

Council Tax Multipliers: Consultation



Respondent Information Form

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

About You Questions

1. About you Question 1

Please tell us which local authority area(s) your organisation operates in

The Scottish Trades Union Congress is based in Glasgow, however our trade union and trades council affiliates represent more than 540,000 trade union members across all Local Authorities in Scotland.

2. About you Question 2

If you pay Council Tax, please indicate which Council Tax band(s) apply to the property (or properties) for which you pay Council Tax:

The STUC don't pay Council Tax.

Consultation Questions

1. Do you think that Council Tax in Scotland should be changed to apply increases to the tax on properties in Bands E, F, G, and H?

Yes. Local government services are in crisis. Additional resources are desperately needed to maintain frontline services. It is also right that we look to raise revenue from high-value properties.

However, this is only a short-term solution. The council tax is inherently regressive and we must see a wholesale rates review of properties throughout Scotland. Ultimately we should be replacing the council tax with a proportionate property tax, in addition to introducing new wealth and land taxes at a local level, as advocated in STUC's tax report published last year.¹

2. The proposal is to increase the Council Tax on properties in Bands E, F, G and H by 7.5%, 12.5%, 17.5% and 22.5% respectively. Do you agree with the levels of increase set out in this proposal?

Yes, although long term we must see a wholesale rates review of properties throughout Scotland and the replacement of the council tax with a proportionate property tax.

3. If you have answered no to Question 2, what do you think the increases to the Council Tax on properties in Bands E, F, G and H should be?

4. When should any increases be introduced if the tax on higher band properties is increased as proposed?

Full effect from 2024-25.

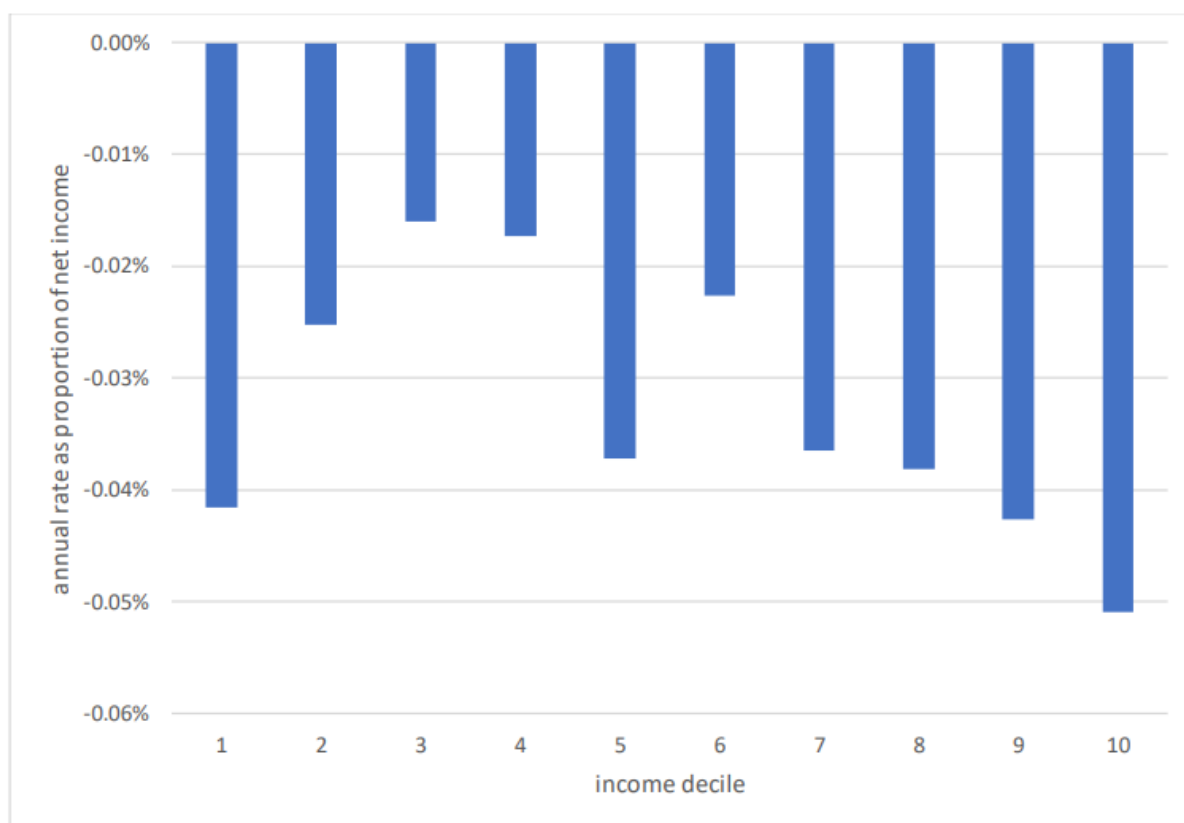
5. Should the Council Tax Reduction scheme be expanded to protect those on lower incomes from any increases to higher band properties?

