



# THE COMMISSION ON LOCAL TAX REFORM

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## ***WHAT'S THE FUTURE OF LOCAL TAXATION IN SCOTLAND?***

*Tell us what you think*

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We are an independent Commission that brings together expertise and experience from across Scotland to look at ways of delivering a fairer system of local taxation in Scotland. The Commission is chaired by Marco Biagi MSP, Minister for Local Government and Community Empowerment, and Councillor David O'Neill, President of the Convention of Scottish Local Authorities. The Commission will present its findings in late 2015. You can find out more information about our membership and remit at [www.localtaxcommission.scot](http://www.localtaxcommission.scot)

**We want to begin our work by hearing your views and suggestions about what happens now, and what the future might be.**

This call for evidence is only our first step in listening to you. Any information that you give us now will help start the debate, but we also want this to be an ongoing conversation. Over the next few months we will be setting up different ways in which you can meet us or tell us what you think. A good way to find out about these is by signing up to our newsletter by following @localtaxscot on Twitter.

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### **How to Respond**

We will use your information to develop our work, and so what you tell us is really important. For that reason, we want to hear from you by **22 JUNE 2015**, or sooner if you can. *However, let us know if you need more time.* Please also feel free to share any other information with us.



**You can complete and return this form electronically to:**  
[evidence@localtaxcommission.scot](mailto:evidence@localtaxcommission.scot)



**You can also respond online via our website:**  
<http://localtaxcommission.scot/initial-call-for-evidence/>



**Alternatively you can post a copy of this form to:**

The Commission on Local Tax Reform  
Verity House  
19 Haymarket Yards  
Edinburgh, EH12 5BH

If you are responding as an individual we would be grateful if you could also provide some other information at the end of this form. This will help us develop an overall picture of the information we have. This is optional and will be used anonymously and remain strictly confidential.

If you have any queries please contact [info@localtaxcommission.scot](mailto:info@localtaxcommission.scot) or call us on 0131 474 9332.

## 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>Learning Disability Alliance Scotland</i>	
Forename		
Surname		
Address	<i>Thorn House 5 Rose Street Edinburgh</i>	
Postcode	<i>EH2 2PR</i>	
Telephone		
Email	<i>office@ldascotland.org</i>	
Do you consider yourself or your organisation as from or representing?		
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a rural area	an urban area	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
<b>If you are responding as an individual:</b>		
* 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>		
<b>If you are responding as a group or organisation:</b>		
* 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 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 checked="" 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:		
<i>To support people with learning disabilities and their carers to represent their concerns and views on the social and political matters that affect them to local and national politicians.</i>		

## 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 council tax provides a sizeable but marginal contribution towards local government finance. In 2012-13 the Council tax including council tax benefit brought in £2.2 billion out of a total income of £17.9 billion. That is less than 12%. More was generated from Sales, Rents, Fees and Charges than from Council Tax - £2.35 billion.*

*We believe the current Council Tax system gives an unfair distortion to understanding council income and what effect it has on those who are contributing to councils in less obvious ways. The general application of council tax on a wide population lets it be seen as the key income generator for local councils and means that local councillors turn their political attention primarily on this tax.*

*Lost to view are many serious anomalies. Hidden within the overall Sale and Charges element is a tax rate of up to 100% on disabled and elderly people that is overlooked by those examining council revenue. After a basic income disregard, councils can tax "spare income" at rates set locally varying from 15% to 100%*

*Non residential social care charges bring in about £50 million a year for Scottish Councils, a figure that has risen by 23% in the 3 years up to 2013 - a period when Council Tax was frozen and inflation was at less than 2%. Over the same period the overall figure for Sales, Rents, Fees and Charges rose by only 2.3% indicating a key discriminatory approach in the way councils raise income.*

*This charge for social care is fundamentally different from other charges, such as building warrants, parking fees, licences to sell fireworks or even council rents. It is a charge that is placed on the social care that is needed for individuals to access their basic human rights of living in the community and the right to a family life.*

*Through the Community Care and Health (Scotland) Act 2002 the Scottish Government took the power to regulate the practice of care charging. To date it has not exercised this power, preferring to support self-regulation by COSLA. This approach has failed to bring any standardisations into the matter.*

*Any review of Council Tax that fails to look at how councils use their powers to charge disabled and older people for social care will have failed. We think the Commission on Local Tax Reform needs to recommend that there is a proper discussion over the scope of local charging policies and that this charge is reformed immediately*

### 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?*

*We would be in favour of some sort of local income tax that had one simple system of assessing what you had to pay. This could be a local tax rate added on to the national level of income tax and collected by the same public authorities that collected income tax.*

*Such a system would have the merit of:*

- 1. Fairness - those that would be able to pay most (because of the level of their income or savings) would contribute most.*
- 2. Simplicity - A single local rate whether 2p or 6p in the pound would be easy to understand and easy to compare from area to area*
- 3. Efficiency - A single collection system would be much more efficient. OECD estimates for the collection of income tax are 0.83%, less than 1% of the income raised while Audit Scotland estimates of the cost of collecting council tax as in the region of 4%. This alone would generate an annual saving of £90 million (more than enough to abolish social care charging in Scotland.)*

### **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?*

*Currently almost 90% of any local authority spending comes from sources other than local taxation. While this could be portrayed as beneficial leverage of 1:8, it is just a reflection of a disconnection between local priorities and actual spending.*

*Councillors or more likely council officials retain huge discretion in what to support in terms of public spending. Preparation for budgets by councillors often consists of choosing between alternative spending or savings options presented by council staff. Budget Consultations similarly consist of choosing between alternatives presented by council staff.*

*Instead we would prefer the introduction of more rights based approaches for council services. Understanding those services that councils will apply, those that they have discretion to do so and those that they won't provide. If this was done then it would be simpler to understand, to support and, on occasion, to challenge.*

### **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:**

Commission on Local Tax Reform  
Verity House  
19 Haymarket Yards  
Edinburgh EH12 5BH  
0131 474 9200  
email: [info@localtaxcommission.scot](mailto:info@localtaxcommission.scot)  
twitter: [@localtaxscot](https://twitter.com/localtaxscot)