

Phase 1 Consultation – A Fairer Council Tax – Local Authority Responses

Contents

Caerphilly County Borough Council.....	2
Cardiff Council	11
Carmarthenshire County Council	21
Ceredigion County Council	27
Conwy County Borough Council	34
Denbighshire County Council	40
Flintshire County Council.....	47
Isle of Anglesey County Council (English Translated Response)	54
Isle of Anglesey County Council (Original Response)	62
Merthyr Tydfil County Borough Council.....	69
Monmouthshire County Council	76
Neath Port Talbot Council	85
Newport City Council.....	91
Pembrokeshire County Council.....	98
Torfaen County Borough Council	107
Vale of Glamorgan Council.....	116
Wrexham County Borough Council.....	122

Caerphilly County Borough Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes

We agree that there should be a council tax revaluation in 2025 based on 1 April 2023 property values to maintain the credibility of the tax system which should enable a fairer distribution of the tax burden.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes

We agree that consideration should be given to adding more council tax bands, both below and above the current band D to make the tax more progressive.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Transitional arrangements could be self-financing but that would require increases and decreases to be phased in over a number of years. However, our view is that it would be unfair to expect tax payers to have a decrease in tax burden phased in over time when they would expect to receive a reduction in the council tax payable from the first year that the new valuation list takes effect. Therefore, we think transitional arrangements should only apply to increases, although this would create a funding issue for the Welsh Government.

The length of the transitional arrangements would depend on how long there is between the proposed 2025 revaluation and the next revaluation following that.

We would expect the arrangements to last for a minimum of 3 years, possibly 5 years, to allow householders facing an increased tax burden a reasonable time to

adjust to the new tax levels, but this would also be influenced by how significant the increases faced by some tax payers would be.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes

We agree that adjustments to the RSG would be necessary to support financial sustainability in Local Authorities.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes

We agree there should be more frequent council tax revaluations and would agree that every five years would strike the right balance between keeping the valuations relatively up to date while minimising the administrative burden placed on the Valuation Office Agency and local billing authorities during every revaluation.

We agree that there may be valid reasons for rescheduling or delaying a particular revaluation due to periods of irregular market buoyancy or contraction due to economic forces, or for reasons linked to IT infrastructure, for example, limitations on the ability of the VOA and/or local councils to keep pace with the higher workload.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

No

If Wales moves to regular revaluations of every 5 years, we agree the additional administrative burden/costs incurred by local councils plus the impact on households

of adjusting the bandings of all dwellings that are substantially improved in between revaluations may not be justifiable.

Leaving the current arrangements in place alongside more regular revaluations would provide certainty for households and local councils who would know that any substantial improvements to dwellings would be reflected at the next revaluation and avoid over-burdening current Valuation Office Agency (VOA) and local council resources with additional processes.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

We have no evidence to suggest that the current rights of appeal for taxpayers require any significant changes. We agree there is a need to introduce a mechanism to close current appeals before the next revaluation comes into effect, should regular revaluations be implemented.

We suggest that, following each revaluation, all taxpayers should have an automatic right to challenge their entry on the new valuation list until 30 September of the following year (18 months).

Looking at how council tax debt is managed, reference is made in the consultation paper to council tax payers becoming liable for the total annual bill for a financial year if one instalment is missed. A council tax payer is liable to pay the amount due on each bill issued to them. Bills are usually payable in monthly instalments. If one instalment is not paid when it falls due and continues to remain unpaid, where the amount of the full bill remains unaltered the current regulations allow a billing authority to move to serving a court summons for the total unpaid balance of the bill in question.

However, in practise, many local councils seek to engage with people far more than this minimum requirement. In Caerphilly CBC, as a minimum we issue a reminder notice for a missed instalment and if that remains unpaid, we issue a final notice (not required under the current regulations) to give the person another opportunity to contact us before we move to a court summons being served. If the person pays the overdue instalment after receiving a reminder notice, we will simply issue another reminder notice the next time they miss a payment, rather than issuing a final notice under the regulations (which we could do for a failure to pay a second/subsequent instalment).

We believe the regulations could be updated to reflect the fact that local councils are more flexible and accommodating than the default position under the regulations provides for. However, we would ask the Welsh Government to remember that council tax is payable annually so any undue delay in the recovery process often

makes things worse for the tax payer in the long run as they end up trying to pay the arrears plus the new year bill simultaneously.

Regarding the powers available under a council tax liability order, we repeat the recommendation made by local councils to the Welsh Government some years ago that where the best option is to apply for regular deductions from a person's state benefits as defined in the regulations, the requirement to first obtain a liability order from a magistrates' court, with the associated fees involved in that process, is removed. This would streamline the administrative process, making it possible to commence the deductions without the need to follow the statutory recovery process to obtain a court order which can take several months. Also, the tax payer would avoid having summons/liability order costs added to his/her council tax debt.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

Making more details available online via GOV.UK about how a council tax banding has been calculated would modernise the service and improve transparency of the tax.

It would be useful for council tax payers to be able to use a self-service portal to inform the VOA and councils about any changes to a dwelling that may affect the valuation banding.

Consideration should be given to allowing local councils more access to DWP data to speed up the verification of receipt of certain benefits by people applying for certain income dependent discount disregards or exemptions. Such access would also allow local councils to target certain groups of people who may be eligible for a reduction or allowance.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

We would welcome the move away from primary to subordinate legislation to allow for a more responsive approach to changes in society and the economy.

We believe that most circumstances are covered under the current regulations. However, there are some exempt classes where the regulations could be improved and an additional exempt class that we believe should be considered.

- **Class U** – the 2-part criterion causes issues as persons suffering from mental health conditions are not always aware that they may qualify for certain benefits and therefore lose out when their commencement of a relevant benefit is sometimes after the medical diagnosis date.
- **Class F** – when a resident passes away leaving a property unoccupied but the property still contains the deceased persons furniture & effects, no matter who owns the property there should be a period of at least 3 if not 6 months where there is no charge. It is unreasonable for a property to be cleared immediately to avoid a charge after someone passes away. (This affects cases where the property itself is usually owned by a relative of the deceased so Class F does not apply).
- **New exemption class** – we are seeing more and more properties becoming unoccupied but remain furnished due to domestic violence, police restraining orders, sex offenders unable to return to properties for fear of re-conviction etc... These taxpayers are unable to sell or end their tenancies as if they do, they effectively make themselves homeless. Some may be able to return at some point in the future or otherwise if they end their tenancies, they need to start at the 'bottom of the ladder' again to obtain a social housing tenancy in a different area rather than wait for a transfer.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

In our view the 25% reduction for a single person adult household and households where all persons except one are disregarded (not counted for billing purposes) is equitable.

We don't believe there is any need to have more flexibility regarding empty property discounts. We have disapplied the 50% discount for empty dwellings in our local authority area many years ago. This means 100% of the charge is payable rather than 50% to try and encourage people to bring dwellings back into use sooner rather than later.

A tax should be fair but it should also be as easy as possible to understand. In trying to allow more flexibility there is the real possibility that the system will become even more complex - harder for people to understand and more time-consuming and expensive to administer for local councils and the Valuation Tribunal for Wales.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

Our view is that the current arrangements are weighted in favour of higher banded dwellings because they receive a 2/9ths or 3/9ths reduction, based on which band the dwelling is placed in, whereas dwellings in bands D and below only receive a 1/9th reduction.

A more equitable approach would be to give a fixed percentage reduction across all bands.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

Do you think any of the current titles and descriptions should be changed?

Our view is that the vast majority of the titles and descriptions of any discount, disregarded person or exemption do not need updating with the exception of the one mentioned below.

What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

We note that on page 21 of the consultation, it states: "Severely mentally impaired people: people who are medically certified as having a severe impairment of their intellectual **or** social functioning and are in receipt of qualifying benefits."

That text is incorrect because the legislation says "...a severe impairment of intelligence **AND** social functioning...which appears to be permanent..."

Bearing in mind the above comment, we suggest replacing 'severely mentally impaired' with 'permanent mental health condition that severely affects a person's intellectual **and** social functioning'.

We would ask the Welsh Government not to oversimplify the naming of this discount/exemption category as that may lead to avoidable complaints from people misinterpreting what conditions could be eligible. The determination as to whether a person satisfies the legislative criteria should remain with a registered medical practitioner.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Yes

The current scheme needs to be reviewed as it has tried to follow the rules of the Housing Benefit (HB) Scheme for too long. Over time, the CTR Scheme (CTRS) and the HB Scheme have been changed but in different ways which means they are now poles apart. CTRS should remain means tested as this is the most fair and consistent way of supporting households. Retaining the current 100% entitlement would also prevent small balances being created which are difficult to collect from households who may already find difficulties paying other bills.

Areas that could be reviewed are the earnings disregards and capital disregards; these mirror those of the Housing Benefit scheme and have not been changed in over 30 years.

The applicable amounts used also mirror the Housing Benefit Scheme; it would be beneficial to review these to perhaps simplify the calculations, making claims easier to assess and understand.

The impact of Universal Credit should also be considered as this income changes monthly and creates variations in entitlements. Residents receiving Universal Credit can potentially receive up to 12 adjustments to their CTR entitlement due to the changes in their income. This makes it confusing for the resident as they are never sure of what they have to pay. This also makes it difficult for local councils to collect as the balances fluctuate too frequently. To try and overcome this problem, it may be worth exploring the idea of review periods, whereby claims are assessed for a certain length of time and not reassessed until the next review period commences.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes

We agree that the Welsh Government should have more flexible legal powers to amend Council Tax Reduction Scheme regulations in-year to address unforeseen events such as changes in our economy or society, such as the coronavirus pandemic, Ukrainian refugees and the cost-of-living crisis.

It would give more consistency and a fairer approach to support throughout Wales. In-year changes are a necessity to be able to react to unprecedented changes in household circumstances which can have detrimental financial impacts. With new flexibility, extra support could be awarded in-year.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes

Yes. The existing local arrangement should form part of the new scheme.

The removal of the requirement to adopt the scheme annually should be reviewed.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

Looking at the proposed policies, we don't believe there would be any negative impact on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

See answer to Q16

Question 18: Any Further Comments

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

No further comments.

Cardiff Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise

In principal to maintain the credibility of the system we support a council tax revaluation in 2025 although it should be noted that a “one size fits all” revaluation does create both winners and losers.

For example at as result of the 2005 revaluation Cardiff saw 86,000 properties moving up by at least one band and 18,000 properties moving up by two or more bands. This had a significant impact on both our taxpayers and our workloads as we had a further £3 million to collect as a result of lost Revenue Support Grant.

The revaluation has had a long-lasting effect on the city including impacting on the number of households that have qualified for the recent £150 cost of living payment ie currently we only have 59% property in bands A to D whereas the IFS modelling indicates that even after the proposed 2025 revaluation there will be 73.5% of property in Wales in bands A to D.

Consideration should be given to a regional banding approach to reflect the differential in property values across Wales.

Careful consideration should also be given to the timing of any potential changes, and to any mitigating financial support that could be available to residents where any changes may significantly affect them, which is particularly important during these challenging times.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

We agree that adding more bands at the top and bottom ends of the scale will help to make the system more progressive although we do not feel that it will have a significant impact at the lower end of the scale in Cardiff unless a regional banding approach is adopted. The reason for this is that currently we only have relatively small numbers of property in the lower bands due to value of property in the city e.g we only have 4812 properties in band A (approximately 2.5% of the tax base)

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Yes there should be a scheme to protect households from excessive increases in charges. The scheme should, at the least, buffer any increases to a maximum of 1 band per year for the first 3 years this would mirror the approach adopted in 2005.

Any decrease in banding should be immediately effective from 1st April 2025.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

As the SSA/RSG system currently operates, if tax base increased because of re-banding, which is a likely outcome for Cardiff, there would be a reduction in RSG (relative to fluctuations in the tax base of other Councils). The assumption that this would be simply reflective of a switch between RSG and CTAX income for the Authority oversimplifies, as it does not factor in the additional risk and work associated with collecting higher levels of tax. Not only would the Authority's amount collectable be higher, it would arguably higher risk – as although a property may have increased in value, a resident's income will not necessarily have also increased. This poses increased collection risk, or, dependent on how CTRS operates under new arrangements, could place an increased CTRS burden on the Authority. These issues should receive recognition via RSG.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

To keep the system relevant and equitable we agree that more frequent council tax revaluations are necessary but consideration must be given to the resource implications that this would have to both Councils and the Valuation Office Agency.

The impact of a revaluation can be huge in terms of additional enquiries, appeals and work carried out to ensure that the database is accurate. Therefore, we believe that it would be more manageable and realistic to carry out revaluations every 7 to 10 years. Any additional costs relating to the revaluation should be fully funded by Welsh Government.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

To make the system more equitable this policy should be changed and if substantial alterations are undertaken at a property the banding should be reviewed at this time. If an increase is necessary then the banding change should be effective from the following April.

To ensure consistency the term “substantial alterations” would need to be clearly defined.

In addition, the planning class should be taken into account when reviewing the valuation for example planning class C3 or C4 and the impact that HMO’s have on valuations.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

The current system for dealing with appeals seems to work well with taxpayers able to take an appeal to the independent Valuation Tribunal if they remain aggrieved.

The Council believes that the current system of managing council tax debt operates in an efficient manner and the legislation that has been in place since the introduction of the system in 1993 has enabled Council’s to administer and collect the charge.

Legally it has always been possible for a household to become liable for the full years charge after missing one instalment. This situation arises after a council tax reminder has been issued as an instalment has not be paid and the sum remains due for a further 14 days.

In practice we allow households far more leeway than this and in Cardiff we still permit a customer to continue to pay by instalments even if they have received a final notice. We also try to deal with customers on an individual basis which is demonstrated by the fact that each account in arrears is checked individually before we consider issuing a court summons.

Where it is appropriate we believe that it is important that Councils are able collect the charges due within the financial year concerned.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

It would improve both the service provided to taxpayers and transparency if the Valuation Office Agency was able to include additional information on their website regarding a property such as the sales details that they have used to justify the band. This may also lead to a reduction in the number of appeals.

Councils have a statutory duty to notify the Valuation Office Agency of any changes in their area that might affect the tax base. The existing process of reporting these changes to the Valuation Office Agency is far too complex and there is a significant amount of time being wasted due to Council Reports transmitted being “no actioned”. The impact of this is that we need to re-report changes which leads to further delays in assessment and billing.

A further improvement that would benefit the taxpayer is if the Valuation Office would deal with customers when they contact them directly, for example, in instances where a taxpayer wants to request a property be deleted from the list due to a poor state of repair. Too often this enquiry is referred to the Council when it is the Valuation Office Agency’s statutory responsibility to decide whether a dwelling should be removed from the Valuation List.

Many Councils now have systems in place which give taxpayers the option to view their own council tax account details on line – it would improve transparency if all Councils in Wales could do this.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Generally we believe that the current rules are fit for purpose in these areas but there are some changes that we think should be considered –

Disregards

Currently live in carers who provide at least 35 hours of care a week to a person are excluded from receiving a disregard if they are the spouse, partner or parent whereas other persons are able to qualify for this reduction eg a brother and sister one of whom is severely mentally impaired and the other is caring for that person would qualify for a 50% disregarded discount (as long as the person who is severely mentally impaired is eligible to the appropriate qualifying benefit)whereas a husband and wife in the same situation would only receive a 25% disregarded discount.

We believe that this is unjust and anyone who provides at least 35 hours care a week to a person should be disregarded.

Consideration should also be given to allowing an exemption in the circumstances above rather than a discount.

Exemption

Where a customer is fleeing domestic violence they will often have two council tax liabilities. One at their new address and the other at the old address. In these circumstances we believe that an exemption should be awarded on the old address from the date that they left until the first of the following to occur –

- 1/ they return to the original property;
- 2/ they end the tenancy on the original property or
- 3/ they sell the original property

Severely Mentally Impaired – discount/exemption

Employment Support Allowance (ESA) is not listed as a qualifying benefit for the purposes of a Class U severely mentally impaired exemption or disregard discount.

Given that Employment Support Allowance is a replacement for Invalidity/Incapacity Benefit which is a qualifying benefit this situation is causing a lot of confusion for both taxpayers and Councils. We believe that Employment Support Allowance (ESA) should be added as a qualifying benefit to remove this anomaly.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory ‘single adult’ and ‘empty property’ discounts?

The Welsh Government should have more flexibility for single adult and empty property discounts. In fact, consideration could be given to delegating these powers to individual Local Authorities. Any additional income generated as a result of reducing the current value of discount available should be retained by the Local Authority for spending on local services and shouldn't result in a reduction to RSG.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

The regulations do not currently provide for relief to be awarded in cases where somebody relies on the use of a stair-lift within their property. This is very often

perceived as being unfair. A change to the regulations in this area would be welcomed.

It would also be useful if the regulations could clarify the back-dating of claims where people have failed to claim historically.

Any changes in this area would need an equality impact assessment.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

Welsh Government should have the power to amend titles and descriptions. It should be done in collaboration with other interested bodies and charities with a particular emphasis on simplifying language and plain English.

For example, we believe that "cognitive decline" may be a more appropriate term than "severely mentally impaired". However organisations and charities working in this area may well be able to suggest a better terminology.