Yes. Analysis for the STUC last year, showed that increasing Council Tax by £100 for properties in bands F, G and H, is progressive across the top half of the income distribution but uneven across the bottom half, (the poorest decile and the 5th decile pay more on average than the 2nd, 3rd or 4th deciles, for example).² An improved and better funded Council Tax Reduction scheme could be used to make increases more progressive.

¹[https://stuc.org.uk/files/Reports/Scotland_Demands_Better_Fairer_Taxes_for_a_Fairer_%20Future.p
df](https://stuc.org.uk/files/Reports/Scotland_Demands_Better_Fairer_Taxes_for_a_Fairer_%20Future.pdf)

²[https://stuc.org.uk/files/Reports/Scotland_Demands_Better_Fairer_Taxes_for_a_Fairer_%20Future.p
df](https://stuc.org.uk/files/Reports/Scotland_Demands_Better_Fairer_Taxes_for_a_Fairer_%20Future.p
df)

Figure 4.1. Distributional impact of £100 per year increase in Council Tax for houses in bands F, G and H in Scotland, by household income decile



Source: Landman Economics calculations using Scotland component of Understanding Society Wave 11 dataset

6. The proportion of properties in each valuation bands E - H varies across the country. This means that some councils would benefit more than others from any increases in council tax in these property bands. Should steps be taken to ensure that all councils benefit proportionately from this policy?

Yes. The Scottish Government should increase its central revenue grant and distribute this based on need and social disadvantage.

It should also devolve further funding and tax powers to local government – allowing them powers to levy premiums on empty and second homes, local visitor levies, wealth taxes,³ carbon emissions land taxes⁴ as well as exploring local Fair work supplements and inheritance taxes.⁵

7. Please tell us how changes to Council Tax rates for properties in Bands E, F, G and H might impact you, or the people your organisation represents?

³https://stuc.org.uk/files/Reports/Scotland_Demands_Better_Fairer_Taxes_for_a_Fairer_%20Future.pdf

⁴ <https://www.johnmuirtrust.org/support-us/take-action/982-carbon-emissions-land-tax>

⁵ https://www.ippr.org/files/2019-09/1568730565_local-tax-in-scotland-sept19.pdf

Local Government employs 260,000 people. This workforce has fallen from 325,000 in 2006 and those remaining have seen significant falls in real terms pay during that time.

Raising revenue from high value properties can help bring in much needed resource to fund local government services and increase local government pay, preventing recurring annual strikes.

8. Please tell us how you think changes to Council Tax rates for properties in Bands E, F, G and H would affect your local area, or Scotland as a whole (please consider social, economic, environment, community, cultural, enterprise impacts that you think are relevant)?

Whether educating our children, emptying our bins, cleaning our streets, caring for our elderly, looking after our parks and greenspace, providing leisure and community services, or helping people get to where they need, Councils provide services which are absolutely crucial to how we all live our lives.

Councils are also a key tier of our democracy and have a critical role to play in tackling inequality and climate change. They could – and should – be taking far greater action to tackle the climate emergency, address poverty and inequality, and provide the foundational services upon which people live, work and travel.

However, this requires funding and the devolution of power from central Government. Changes to council tax rates for high value properties would play a small, but important role in helping councils fulfil their role.

9. Please tell us how you think changes to Council Tax rates for properties in Bands E, F, G and H might affect Island Communities

The STUC support an increase in the central revenue grant and the distribution of this based on need and social disadvantage.

Raising revenue, whether at local or national level, is important in helping fund the investment that Scotland needs in connectivity – including in new ferries and a properly funded Calmac.

Do you think there would be any equality, human rights, or wellbeing impacts as a result of the proposed increases in Council Tax rates for properties in Bands E, F, G and H ? Please tell us what you think these impacts would be.

Yes. Raising tax on high value properties, coupled with an improved and better funded Council Tax Reduction scheme, would be a progressive measure which raises much needed revenue to provide the local services which are so important in addressing equality, human rights and wellbeing.