

A Fairer Council Tax: phase 2

Organisation (if applicable):

The Institute of Revenues, Rating & Valuation

Responses to consultations may be made public. To keep your response anonymous (including email addresses) tick the box:

Questions about Council Tax bands and tax-rates

Please read about the 3 possible approaches to designing a new Council Tax system before answering the following questions. We welcome evidence about the possible benefits for, and impacts on, households and councils. We are particularly interested in the views of people with lived experience of disadvantaged backgrounds and those who have experience working with people with protected characteristics.

Question 1

What Council Tax band are you currently in? Please choose an option, you may wish to refer to your latest Council Tax bill or [you can check your council tax band by looking up your address or postcode](#).

- Band A
- Band B
- Band C
- Band D
- Band E
- Band F
- Band G
- Band H
- Band I
- I don't pay Council Tax
- Not applicable

Question 2

Which council area do you live in?

- Isle of Anglesey / Ynys Mon
- Cyngor Gwynedd
- Conwy
- Denbighshire
- Flintshire
- Wrexham
- Powys
- Ceredigion
- Pembrokeshire
- Carmarthenshire

- Swansea
- Neath Port Talbot
- Bridgend
- Vale of Glamorgan
- Rhondda Cynon Taf
- Merthyr Tydfil
- Caerphilly
- Blaenau Gwent
- Torfaen
- Monmouthshire
- Newport
- Cardiff
- Not applicable

Question 3

The Welsh Government has shown 3 possible approaches for how to design a fairer Council Tax system. We want to ask you about your appetite for reform.

Do you think we should aim for:

- approach 1: minimal reform
- approach 2: modest reform
- approach 3: expanded reform

Or do you have other views or ideas about the approach we should take to the scale of reform (please specify)?

The Institute is in favour of the third approach, i.e. the 'expanded version of reform'. Council tax reform is long overdue, both in Wales and England, and neither approach one nor two would provide this needed reform. A transitional relief scheme should accompany the move to a 12-banded system, where the full council tax payment would only be reached by year 3 after the reform.

Alternatively, there could be merit in investigating a fourth, more radical approach. A banded system could continue for properties up to a certain property value and any properties that exceeded this value could be taxed at a percentage of their market valuation (up to a Welsh Government imposed maximum percentage), therefore creating a more progressive tax. The implementation of such an approach would probably require a form of Local Authority pooling/equalisation scheme. The methodology behind the precise valuations would need to be transparent, with the public being able to view other property's bands as well as their own.

Question 4

The Welsh Government has described when the changes could be made to the Council Tax bands and tax-rates. Again, we want to ask about your appetite for reform:

Do you think we should make changes according to the:

- fastest timetable: minimal, modest or expanded reform by 1 April 2025

- slower reform: minimal modest or expanded reform starting in 2028
- staged reform: minimal or modest reform in 2025, moving to expanded reform in the next Senedd term

Or do you have other views or ideas about the approach we should take to the pace of reform (please specify)?

The changes should be made as soon as feasibly possible. As stated above, Council Tax reform is long overdue, so any changes must be implemented quickly in order to address the current unfairness in the system.

We recognise that there is not likely to be a unified way of thinking across of Welsh Local Authorities on this matter; some Local Authorities will prefer that the Welsh Government delay these changes for as long as possible due them effectively being 'worse off' following the reforms, whilst others will prefer to stick to the status quo of a 9-bands system. Others will agree with the Institute in thinking that reform is needed as soon as possible.

Questions about discounts, disregards and exemptions

Question 5

Do you agree there should be an overall time-limit on Exemption F to discourage properties being left empty and exempt from Council Tax for an indefinite period?

A Class F exemption is currently provided for properties that have been unoccupied since a former resident's death where the only person liable for Council Tax would be the deceased's personal representative, and no grant of probate or letters of administration has been made.

- Yes
- No

Question 6

What do you consider is a reasonable period for obtaining probate or letters of administration?

- 2 years
- 3 years
- 4 years
- Other (please specify)

We consider a one-year period to be a reasonable period; however, due to both the current backlog of cases for probate letters and the need for longer periods for certain complex cases, we would also consider a two-year period to be acceptable.

Question 7

Which title do you think should replace the term 'severely mentally impaired'?

- Option A: significant brain impairment
- Option B: significant brain condition

We have no preference over 'severe brain impairments' or 'significant brain condition' as a replacement for the term 'severely mentally impaired'. Any term that is adopted must be in keeping with the most up-to-date terminology used in the medical profession and not create unnecessary confusion.

Question 8

Do you agree with the proposed definition to describe a person with a significant brain impairment or condition?

The definition is: "Significant (and permanent) mental condition or change that impacts on the brain's ability to function."

- Yes
- No
- Any other views (please specify)

We agree with the proposed definition to describe a person with a significant brain impairment or condition. Again, any term that is adopted must be in keeping with the most up-to-date terminology used in the medical profession and not create unnecessary confusion in interpretation.

Question 9

Do you have any views on the qualifying criteria for a person with a significant brain impairment or condition to be entitled to an exemption or disregard?

The current qualifying criteria are for a person to be entitled to a qualifying benefit and to have medical certification from a registered practitioner.

- Option A: remove the requirement for a person to be entitled to a qualifying benefit in order to qualify for the exemption or disregard but retain the need for a medical certification
- Option B: where a person can provide proof of clinical diagnosis, the requirement for a person to be in receipt of a qualifying benefit could be removed at the discretion of the council
- Other (please specify)

The qualifying criteria for a person with a significant brain impairment or condition to be entitled to an exemption or disregard should remain as it currently stands.

Questions about Welsh language

Question 10

We would like to know your views on the effects that these proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?

We do not believe that these proposals would have a detrimental effect on the use of Welsh language.

Question 11

Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

We do not believe that these proposals would have a detrimental effect on the use of Welsh language.

Any other views

Question 12

We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.

Whilst it could be argued that there is unfairness in the amount of Council Tax charged to taxpayers in Wales, we do not believe that a wholesale replacement to Council Tax should be introduced. Council Tax is a stable tax with a high collection rate; reforming the current system in Wales through our proposed fourth 'more radical approach' will make the tax fairer by ensuring that higher valued properties take on a larger share of the tax burden. However, if there is no appetite for larger reform, then we would support the third 'expanded version of reform'.