Question 13: CTRS Design

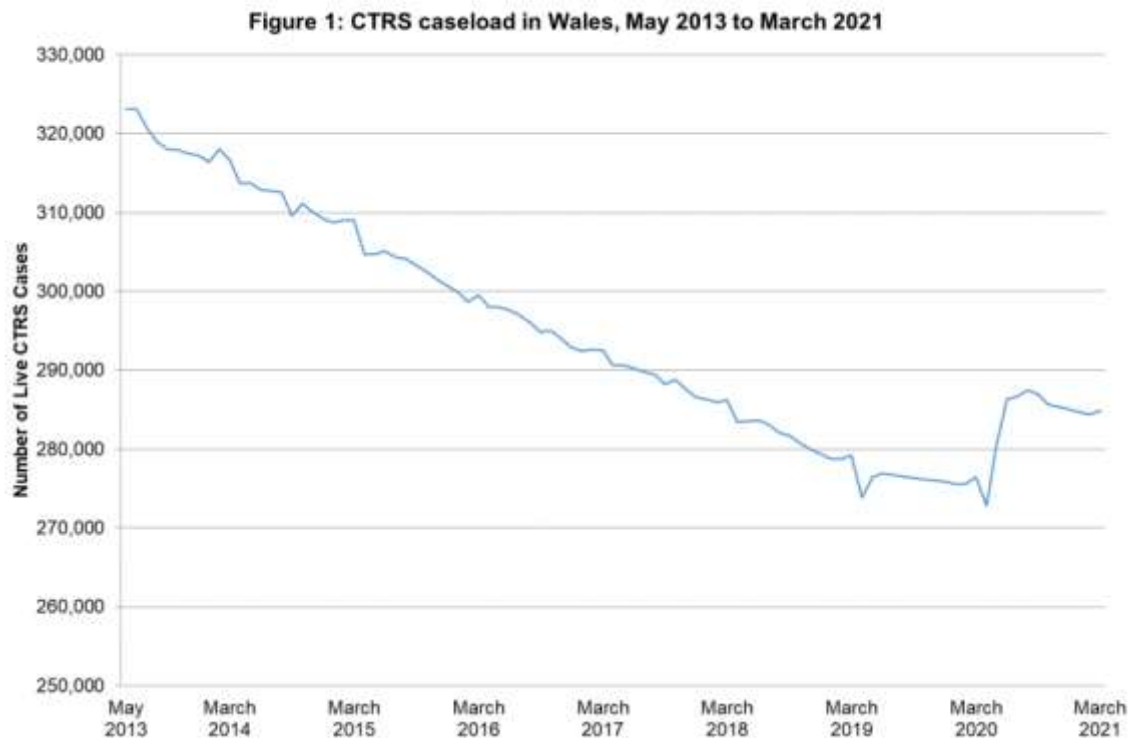
The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Given the current cost of living crisis it should be designed so that more taxpayers can qualify and the backdating rules should be relaxed to provide additional protection for low-income households. The current backdating rules mean that many low-income households end up with a full council tax liability for periods of time that they simply cannot afford.

The scheme should remain means tested so that it continues to help the most vulnerable and in need people in society. However, applying for the current scheme needs to be simplified.

Currently applying for the scheme is too complex and this has resulted in take up not being as high as it should be.

The following graph shows the CTRS caseload decline in Wales since it was introduced in 2013:



With the exception of the impact of Covid-19 less people have been receiving the support every year.

The latest Council Tax Reduction scheme: Annual report published by Welsh Government showed that the number of households in receipt of CTR in Wales had risen 2.7% from March 2020 to March 2021.

This is in a year where covid 19 was rampant and many, many households would have needed the support due to having a reduced income.

This same report also highlights that whilst overall case numbers had increased there was a 3.4% decrease in the pensioner caseload. Pensioners are one of the most vulnerable groups within society and most in need of the support.

To ensure a higher take up there should be an 'automatically entitled' approach rather than a claim or application form being required. This approach has been used with many discounts we are now seeing and has ensured that the support is given to the everyone who needs it.

This could be improved if local authorities received automatic notifications of new Pension Credit awards in their area and could use these to award CTR.

It could be included further if Local authorities could use applications for Free School Meals to automatically consider entitlement to CTR.

With regards to how the reduction is assessed Cardiff would like to see the following amended or introduced.

- Decrease the income taper to help more people qualify for the reduction.

The July 2020 report titled Understanding the Impact of Universal Credit on the Council Tax Reduction Scheme and Rent Arrears in Wales concluded that the average council tax reduction award for Universal Credit households was £2.60 less per week than for households in receipt of legacy benefits and that it was a trend set to continue into the future. It suggested reducing the taper rate from 20% down to 10%.

- Change the scheme into a banded income scheme to minimise confusion for recipients.

As the Universal credit is a “real time information” system, changes can come through monthly. Currently if a customer has a very small change in their Universal Credit, i.e., £1 difference this would require a new calculation and therefore create a new Council Tax Bill. The following month the Universal Credit could decrease by £1, and this would again require a new calculation and new bill.

This is hugely confusing for customers and causes undue burden on the Local Authority. A banding system would help with this as only significant income changes would require a change and a new bill to be issued which would greatly help both customer and administrator.

- Only assess the incomes of the customer and partner and ignore the incomes of any other non-dependants in the household.

This is a big problem area for many customers trying to obtain income details and prevents them from receiving the reduction they are entitled to.

- Introduce a discretionary scheme similar to the Discretionary Housing payment scheme to help those facing exceptional circumstances.

This scheme could also help customers who are facing a “one off” crisis, i.e., a customer has become unemployed for the first time and whilst their partner works their finances have reduced by 1 income. The discretionary scheme would enable help to be given to this household if they wouldn't normally qualify for a full CTR.

- Increase the standard backdate from 3 to 6 or 12 months.

The aim of the scheme is to provide support to people who need it and the means test ensures that it is not paid to people who are not entitled. This increased time period would ensure that further support can be paid in cases

where a person was previously unaware of their entitlement to the scheme or had to overcome some form of stigma in applying.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme, to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes to assist with consistency and customers understanding of the scheme it is important that that we have a national scheme.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under leg

In principle yes.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

No answer given.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No answer given.

Question 18: Any Further Comments

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

No answer given.

Carmarthenshire County Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

We agree but recognise that this is a significant exercise to carry out.

To achieve this, it has to be acknowledged that there will be a significant workload and administrative burden. Perception that this may be considered to be a 'revenue raising' exercise, therefore, messaging around this needs to be managed carefully.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

It would spread the charges out further if more bands were included, however care should be taken to allow reasonable spread of value within each banding.

Authorities generally have a greater proportion of properties within the bands A to D - To tackle poverty – the lower end of the Bands needs to potentially be addressed

Band D at today's value does reflect the average house price in the County – this seems to be set therefore at the right level, at the median

A better spread of property values is linked to affordability. There is a need to keep it simple though, and not to bring too many bandings in, therefore don't think that anything >12 should be considered.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Transition period definitely needs to be put in place. A five-year transition period would seem reasonable. This would allow the accommodating of affordability.

Limit the number of band movements – support the previous approach where a household should not move more than one band any one year.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area because of council tax reforms?

Yes. Longstanding feature of the grant distribution system is that there should be an equalisation of the CTax base linked with the RSG. This allows for equality across Wales and doesn't detrimentally affect the funding of any LA in any one year.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes, every 5 years would seem reasonable, however this will come with an administrative costs, which needs to be evaluated against the advantage / gain of more regular revaluations.

Revaluations would assist with categorising property enhancements / changes, in a more timely manner.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

This is an important feature to be included to take account of enhancements of properties, however if 5 yearly revaluations take place this will accommodate any changes in enhanced / improvements and eliminate the flaw in the current system.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

The current system of valuation appeals sits with VO – this works well.

Current Appeals process and debt management process works well.

We feel that current appeals process works effectively and see no reason for significant change.

With the implementation of revaluations though— consideration should be given to the quantity of the potential appeals when the first revaluation is put in place and the resulting impact on workload, there will be a capacity issue.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

There are areas for improvement for improved data sharing with for example Land registry – properties sold, i.e., when there is an actual change in ownership. Currently we only are made aware when the owner informs us. Data sharing will assist in keeping the council tax database up to date.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions, or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

These need to be reviewed to make sure they are fit for purpose and tie in with the society we are currently living in today. Current discounts were established in 1993, so do they reflect society today?

Discount covers most the areas that you would expect, but an exercise to check that they reflect today's society is required, e.g. Do we provide sufficient support to get empty properties back to usage through the council tax system?

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Setting rules locally does cause an element of disparity between LAs and generally it would be more appropriate to be set nationally on all Wales basis by WG.

However, there are local policies and strategies that address local needs that we need to be mindful of. Some local discretions are therefore appropriate.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

DBR allows anyone classed as disabled to benefit from a one band reduction if certain criteria are met – however can be difficult to police it, wheelchair use and adaptations.

It would be useful if the Working group could assess whether the band reduction is a fair recompense for the individuals. The fairness of the current process should be considered, as some do not get any support through the exemption process.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace ‘severely mentally impaired’?

This needs to be consistently approached and accepted terminology nationally used. Common sense approach.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

We certainly agree that means testing should continue. This is a fair and robust process, and the criteria is clear, universal credit recipients go through a robust means testing process and provides an up-to-date picture, this currently works well.

Concerns with the scheme on how we deal with those not in receipt of UC but are considered to be ‘in work poverty’. Those working > 18 hours but still on low salaries seem to be unsupported, even though they have made a positive effort to seek and obtain work.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes. Recent events such as the pandemic has shown us that the regulations are unable to adapt to unique and significant changes that occur throughout the year.

CTRS has to be delivered it's not an option to, why the need for annual adoption, currently the regulations are laid and approved and then the local authority is required to adopt that scheme by 31st January each year.

National scheme would allow more flexibility to react to changes more effectively and efficiently.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Where there is clear commonality in how the local arrangements are treated it would make sense that they formed as part of the core scheme.

Its key that Local Authorities retain discretionary power under S.13a to enable them to provide additional support where considered required.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

Unclear how these policies could influence or otherwise the Welsh language, other than the number of second homes / holiday homes?

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

Unclear how these policies could influence or otherwise the Welsh language, other than the number of second homes / holiday homes?

Question 18: Any Further Comments

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

A review of CTRS funding is needed given that the current funding falls short of the actual benefits paid out. Moving forward the WG allocation needs to meet the actual cost of the scheme.

Consideration for an alternative to committal as a course of action to debt recovery. Additional burden placed on CTax payers for the write offs that have to be borne.

Data sharing – as noted above, between the Wales Revenue Authority / LA's/HMRC / Land registry / VO would be beneficial.

Joint working on specific initiatives during covid and cost of living crisis proved beneficial to WG and LAs – this needs to be built on and not lost.

Ceredigion County Council

Question 1: 2025 Revaluation

The Council tax bands are currently based on property values from 1 April 2003, almost twenty years ago.

Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes - In broad principal we agree that Council tax should be revalued and reformed, as the current system is now out of date. However, there are nevertheless some fundamental concerns on the potential re-distributional affects that could disproportionately affect individuals and households in Ceredigion.

There have been multiple previous attempts across the UK to adopt new, alternative or reformed approaches to Council Tax, so translating the aspirational goal into workable practical implementation will no doubt be challenging and will also require resources within already stretched Revenues & Benefits teams. Any change needs to fully recognise the cost to Local Authorities of implementing the required changes.

There is also the risk that this is seen as a revenue raising route, so careful attention needs to be placed on 'winners' and 'losers' under any new system. With the Cost-of-Living crisis it's important to remember what the current priorities and focus is for a large number of Households.

House prices having accelerated in recent times, quite significantly in certain Welsh counties, including in Ceredigion. The current economic background and future outlook is likely to mean house prices may well be at and have reached a high point, with strong downsize risks due to interest rates and a potential recession. There is therefore a strong risk that Valuation work done in the next few months will be at a peak and could disadvantage those counties that have experienced a greater increase in recent times.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Partly. The current banded structure of 9 Bands is broadly speaking well understood due to the length of time it has been in operation. An option to move away from 'ninths' and to simple fixed percentages for each Band may though have some merits.

Ceredigion is the only Council to have the majority of its dwellings (c25%) in Band E, which contrasts with the All-Wales position where the majority of dwellings are in

Band C and 3 Local Authorities who have the majority in Band A (RCT, Merthyr & Blaenau Gwent). Ceredigion also has much lower-than-average levels of weekly Household income. There is therefore potentially a strong risk of a disproportionate and adverse financial impact on individual households in Ceredigion and Ceredigion County Council itself. Ceredigion is a very rural county with population demographics weighted towards the higher end of the age spectrum, therefore it is essential that any proposals do not exacerbate the challenges stemming from these factors.

There is some logic to the extending the number of Bands at the upper end of the spectrum for example Bands G to I where the number of dwellings (and therefore households) affected is less significant, accepting that property values do not necessarily correlate to household income and the ability to pay nor the level of use of services. Consideration will also need to be given on what the defacto standard Council Tax comparison is determined as, as the Band D equivalent principle would need to change, so formal taxbase calculations and Band D comparisons would change and the knock-on implications of technical Budget and Council Tax setting calculations.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms.

What factors should we take into account when designing these arrangements?

Yes, transitional arrangements would be needed. This could be done through a form of tapering relief e.g., a maximum increase in any 1 year (either a percentage and/or a fixed value), or the number of Bands a dwelling could change by from 1 year to the next. An alternative would be an adequate amount of lead in time / notice period prior to the implementation to allow Households to understand the detailed implications of their own personal changes in advance and take any action they saw fit – however this would probably need at least 1 year's notice.

Any transitional arrangements would need to be administratively simple from a number of fronts – systems, manpower resource, standard national scheme and communication to the public. Transitional relief has been a feature in previous NNDR revaluations.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area because of council tax reforms?

Yes. It is a long-standing feature of the RSG system that grant distribution should equalise for the local resource base (as well as need). It would not be right for individual Councils to see financial gains out of a Council Tax revaluation at the

expense of other Councils seeing financial losses. Until more detailed proposals are available it is not possible to even model or fully understand the potential impact at a local level, hence the logic of a Phase 2 Consultation would make sense.

The ratio of funding provided nationally versus that raised locally has shifted significantly through austerity from 80:20 to now being just above 70:30 in Ceredigion and in recent years the previously utilised principle of a funding floor has not been applied to Local Government Finance Settlements. Therefore any redistribution adjustments also need to be looked at from a wider perspective. Ceredigion is also a very rural county with low population density.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes. A 5-year revaluation would align with the 5 yearly Business Rates NNDR revaluation listings.

The methodology employed would need careful consideration as too much of a desktop approach may not give a sufficiently robust outcome. This can often be the case with houses in the same street.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially re-banded in certain circumstances, for example when the property is sold to a new owner.

The Welsh Government is seeking views on whether this policy should change in the future.

No. With 5-year revaluations, this would naturally capture changes anyway and the existing ability to re-band upon a property being sold generally does seem to work in practice.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed?

Please include any suggested improvements for either of these elements.

The current system seems to be broadly appropriate and of course if the public consider future Council Tax proposals to be fairer then that might make sanctions less likely although there will always be winners and losers with any major change.

With the removal of the sanction of imprisonment for non-payment of Council Tax, there was going to be a review of alternative options in order to deal with the 'won't pay' type of individual and in order to avoid potential increases in write-offs. This additional piece of work still merits bring to a conclusion. E.g., Under Benefit regulations there is the ability to use HMRC data to ascertain employment details to potentially lead to an Attachment of earnings. This approach was being trialled in certain Councils from a Council Tax debt perspective and it would be useful if this could be brought in nationally to provide another recovery option.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

There are opportunities for improved data sharing with both the Land Registry and Wales Revenue Service to ensure that taxbase data is up to date. An automatic notification when a property has legally sold would be a significant step forward.

See Q7 for HMRC data sharing powers in relation to employment in order to potentially lead to an Attachment of earnings.

The Valuation Office Agency also have powers to demand certain household information is provided and returned, but there isn't currently the ability for this data to be shared with Local Authorities. It would be useful if this could be enabled.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions, or premiums?

For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

The existing list has been developed over a long period of time and covering various circumstances, therefore there is no obvious need to increase the range of discounts, exemptions etc. We understand a specific Working group has been convened around this issue and it therefore merits awaiting the outcome and conclusions from that.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Welsh Government should have full flexibility to set this nationally. Setting it locally could cause too much disparity between local authorities and give rise to complaints around a perceived postcode lottery. Setting it nationally ensures fairness.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

Potentially a fixed percentage reduction could be applied, rather than simply moving down a banding. The Working Group looking at discounts etc should also input into this area. There is an element of officer time and input in terms of reviewing Disability reduction cases, therefore it might save resources if the criteria were structured differently, accepting though that any change in the criteria (e.g., linked just to certain benefits) could come at a cost if it were to widen eligibility.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption?

Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

On the final question, it's agreed a more appropriate term would be appropriate to replace 'severely mentally impaired', but this can be left to experts in their field to determine.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills.

Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Yes. This should continue to be a means tested benefit and we understand is the subject of the Working Group already mentioned. The overriding principles should be that it is simple to administer locally and be understandable to recipients of the discount.

If any change in Bandings occurs which in turn affects the cost of the Council Tax Reduction Scheme, then there needs to be a re-distributional effect alongside any wider Council Tax impact in order to level the playing field when it comes to winners & losers.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes. Recent events such as the pandemic has shown that Regulations are unable to adapt to changes that occur throughout the year.

This is due to the fact that Regulations are laid and approved and then each Council is required to adopt their CTRS scheme by 31st January each year. No changes can take effect until the following set of Regulations are laid. By WG setting and fully funding a national scheme then they could then make changes (with necessary consultation etc) and can react more effectively to any arising situation.

In Ceredigion, the funding in SSA terms assumed through the Local Government Finance Settlement (£5.1m) falls considerably short of the actual cost of the Council Tax Support Scheme locally (c£6.3m). Local taxpayers are therefore now disproportionately shouldering too much of the cost of what is in effect broadly a national scheme, since the previous changes back in 2013.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Since there is broad commonality between Local Authorities in how the current local arrangements are treated, it would make sense that they formed part of a core national scheme. Against the 3 areas of local discretion, it's understood there is very minimal deviance which only relates to Backdating > 3 months where possibly only 1 authority has opted to go back further than 3 months.

Local Authorities ultimately retain a discretionary power for exceptional hardship under Section 13a, so that could be an avenue if local support is required on a case-by-case basis.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

The Welsh language is a vitally important part and a key strength of our communities in Ceredigion. Large parts of the county are also rural. With below average levels

of household income, it is essential that the proposed Council Tax reform does not create affordability issues within our communities.

