

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>West Lothian Council</i>	
Forename	<i>Donald</i>	
Surname	<i>Forrest</i>	
Address	West Lothian Civic Centre Howden Road South Livingston West Lothian	
Postcode	<i>EH54 6FF</i>	
Telephone		
Email		
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
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:		
Local Authority covering the West Lothian area		

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.

West Lothian Council welcomes this opportunity to respond to the call for evidence from the Commission in Local Tax Reform.

Principles of Local Taxation

The council supports the following six principles of local taxation that have previously been agreed by the COSLA Convention and these have been taken into account in formulating the council response:

Principle 1: Local taxation should be fair and easy to understand

Principle 2: Local taxation should be administratively efficient and difficult to avoid

Principle 3: Local taxation should have regard to the stability and buoyancy of the underlying tax base

Principle 4: Local taxation should be determined locally in order to establish and maintain democratic local accountability. This includes local setting of rates.

Principle 5: Local government should have the discretion to determine whether rates and reliefs are set nationally or locally.

Principle 6: Local taxation should allow for local flexibility, empowering local authorities to raise local funding for local priorities. Specifically, individual local authorities should be empowered to introduce local taxes, at their discretion, to raise additional resources.

Fundamentally, the council believes that the ability to set and collect local taxation is a key component of an effective local democracy, and is central to the accountability relationship between councils and local communities. The council also believes that the combination of Scottish Government funding restraint and a centrally imposed council tax freeze does not deliver a fit for purpose local government funding and taxation regime. This is clearly illustrated by the fact that, over the nine years 2008/09 to 2016/17 when a council tax freeze has been in place, the council has been forced to make revenue budget savings of £80 million.

In addition, the Council Tax freeze has not been fully funded by the Scottish Government, with no increase in the amount allocated to fund the Council Tax freeze over the many years it has now been in existence. This has added to the financial pressure on Scotland's councils and has unquestionably resulted in council's having to make cuts to services.

Furthermore, it is clear that the Council Tax freeze now benefits most those properties in the higher Council Tax bands and is socially regressive.

The Council Tax freeze and the associated threat of penalties on councils should be brought to an end by the Scottish Government.

Comments on the current system of council tax

The current system of council tax has provided a relatively stable form of local taxation since its introduction in 1993. It is

relatively easy to understand, administratively efficient, is difficult to avoid, has high collection levels, and takes some account of fairness via discounts for single people households and a reduction scheme to assist people with low income, disabled people, students and other groups.

The council does however believe that the council tax requires modernisation in a number of key areas.

There are various areas of the existing council tax system that the council would like to see changed as part of a reformed property based local taxation system, so that the current system becomes more progressive and also elements that the council would like to see retained and enhanced. These are as follows:

Banding

The current system of council tax banding has been in operation since 1993. Whilst the current system appears to be well understood by council tax payers and has a very small level of appeals, a revision to the number and widths of the banding structure would produce a fairer and more equitable outcome for communities.

Currently there are eight council tax bands with the smallest (Band A – properties valued up to £27,000 as at 1991) paying one third of the top banding (Band H – properties valued up to £212,001 and over as at 1991). Band H therefore represents a ‘ceiling’ to the amount of council tax a household is liable to pay. The council supports a restructuring of the banding arrangements with extension of the bands at the bottom and top ends and appropriate revisions of the banding weightings, with the aim of making the council tax more progressive in nature.

The council would also support a nationally effective approach to equalisation, to reflect the impact of re-banding locally.

Property Revaluation

There has been no revaluation of properties for council tax purposes in Scotland (and England) since 1991. In order to meet with the principles of fairness and ease of understanding, our council would propose that a wholesale revaluation is undertaken, and that a suitable and regular revaluation cycle is agreed. The council would also support revaluation of a property after a completion certificate is issued for material improvements or extensions. The council would also support an efficient and robust appeals system for council tax valuations.

The council would note that changes to council tax bandings and a revaluation have been successfully carried out in Wales.

A Local Tax Discount and Reduction Scheme for individuals most in need

The council would like to see retention of discount and reduction schemes that continues to offer assistance to people with low income, disabled people, students and other groups. The key principle of the current Council Tax Reduction Scheme is to address fairness to individuals most in need and therefore continuation of these types of concession is viewed as critical to assist in addressing the regressive nature of the current council tax system. The council would support a review of current schemes, using the six principles as a guide to consideration of any changes.

Local Tax Setting

It is essential that the council tax is determined locally and links with local democratic accountability. The council believes that local people should decide locally on the level of taxation via local elections and that local tax decisions should not be distorted by centrally imposed policy on levels of local taxation.

Local Tax Collection

The current system of council tax collection by individual councils works well with in year collection for the whole of Scotland averaging 95%. Local tax collection also works well with other debt advice and financial support offered by individual councils. The council strongly supports retention of local tax collection by individual councils.

If the above changes are made to council tax, so it is modernised, it would perform well against the six principles of local taxation set out at the start of this section.

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?

The council believes that local authorities should be democratically accountable to the local electorate for delivering an agreed set of outcomes, improving the quality of life in the area, providing services efficiently and effectively, working with

Community Planning Partners, and engaging with local communities. The ability to set and collect a local tax is therefore a key factor in effective local democracy and key to establishing a solid accountability relationship between councils and their local communities. West Lothian Council therefore supports the development of a modernised property based tax as the basis for local tax reform in Scotland. As outlined in the response to question one, this should provide for a more progressive local tax that addresses the inconsistencies in the current council tax system to improve fairness and ease of understanding. We support continued collection of tax locally as it performs well currently and is often supported locally by debt advice and other financial support and advice.

The council would also support providing individual local authorities with the power to levy additional local tax on residents, occupants, property owners or visitors to the local authority area. The council would also support consideration of local control over non domestic rates, and the Scottish Land and Buildings Tax.

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 promotion of local outcomes and priorities and their delivery through the community planning system is vital, and local authorities, as recognised by community planning legislation, are at the heart of and are best placed to advance that process. The spending and policy of different community planning partners require to be aligned to deliver outcomes against such priorities. It is also vitally important to involve communities in this work and consider the possibility of delivery of certain services for themselves. In the same way that local government needs to trust communities and delegate more to them, central government needs to trust local government and delegate more functions and greater powers to it.

The key factors that the council believes that the Scottish Government should take into account when assessing local taxation systems are accountability, fairness, stability and predictability, and ease of understanding. The ability of each individual local authority to set and collect a local tax is therefore a key factor in effective local democracy and key to establishing a solid accountability relationship between councils and their local communities.

As outlined by the Commission on Strengthening Local Democracy, there is a current lack of fiscal powers at local level which places a significant limitation on local democratic choice and control. Council Tax currently accounts for approximately 18% of the funding local government has available to invest in services for its communities, whereas across Europe the most empowered local governments can raise more than 50% of their own income. In order to address change it is recommended that local people should be given more power to decide on levels of local taxation and local government should have full control of local property taxes with the ability to use these in a way that suits the priorities and outcomes for their local communities.

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.

It would be useful to hold an event with interested stakeholders when the Commission has produced a report and recommendations, to provide a briefing on the report and to enable discussion around how the reform of local taxation will be taken forward.

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