

A Fairer Council Tax: phase 2

Organisation (if applicable):

UNISON Cymru Wales

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)? ☐

UNISON believes tax systems should be progressive. There is a moral duty upon Welsh government to do everything in its power to lift people out of poverty and ensure wealthier citizens contribute their fair share to funding public services which benefit the entire community.

Council tax is regressive and if the remit of the consultation is solely on retaining council tax and making it fairer, Welsh government should opt for expanded reform. Currently, there is a relatively higher tax burden on people living in the lowest value homes and it is right to shift the tax burden to those at the highest end of property values.

However, in our submission to the first phase of the consultation in October 2022, we said Welsh government's proposals do not deal with the urgent and fundamental point that councils are at breaking point and simply do not have enough money to provide the high-quality services their communities need. Nor do they address the question as to what council tax is for or whether it is fit for 21st Century needs.

Since October 2022, the financial predicament of Welsh councils has become absolutely dire, as we will discuss later, and council employees talk openly about the likelihood their authority will implode. Welsh government says the motivation for its proposals is to make tax fairer for people, yet access to the local authority services those same people rely on to make their communities more equal, happier and healthier places to live, have been drastically reduced as a result of the severe spending cuts of the UK government. We are talking here about social care, day centres for the elderly, children's centres, libraries and leisure centres. The extreme financial pressures upon councils over the next few years can only mean fewer of the services which help promote equality.

Welsh government is clear its proposals are not designed to collect more tax overall. More detail on this point and the desperate funding situation of councils is provided in our answer to Question 12.

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)? ☐

There was a good deal of sympathy in focus groups of UNISON members for the fastest possible change because they recognise that people are really struggling with the cost-of-living crisis and some are in desperate need and should receive the help now that lower bills can provide.

At the same time, the scale of the change is enormous and a great deal of preparatory work is required. It will be complicated to administer and there could well be initial problems.

Local government workers ask who will be doing the associated work around valuations and re-banding, as well as coordinating the local publicity to ensure maximum awareness of residents. There is extreme pressure on the council workforce already and we cannot afford to put them under further burden. By 2019 calculations, since the start of austerity in 2008, we have lost more than 37,000 local government jobs in Wales, according to the [Welsh Local Government Association](#), (December 2009 to September 2018). All remaining staff have been asked to do much more with less and many have been doing the equivalent of two people's jobs. They haven't stopped. This is not sustainable and people are exhausted from trying to keep services running through covid. More detail here is provided in our answer to Q.12.

Welsh government should account for the scale of the change people would experience when introducing this change and for this reason, staged reform is preferred. It is essential the detail of what is proposed is accompanied by a clear and prompt advertising awareness campaign, explaining it is happening to make council tax fairer.

For maximum engagement with the public, it is strongly suggested materials are provided, not just bilingually in English and Welsh, but in those other languages spoken in our communities and that links are established with community leaders so the changes can be properly explained for instance, to migrants.

In our answer to Q.12, we talk about the lack of transparency about what council tax does and doesn't pay for and this too should be addressed in the awareness campaign. Getting communications right is essential also for those who will see council tax rise at the same time as provision of local services is scaled back because of the pressure on council finances.

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) ☐

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Question 7

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

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

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) ☐

For Q.7, our disabled members felt the term 'impairment' sounded less negative to a disabled person.

For Q.8, we agree with the definition and would add: "...and affects the individual's conduct of day-to-day activities."

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 provision of medical evidence should be enough.

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?

There will be no impact on the Welsh language, only the housing banding will change, and materials are already bilingual.

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.

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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.

According to the Welsh Local Government Association (using the Society of Welsh Treasurers Survey 2023 figures), Welsh authorities face around a £430m funding gap each year for the next three years, a cumulative total of nearly £1.3bn.

It is difficult to understate the perilous state of authorities. Councils are currently asking staff for ways to save money and running public consultations on where they should make cuts, at the same time as council tax is rising.

There is an existential threat to Welsh authorities and to local democracy and accountability. Deprived of the millions of pounds they need to invest, councils may become solely service commissioners, rather than willing agents able to improve the lives of their citizens through the provision of high-quality services, that councils would wish. Investment in council services helps keep people out of hospital and would relieve pressure on the NHS.

Local authority workers are caught in an invidious position, taking flak from members of the public who can only see disappearing local services whilst council tax bills rise; working hard to deliver vital community services with far fewer resources and a dramatically reduced headcount, they are facing burnout. When intolerable workloads force people off sick with stress, so the workloads become even bigger for staff who remain. Employees talk of feeling broken. They have been particularly affected by the cost-of-living crisis because their wages have been deliberately suppressed for nearly 15 years by pay freezes or below-inflation pay awards, yet they face the same council tax rises as everyone else. Unsurprisingly, morale amongst local government workers is very low and some council vacancies cannot be filled, further impacting on service provision.

There is no public understanding that council tax delivers only a small fraction of the total money received by an authority and spent on local services. Nor do people realise increasing council tax by a percentage or two will still not get anywhere close to providing the authority with the extra money it requires or make good the service reductions of the last decade. It is incumbent on Welsh government to address this lack of transparency with a public awareness campaign about its proposals and what council tax pays for.

If people were made aware what council tax actually pays for, they would better understand the financial constraints on councils. This would stimulate a debate about the funds required to provide high quality public services which meet local needs and how that money should be most fairly raised.

Welsh government has moved to increase financial assistance through the Revenue Support Grant (RSG) and the amount raised by council tax is dropping each year. This is something not understood by the public. In fact, authorities prefer the RSG because it is a guaranteed income stream for them and council tax is not. Council tax debt or non-payment is frequently written-off, more expensive to collect than the money it would bring in, or the image it portrays is deemed politically too hazardous.

In deprived areas, council tax does not provide the revenue needed.

Greater reliance on the RSG helps councils in other political ways too, they are able to point to lower council tax.

All this suggests council tax is not working well and does not meet the challenges councils face today.

Local government workers were concerned about any cost to councils associated with the proposed changes and clearly additional costs must be funded centrally.

It is essential for Welsh government to work with authorities to provide the assurance that their budgets will not be adversely affected with these changes.

We repeat our request made in our 2022 submission, now more urgent, for Welsh government to work with authorities and unions to conduct a comprehensive review about exactly what services it wants authorities to provide, to what level and standard and then how much this will cost and where the money will come from. Ultimately, Welsh government needs significantly more money and that means securing additional funding from Westminster and seeking further devolvement of tax powers, so it is able to invest and redistribute wealth.

Without a major change to finances, the outlook for local authorities and the services they provide is very bleak.