Many households are already struggling with the Cost-of-Living crisis, which is now being exacerbated further by the substantial increase in interest rates. Our Households cannot afford to have the risk of higher levels of Council Tax as a further adverse factor which could fundamentally risk undermining the fabric of our Welsh speaking communities. It is therefore essential that Transitional relief and appropriate equalisation / redistribution of Revenue Support Grant is put in place to protect and take account of any potential adverse outcomes.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

It is essential that our Welsh speaking population and in particular our younger population have the right opportunities to stay, live, work and flourish within Ceredigion, as opposed to actively choosing to move outside of the Ceredigion. Any policies that actively help to promote these principles would be welcomed.

Question 18: Any Further Comments

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

None

Conwy County Borough Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes, agree that the current system is out of date and requires reform to rebalance the system to reflect property values. The property tax base should be based on current values to enhance the credibility of the finance system and assist local government in reinforcing the importance of the collection of this tax to support essential services. The need for revaluation was recommended in the Lyons Review in 2007 and by the Institute for Fiscal Studies in their report 'Revaluation and Reform: Bringing Council Tax in England in to the 21st Century' in March 2020.

The rationale for the revaluation needs to be carefully communicated to the public so it is not seen to financially disadvantage local communities. Council Tax is an efficient property-based tax and local authorities in Wales excel in achieving exceptionally high collection rates. It is also a stable tax, with low levels of fraud. However, with the highly visible nature of the tax, the system needs to be deemed fair and equitable.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

The current banding system is out of date and highly regressive in respect of property values. New bands could be added to the top and bottom ends of the scale, with new tax rates, in order to distribute properties more effectively. The proportional relativities between bands could be made clearer for customers to understand.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

In the last revaluation there were transitional arrangements to limit the increase in bands in any one year for households impacted upon. Any future transitional arrangements should be straightforward for local authorities to administer and easy

for residents to understand. Clear guidance should be in place for any issues that could arise regarding ongoing appeals.

Transition would introduce a potentially significant cost; therefore this should be funded outside of the system.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area because of council tax reforms?

Yes, agree. It has always been the case that the Revenue Support Grant (RSG) is adjusted to take into account relative increases/decreases in the council tax base of each local authority in Wales. Undoubtedly the relative changes following a revaluation would be more significant, but it would be fair to continue to adjust the RSG in this way, otherwise a reduced tax base following the revaluation exercise would result in reduced funding.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

A system based on continual valuations would ensure a more progressive system, however due to legislative constraints and the burden of administration on local authorities, a revaluation every 5 years may be more appropriate. Revaluing more frequently will ensure tax burden is fairly distributed on a regular basis.

The additional administration work for a revaluation for local authorities and the Valuation Office Agency is a consideration, in light of consistently high workloads.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Currently property owners who have enhanced their property do not feel the impact of the material increase, the new owners do when the property is sold. Regular revaluations would reduce the need for these provisions and any changes could come into effect from the date of the next revaluation.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

A revaluation will result in appeals, however the appeal system currently in place is appropriate to manage the process. Providing that the detail regarding the revaluation and the circumstances to challenge a banding is communicated clearly to customers, this should reduce any unnecessary appeals and delays.

Local authorities should have additional measures in place to recover outstanding monies. The sharing of employment details would be beneficial to enable local authorities to make informed decisions about the most effective method of recovery.

The removal of committal as a sanction for non-payment will ultimately impact upon the high collection rates achieved by authorities and the level of debt written off.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

Information could be made more accessible to the public by creating a transparent, data-driven service, in line with GDPR protocols. Data sharing could be enhanced between organisations such as the Welsh Revenue Authority, Land Registry and HMRC to ensure the accuracy of the property tax base. Authorities would be able to issue demand notices and apply council tax premiums promptly if data is shared on property sales and second home purchases.

If the legislation is clear and simple for customers and local authorities, there may be a reduction in the number of appeals. Regular updates from the Valuation Office Agency to customers regarding their outstanding appeals would be helpful too.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions, or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Current discounts, disregards and exemptions have been in place for a long period and provide for reductions where appropriate. However, improving the framework for these reductions will assist in ensuring arrangements are aligned with WG objectives.

A maximum time period of a Class F exemption for deceased owners would assist in bringing properties back into use. Currently there is no time limit for the executors of an estate to apply for probate.

With regard to charging premiums, the issue of determining sole or main residence can lead to increased appeals and further workloads for authorities.

Practitioners across Wales welcome the opportunity to work with Welsh Government to review any potential changes.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Setting the discounts nationally ensures fairness and consistency across Wales – it also avoids a perceived postcode lottery for households.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

Reductions for adapted properties for use by people living with a disability should be reviewed. Current eligibility is based on households having an additional room for medical requirements and property adaptations to accommodate requirements. Some households in smaller properties where it has not been possible to make adaptations/or have additional rooms may not qualify as the eligibility criteria is not met. However, where a dedicated 'wet room' is in place (which may add value to a property), the household may benefit from a discount.

Certain adaptations which would not be applicable under the current eligibility criteria could be considered, resulting in a discount and enabling residents to remain in their own homes for longer.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

Titles and descriptions of discounts, disregarded persons or exemptions could be updated or simplified where appropriate at the discretion of WG. 'Severely mentally impaired' (SMI) could be replaced with a disability discount for people with health

conditions or impairments. Perhaps guidance should be sought from a professional body in relation to replacing the term 'SMI'.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

The current means tested system is effective but could be improved. When customers face a small change in income this could change the level of Council Tax Reduction they are entitled to, which means a new notification letter and adjusted Council Tax account have to be sent and the level of Council Tax instalments changed.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes, agree. Currently local authorities are required to adopt the scheme by 31st January each year following the regulations being laid, with no further changes to be implemented until the following year. Flexibility to amend the national scheme mid-year would be advantageous. Due to the excellent working relationship and communication between WG and local authorities in Wales, any amendments can be implemented swiftly.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

A new national scheme would provide consistency across Wales with no local arrangements. Section 13 LGFA 1992 provides for discretion for local authorities to reduce liability where they consider appropriate.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

A fairer, more equitable Council Tax system may encourage people to stay in Wales and therefore use/learn the Welsh language.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

The proposed policies should be formulated in conjunction with the Welsh Language Act, the Measure and by working closely with local authorities in Wales to raise awareness of the new policies by promoting communications bilingually to those directly impacted upon.

Question 18: Any Further Comments

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

N/A

Denbighshire County Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

If WG are going to continue to base Council Tax bands on property values, then agree there should be a revaluation to match current property market values.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes, to help ease the burden of higher Council tax charge on much smaller properties, and to ensure much larger properties do not just fall into the one higher band.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

If the re-valuation is using fair and new progressive rates no transitional arrangements should be required, if the effect is not drastic, especially if this will be a rolling 5-year process. That would mean transitional arrangement, for example, a 12-month period at a 5 yearly cycle – cost of administration.

Consideration should be given to a notice period rather than transitional arrangements. Allow the taxpayers to make empowered decisions around decisions such as purchasing a property etc.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

If the point of this is to make sure that Council Tax is fairer for all across Wales, then all authorities should charge the same amount for each band and the Revenue Support Grant should be used to support the Local areas to make up the difference.

It could be said there shouldn't be a change to RSG needed if it is a more progressive way of charging Council Tax.

Many properties will go up in revaluation that have had extensions that would otherwise have been protected.

There needs to be stability within the tax base.

Within a LA, some precepts may be impacted which could result in town councils increasing their precept to compensate which could have the opposite effect of what the changes intend.

RSG doesn't cover all the current cost of CTRS. Funding for this has been frozen since it was transferred into RSG a number of years ago and does not reflect the true cost of this. If the CTRS was to be expanded, this could be at a considerable cost to LA's if the funding mechanism is not reviewed and therefore it would be welcome if this was reflected in the settlement received by Councils.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

It would be fairer to have a revaluation more regularly. It is felt that 5 years is adequate and anything more frequent would add uncertainty to taxpayers as well as LA's in terms of the tax base.

Who will carry out this task every 5 years? VOA currently struggle to maintain current workload.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Protection around disabled adaptations, such as additional bedroom/bathroom due to disability covered under a disabled reduction.

How will this be monitored if building regs required but not planning permission? Currently no mechanism to monitor these if a private company is commissioned rather than the LA.

If revaluation every 5 years is this required?

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

Ability to do attachments without obtaining a Liability Order- similar to Housing Benefit Over Payment and avoid people incurring further costs. Collecting Council Tax arrears is not an easy process for revenue teams and with the removal of committal it is even harder particularly around self-employed persons. Council Tax should be able to have HMRC /DWP data as legislation to collect Council Tax and put attachments in place without a LO once they have defaulted at a Final Notice stage.

Ability to do deductions on benefit tops up. For example, a person with a net income of £1,200pm would have percentage taken from their wages but a person with £1,200p/m income from work & WTC top ups etc. would receive less of a deduction from their pay which comparative to working people.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

A portal that links LAs to VOA in a more progressive way such as uploads and progression on cases. Allow us to upload photos to determine bandings or new properties.

Allow more of a digital delivery of Council Tax. An all-Wales portal that all LA's use.

Standardised applications.

Increased powers to determine liability such as property inspectors having the same rights as VOA.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Discounts and exemptions are complicated for customers and administratively burdensome.

More should be done through income rather than personal/household circumstances.

Class F – impose a time restraint. For example, for a period of up to 6 months after probate granted, or a maximum of 2 years if the estate is not completed/ probate not granted. This would eliminate long term deceased accounts remaining on Class F exemption.

Reduce empty homes.

Class E Exemption – 12-month time limit to reduce long term empty homes, reduce admin costs.

The legislation also should be clearer for the public to understand as a lot of appeals etc. are raised through lack of understanding as things can be over complicated to the public.

What are exemptions and discounts for? Are they to support people in certain circumstances or are they to help with presumed lower income? We need to cater them to suit their objective.

Could the discounts/exemptions be significantly reduced, especially where occupied but not means tested but more around circumstances i.e., SMI.

Could there be a scheme available similar to DHP where Council Tax wasn't reduced but funding provided for discretionary cases.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory 'single adult' and 'empty property' discounts?

Single Person Discount – is the biggest part of fraud. Even with the NFI and other exercises people avoid this. If it was income related and not person related this would stop this fraud as proof of income would be needed through CTR etc. can be more provable and I think would be a deterrent to fraud.

SPD should this be more means tested? Single person in a band H property do they really need a reduction? Could this help with the issue around housing? Similar theme to the bedroom tax for HA/LH tenants.

There should not be discounts for empty properties. Exceptional circumstances could be looked at through a s.13a where a budget could be set aside for this. Where Financial Hardship would be explored.

Class C reduced to 1 month.

A transitional period would be helpful for these. Class F- a max 12 months only.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

The three features required, to be eligible for this reduction, do not change the value of a property. Perhaps have protection whereby if the property value was increased it was protected from a band increase.

The 'room predominantly used by the disabled person' - is a grey area and too vague.

Could this be through CTR based on ability to pay? Could a disability grant be a better option to support a person with a disability or a disability allowance to help with property adaptations and increased essential costs? Again, it depends on what the purpose of the reduction is for?

Another reduction where it is not clear what the objective is, not means tested but many disabled don't qualify as criteria very narrow and complex.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

SMI rename suggestion – Mental Health Disability Disregard

All titles and descriptions could be modernised and made clearer for the public. SMI – can be offensive.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

All authorities in Wales should be consistent in administering CTR. It should be means tested but also if you set the Council Tax bands so they are fair and manageable for all they would be less need for people to claim CTR.

Have a de minimis amount before CTR is reassessed. Monthly bills currently issued due to ever fluctuating UC.

Can it be clear that LAs don't have to have an application to apply CTRS.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme, to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

If you want the whole of Wales to be consistent with their approach.

Removes the 'postcode lottery' of benefit entitlement and follows the 'fairer' ethos.

There may be an increased confusion by taxpayers between what are local or national decisions, but the consistency argument probably outweighs these issues.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

The ensure Council Tax policy encourages people to remain in their local communities should they wish i.e., increase affordable housing and removing the areas that become empty out of season, communities will be more sustainable which will increase the use of the Welsh language.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No answer given.

Question 18: Any Further Comments

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

Council Tax is a vital income for LAs to ensure communities are sustained and for many services such as Police and Fire Authorities to be funded. Though this tax is based on assumptions and often raised through very little evidence. For example, a customer calls says they have left a property and someone else is made liable. There is no evidence and often no way of verifying this.

More powers need to be made available to allow the tax to be raised accurately and collected efficiently.

Flintshire County Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes

Yes, we support the proposition of a national revaluation in 2025. The property market has changed so much since 2003 and it is difficult for residents to align their property bands based on a system of valuation thresholds that are not a reflection of modern-day house prices.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes

We also fully support the creation of new properties bands and the bottom and top of the scales to make the Council Tax more progressive. We also believe the banding ratios from 'A to I' should also be brought into the scope of this reform to ensure the taxable capacity is more distributed fairly between the bands.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

We believe a transitional relief scheme is an important feature when implementing any national revaluation to limit the short-term impact of any changes in bills – and over a three-year period as a minimum. We also believe the transitional relief scheme needs to be a universal scheme, and one that is easily understood by residents and is fairly easy for councils to administer.

If additional bands are introduced to make the Council Tax more progressive, any transitional relief scheme will need to operate not only based on the banding changes but also on the financial impact on the changes in the bands. As a minimum, we would suggest any transitional scheme should factor in an impact threshold of £200 to ensure any annual increases above £200 in the Council Tax

payable (excluding the annual inflationary rise) also contains the necessary protections to phase in the Council Tax increases over a three-year period.

A Transitional Relief scheme similar to the one that existed for the three-year period from 1 April 2005 would be a welcome step – this was set out in The Council Tax (Transitional Arrangements) (Wales) Regulations 2004.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

The Council understands the principle that changes in the Tax Base would result in the need to redistribute RSG based on the overall effects of the national revaluation.

However, as a local authority that has a higher proportion of properties in the middle to upper property bands, compared to the Welsh average, we believe changes in the Tax Base should not have a significant negative impact in future RSG settlements we receive as a result of Flintshire being a relatively prosperous area but with levels of deprivation in many parts of the County.

We believe a review of the overall funding formula to distribute RSG is increasingly necessary, especially if, as a direct result of the national revaluation, there is a risk of the Council receiving a smaller proportion of RSG per head of population.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

We fully support proposals to ensure Council Tax revaluations are scheduled on a more frequent basis, noting the last one was undertaken in Wales nearly 19 years ago. We believe a national revaluation every 5 years is too frequent, and too costly, and would not result in major changes in the banding of properties, especially if domestic properties are re-banded at the point when structural changes or home improvements are completed.

We think a national revaluation every 10 years would be more appropriate and would still deliver on WG aims to ensure the Council Tax system remains up-to-date and fair.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Yes, we strongly support a review of this area. We think properties that have undergone alterations should be reviewed at the relevant time based on the completion date of the alterations, rather than waiting for a sale to take place or for the next revaluation to take account of the change to the structure of the property.

We also believe this will add to the fairness of Council Tax system as it is not unreasonable for taxpayers to be subject to a banding review if their properties are enhanced as any property-based tax system should keep abreast with changes in property values.

The current delayed system of re-bandings often has a detrimental and disproportionate impact on new owners who purchase properties based on a published Council Tax banding to then face an increased, and unexpected, Council Tax a few months after purchasing a property that may have been extended previously but not revalued. The current arrangements undermine fairness and transparency in the system.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

We think the appeals system is fair, transparent and independent and provides taxpayers with the ability to challenge decisions around property banding, as well as local authority decisions on liability discounts and exemption determinations.

The role of the Valuation Tribunal for Wales is critical to providing an independent review of VOA and local authority decisions.

To enhance the appeals system, we would recommend changes to the timescales for appealing to the Valuation Tribunal for Wales by allowing taxpayers to submit an appeal within 3 months of the billing authority's decision/response (instead of the existing 2 months' timeframe). This will provide taxpayers with greater flexibility to consider an appeal within 90 of a decision being taken by the local authority.

We also believe our approach to the recovery of Council Tax is fair and proportionate and we work closely with taxpayers who struggle to pay. In doing so we always make payment agreements with taxpayers and maximise the take-up of CTRS as well as discount and exemption schemes.

The ability to pay is an increasing issue for many households and reform of the banding structure should help to address the imbalances within the existing system.

Council Tax forms a vital part of the Councils income and our success over a number of years in maximising collections and being one of the top collectors of Council Tax is testament to the way in which we constantly engage with residents, providing practical help and support at every opportunity.

Although the overriding majority of households are committed to paying Council Tax, there are a very small number of residents who have the ability to pay but who sadly refuse to pay or engage with the Council. Although the loss of committal action is accepted, we believe there needs to be a wider review of the debt recovery remedies open to local authorities, including accessibility to HMRC data to maximise the use of attachment of earnings where a local authority has secured a Liability Order.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

We believe there are greater opportunities for data sharing between the Valuation Office and local authorities, especially in relation to the banding of properties.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

We welcome proposals to review the system for discounts, disregards, exemptions and premiums as part of a phase 2 consultation.

Some of the schemes are in need of improvement and a review of the eligibility criteria would be worthwhile. The discounts and disregards are very much designed to fit the demographics of the early 1990`s and require a refresh and possible simplification to make them fit for purpose. For example, there are several discounts for young people – Child Benefit, School Leaver, Student, Apprentice, but people now reaching 18 tend to stay in education so these schemes could be simplified.

Also there needs to be consistency in exemptions. E.g., 40 years ago, Apprentices were typically 16–18-year-olds whereas now they are much older and may have their own home, yet they only receive a disregard and not an exemption like students.

We would also consider amending the “in receipt of or entitled to” element to just “in receipt of” for relevant disregards, this will ensure easier verification and correct application.

The away “receiving care” and “resident in care home” require some consistency. The first requires no permanency, but the second does but the circumstances are usually the same.

The carers discount scheme is difficult to assess, especially when the person providing care provides intensive care but may also work full time, meaning they are typically ineligible for a Council Tax discount.

Council Tax discounts for long term hospital patients are very difficult for taxpayers to understand and many health board will not complete the application form as it is difficult to assess whether the patient is considered to be in need of long term care.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

We support the proposals for Welsh Government to have greater autonomy to amend and improve existing discount schemes, as well as adding new discount schemes. We also believe local authorities should be provided with powers to set local rates for discounts.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

We believe this reduction scheme needs to be reviewed. The scheme was originally designed over 30 years ago and does not reflect modern day living needs for residents who are disabled and whose properties need to meet the needs of a disabled resident.

