



# 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.

### **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 checked="" type="checkbox"/> An individual
		<input type="checkbox"/> An organisation/group
Name of Organisation (if appropriate)		
Forename		Simon
Surname		Brooke
Do you consider yourself or your organisation as from or representing?		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a rural area	an urban area	an area with both urban and rural parts
		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 checked="" 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 checked="" 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 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 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.*

*Four core points before I start:*

*One size does not fit all. Scotland is extremely diverse, and the needs of its localities are diverse. The purpose of Local Government is to provide services tailored to local needs, and to be responsive and sensitive to them. It is not necessarily the case that one system of local taxation suits all localities, and local government authorities should have some degree of freedom to adopt a system of local taxation suitable to their electorate.*

*Scotland's 'local' authorities are the largest in Europe, and I believe the largest in the democratic world. If each were an independent country, the smallest of them (Orkney Islands) would still be larger by population than nineteen other independent countries and by area than sixty-three; while the largest by population, Glasgow City, would be larger by population than 78. Highlands Council area is larger than Belgium, which itself has over 2,000 local government areas. To describe any council in Scotland as local is ludicrous.*

*While revenue is a primary purpose of taxation, it is not the primary purpose of taxation. Taxation may also be used as an instrument to shape economic and land use policy, and to redistribute wealth.*

*'Local' government in Scotland is now overwhelmingly funded by block grant from central government. This still further erodes local accountability and local sensitivity, reducing local government to essentially an administrator of centrally determined services. This is unhealthy. While some areas of Scotland are substantially poorer than others, there ought to be a principal that at least the richest areas should raise substantially the whole of their revenue from local taxation.*

### 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?*

*Some system of land taxation is vital. While I know that members of your committee are strong proponents of Land Value Taxation, and while Land Value Taxation has many undoubted benefits in capturing speculative profit and penalising dereliction, it does not address the particular problem of Scotland's very large rural estates. Land Value Tax slightly benefits larger holdings over smaller ones, because it does not capture the economies of scale inherent in managing larger holdings.*

*Consequently, at least in rural areas, I feel strongly that there needs to be an additional tax, or premium on a land value tax, which scales sharply with holding size, so that it penalises large holdings, and penalises very large holdings severely. Thus a tax which scaled with the exponent of the total area of a holding (or group of holdings under substantially the same beneficial ownership) would lead to a rapid breakup of the very large estates and to a more diverse and socially inclusive pattern of land holding.*

*While local income tax has been proposed as a primary means of raising local government revenue, it has disadvantages. The very rich, in Britain, have become extremely adept at concealing income. So income tax is collected overwhelmingly from the middle tier of society. Property taxes have the benefit that they are very much more difficult to evade.*

*A local sales tax would be regressive and wholly undesirable.*

### **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?*

*I'm assuming this is a joke or a rhetorical question.*

*Communities' local priorities are not in the least reflected by any tier of the governance of Scotland, nor can they be. Community Councils, which are in touch with local priorities, have neither powers nor revenue. 'Local authorities' are distant, out of touch, and have extremely limited discretion. The fact that these authorities are dependent on central government for the overwhelming majority of their revenue still further limits their discretion.*

*Furthermore, council tax bands would be clunky, arbitrary and regressive even if they reflected modern property values - which they don't.*

*I'm sure that, with a great deal of study, it would be possible to come up with a worse, more arbitrary and more unfair system of local taxation than Scotland's. But it would not be easy.*

### **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.**

*I engage in discussion of public policy largely through the Radical Independence Campaign, and through the Scottish Rural Parliament.*

**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)



