhairle income is less well known.

Our Budget consultation meetings usually include a discussion about why the Comhairle is not raising Council Tax to protect services. The Council Tax freeze, whilst welcomed by many citizens, has weakened the link between local services and taxation.

The key priorities for the Comhairle in any taxation system would be:

- (i) The tax should be set locally at the discretion of the Comhairle;*
- (ii) The tax should reflect ability to pay (and this could be a combination of income and wealth taxes); and*
- (iii) Any change in the system should be phased to minimise any lost revenues particularly in a time of austerity.*

4. FURTHER INFORMATION

We would like to keep the conversation going. Please tell us about any events, networks or other ways in which we could help achieve this.

Please provide your response here

Thank you for your submission. If you have any queries about the Call for Evidence please contact us at:

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