Modern day housing has, for many years, been constructed with accessibility in mind and most properties are reasonably accessible or have downstairs cloakrooms, without the need for adaptations. Also, as an increasing number of properties have two or more bathrooms it becomes difficult to determine if the second bathroom is for the disabled person or not or would have been there anyway.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

We support proposals to review the titles and descriptions of certain discount schemes to reflect modern day language and which reduces barriers and encourages take-up.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

The CTRS system should continue as a means-tested scheme based on the existing framework of assessing income against needs.

The scheme generally works well but possible improvements include streamlining the process to make it easier for residents to claim CTRS, especially as part of the Universal Credit application process. It would improve CTRS take-up if a single application form to claim UC and CTRS could be established, similar to what used to happen with income support/JSA claimants.

We believe residents often get into arrears with their Council Tax when they should be entitled to CTRS. Some residents believe that an entitlement to UC provides an automatic (and passported) entitlement and award to CTRS.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes

No further comment.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes

No further comment.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

No comment to make.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No comment to make.

Question 18: Any Further Comments

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

No comment to make.

Isle of Anglesey County Council (English Translated Response)

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes

In principle, the Council agrees with the proposal and believes that updating property values and having more tax bands would distribute the tax burden more fairly. However, there must be sufficient resources to undertake this work to ensure that it is completed on time and consistently across Wales and to ensure that it does not impair the ability of the Valuation Office Agency to complete the work it currently undertakes, in particular the task of verifying self-catering properties registered for Non-Domestic Rates.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Again, the Council agrees with the proposal in principle, but a great deal of modelling will be required to ensure that the proposal has the desired effect, which is to be cost-neutral in terms of the revenue collected following the change. There will need to be enough tax bands to reflect the different property values in Wales, but it will be necessary to ensure that the bands are not too broad so that the people at the bottom of the band are not disproportionately penalised because they are slightly over the lowest point of the band.

People who live in large properties but have very low annual incomes must also be considered. Invariably, these are pensioners who may have lived in a large house all their working lives and do not wish to leave the property even though their annual income has fallen in retirement. There will need to be some way of protecting these people through the Council Tax Reduction Scheme.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

The Council believes that transitional arrangements will be necessary to give taxpayers who will be affected by the change, i.e. those facing a significant increase in council tax, an opportunity to consider how to deal with the increase, e.g. sale of the property. However, any transitional arrangements must be transitional and should not be in effect for too long. Consideration should therefore be given to how long the arrangements should be in place and how to identify which taxpayers would benefit from the arrangements, something the Council should be able to decide quickly and easily, without having to assess applications.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes

Yes, we believe that this principle should be retained in terms of how councils in Wales are funded, so that Councils with a high number of lower band properties are not penalised financially because of it.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes

Although this would be the ideal arrangement to ensure that the tax is still fair, cost and other considerations might prevent that, i.e. evaluation work, explaining the change to taxpayers, dealing with appeals and transitional arrangements every 5 years.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Yes

At first glance, this change in policy seems fair, however if an owner invests money to improve their property, they will not benefit from that investment until the property is sold and the investment does not increase the owner's income or ability to pay more tax. More frequent re-evaluation allows this to be addressed and suitable transitional arrangements would allow for a gradual increase in the level of Council Tax, rather than a large increase once the work is complete.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

There is a misconception among taxpayers that the bands are dictated by the Council and appeals are referred to us in the first place rather than the Valuation Office Agency. However, taxpayers' appeal rights are clear and appropriate.

What exactly does "how council tax debt is managed" mean? If it refers to the Council's ability to recover debts, then removing powers of commitment has weakened the Council's ability to manage its debts and recover payments from taxpayers who are able to pay but choose not to after appropriate steps have been taken to try to recover the money.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

The Council Tax system is quite simple to understand and easy to implement and overall the tax is fairly easy to collect. It is easy for taxpayers to understand how the cost is calculated, therefore the process is transparent.

Councils have modernised the service over the last 5 years, and taxpayers can use online systems to manage their council tax accounts. Sharing data between different organisations could be modernised so that records are updated and the tax base is more accurate.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

The majority of discounts, exemptions and disregarded persons have increased over time to reflect the change in circumstances and priorities. In light of the proposed changes to Council Tax, these should be reviewed, once the changes are agreed, to ensure that they are still fit-for-purpose.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Since powers relating to council tax in Wales have been delegated to the Welsh Government, it is clear that the Welsh Government should have more flexibility to determine the rules to reflect circumstances in Wales. In order to ensure fairness in terms of the tax, the Welsh Government should determine the rules relating to core elements of council tax, rather than individual Councils.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

The reduction in band for eligible taxpayers is easy enough to understand and administer but it could be argued that it does not operate fairly since not everyone who needs help receives it.

The Council Tax Reduction Scheme is there to help lower-income taxpayers and perhaps it would be fairer to use this scheme to provide support rather than lower the property band for eligible taxpayers.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

The Welsh Government should have the power to be able to amend titles etc. Some descriptions are subjective, and more guidance is needed to support them e.g. substantially unfurnished.

Severely Mentally Impaired is not an appropriate term and perhaps more appropriate terminology should be considered while also reflecting the fact that the impairment is permanent.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

We agree that it is necessary to continue to provide support through a means-tested benefit, and overall the current system works well, although perhaps the way in which financial support is determined needs to be simpler for customers to understand.

Universal Credit has changed the wider benefits process and the scheme needs updating to account for the way in which universal credit operates in order to avoid duplication in the claims process and to avoid regular reassessment of applications when there is a change in the universal credit received by the individual.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes

Yes, having a national scheme alongside the national system for council tax would ensure a fairer way of providing support through the scheme.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

No

Any local arrangements should be dealt with through Section 13a.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

The current system which allows Councils to charge a premium on second homes provides Councils with an additional tool for protecting Welsh-speaking communities from an influx of English speakers and most Welsh-speaking communities welcome this, but English speakers do not, being of the opinion that the premium is unfair and punishes people with long links to a community and who have invested a great deal in the local economy.

However, a premium is charged on all substantially furnished properties which are only used occasionally, and therefore it must be paid by everyone, regardless of their language or main place of residence, even people from Welsh-speaking communities whom the premium is supposed to protect.

The ability to charge a premium derives from the Housing (Wales) Act 2014 and as such is seen as a tool to help with local housing issues rather than a tool to address issues relating to fair treatment for the Welsh language.

The proposals will result in higher tax on larger properties, but this will make them less affordable for local residents even if they can afford to buy them. In view of income levels on Anglesey, it seems that only people with a higher income who wish to move to live on Anglesey, either permanently or by buying a second home, will be able to afford it. This could have a detrimental effect on the Welsh language and its use.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

In order to ensure positive effects or increased positive effects on opportunities for people to use the Welsh language, Welsh-speaking communities must be protected, or else English will become the main language in these communities and the number of Welsh speakers will decrease along with opportunities for people to use the Welsh language.

In order for the policy to have a positive effect, it will be necessary to ensure a tax advantage for residents in Welsh-speaking communities so that they can afford to live in those communities, or financial penalties will have to be high enough to prevent non-Welsh speakers from moving to Welsh-speaking communities. It is difficult to see how the overall scheme, which is a property-based tax system, could be designed to ensure positive effects. The premium partially achieves this, but as explained above, it does not ensure a targeted approach and has other implications e.g. on the local economy, tourism etc., which have a negative impact on the communities the premium is supposed to protect.

Question 18: Any Further Comments

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

Loss of Powers of Commitment

The loss of powers of commitment without being replaced by any appropriate powers has limited the Council's ability to recover debts in certain circumstances after it has taken all possible appropriate steps. The Council used these powers on rare occasions when it believed that the debtor had the means to pay the debt but chose not to. These powers were not used if a debtor was vulnerable or if it was clear that they did not have the means to pay the debt. Another means of punishing debtors is needed since the proposed changes will increase the tax for people with properties in higher bands, namely people who are usually able to pay but choose not to.

Financing the Council Tax Reduction Scheme

The amount set aside for this in the Standard Spending Assessment for each Council has remained more or less the same since the cost of the scheme was included in the local government settlement in Wales. Since there has been no increase in the Assessment, Council taxpayers must bear the scheme's additional costs as the caseload changes and as Council Tax increases. Although local

taxpayers should have to bear some elements of the cost, the Scheme is a state grant and as such should be funded by the state. There is a current need to look at the way in which the Scheme is financed.

Self-catering Accommodation

Self-catering properties transferring from Council Tax to Non-domestic Rates is an increasing problem which has reduced the Tax Base for many Councils. We welcome the changes announced recently by the Welsh Government, but in order for them to have the desired effect of ensuring that only genuine self-catering businesses are registered for non-domestic rates, the Valuation Office Agency must have sufficient resources to ensure that properties that do not or no longer meet the new criteria are transferred back to the Council Tax register.

Isle of Anglesey County Council (Original Response)

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes

Mewn egwyddor mae'r Cyngor yn cytuno â'r cynnig ac mae o'r farn y byddai diweddarau gwerthoedd eiddo a chael mwy o fandiau treth yn dosbarthu'r baich treth yn decach. Fodd bynnag, mae'n rhaid cael digon o adnoddau i ymgymryd â'r gwaith hwn er mwyn sicrhau ei fod yn cael ei gwblhau ar amser ac yn gyson ledled Cymru ac er mwyn sicrhau nad yw'n amharu ar allu Asiantaeth y Swyddfa Brisió i gwblhau'r gwaith y mae'n ei gyflawni ar hyn o bryd, yn benodol y dasg o ddilysu eiddo hunan ddarpar sydd wedi cofrestrau ar gyfer Ardrethi Annomestig.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Unwaith eto mae'r Cyngor yn cytuno gyda'r cynnig mewn egwyddor ond bydd angen llawer iawn o waith modelu er mwyn sicrhau bod y cynnig yn cael yr effaith a ddymunir, sef bod yn gost-niwtral o ran y refeniw a gesglir yn dilyn y newid. Bydd angen digon o fandiau treth i adlewyrchu'r gwahanol werthoedd eiddo yng Nghymru ond bydd angen sicrhau nad yw'r bandiau'n rhy eang fel nad ydi'r bobl ar waelod y band yn cael eu cosbi'n anghymesur oherwydd eu bod dros bwynt isaf y band ryw fymryn.

Rhaid cofio hefyd am bobl sy'n byw mewn eiddo mawr ond sydd ag incwm blynyddol isel iawn. Yn ddieithriad, mae'r rhain yn bensiynwyr sydd efallai wedi byw mewn tŷ mawr ar hyd eu hoes gwaith ac sydd ddim yn dymuno gadael yr eiddo er bod eu hincwm blynyddol wedi gostwng ar ôl ymddeol. Bydd angen rhyw ffordd o amddiffyn y bobl hyn drwy Gynllun Gostyngiadau'r Dreth Gyngor.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Mae'r Cyngor o'r farn y bydd angen trefniadau trosiannol er mwyn rhoi cyfle i'r trethdalwyr a fydd yn cael eu heffeithio gan y newid h.y. rheiny fydd yn wynebu cynnydd sylweddol yn y dreth gyngor, ystyried sut i ddelio gyda'r cynnydd e.e. gwerthu'r eiddo. Fodd bynnag rhaid i unrhyw drefniadau trosiannol fod yn drosiannol ac ni ddylent fod yn weithredol am gyfnod rhy hir. Felly dylai unrhyw drefniadauystyried am ba hyd y dylai'r trefniadau fod ar waith a sut y gellir adnabod pa drethdalwyr fyddai'n elwa o'r trefniadau, rhywbeth y dylai'r Cyngor allu'i benderfynu'n gyflym a rhwydd, heb orfod asesu ceisiadau.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes

Ydym, rydym o'r farn y dylid cadw'r egwyddor hon o ran y modd y caiff cynghorau yng Nghymru eu cyllido, fel nad ydi Cynghorau â nifer uchel o eiddo bandiau is yn cael eu cosbi'n ariannol oherwydd hynny.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes

Er mai dyma fyddai'r trefniant delfrydol er mwyn sicrhau bod y dreth yn dal i fod yn deg, efallai y byddai'r gost ac ystyriaethau eraill yn atal hynny h.y. gwaith gwerthuso, egluro'r newid i drethdalwyr, delio gydag apeliadau a threfniadau trosiannol pob 5 mlynedd.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Yes

Ar yr olwg gyntaf mae'r newid hwn mewn polisi i weld yn deg, fodd bynnag os ydi perchennog yn buddsoddi arian er mwyn gwella ei eiddo, ni fydd yn elwa o'r buddsoddiad hwnnw nes bod yr eiddo'n cael ei werthu ac nid yw'r buddsoddiad yn cynyddu incwm y perchennog na'i allu i dalu mwy o dreth. Trwy ailwerthuso'n amlach gellir rhoi sylw i hyn a byddai trefniadau trosiannol addas yn caniatáu cynyddu lefel y Dreth Gyngor yn raddol, yn hytrach na chael cynnydd mawr ar ôl i'r gwaith gael ei gwblhau.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

Mae camsyniad ymysg trethdalwyr mai'r Cyngor sydd yn pennu'r bandiau a chaiff apeliadau eu cyfeirio atom ni yn y lle cyntaf yn hytrach nag Asiantaeth y Swyddfa Brisio. Fodd bynnag, mae hawliau apelio trethdalwyr yn glir ac addas.

Beth yn union mae "sut y caiff dyled treth gyngor ei reoli" yn ei olygu? Os yw'n cyfeirio at allu'r Cyngor i adennill dyledion, yna mae cael gwared ar bwerau traddodi wedi gwanhau gallu'r Cyngor i reoli ei ddyledion ac adennill taliadau gan drethdalwyr sydd yn gallu talu ond sy'n dewis peidio ar ôl i gamau priodol gael ei gymryd i geisio adennill yr arian.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

Mae system y Dreth Gyngor yn eithaf syml i'w deall a hawdd i'w gweithredu ac ar y cyfan mae'r dreth yn eithaf hawdd i'w chasglu. Mae'n hawdd i drethdalwyr ddeall sut y caiff y gost ei chyfrifo ac mae hyn yn golygu bod y broses yn dryloyw.

Mae cynghorau wedi moderneiddio'r gwasanaeth dros y 5 mlynedd diwethaf, ac mae modd i drethdalwyr ddefnyddio systemau ar-lein i reoli eu cyfrifon treth cyngor. Gellid moderneiddio'r modd y caiff data ei rannu rhwng gwahanol sefydliadau er mwyn i gofnodion gael eu diweddarau ac er mwyn i sylfaen y dreth fod yn gywirach.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Mae mwyafrif y disgowntiau, eithriadau a'r personau a ddiystyrir wedi cynyddu dros amser i adlewyrchu'r newid mewn amgylchiadau a blaenoriaethau. Yng ngoleuni'r newidiadau arfaethedig i'r Dreth Gyngor dylid adolygu'r rhain, unwaith y cytunir ar y newidiadau, er mwyn gwneud yn siŵr eu bod yn dal i fod yn addas at y diben.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Gan fod pwerau yn ymwneud â'r dreth gyngor yng Nghymru wedi'u dirprwyo i Lywodraeth Cymru, yn amlwg fe ddylai fod gan Lywodraeth Cymru fwy o hyblygrwydd i bennu'r rheolau i adlewyrchu'r amgylchiadau yng Nghymru. Er mwyn sicrhau tegwch o ran y dreth, Llywodraeth Cymru ddylai bennu'r rheolau yn ymwneud ag elfennau craidd y dreth gyngor ac nid Cynghorau unigol.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

Mae'r gostyngiad yn y band i drethdalwyr cymwys yn ddigon hawdd i'w ddeall a'i weinyddu ond gellir dadlau nad yw'n gwneud hynny mewn ffordd deg gan nad yw pawb sydd angen cymorth yn ei dderbyn.

Mae Cynllun Gostyngiadau'r Dreth Gyngor yno i helpu trethdalwyr sy'n ennill incwm is ac efallai y byddai'n decach defnyddio'r cynllun hwn i ddarparu cymorth yn hytrach na gostwng y band eiddo i drethdalwyr cymwys.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

Fe ddylai Llywodraeth Cymru gael y pŵer i allu diwygio teitlau ac ati. Mae rhai disgrifiadau'n oddrychol ac mae angen mwy o ganllawiau i'w cefnogi e.e. heb fawr o ddodrefn.

Nid yw Nam Meddyliol Difrifol yn derm addas ac efallai y dylid meddwl am derm mwy addas ond sydd hefyd yn adlewyrchu'r ffaith bod y nam yn un parhaol.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Rydym yn cytuno bod angen parhau i roi cymorth drwy fudd-dal prawf modd ac ar y cyfan mae'r system bresennol yn gweithio'n dda er bod angen i'r modd y caiff y cymorth ariannol ei bennu fod yn fwy dealladwy i'r cwsmer o bosib.

Mae'r Credyd Cymhwysol wedi newid y broses budd-daliadau ehangach ac mae angen diweddarau'r cynllun i ystyried y modd y mae'r credyd cynhwysol yn gweithredu er mwy osgoi dyblygu o ran y broses hawlio ac er mwyn osgoi ailasesu ceisiadau'n rheolaidd pan fydd newid yn y credyd cymhwysol y mae'r unigolyn yn ei dderbyn.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes

Dylai, byddai cael cynllun cenedlaethol ochr yn ochr â'r system genedlaethol ar gyfer y dreth gyngor yn sicrhau ffordd decach o ddarparu cymorth drwy'r cynllun.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

No

Dylid delio gydag unrhyw drefniadau lleol drwy Adran 13a.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

Mae'r system bresennol sy'n caniatáu i'r Cyngor godi premiwm ar ail dai yn rhoi arf ychwanegol i Gynghorau i amddiffyn cymunedau Cymraeg rhag mewnlifiad o siaradwyr Saesneg ac mae'r rhan fwyaf o gymunedau Cymraeg yn croesawu hynny ond nid y siaradwyr Saesneg, sydd o'r farn bod y premiwm yn annheg ac yn cosbi pobl â chysylltiad hir â'r gymuned ac sydd wedi buddsoddi llawer yn yr economi leol.

