

Marco Biagi MSP/Councillor David O'Neill
The Commission on Local tax Reform
Verity House
19 Haymarket Yards
EDINBURGH
EH12 5BH

Our ref: SLGP/

Your ref:

by e-mail: evidence@localtaxcommission.scot

Dear Sirs

Response to the Consultation by Scottish Government's Commission on Local Tax Reform

The Scottish Local Government Partnership (SLGP) welcomes the opportunity to respond to the above and to express a view in relation to the future of local taxation in Scotland. This response contains the principles shared by the members of the SLGP. Individual member authorities or political groups from within those authorities may also submit their own individual responses to the consultation.

The content of this letter should be considered as the submission by the SLGP. The SLGP will not be responding via the 'Survey Monkey' website. It was considered that an online survey provided insufficient opportunity to express some of the more subtle issues related to local taxation.

The SLGP makes the following points regarding the future of local taxation:

- The current funding of local government is **unsustainable**.
- The discussion should **focus on the overall funding of local government**, not merely the small percentage of funding currently raised by local taxation. The block grant provided to councils amounts to over 80% of total council funding. The discussion must consider the entire funding package.
- In order to provide the joined-up, effective and responsive public services then consideration must be given to **the introduction of place based funding** which encompasses the entirety of the public sector spend in a locality.
- There must be a **stronger democratic link between taxation and representation** so that the role of local government is not merely that of a passive agent of central government.
- **The distribution of funding from the Scottish Government to local authorities should be based on improving outcomes**. This will require a proper and transparent allocation to alleviate poverty and inequality.
- The current Council Tax system, based on 1991 property valuations, is unclear and difficult to understand. Any reform must introduce a **more transparent system** which allows tax payers to **easily understand how their tax liability has been established**. It must also be a system that is **easy for local authorities to collect**.

- Consideration must be given to the **stability and predictability** of a new tax system: residents, councils and central government must be able to plan future income. There is therefore also a need to consider the **buoyancy of the tax base**, as changes in wider economic conditions will impact on a tax system's ability to raise revenue for local services.
- The Scottish Government needs to demonstrate the values it believes should underpin a new system of local taxation and bring forward proposals without further unnecessary delay.

We look forward to further engagement in this process.

Yours faithfully

A handwritten signature in black ink that reads "Jennifer Laing". The signature is written in a cursive style with a large, looping initial 'J'.

Councillor Jenny Laing
Convener