Fodd bynnag, codir premiwm ar bob eiddo sydd wedi'i ddodrefnu'n sylweddol ac sydd dim ond yn cael ei ddefnyddio'n achlysurol, ac felly mae'n rhaid i bawb ei dalu, waeth beth fo'u hiaith neu eu prif fan preswyllo, hyd yn oed pobl o gymunedau Cymraeg y mae'r premiwm i fod i'w gwarchod.

Mae'r gallu i godi premiwm yn deillio o Ddeddf Tai (Cymru) 2014 ac o'r herwydd mae'n cael ei weld fel arf i helpu gyda materion tai lleol yn hytrach nag arf i fynd i'r afael â materion yn ymwneud â thrin y Gymraeg yn deg.

Bydd y cynigion yn arwain at dreth uwch ar eiddo mwy ond bydd hyn yn eu gwneud yn llai fforddiadwy i drigolion lleol hyd yn oed os gallant fforddio'u prynu. O ystyried y lefelau incwm ar Ynys Môn, mae'n debyg mai dim ond pobl ar incwm uwch sy'n dymuno symud i fyw i Ynys Môn, unai'n barhaol neu i brynu ail gartref, fydd yn gallu'i fforddio. Fe all hyn gael effaith andwyol ar y Gymraeg a'r defnydd ohoni.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

Er mwyn sicrhau effeithiau cadarnhaol neu effeithiau cadarnhaol cynyddol ar gyfleoedd i bobl ddefnyddio'r Gymraeg mae'n rhaid amddiffyn cymunedau Cymraeg neu fel arall bydd y Saesneg yn dod yn brif iaith yn y cymunedau hyn a bydd nifer y siaradwyr Cymraeg yn gostwng ynghyd â chyfleoedd i bobl ddefnyddio'r Gymraeg.

Er mwyn i'r polisi gael effaith gadarnhaol bydd rhaid sicrhau mantais dreth i drigolion mewn cymunedau Cymraeg fel eu bod yn gallu fforddio i fyw yn y cymunedau hynny neu bydd rhaid i'r cosbau ariannol fod yn ddigon uchel i atal y di-Gymraeg rhag

symud i gymunedau Cymraeg. Mae'n anodd gweld sut y gellid llunio'r prif gynllun, sy'n system dreth yn seiliedig ar eiddo, er mwyn sicrhau effeithiau cadarnhaol. Mae'r premiwm yn cyflawni hyn yn rhannol ond fel yr eglurir uchod nid yw'n sicrhau dull wedi'i dargedu ac mae ganddo oblygiadau eraill e.e. ar yr economi leol, twristiaeth ac ati sy'n cael effaith negyddol ar y cymunedau y mae'r premiwm i fod i'w gwarchod.

Question 18: Any Further Comments

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

Colli Pwerau Traddodi

Mae colli pwerau traddodi heb roi unrhyw bwerau addas yn eu lle wedi cyfyngu gallu'r Cyngor i adennill dyledion dan amgylchiadau penodol ar ôl iddo gymryd yr holl gamau priodol posib. Roedd y Cyngor yn defnyddio'r pwerau hyn ar adegau prin pan roedd yn credu bod gan y dyledwr fodd o dalu'r ddyled ond ei fod yn dewis peidio gwneud hynny. Nid oedd y pwerau hyn yn cael eu defnyddio pan roedd y dyledwr yn fregus neu pan roedd yn amlwg nad oedd ganddo fodd o dalu'r ddyled. Mae angen ffordd arall o gosbi dyledwyr gan y bydd y newidiadau arfaethedig yn cynyddu'r dreth i bobl gydag eiddo mewn bandiau uwch, sef y bobl sydd fel arfer yn gallu talu ond sy'n dewis peidio.

Ariannu Cynllun Gostyngiadau'r Dreth Gyngor

Mae'r swm a neilltuwyd ar gyfer hyn yn yr Asesiad Gwariant Safonol ar gyfer pob Cyngor wedi aros yr un fath fwy neu lai ers i gost y cynllun gael ei gynnwys yn y setliad llywodraeth leol yng Nghymru. Gan nad oes unrhyw gynnydd wedi bod yn yr Asesiad, trethdalwyr y Cyngor sy'n gorfod ysgwyddo costau ychwanegol y cynllun wrth i'r llwyth achosion newid ac wrth i'r Dreth Gyngor gynyddu. Er y dylai trethdalwyr lleol orfod ysgwyddo rhai elfennau o'r gost, mae'r Cynllun yn fudd-dal gwladol ac o'r herwydd dylai gael ei ariannu gan y wladwriaeth. Mae angen edrych ar y modd y caiff y Cynllun ei ariannu ar yr adeg hon.

Llety Hunan Arlwy

Mae eiddo hunan arlwy sy'n trosglwyddo o'r Dreth Gyngor i Ardrethi Annomestig yn broblem gynyddol sydd wedi lleihau Sylfaen y Dreth i nifer o Gynghorau. Rydym yn croesawu'r newidiadau a gyhoeddwyd gan Lywodraeth Cymru'n ddiweddar ond byddant yn cael yr effaith a ddymunir, sef sicrhau mai dim ond busnesau hunan arlwyo dilys sydd wedi cofrestru ar gyfer ardrethi annomestig, dim ond os oes gan Asiantaeth y Swyddfa Brisiog ddigon o adnoddau i sicrhau bod eiddo sydd ddim neu sydd ddim bellach yn cyrraedd y meini prawf newydd yn cael eu trosglwyddo'n ôl i'r gofrestr Dreth Gyngor.

Merthyr Tydfil County Borough Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes

Merthyr Tydfil County Borough Council supports the objective of distributing the tax burden more fairly and in introducing a more progressive council tax system. In the absence of any alternative consultation option the proposal for revaluation of property values based on 1st April 2023 is supported as a way forward.

However, a 'Notice of Motion' approved by a full Council meeting on 2nd March 2022, and previously communicated to the Minister for Finance and Local Government, supports a more progressive reform of Council Tax, based on the Institute of Fiscal Studies (IFS) research included within the Welsh Government publication of February 2021, 'Reforming Local Government Finance in Wales: Summary of Findings'. This research modelled a number of possible options for improving the progressiveness of council tax. The Council in approving the 'Notice of Motion' supports the IFS Council Tax Reform option relating to a 'Continuous and Proportional System' removing the current banding structure and applying a fixed tax rate as a percentage of property values, but retaining existing discounts, premiums and exemptions.

Based on the IFS modelling, adoption of the 'Continuous and Proportional System' option for reform, would result in a 24% reduction in the tax base for Merthyr Tydfil, adversely impacting upon the Council's revenue-raising ability. To offset this negative impact however, the IFS model suggests counter changes in the distribution of the Revenue Support Grant (RSG), resulting in a process of resource equalisation.

Under the 'Continuous and Proportional System', it is projected that changes in grant funding to fully offset changes in tax bases would lead to an additional £4.6 million (4.2%) RSG for Merthyr Tydfil. In addition, it is projected that Merthyr Tydfil would experience the highest reduction in average council tax bills (circa 20%) reflecting its status as one of the Local Authorities with the lowest average property values in Wales. As a result, the average net council tax bill for Merthyr Tydfil is estimated to fall by £200 under the 'Continuous and Proportional System'. In contrast, if Council Tax reform takes the form of a 'Pure Revaluation', using updated property values to assign properties to council tax bands, the average net council tax bill for Merthyr Tydfil is projected to increase by £7.

In conclusion, the Council supports a more progressive Council Tax system, one which reflects the IFS modelled 'Continuous and Proportional System'. This would narrow gaps in property values between high-price and low-price parts of Wales,

acting to reduce geographical wealth inequality. For example, it is projected that average property values in Merthyr Tydfil would increase by circa £9,900. In addition, a projected reduction in the net council tax bill of £200 would be most welcome when Merthyr Tydfil's council tax is currently the second highest in Wales.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes

In a Pure Revaluation model these proposals are supported in ensuring a more progressive council tax system.

As noted in the response to Question 1 however, the Council supports the 'Continuous and Proportional System' option modelled by the IFS in the Welsh Government's publication of February 2021. This is considered to be the most progressive Council Tax system.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

The transitional arrangements applied in the previous revaluation could be followed whereby any council taxpayer experiencing a valuation increase of 2 bands or more be allowed to spread the increase over 2 to 3 years thus reducing the burden in years 1 and 2. This may necessitate adjustments to the Revenue Support Grant to facilitate any transitional arrangements.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes

A process of resource equalisation is supported as proposed within the IFS modelling.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes

This proposal is supported as it underpins the fairness and integrity of the Council Tax system ensuring the appropriateness of the council tax liability faced by customers.

Continuous revaluation similar to that within Business Rates would be an appropriate and positive approach to maintaining true market values of properties.

Potentially, rather than having a complete property valuation every five years, the Valuation Office Agency could after a new evaluation has taken place use current market data for house price sales to arrive at a correct market banding for the individual property / street. This new model would work in 80% to 90% of the property base within Merthyr Tydfil. The exceptions would be for purpose built / new properties that would still require individual valuations.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

No

Revaluation every five years, and potentially a lesser timeframe in the future, negates the requirement to change the current policy.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

It is considered that the current rights of appeal for taxpayers to appeal against their property banding are appropriate.

In respect of Council Tax debt whilst an appeal is being made, the current guidelines are supported as appropriate in that the council taxpayer must pay the council tax as currently billed until otherwise advised and be refunded accordingly if and when appropriate.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

With advances in technology, we are able to provide much more information to our external stakeholders such as Welsh Government and the Valuation Office Agency, resulting in more detailed publications of Local Authority comparators, leading to greater transparency.

Data sharing between organisations, for example local authorities and the Valuation Office Agency, could be improved in supporting effective two way transfer of information. Data sharing with HMRC for employment details also needs further development.

The covid pandemic has resulted in more transparent and effective communication between Welsh Government Officers, and Revenues and Benefit Managers across Wales in implementing complex new initiatives and demonstrating more joined up working, benefitting the Welsh taxpayer.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Within the Council area there are circa 10,000 single household properties, that is a third of all properties. The administrative burden includes:

- Inviting the council taxpayer to apply
- Reviewing internally and externally
- Issuing the information to the National Fraud Network and examining and reviewing any identified anomalies

The removal of discounts will result in a higher council tax yield which can benefit customers in increasing investment in the improvement of services and indeed maintaining lower levels of council tax increases. It is recognised however that this may result in increased numbers of council tax reduction scheme claimants. In addition, the administrative burden on Local Authorities should also reduce.

With regard to empty property premiums, this initiative is supported in stimulating the housing market.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

The proposal is supported. See response to Question 9.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

It is considered that the current arrangements are appropriate.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

A national approach to the naming of reductions is considered more appropriate.

It is agreed that the term 'Severely Mentally Impaired' does signify something different in the eyes of a medical practitioner to that of a council tax officer.

It is considered however that 'Severely Mentally Impaired' is appropriate as it aligns with terminology in the Mental Health Act. Terminology should be consistent to avoid confusion and less chance of it being defined incorrectly. Titles and descriptions should not be changed frequently as this could create confusion. It is important to ensure that the views of appropriate groups and their families and carers are sought to get a true lived example of whether this terminology is correct.

It would be useful to have definitions of what 'severe' and 'mental impairment' mean so that it signifies the same thing to a medical practitioner and council tax officer, for example to include some of the conditions that qualify under 'Severely Mentally Impaired' such as Alzheimer's, Schizophrenia, Dementia etc.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Yes

There are households that will need support in addition to any discounts and disregards that may be offered and so there needs to be a means tested scheme.

The means tested scheme that is available currently is outdated in how it treats certain income such as Universal Credit. Access to the scheme and treatment of Universal Credit income needs to be updated.

There are currently a working age and a pensionable age set of regulations, there is a large disparity in these which needs to be addressed.

The scheme is currently fixed for a financial year which means that any changes that could happen nationally in year cannot be accommodated, for example Ukrainian households, cost of living crisis.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes

The national scheme should be adopted by the Senedd which allows ministers to comment on any areas of the scheme. In year changes to accommodate any national pressures is considered beneficial.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes

We have to start from a point of a national scheme. While existing discretionary powers are available these could be extended and adopted by local authorities if local pressures and finances require them.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

No response.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No response.

Question 18: Any Further Comments

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

Nothing further to add.

Monmouthshire County Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes, we agree that there should be a council tax revaluation. This will help Revenue Teams administer these charges and make them more understandable to ratepayers.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes, we agree that consideration should be given to adding more council tax bands. Although we do feel that these should be limited to no more than 12 bands, as anything more becomes unmanageable.

We also agree the need to refit bands and the percentage used to make the system more progressive.

However, any expansion of bands needs to be carefully considered and its affects carefully managed. This should not be a tool for generating extra revenue.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Any transitional scheme needs to be both simple for taxpayers to understand and for councils to administer. Consideration could be given to limiting the number of bands that a household move up or down to in any one year. Alternatively, changes could be capped to a set increase/decrease e.g. 10% in any one year. Any scheme should be time limited to keep the administrative burden for revenues teams to a minimum, whilst giving taxpayers sufficient time to adjust to their new bandings.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes, on the basis that the overall amount of RSG funding and the total tax take is maintained and that councils are given time to adjust.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes agree, although we would not want these to be more frequent than every 5 years.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Yes, to a future policy change here. However, we would question if this is needed if the frequency of revaluations changes (as proposed in question 5), as any revaluation could take account of property improvements made over the intervening period.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

In our opinion, the appeals system for council tax banding generally works well and there is lots of information on the VOA website to help customers. Evidence on the VOA website could be improved to include detailed information on latest sales data for each property from Land Registry.

Were we to move to more frequent valuations then it would be necessary to ensure that the previous list was closed at an appropriate time (e.g., 12 months after the new list comes into effect). This change would hopefully prevent significant retrospective alterations.

As for appeals against liability/charges, the system works well. There is no charge for the appeal, and it is simple to follow. Where customers are refused

discounts/exemptions/reliefs they are provided with details of their right of appeal and the reason why their application has been refused. This allows for an informed decision on whether an appeal is appropriate.

Council tax is one of the best collected taxes and administration costs are one of the lowest. For the management of council tax debt to continue to be effective, enforcement must be simple and streamlined to ensure that courts are not adversely affected, and administration of council tax remains effective and efficient. Some suggested changes that would assist the customer, the authority and the judicial system are:

- Currently we cannot apply for deductions from benefits and earnings without obtaining a liability order. To get the liability order we have to serve a summons. Also, a liability order costs £67.50 which increases the debt to the customer. Where a taxpayer requests that these deductions be made, then providing they give consent in writing, could this proceed without the need for the court hearing and the liability order? This would reduce costs to customers, unnecessary delays in obtaining the liability order (which puts the customer further into debt) and reduce court time.
- Consider extending the number of benefits that deductions can be made from.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

In our opinion the sharing of information between agencies would help to improve the system. Potential areas to consider are:

- Automation of planning approvals between council planning departments and the Valuation Office Agency would help ensure records are up to date and remove manual interventions.
- Where there is a benefit overpayment then information can be obtained from the DWP and HMRC to allow for recovery and deductions to be put in place to address the debt. Consideration should be given to also extending this sharing agreement to local taxation. This would assist authorities in addressing arrears following the removal of the committal process.
- Land Registry sales information linking into Valuation Office Agency property records.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

We note that there is a working group set up to discuss this in detail and would look to follow their recommendations. Points of note from our own Revenues Team are:

Discount/Disregards: These are awarded on the same percentage basis as a single person discount, 25%. Any amendment to the percentage awarded for single person discount would therefore impact on these awards. Like single discounts these disregards are not awarded on the financial needs of the liable party but simply on entitlement of the category of a liable party. This approach does not address financial need as you could have a high-income household of 2 people and one of them is disregarded so they have a reduction.

Exemptions: With regards to the empty exemption these are not awarded on financial need, which should be a consideration. Also:

- Class A/B/C empty properties are currently time limited. In England these have been removed altogether to ensure properties are brought into use. To assist homeowners in selling/letting or improving their properties whilst also addressing the housing shortage these exemptions should be reduced from 12 months to 6 months and 6 months to 3 months. These are considered to be reasonable time scales to encourage properties to be brought into use.
- Class H (ministers of religion) / Class I & J (moved to provide or receive care) with the housing shortage are these appropriate? They do not have to be sold but they could be encouraged to be let if they are not entitled to this exemption.
- Class K (empty student properties) and Class N (occupied student properties). The definition of a student should be amended to address those students who are working and on high income but also fulfilling the current criteria for a student.
- Class L (repossessed properties). Financial institutions should be made liable and no exemption should be awarded or if an exemption is awarded it should be time limited to encourage progression of bringing this property back into use.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

In our view Welsh Government should have the flexibility to set these rules across Wales. We would not be in favour of these being set locally as it would lead to disparity across councils.

Regarding empty property discounts/premiums, the 50% long term empty property discount has been removed which is appropriate. There are also powers in place to allow for a premium on long term empties and second homes where councils are adversely affected by these types of properties. We therefore consider there are sufficient powers already in place for councils to address any significant impacts in their authorities.

Some consideration however ought to be given how discounts are applied in the future. For example, as council tax charges are based on 50% property element and 50% personal element where there is only one occupier over the age of 18 then they will benefit from a 25% single person discount. This discount is not really fit for purpose for the following reasons:

- Council tax is a statutory charge and not based on the services used. It is difficult to understand why there is a reduction if there is only one occupier in the property. A property with 2 occupiers may use less services than a property with one occupier.
- The 25% reduction is not means tested it is awarded across the system regardless of need. In practice this means that low-income families with 2 occupiers who fall just outside of the CTRS entitlement are paying more than a high earning single occupier with the means to pay the full charge.
- There is a CTRS system in place to help customers who need financial support, and this should be the way of delivering assistance not through a blanket approach that is outdated and not reflective on need.
- On average 1 in every 3 properties claim a single person discount. This discount is subject to fraud and reviews of the discount cost time and money with negligible effect on the actual awards. This discount is based on a declaration and is difficult and costly to challenge.
- As this discount has been in place for a considerable amount of time it will be difficult to remove. If it is to be addressed to ensure fairness, then a phased approach should be considered through a reduction of the percentage award over a period.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

In our view, a review of disablement relief is needed. This relief was initially brought in to reflect the changes to the property required where it is occupied by a disabled person. It is not a relief just because an occupier is disabled. The current criteria is outdated and as a result, provided the occupant is disabled and has a main bathroom and an ensuite, then they will qualify. Similarly, if they are in a property with widened doorways (standard in new builds) and they sometimes use a wheelchair they can again qualify. This was not the intention of this relief.

A suggestion for the criteria could be:

- Significant physical adaptations – Hoists, Hydro Bath, Sensory Rooms, Substantial sterile Area's (dialysis) - something more than what is in an average home.
- An additional adapted kitchen.
- Requirement for permanent wheelchair use in the house due to disability.

Suggestion for award could be a standard value to ensure that the award is standardised as opposed to being more significant dependant on the value of your property.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

Yes, we agree that Welsh Government should be able to amend titles and descriptions of discounts and exemptions. We have received complaints in the past about the current description used of 'severely mentally impaired. A more appropriate term may be 'disability discount' or 'intellectual disability'.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Yes, this should continue to be a means tested benefit. The current system generally works well although it could be made more understandable to recipients and easier to administer. Some suggestions are:

- A de minimis threshold for changes in income would assist in reducing changes to entitlement and subsequent bills. Currently, CTRS recalculates at changes of 1p and up. Income bands and de minimis thresholds that allow a claimant's income to change by £10 per week (for example) without changing entitlement would be straight forward.
- Backdate of 3 months – extend to 12 months and accept any notification of UC or other DWP benefit as a date of claim if a CTRS application comes in – this would assist with take up and reduce debt.
- Where a claim is nil entitlement – class as an active claim for 6 months – no need to reapply if income reduces 5 months after the nil calculation – it currently closes the day after.
- Income taper lowered to 55% in line with UC – currently, we consider 63% of income over the customer's applicable amount. UC reduced this to consider only 55%. A consistent approach would be better.
- Non-dependant income bands – allow non-dependants to earn more before a reduction to CTRS applies and increase the income bands.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes, a national scheme would be easier to manage for everyone and would allow changes to be made in year should they be required. The Covid pandemic highlighted that the current regulations (adopted by each Council annually) were unable to adapt to changes that arose through the year.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes, a new national scheme would ensure consistency and should encompass existing local arrangements. To include:

- Extended reduction period – consistent
- War Disablement Pension and War Widows full disregard should be national.
- Backdated as above.
- Notifications – would need to be discretionary as dependant on software.

Local powers, under S13a, should also be retained.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

No comment

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No comment

Question 18: Any Further Comments

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

The loss of committal has made it harder for councils to manage certain debtors, which can result in debt being written off. Alternatives therefore need to be investigated and explored.

Consideration also ought to be given to reinstating council tax a priority debt, which would then be taken into account by banks and financial institutions when considering applications for credit.

Better sharing of data between agencies and departments e.g., planning, HMRC etc would assist with administration and recovery activities.

Linked to the review of the CTRS scheme, also needed is a review of funding arrangements which adapt to rising caseloads associated with national events (e.g., the covid pandemic and the cost-of-living crisis).

Neath Port Talbot Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes, but would need to give consideration to some sort of transitional relief if a property were to move up more than 1 band. No transitional protection if increased by 1 band.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes. Table 1 in your document provides property values in today's terms where a Band A is up to £103,000. Some dwellings, particularly caravans or studio flats do not have a value of £103,000 however have the highest estimated tax rate as a percentage value of their home. This could be addressed with the addition of bands.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Transitional relief should be simple to administer and for the taxpayer to understand and be for no longer than 2 years (possibly decreasing the support in the second year) to allow tax payers time to adjust to the increase in payments or consider moving to a lower banded property. As transitional relief could mean a significant change to our IT systems a good lead time would be needed by software suppliers.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes, one of the principles of the local government funding formula is that the Revenue Support Grant (RSG) is adjusted to reflect a Council's ability to raise taxes locally.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Significant work is involved in revaluations and the resulting queries from taxpayers and for that reason a rolling 5-year review would be deemed appropriate, nothing less than 5 years.

This would -

- Allow a period of certainty for taxpayers. Planning for changes more frequently could be a burden for taxpayers and create insecurity.
- Be less onerous for the LA and VO who have to administer the changes and resulting queries with decreasing resources and budgets.
- Still be progressive, up to date and fair.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially re banded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Consideration must be given to ensure that an immediate change in banding due to property improvements does not deter taxpayers in making improvements. Improvements in properties can enhance areas in the borough, improve housing conditions, and improve living conditions for families. If valuations were to take place every 5 years, there may not be a requirement for any change in the current process.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

It would be beneficial if LAs could apply for an attachment of benefit or an attachment of earnings with the consent of the taxpayers without having to obtain a liability order. Many request this but we cannot accommodate them until we have a L/O, and the taxpayer has then incurred additional costs associated with court action (currently capped at £70 in Wales).

Access to information held by HMRC on taxpayers' employment information should be readily available in order to apply for an attachment of earnings for those taxpayers who do not engage with LA's for payment plans to discharge their debt.

Requests to DWP for attachment of benefit need to be dealt with more efficiently and timely as LA's often wait 3 to 4 months for responses and longer for payments which

affects the recovery process and can sometimes mean cases are issued to the Enforcement Agent as an alternative method of collection.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

Data sharing between Land Reg and Wales Revenue Service could be improved to provide a more joined up service ensuring the accuracy of the taxbase. Notification of property sales would be beneficial.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Currently students / apprentices / SMI are disregarded for council tax purposes which can lead to a 25% discount. Apprentices are earning and many students have jobs, SMI customers claim higher rates of disability. Consideration should be given to remove the disregard for these people. There is no disregard for a person on JSA / IS of approximately £70 per week living with a liable person, many students, apprentices and SMI people have significantly more money than those in receipt of basic benefits.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory 'single adult' and 'empty property' discounts?

There should be flexibility for Welsh Government to set rules. There should be consistency in the level of discounts for the statutory "single adult" throughout Wales for a consistent, fair and joined up approach.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

No comment

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

Yes

Welsh Government should be able to amend descriptions as and when necessary. The only title that is considered inappropriate at present is the SMI. However, it is difficult to come up with an alternative name, possibly consider Severe Cognitive Impairment. Whatever the name it must reflect the severity of the disability as merely calling it Disabled Discount will attract high volumes of people who consider themselves disabled.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

It seems right that Council Tax Support is calculated using taxpayer's income / capital as this reflects their ability to pay. However, changes in entitlement to UC mean data shares which result in monthly recalculations of CTRS for what very small changes in the amount of UC can be awarded. This in turn leads to monthly council tax adjustment notices being issued causing confusion for taxpayers and frequently changing amounts payable. This is a burden to administer, costly in time, paper, postage and staff resources. A tolerance figure (possibly no requirement to action any changes in UC of less than a set figure) would assist in reducing the number of recalculations required. A tolerance could also be applied to increases in other income to avoid constant recalculation of entitlement.

The current tariff income for capital can also be an administrative burden as capital can fluctuate month by month and doesn't represent the true value of income you would receive from that capital. The current tariff income rules could be removed but keep the qualifying limit for capital of £16,000. Anyone with capital exceeding £16,000 would not be eligible as is the case at present.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme, to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes a national scheme should be provided by ministers within year changes to accommodate unexpected events/issues but these should be kept to a minimum and

only for exceptional circumstances as this could impact on the administration of CTRS and resulting software changes.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

From the information provide it seems that all Welsh authorities deal with the two elements of the discretionary powers in the same manner. These could therefore form part of the national scheme and the period of backdating could be the only discretionary element.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourable than English. What effects do you think there could be? How could positive effects be increased, or negative effects be mitigated?

No comment

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No comment

Question 18: Any Further Comments

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

Council Tax Reduction Scheme

The amount of money included within the total Welsh Government Standard Spending Assessment (SSA) for CTRS has remained at £244m since the introduction of the scheme in 2013. The cost of the scheme in Wales for the 2021/22

financial years was estimated to be £287.6m (source: WG Council tax Reduction Scheme Annual Report 2021/22).

This means that by default the difference of £43.6m between the funding provided with the SSA and the cost to local authorities falls entirely on local taxpayers. This will disproportionately affect those Councils who have a greater number of households accessing the CTRS and is clearly unfair.

The Barnett Formula

Whilst not the subject of this consultation we feel that representation should be made to the UK Government in relation to reviewing the Barnett Formula. As Welsh Ministers will be aware the formula was introduced in 1979 as a temporary measure and has served its time. A thorough review is required in order that funding to the devolved administrations adequately reflects the needs of those countries.

Data Sharing

Better data sharing, especially between the WRA / LA's/ HMRC would benefit all involved in public service delivery

Newport City Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

- Yes, in principle a revaluation is good thing especially given the movement in property values since 2003.
- It would make the tax fairer and easier to understand instead of using outdated property values from 20 years ago.
- This would also be an opportunity to address properties that have undergone substantial changes, extensions etc, that could affect the band but have not been sold, leaving the banding out of kilter with others in the locality that are unimproved.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

- Agree in principle that more bands would allow the system to more equitable given that there is unfairness in the current bands that's sees A-D change by far lower increments than properties in bands E-I.
- As well as being fairer it would be easier for taxpayers to understand if there was a standard increment for the band to change, e.g. Every £25k, £50k or £100k of value.
- There is a danger than introducing too many bands might overcomplicate the system for the public and lead to more appeals which would be time consuming and more expensive to administer.
- Computer systems used across Wales are basically the same as those used across the whole of the UK, so software providers would require a long lead in to ensure that structural changes to the system such as additional bands have sufficient time to be developed and tested.
- The cost of changing the ICT systems may be considerable and funding from Welsh Government may be required.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

- Transitional arrangements need to be simple to understand and easy for software providers to incorporate into ICT systems.
- The transitional arrangements would have to cover those who gain as well as those that lose out under any new arrangements.
- Any transitional arrangements need to last for sufficient time to allow households to adjust to the changes.
- Longer transitional arrangements should be considered for all households that are adversely affected, especially if additional bands are introduced as more households are likely to be affected.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

- In order to make this neutral across Wales then adjusting the Welsh Government's Revenue Support Grant needs to feature as part of this change.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

- More frequent revaluations similar to NNDR every 5-7 years would make the system fairer.
- Welsh Government needs to appreciate that this will increase complexity and potential change and TR issues at every revaluation. Current stability may be lost, and transitional arrangements will be required at every revaluation increasing costs.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

- A revaluation as soon as works are completed would be the ideal scenario, however there is often a time lag in the Council being aware that the works are finished which can lead to a backdated bill being issued, this can cause issues for the property owner. Consideration should be given to limiting the effective date to prevent large bills being issued.
- If improved properties were revalued at the time the works are complete councils would need to increase the resources available to inspect properties as building control completion statements cannot be relied upon to provide details of all improved properties since the final inspection is not compulsory.
- Any move to ongoing revaluation would be complex and costly requiring additional resources and increasing overall costs.
- On balance if revaluations were undertaken regularly at agreed intervals, there would be no need to change the current position since increases would be automatically taken account at revaluation.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

- Council tax is an annual charge, the right to pay by instalments only exists as long as all payments are made in accordance with the instalment, therefore missing two or more instalments renders the full balance due.
- Changing this would seriously hamper recovery and could lead to a council taxpayer being issued with multiple court summonses in the year leading to multiple additional costs, this would not be in their interests as the debt could substantially increase.
- With regard to appeals we do not see many cases, if any of council tax payers who are unable to challenge a decision using the existing appeals process, for this reason the appeals system should be left as it is.
- Extending ability to appeal against a property band after the current 6 month limit seems fair and in line with NNDR.
- Any changes to the appeals process will increase workload and both the VOA and councils will have additional costs.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

- Given that all valuations are already online on the VOA website and council tax bills are transparent there is no further improvement requirement.
- Access to council tax accounts in most councils is available online therefore we believe that the system is already transparent and available via self-service if the customer wants to use it.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

- There are too many discounts, disregards and exemptions and it requires simplification to make it easier for customers to understand what reductions are available and also for councils to administer.
- Consideration should be given to allowing councils more control over discounts and disregards exemptions in order to meet local policy objectives.
- There is a high administrative burden due to the number and complexity of the discounts, exemptions and disregards it needs to be simplified.
- The current system of discounts regardless of income is not fair and makes the tax less progressive.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

- Welsh Government should set the framework but local authorities needs to retain flexibility over implantation to meet local policy objectives
- We feel that Welsh Government can achieve its own flexibility by setting the framework whilst leaving councils the ability to meet local policy needs.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

- The current DBR rules are not fit for purpose since smaller properties are unlikely to have the features required for a reduction, even if they have been adapted with special facilities. Whereas larger properties often have en-suite bathrooms which mean that they are more likely to qualify.
- It would be fairer if a disabled facilities reduction was given that would take into consideration adaptations that have been made to accommodate the disabled person, this could include:
 - Conversion or installation of a suitable disabled bathroom/wet room.
 - Ground floor extensions to provide a disabled person with a useable accessible bedroom.
 - Conversion of a living room into a bedroom to enable a disabled person to remain resident.
 - Special treatment/therapy room at the property.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

- All discounts and exemptions need to be easily understood by the public in order for them to identify if it applies to them whilst we recognise Welsh government's desire to amend titles any changes must be in plain English/Welsh and easily understood.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

- Agree that the scheme should continue to be means tested and that fundamental redesign of the scheme is required due to the fact that it was introduced before Universal Credit and is now no longer fit for purpose.
- The scheme should continue to be means tested in although there are improvements that could be made to way that some income is treated:

1. Band income so there is no change to CTR if income goes up or down by a small value within the bands, this also would be an incentive to work more hours etc.
 2. Self-employed income should be treated in the same way that it is for Universal Credit with a minimum amount assumed to prevent unrealistically low-income values being used.
 3. Some maintenance payments should be taken into account as fully disregarding it skews household income and can lead to inequitable situations.
 4. Applicable amounts for the under25's need to be reviewed and brought into line with other working age claimants.
 5. Consideration should be given to changing the income tapers for those that are working as this could encourage claimants to increase their working hours.
- More generally general the scheme could be made much simpler possibly more like a discount based on overall household income. Consider awarding CTR as a % of council tax depending on overall income.
 - At the moment bills and outgoings are not taken into account meaning that even in the current cost of living crisis if you don't qualify for Universal credit or CTR you are unlikely to receive additional help towards bills. The CTR scheme should allow for actual bills to be taken into account in the calculation, this would be fairer for those living in homes that are harder to heat and for those like the elderly or disabled who use more heating due to spending more time in their homes.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

- A national CTR scheme makes sense and is fairer since it avoids local variations in schemes.
- In year changes are complicated to administer especially considering the number of properties and individuals that might be affected and the notifications that would have to be issued.
- Should Welsh Government move to introduce in-year changes the cost to councils in administering those changes could be substantial.
- Whilst mid-year changes add complexity and cost it is still preferable and allows flexibility to deal with ad hoc situations that arise during the year such as the Ukrainian refugees, and should prevent the need for the short-term schemes that we have seen in recent years for fuel payments etc.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

- Yes, they should stay.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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 Don't see any issues for Welsh language either positive or negative, as all documentation and interaction are required to be made available in Welsh and English.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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 Don't see any issues for Welsh language either positive or negative, as all documentation and interaction are required to be made available in Welsh and English.

Question 18: Any Further Comments

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

- In relation to the equalisation of funding for individual councils and the need to keep this change neutral consideration is required on the level of council tax that will be used for any scheme to achieve this.
- Every council has a different ctax value for each of it's bands and therefore the impact of this propose change will vary from one council to another. Therefore, any equalisation process needs to recognise and take account of this.

Pembrokeshire County Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes

Pembrokeshire's recently completed Well-being Assessment identifies a number of substantial issues the county is facing, which include a dearth of affordable housing as well as poverty issues:

"Data from the Council's Housing Section shows that there has been a clear increase in housing need over the past 12 to 18 months, demonstrated by the numbers on the social housing list operated through the Choice Homes programme. The increase in the number of people waiting for 2-bedroom houses indicates that there is an increase in families looking for accommodation in the social housing sector – at the end of 2019 there were 907 people on the waiting list for a 2-bedroom property and by the end of February 2021 this had risen to 1172. The total number of people currently on the waiting list is 4713.

"Changes in national policy and guidance introduced at the start of the Covid pandemic has resulted in a large increase in homeless applications and duties placed on the Council to provide interim temporary accommodation whilst suitable and affordable accommodation is found. As of October 2021, 189 households had been placed in temporary accommodation compared with 51 in December 2019. This situation is likely to continue due to the shortage of social housing and affordable private sector rentals in the housing market.

"There is a common misconception that Pembrokeshire is an affluent county, and while this might be true in certain areas, there are significant pockets of deprivation particularly in our larger towns and in some of our more rural areas. Pembrokeshire is subject to the same macro influences, both at a national and global level, as any other area, which makes tackling the issue effectively at a local level extremely challenging. This is complicated further by our location, peripherality and rurality, since traditionally poverty has been viewed (and with interventions and solutions developed) through a lens of urban deprivation within larger towns and cities. Urban poverty is more easily recognisable through specific geographic concentrations of deprivation where low-income levels, unemployment and demand for social housing and welfare are obvious. Rural poverty is often 'hidden' due to population dispersion, with the result that the poverty of smaller communities is lost in the relative affluence of the broader area."

As in many other local authority areas in Wales, the Council's ability to help address the challenges the county faces have been exacerbated by successive years of austerity.

Within Pembrokeshire pressures have been intensified by a local legacy issue – namely many years of Council Tax having been charged at a level lower than that assumed by Welsh Government in its funding calculations. Despite some sizeable (i.e., over 5%) increases in Council Tax rates in recent years, the county has been left struggling to 'catch-up' and, given the current economic crisis, the realism of being able to 'bridge the gap' still feels like a remote if not impossible goal. This has a very direct and real impact on all residents within Pembrokeshire, who are disadvantaged in opportunities to benefit from Council services on an equitable level with those in neighbouring counties and many other areas in Wales.

The Council appreciates the Welsh Government's efforts to reform the current Council Tax system is a pragmatic attempt at making current arrangements 'fairer' and less regressive in nature but feels that it is a missed opportunity to address some of the wider inequalities, which exist within current arrangements for local taxation. The Council would like to see wider consideration given to alternative, less regressive local taxation models, which operate successfully elsewhere. It is arguable, as well, that a review of Non-Domestic Rates (NDR) is an even greater priority in terms of tackling regressive taxation and achieving fairness.

Within this context of Welsh Government's current proposals, however, it agrees that a revaluation of properties by the Valuation Office Agency (VOA) on the timescales proposed is an essential starting point.

One potential benefit would be to make the Council Tax liabilities clearer for those seeking to develop / inhabit newly built properties.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Within the context of Welsh Government seeking to reform the current system of Council Tax, the Council acknowledges that the 'Revaluation with extra bands and reduced regression model', is likely to be more effective in helping it to deliver on its aims than a pure 'revaluation model' but less disruptive than the implementation of a 'continuous and 'progressive model'. However, the Council recognises that the current modelling (provided by the Institute of Fiscal Studies) is based on 2019 data. The Council would wish to see the models updated, as well as further details of the proposed new banding arrangements, before giving further feedback.

In particular, the Council is concerned that the impact that the pandemic appears to have had on property prices within the county (particularly in coastal and rural areas) will further exacerbate long-term, underlying economic realities, which include a dearth of affordable housing and significant pockets of deprivation.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

Pembrokeshire County Council welcomes the Welsh Government's commitment to considering transitional arrangements, which may be more or less required dependent on the impacts of the finalised reforms and asks that any such arrangements be kept simple and straight-forward and be applicable within a specified timeline. Transitional arrangements will need to ensure that no local authorities suffer significant financial detriment from any changes.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes

With current intense pressures on its budget, and the budgets of all other local authorities in Wales, this is a key concern for the Council; it has the potential to impact on its ability to maintain revenue streams in order to safeguard the provision of essential local services. Adjustment of the Revenue Support Grant (RSG) must therefore be an absolute minimum in progressing a 'fairness' agenda. The Council would, however, urge the Welsh Government to give consideration to the wider reform of arrangements for local taxation.

The Institute of Fiscal Studies report (2003 – 19) predicts a comparatively small decrease in property values, and knock-on decrease on the Council Tax base, for Pembrokeshire, but this is on the basis of 2003-19 figures. Looking at the impact of the pandemic on property values it appears that Carmarthenshire and Pembrokeshire are the two Welsh counties, which have seen the largest increases 2019 – 2022. An increase in property values will see a knock-on increase in our Council Tax base, shifting funding for local services away from the Revenue Support Grant (RSG) and on to Council Tax collection.

The current Revenue Support Grant (RSG) funding formula is based on the average level of Council Tax charged in Wales and does not take account of the fact that, for legacy reasons, the average Council Tax in Pembrokeshire falls below this.

Without an adjustment to the Revenue Support Grant (RSG) funding formula, that assists Pembrokeshire to 'catch-up' with average Council Tax rates in Wales, the people of Pembrokeshire will continue to be disadvantaged in opportunities to benefit from Council services on an equitable level with those in other areas of Wales.

An increase in property values and knock-on increase in our Council Tax base, which shifts funding for local services away from the Revenue Support Grant (RSG) and on to Council Tax collection, will result in a loss of revenue for the Council. This is

because it is unable to collect at the national 'average' rate payable via the Revenue Support Grant, as well as increased risk of debt due to non-payment / collection.

In order to help Pembrokeshire County Council deliver on its aims of there being appropriate housing available to local residents, and in helping to reduce the number of households living in poverty within the county, it is therefore essential that there is wider re-examination of arrangements for local taxation. This would include taking account of the actual levels of Council Tax in each local authority area, and not on a blanket assumption of 'average' levels.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes

With the context of the reform of current arrangements for Council Tax, the Council is supportive of the proposal that the VOA undertake regular revaluation for Council Tax purposes, and that these take place at least every five years. The VOA will need to be adequately resourced to undertake this work, which it will be taking on in addition to other duties such as the enforcement of revised criteria in relation to holiday-lets moving to / from Council Tax / non-domestic rate liability.

It is felt that regular revaluations will better reflect long-term, underlying economic realities and help to reduce the risk that revaluations undertaken at a particular point in time are influenced by potential anomalies, such as the impact of the pandemic.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Yes

The Council is supportive of the proposal that the current policy on the review and potential re-banding of properties should change. One potential benefit of changing the policy would be to make it clearer for those purchasing properties that have been developed, as to the actual Council Tax liability / band payable, as currently this can be changed by the Valuation Office Agency (VOA) the Valuation Office Agency (VOA) when a property has been purchased.

It feels that the rolling revaluation of all properties, occurring at least every five years, may, in itself be sufficient to address this. If a stand-alone policy is, however, developed to cover this, it feels it is important that the Valuation Office Agency (VOA)

has clear criteria for 'significantly improved' so as to minimise queries and appeals from the public.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

The Council considers that it would be of benefit to empower local authorities to undertake a wider range of actions that would preclude the need for those falling into debt to have to go to court, and therefore avoid unnecessary stress as well as the £70 cost. An example of such an empowerment would be to be able to share details with HMRC, Welsh Revenue Authority (WRA), and allow attachments for benefits, wages, allowances without the need to issue summons. Sharing data with WRA would also assist us in keeping our records up to date.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

The Council currently handles a large number of enquiries relating to the functions of the Valuation Office Agency and would, therefore, suggest that increasing the customer service capacity of the VOA would be highly beneficial. Ensuring sufficient VOA capacity to undertake physical valuations of properties would also be highly beneficial.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

The Council is supportive of the proposal to review existing discounts, disregarded persons, exemptions and premiums. The Council ask that the following be taken into account:

Discounts, Class C – greater clarity of the term 'substantially unfurnished' would be beneficial. The current terminology is ambiguous and open to subjective interpretation.

Disregarded Persons, Severely mentally impaired – there is agreement that this terminology is out-dated and would benefit from being updated. Guidance for

medical practitioners in relation to this would be beneficial in helping to service enquiries that the Council receives from such professionals.

Exemptions, Class F – ‘Unoccupied property where probate or letters of administration have not yet been granted, and for up to six months after the grant is made’. This would benefit from the addition of further detail as to the amount of time in which probate or letters of administration should be submitted. At present, it is difficult for members of the public to understand the liability and it is open-ended, leaving some properties exempt for an indefinite period.

Exemptions, Classes I – ‘Unoccupied because the person subject to the tax has their sole or main residence elsewhere in order to receive care’. This would benefit from the addition of further detail as to the amount of time this exemption applies.

Exemptions, Class J – ‘Unoccupied because the person subject to the tax has their sole or main residence elsewhere in order to provide care’. This would benefit from the addition of further detail as to the amount of time this exemption applies.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Welsh Government should have full flexibility to set this nationally. Setting it locally would lead to too much disparity between local authorities and give rise to complaints around a perceived postcode lottery. Setting it nationally ensures fairness.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

The Council considers that the current criteria needs to be updated. Many purpose-built new properties will meet the criteria of having sufficient wheelchair space and having two bathrooms / kitchens. However, for those living in older properties, it is often much more challenging for adaptations which meet the criteria to be made, and they therefore have the dual injustice of having to only make what limited adaptations they can, within the confines of the existing property, as well as failing to meet the reductions criteria. In addition, current arrangements provide greater reductions to those in higher band properties.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

See response to Question 10 above

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Yes

Pembrokeshire County Council welcomes the review of the Council Tax Reduction Scheme (CTRS). The Council is supportive of the continuation of a national scheme and the incorporation of the following elements into the national scheme:

- ▪ When someone returns to work, to carry on paying council tax support for a period of four weeks.
- ▪ When someone of working age makes a claim for council tax support, back-date the money they receive for up to three months.
- ▪ When we work out how much someone earns, so we can see how much council tax support they are entitled to, not to include the money they get from War Disablement Pension or War Widows Pension in these calculations.

It considers the requirement for an annual consultation and Council decision on the scheme to be unnecessary. The Council considers that it would be beneficial to realign the scheme, so it works more effectively with current benefits (i.e. universal credit, which is assessed on a monthly basis). It also recommends that funding for the scheme be reviewed, as the contribution towards the cost of the scheme received from Welsh Government does not meet the actual costs of providing the scheme. CTRS should be fully funded by Welsh Government.

Pembrokeshire County Council considers it vital that Welsh Government has authority to make 'in-year' amendments to the scheme so as to be able to react to unexpected events (e.g., arrival of refugees etc.). It is also considered vital that local authorities retain local discretion.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

See response to Question 13 above

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

See response to Question 13 above

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

The Institute of Fiscal Studies report (2003 – 19) predicts a comparatively small decrease in property values, and knock-on decrease on the Council Tax base, for Pembrokeshire, but this is on the basis of 2003-19 figures. Looking at the impact of the pandemic on property values it appears that Carmarthenshire and Pembrokeshire are the two Welsh counties, which have seen the largest increases 2019 – 2022.

In particular, the Council is concerned that the impact that the pandemic appears to have had on property prices within the county, especially in rural and coastal areas – where many of the counties' communities with higher-than-average numbers of Welsh speakers are located.

The Council is keen to see updated modelling which takes account of the impacts of the pandemic on property prices and further detail of the 'revaluation with extra bands and reduced regression' proposals in order that it can more fully assess potential impacts for communities with higher-than-average numbers of Welsh speakers.

The Council would like to see the work of this review aligned with work being undertaken as part of Welsh Government's, 'Welsh language communities housing plan'.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

See response to Question 16 above.

Question 18: Any Further Comments

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

No further comments.

Torfaen County Borough Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

Yes, we agree as the current system is out of date. No other system of taxation is based upon values that are nearly 20 years out of date. It weakens the credibility of the finance system. We also agree that the effect must not be about, or seen to be about, raising extra revenue although communication around this latter point will be important.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Yes, we agree that more bands need to be added to make the system more progressive. The system should be expanded by a reasonable number of bands. We also agree to the refit of bands and the percentage used to make the system more progressive.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

We agree, there needs to be a transitional scheme and it should be simple to understand and administer. There needs to be a limit on the number of bands a household might increase in any one year or something similar. Transitional arrangements should be time limited and cover both increases and decreases in banding. It should be funded from outside the system for the period of the transition.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

Yes, as it is a core part of the system that grant distribution has a relationship with the local resource base, and on the assumption that the overall quantum of RSG funding is maintained.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes, we agree that revaluations should be every five years. We would not want them to be any more frequently because the change would be difficult to manage and disruptive to citizens.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

Our view is this will not be required if more regular re-valuation exercises are undertaken, and these property improvements taken into account then. This would avoid introducing a system that would be very difficult and potentially expensive to administer and monitor for very little gain and might also discourage home improvements.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

Valuation/Appeals

The appeals system works well and there is lots of information on the Valuation Office (VO) website to support customers. The evidence on the VO website could be improved to include detailed information on latest sales data for each property from Land Registry.

With regards to the actual time limits for appeals if more frequent valuations are undertaken (5 yearly) then it would be appropriate to ensure the previous list was

closed in a timelier manner (say 12 months after the new list comes into effect), this would hopefully prevent significant changes in retrospect.

As for appeals against liability/charges, the system works well as there is no charge for the appeal and is simplistic. Where customers are refused discounts/exemptions/reliefs they are provided with details of their right of appeal and the reason why their application has been refused. This allows for an informed decision on whether an appeal is appropriate.

Council tax and enforcement

Council tax enforcement must be simple and streamlined to ensure that courts are not adversely affected, and administration of council tax remains effective and efficient. Council tax is one of the best collected taxes and the administration costs are one of the lowest as the system works.

- Given that council tax is an annual charge we have no option but to work with customers to look to address each charge in the relevant year where possible. If we do not, then a customer would have to pay a current year's charge and arrears which is of course more difficult.
- Customers only become liable for the full year if they are not looking to address the debts by talking to the council, Citizens Advice Bureau (CAB) or Step Change etc to establish how they can work towards addressing this statutory debt.
- Customers who are struggling to pay are encouraged to apply for CTRS.
- Customers are offered a multitude of ways and frequencies to pay the charge; we try to work with them, by looking to maintain current years charge and something off the arrears.
- We refer customers to the CAB where we feel that they need more detailed debt advice (exercise breathing space/DRO /IVA /Bankruptcy). Therefore, the CAB get a considerable number of customers contacting them who are in arrears with their council tax. Local authorities actively promote the use of the CAB to assist customers.
- We have software to sift and identify the best and most appropriate recovery method available. There is no blanket policy to send all arrears to enforcement agents.

It is difficult to see how any of the above could be improved and they remain effective. The suggested changes below would assist the customer, the authority and the judicial system:

- Currently we cannot apply for deductions from Benefits and Earnings without a Liability Order. To get the Liability order we have to serve a Summons and a Liability Order at a cost of £67.50 which increases the debt to the customer. If the customer requests the deductions be made, then providing they give consent in writing could this proceed without the need for the court hearing and the Liability Order. Hence reducing costs to customers, unnecessary delays in obtaining the Liability Order which puts the customer further into debt and incurs additional costs and avoiding the need for court time.

- Consideration of extending the number of benefits that deductions can be made from.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

Sharing information

Automation of planning approvals from planning departments to the Valuation Office to ensure their records are up to date and remove manual interventions.

Where there is a benefit overpayment then information can be obtained from the DWP and HMRC to allow for recovery and deductions are put in place to address the debt. To streamline processes and avoid enforcement action and costs consideration should be given to extending this sharing agreement to local taxation also. This would assist authorities in addressing arrears following the removal of the committal process.

Land Registry sales information linking into VO property records.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for purpose? Are there particular aspects of the rules which you think need to change or new rules created?

General

Should there be consideration in relation to financial needs as opposed to pure “category of person/property” entitlement.

Discount/Disregards

Discount disregards are awarded on the same percentage basis as a single person discount 25%. Any amendment to the percentage awarded on the single person discount will therefore impact on these awards.

Like single discounts these disregards are not awarded on the financial needs of the liable party but simply on entitlement of the category of a liable party. This approach does not address financial need as you could have a high-income household of 2 people and one of them is disregarded so they have a reduction.

Exemptions

With regards to the empty exemption again these are not awarded on financial need, which should be a consideration:

- Class A/B/C empty properties that are currently time limited. In England these have been removed altogether to ensure properties are brought into use. To assist homeowners in selling/letting or improving their properties whilst also addressing the housing shortage consideration should be given as to whether these exemptions should be reduced from 12mths to 6 months and 6 months to 3 months. These are still reasonable time scales to encourage properties to be brought into use.
- Class D (detention) / Class E (hospital/Care home)/Class F (Deceased)/Class G (Prohibited) these would be difficult to enforce if they were changed.
- Class H (ministers of religion) / Class I & J (moved to provide or receive care) with the housing shortage are these still appropriate? They do not have to be sold but they could be encouraged to let if they are not entitled to this exemption.
- Class K (empty student properties) and Class N (occupied student properties) There are limitations on students in respect of claiming CTR as such the exemptions are appropriate. But should the definition of a student be amended to address those students who are working and on high income but also full filling the current criteria for a student.
- Class L (Repossessed properties) - financial institutions should be made liable and no exemption should be awarded or if an exemption is awarded it should be time limited to encourage progression of bringing this property back into use.
- Class N (Students) - the criteria should be reviewed as a person who is in full time employment could fulfil the criteria, or a person who works part time but is a high earner. The purpose of the exemption is to assist those students who have limited finances.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Single Person Discount

As council tax charges are based on 50% property element and 50% personal element where there is only one occupier over the age of 18 then they will benefit from a 25% single person discount. We would question whether this discount continues to be fit for purpose for the following reasons:

- Council tax is a statutory charge and not based on the services you use. It is difficult to understand why there is a reduction if there is only one occupier in the property. A property with 2 occupiers may use less services than a property with one occupier.
- The 25% reduction is not means tested as it is awarded across the system regardless of need. In practice this means that low-income families with 2

occupiers who fall just outside of the CTR entitlement are paying more than a high earning single occupier with the means to pay the full charge.

- There is a CTR system in place to help customers who need financial support, and this should be the way of delivering assistance rather than through a blanket approach that is not reflective of need.
- Encourages inefficient use of a property which impact on the wider housing needs in the locality.
- On average 1 in every 3 properties claim a single person discount. This discount is subject to fraud and reviews of the discount cost time and money with negligible effect on the actual awards. This discount is based on a declaration and difficult and costly to challenge.
- As this discount has been in place for a considerable amount of time it will be difficult to remove. If it is to be addressed to ensure fairness, then a phased approach should be considered through a reduction of the percentage award over a period.

An implication of removing the discounts linked to categories of people will increase the tax base which would in turn lower the council tax burden for all after allowing for any impact on CTRS.

Empty property discounts/premiums

The 50% long term empty property discount has been removed which is appropriate. There are also powers in place to allow for a premium on long term empties and second homes where councils are adversely affected by these types of properties. There are sufficient powers in place for councils to address any significant impacts in their authorities.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

Disablement Reduction

Disablement relief was initially brought in to reflect the changes to the property required where it is occupied by a disabled person. It is not a relief just because an occupier is disabled. The current criteria are outdated and as a result, provided the occupant is disabled and has a main bathroom and an en-suite bathroom then they will qualify. Similarly, if they are in a property with widened doorways (standard in new builds) and they sometimes use a wheelchair they can again qualify. This was not the intention of this relief. The criteria and award should therefore be reviewed.

A suggestion for the criteria could be:

- Significant physical adaptations – Hoists, Hydro Bath, Sensory Rooms, Substantial sterile Area's (dialysis) - something more than what is in an average home.

- An additional adapted kitchen
- Requirement for permanent wheelchair use in the house due to disability.

Suggestion for award could be a standard value to ensure that the award is standardised as opposed to being more significant dependant on the value of your property.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace ‘severely mentally impaired’?

Descriptions of exemptions and disregards

Yes, it would seem appropriate for Welsh Government to have that ability. In terms of current titles, we have received several complaints about the description of a “Severely Mentally Impaired” exemption/disregard. A more appropriate term should be sought from experts in this field.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

Cannot get away from a means tested scheme otherwise financial support will not get to those who need it most and it should be simple to administer and understandable to recipients. Some suggestions for consideration;

- A de minimis threshold for changes in income would assist in reducing changes to entitlement and subsequent bills. Currently, CTRS recalculates at changes of 1p and up. Income bands and de minimis thresholds that allow a claimant's income to change by £10 per week (for example) without changing entitlement would be straight forward.
- Backdate of 3 months – extend to 12 months and accept any notification of Universal Credit (UC) or other DWP benefit as a date of claim if a CTRS application comes in – this would assist with take up and reduce debt.
- Where a claim is nil entitlement – class as an active claim for 6 months – no need to reapply if income reduces 5 months after the nil calculation – it currently closes the day after.
- Income taper lowered to 55% in line with UC – currently, we consider 63% of income over the customer's applicable amount. UC reduced this to consider only 55%. A consistent approach would be better
- Non-dependant income bands – allow non-dependants to earn more before a reduction to CTRS applies and increase the income bands.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

Yes, and recent events have highlighted the deficiencies in not being able to react to changing circumstances in-year. Consideration would need to be given though to the financial impact of any in-year changes and how that would be funded and managed.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Yes, it would seem sensible for those local arrangements that all authorities have in place to form part of the national scheme. In detail:

- Extended reduction period – consistent so include.
- War Disablement Pension and War Widows full disregard should be national.
- Backdated as above and should be included.
- Notifications – would need to remain discretionary as dependant on software.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

No answer given.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

No answer given.

Question 18: Any Further Comments

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

A fairer Council Tax will make sanction less likely but alternative powers were going to be discussed once the loss of committal powers had taken effect. We are still interested in those discussions to help in difficult situations for those 'won't pay' debtors who ultimately cost all taxpayers when debt is written off.

Council tax is a statutory charge and consideration should be given to reinstating it as a priority debt to ensure banks and financial institutions carefully consider applications for credit as they are not always acting in the best interests of the customer in providing further credit.

As a statutory tax thought should be given to the appropriateness of being able to enforce a council tax debt via Attachment of Earnings and Attachment of Benefits without a court order or consent. This would be consistent with the overpayments of benefits. There would need to be an appeal process in place to ensure transparency and fairness. Standardised procedures could be put in place in councils for this where details such as - full statement account evidencing where instalment is missed, details of bills, rems, correspondence issued – are required for the appeal hearing. A similar file to what was previously prepared for committals. The CAB could also be involved with the appeals process as they could ensure that process have been followed and it is appropriate to apply for the deductions. This would speed up the process of working towards repayment whilst also avoiding court fees and the use of a struggling judicial system.

Vale of Glamorgan Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

We fully support the proposal for a revaluation of the same and agree that it is important that the tax burden is shared more fairly. Naturally, we recognise that the growth in house prices has been greater in the Vale of Glamorgan than many parts of Wales and that consequently that there will be a greater overall burden on the residents of the Vale.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

The system of local government finance in Wales should recognise that those who can afford to pay more should do so and that the system should also where possible reflect consumption of services. Even without having the evidence put forward in the consultation there has been a wide awareness that the system is currently very regressive and does need reform. We, therefore, recognise that there is a need for additional bands at both the top and bottom of the current arrangements. The basic fundamentals of the banding system are relatively simple, and we would expect to see no more than two or three additional bands to preserve the simplicity. We do also recognise that there will also need to be some significant realigning of property values to the bands to shift the burden appropriately and have a system that can actually be considered progressive.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

We have supported the principles of revaluation and having a more progressive system, and this will have an adverse impact on the residents of the Vale of Glamorgan. It is also essential that we seek to protect our residents, where there is potential for a significant number to see their properties move by more than one band. We do therefore support the commitment to consideration of transitional arrangements to smooth the effects of the reforms. Ideally residents should not

experience a move of more than one band per tax year, which is similar to the arrangement put in place at the time of the last revaluation. There is a tie in here with Question 5 below where the transitional arrangements naturally need to have unwound before the next revaluation.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area as a result of council tax reforms?

This is a fundamental element of the existing system, and we fully agree that it must stay in place and in the expectation that we will see a reduction in the Vale of Glamorgan with a greater proportion of income being raised through taxation.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes, agree with more regular not necessarily more frequent revaluations in the future. We would support revaluations every five years. We believe that such a cycle would accommodate any transitional arrangements put in place and not be impacted by volatility in property markets. Five years does show a commitment to regular revaluation to maintain credibility in the system and would not be an overly burdensome ask of valuation resources. After the initial revaluation in 2025 a five-year cycle would also very likely negate the need to an extended set of transitional arrangements as covered in Question 3 with a much more accurate tax base in place.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

There is clearly a mismatch in the system at present with only improved properties that are sold being revalued. Whilst not fully remedying the position the five-year revaluation cycle supported in Question 5 above would go some way towards mitigating the position.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

The majority of appeals are dealt with through the Valuation Office, the Council does have a small number in respect of liability exemptions, discounts and the CTR Scheme. There is minimal impact, and we have no comment to make.

We already have complete discretion to help manage debt and we allow deferred payment arrangements on a regular basis for those customers in need. It is a fine balancing act as we don't want to make customers overall debts worse by making unrealistic repayment arrangements. We have worked with other Welsh local authorities in the establishment of Council Tax Protocol for Wales – Good Practice in Collection of Council Tax and manage our debt in line with this protocol. We therefore believe that the current arrangements are fair and would commit to work with other local authorities to review the Protocol from time to time.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

We support the commitment in the consultation to ensure that data is shared more effectively and efficiency between the various organisations involved in the full process.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for- purpose? Are there particular aspects of the rules which you think need to change or new rules created?

There is a comprehensive range of exemptions and discounts in place, and we do not believe there are any gaps of note. The team work closely within their existing networks including with Welsh Government to review. The recent amendments to accommodate individuals impacted by the Ukrainian crisis is a case in question. Also, the exemptions and discounts are also backed up by the Council Tax Reduction Scheme. There is also the discretionary section 13 provision which allow the local authority to reduce Council Tax up to 100% where appropriate to do so which helps plug any gaps when regulations are being updated. The Vale of Glamorgan reviews its policy every two years to keep it relevant and up to date.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

We support the Welsh Government having greater flexibility in setting these rules and is in line with the benefits driven through devolved government.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

The one band reduction afforded to such properties does appear out of line with the approach to discounts elsewhere in the existing regulations and we support the review. Consideration should be given to award a percentage discount similar to the arrangement for single persons.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

It is positive that there has been recognition of inappropriate terms being contained in the regulations. We support a review of the language used throughout the regulations and that it be brought fully up to date to reflect the modern approach to equality and diversity.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

We are broadly supportive of the current arrangements and believe it is especially for it to continue to be means tested. However, there is a significant administrative burden with the scheme, a minor change in circumstances requiring recalculation of the Council Tax bill. We would, therefore, welcome working with the Welsh Government and the wider sector to design a simplified scheme.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

We wholly support the national scheme administered locally. We are very mindful of the “postcode lottery” which exists in England due to its deregulated approach. We are also supportive of Welsh Government being able to make in year changes, could have done so with assessing the Council Tax reduction support for those receiving payments for supporting Ukrainian families.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

In that the discretionary elements appear to be universally applied we would support the provision in Table 2 being built into the national scheme. As many of these are minimum requirements it would still afford individual councils some flexibility.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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 don't believe the proposals would have an adverse impact on the Welsh language.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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 don't believe the operation of the current arrangements and those proposed would have an impact on opportunities for people to use the Welsh language. Through the Welsh Language Act, we are fully committed to supporting those residents speaking Welsh to access to our service and this naturally include all interaction with our revenues and benefits teams.

Question 18: Any Further Comments

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

There is nothing further that we would wish to add.

Wrexham County Borough Council

Question 1: 2025 Revaluation

The council tax bands are currently based on property values from 1 April 2003, almost twenty years ago. Do you agree there should be a council tax revaluation in 2025, with property values based on 1 April 2023, to maintain the credibility of the system and distribute the tax burden more fairly? The purpose would not be to raise additional revenue through this exercise.

We believe that there should be a revaluation in respect of council tax, it is nearly 20 years since the previous revaluation, so this is long overdue. It will however be critical to ensure that the perception of this is not purely to be revenue raising rather than making the system fairer and distributing the tax burden in a fairer manner.

The need for revaluation was clearly highlighted in the report commissioned from the Institute of Fiscal Studies (IFS) which stated that council tax should be revalued and reformed. The primary reason being that the current system is out of date. No other system of taxation is based upon values that are nearly 20 years out of date. It weakens the credibility of the finance system. If the tax base is not based on contemporaneous information, it weakens the social contract and the reputation of local government in respect of the communities that members represent.

Question 2: Add and refit bands

Do you agree the Welsh Government should consider adding more council tax bands (for example at the top and bottom ends of the scale) and refit the bands to help make the system more progressive?

Whilst the previous revaluation added an additional band, it is fair to state that the current banding system is highly regressive in respect to property values and consequently incomes. The current banded structure has advantages in terms of ease of administration but the inequality of the proportion of tax paid relative to the values of the property is well documented. It is starkly exemplified by those properties at the opposing ends of the banding scale A and I. In the current banding system 57% of properties are in the bottom 3 bands but only 5% of properties are in the top 3 Bands (G to I), with most properties sitting in Band C. There is a long 'tail' in the distribution of properties that is not fully captured in 9 bands.

Ideally the system should be based on continuous valuations, and we would advocate for this being considered in the pursuit of a fairer and more progressive tax system. As indicated in the IFS report, this is currently feature of the system in Northern Ireland and was recommend in an IWS paper authored by Gerry Holtham. If this isn't a practicable solution because of legislative constraints, then there should be more bands.

The IFS model 12 bands and perhaps a maximum of 15 should be explored to capture the long tail at the higher end of the distribution. Another source of

regressivity is the proportional relativities between bands and this might be made more understandable and based on simple percentages rather the 'ninths' referred to under the current arrangements.

Question 3: Transitional Arrangements

The Welsh Government is committed to considering transitional arrangements if needed to smooth the effects of reforms. What factors should we take into account when designing these arrangements?

If the banding remains broadly similar, then consideration should be given to limiting the number of bands that one household might rise to one in any one year as happened at the previous revaluation. Otherwise, a 'stepped' increase, for example, an increase of a set % in any one year assuming that the element of local decision can be 'controlled for' in the calculation over a period of 2-3 years. This should be funded outside the system, should be easy for taxpayers to understand and should be simple to administer.

Question 4: Revenue Support Grant (RSG)

Do you agree the Welsh Government's Revenue Support Grant to councils should be adjusted to take account of changes to revenues raised in each local area because of council tax reforms?

As the revaluation is not intended to be revenue raising it will be critical to ensure that the Revenue Support Grant should be adjusted to take account of the revised tax base revenues following any revaluation. It is a long-standing feature of the system that grant distribution should equalise for the local resource base, as well as need. However, consideration should be given to councils whose tax base increases significantly but sets a council tax below Council Tax at Standard Spending CTSS; they will lose income unless they raise CT to a level equivalent to CTSS.

Question 5: Rolling Revaluations

Do you agree there should be frequent council tax revaluations at least every five years in the future, to ensure the tax burden is shared fairly amongst taxpayers on a regular basis?

Yes, there should be a clear cyclic revaluation which should be written into law, whether this was 5 or 7 years, it should be clear and transparent and would help improve perceptions of Council Tax.

Question 6: Property Improvements

When properties are significantly improved, properties are only reviewed and potentially rebanded in certain circumstances, for example when the property is sold to a new owner. The Welsh Government is seeking views on whether this policy should change in the future.

If there were clear revaluations at fixed periods for example 5 or 7 years as suggested above this should resolve the issue outlined. If the property has significantly changed it should be revalued accordingly.

Question 7: Appeals and Debt Management

Do you have any views on rights of appeal for taxpayers or how council tax debt is managed? Please include any suggested improvements for either of these elements.

The current system works reasonably well, it would be important to ensure that the Valuation Office Agency and Valuation Tribunals would be able to cope with a potential spike in appeals. The question around debt is managed feels inappropriate to be covered in this particular question, it is reasonable to state that the current procedures for Council Tax collection from billing to enforcement work reasonably well, however the council would welcome the opportunity to develop things further to ensure the system remains fair.

Question 8: Modernisation and Transparency of Service

What are your views on how the Welsh Government, the Valuation Office Agency, councils, or other organisations can modernise the service provided to taxpayers and improve transparency of the council tax system?

There should be further work undertaken to develop improved data sharing with both the Land Registry and the Welsh Revenue Authority to ensure that the tax base is up to date. If councils were made aware of when a property was sold that would be a step forward.

There is no objection to increasing public access to information providing it does not cross the obvious boundary of personal information.

Question 9: Discounts & Exemptions

What is your view on the existing discounts, disregarded persons, exemptions or premiums? For example, do you think the current rules are appropriate and fit-for-purpose? Are there particular aspects of the rules which you think need to change or new rules created?

Discounts, Disregards and exemptions have existed in Council Tax since its inception in 1993, whilst there have been few changes fairly recently, the most recent

one being the introduction of the Care Leaver Exemption. As part of this process, it would be an appropriate time to review the current number and structure and are aware that there is a working group convened to review these. It would be more appropriate to comment further once the working group has completed.

Question 10: Flexibility of Single Adult and Empty Property Discounts

What is your view on whether the Welsh Government should have more flexibility in future to set the rules for the statutory single adult and empty property discounts?

Welsh Government should have full flexibility to set this nationally, however the council is aware that everything should be in scope, such as single person discount amount/entitlement – automatic or means tested. Similarly, any changes made to discount amounts may also change the structure of council tax from 50% personal / 50% property basis.

Question 11: Disabled Adapted Properties

What is your view on how reductions in council tax for properties adapted for use by people living with a disability could be amended, simplified or improved?

Potentially a fixed amount reduction could be applied which support the Welsh Government aims of a more progressive tax system. It would be worth consideration as to whether the amount awarded should be a fixed financial amount instead of a band reduction as this is regressive and likely means that those who may need support the most receive a lower amount in support as the reduction from a Band A to Band A- is relatively small (1/9th) compared from a Band H disabled relief award which then receives a larger award (3/9ths)

It is also questionable whether residential homes should benefit from the band reductions because they are commercial entities.

Question 12: Discounts Titles / Severely Mentally Impaired

Should the Welsh Government be able to amend titles and descriptions of any discount, disregarded person or exemption? Do you think any of the current titles should be changed? What would you consider to be a more appropriate term to replace 'severely mentally impaired'?

The council is supportive of this approach as this is within the gift of Welsh Government and just needs a common-sense approach to balance the desire for change with taxpayers' understanding of any new titles/descriptions. Whilst the severely mental impairment exemption title is unfortunate, it is based upon some of the eligibility criteria and is widely known. Changing the exemption title may actually cause some confusion and many people may still refer to it in its past name.

Question 13: CTRS Design

The Welsh Government expects there to be a continued need to support low-income households in paying their council tax bills. Do you have any views about the design of the current scheme, including whether it should continue to be means-tested? Do you have any general views about the scheme?

This should continue to be a means tested benefit and it is our understanding this is the subject of a working group. The overriding principles should be that it removes waste processes, is simple to administer and understandable to the recipients of the reduction. The approach taken to notification letters is an example of an onerous process as the award is a discount and not a benefit.

There is significant work being undertaken to improve take-up to the Council Tax Reduction Scheme in Wales and to promote more efficient processing of new claims and changes within the confines of the current data sharing arrangements that Welsh LAs have with the Department for Work and Pensions. Any changes to the scheme should look to build on rather than undermine this work and would require close collaboration with software providers.

Clearly if Council Tax Revaluation will mean that the Revenue Support Grant paid to local authorities will change, the same should apply to the CTRS funding, as the funding provided by Welsh Government does not cover the costs of the scheme, so as part of the review of Council Tax Reduction, funding should be considered.

Question 14: CTRS National Scheme

Should Welsh Ministers have a duty to set a national scheme to be administered locally by councils, which allows the Welsh Government to make in-year changes if required?

In Summary yes, for Welsh Government to meet its ambition of a fairer council tax, the ability to make in-year changes to the scheme is paramount. The current Council Tax Reduction Scheme is not responsive enough to changes in priorities and this has been demonstrated most recently through the humanitarian response for arriving Ukrainian nationals and previously changes which were introduced by the Department of Work and Pensions as a result of the Pandemic. As councils are currently unable to make in-year changes has resulted in a call to Welsh councils to use their discretionary powers under Section 13A until the appropriate legislative changes can be made.

Question 15: CTRS Local Arrangements

Should the existing local arrangements form part of the new national scheme for consistency, whilst acknowledging that councils still retain existing discretionary powers under legislation?

Whilst there are limited discretions which councils can adopt as part of their local Council Tax Reduction Schemes, it appears that most councils are operating broadly similar discretionary elements, it is important that these remain to enable this to be seen as a local scheme.

Question 16: Welsh Language

We would like to know your views on the effects that the proposed policies 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?

The policies should have no different effects to Welsh Language provided they are communicated in a clear and transparent manner; it is important that any communications are issued bi-lingually and are clear and easy to understand.

Question 17: Welsh Language

Please also explain how you believe the proposed policies 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.

See response in Question 16 above, nothing further to add in relation to this.

Question 18: Any Further Comments

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

Whilst the council is supportive of a number of the items in this consultation, as part of these changes' consideration should also be given to Council Tax Recovery specifically in relation to alternatives to committal. Whilst the council did not actively take cases to court for committal for non-payment it used the threat of this as an engagement tool which is no longer available and as a result there are cases which the council has limited means to engage and continue enforcement. As part of the "fairness" process this should also cover that everyone should pay the council tax

demanded and be subject to fair and proportionate recovery action when it is clear they have the means to pay but are making conscious decisions not to pay.