

Dear

ATISN 26534 – The Council Tax (Valuation Bands) (Wales) Order 2003.

Information requested

Thank you for your request which I received on 30 December 2025. You asked for:

- Information relating to the rationale for revaluing council tax in Wales in 2003.
- What methods were used to determine the council tax band figures (bands A to I) made by The Council Tax (Valuation Bands) (Wales) Order 2003.

Our response

The information you requested is as follows.

Rational for revaluing council tax in Wales in 2003

Council tax is a local property tax based on valuations undertaken independently by the Valuation Office Agency. The statutory basis for the valuations is the open market value of property on a specified date, as required by [The Council Tax \(Situation and Valuation of Dwellings\) Regulations 1992](#), regulation 6. From our records, the Welsh Government's rationale for revaluing council tax in Wales in 2005 was to maintain a fair and credible system.

The original banding exercise for council tax when the system was first created in the UK, took place in 1993 using 1991 property values. A revaluation and re-banding exercise was undertaken in Wales in 2005 to ensure that all of the 1.3 million homes were placed into valuation bands according to their value on 1 April 2003. By the time the revaluation took place in 2005 the system was 12 years out of date. The accuracy in the banding of properties for council tax was, and still is of major importance, as it ensures council tax bills are paid based on up-to-date market indicators.

Significant house price inflation between 1991 and 2003 meant that without revaluation and re-banding, many properties would be in an incorrect band relative to the house values at the time. To retain the original system would have meant lower value dwellings paying proportionately more tax than homes whose values were significantly greater. It also meant that changes in economic circumstances during that intervening period were not reflected in council tax bandings.

Methods used to determine the council tax band figures (bands A to I) made by The Council Tax (Valuation Bands) (Wales) Order 2003

When the council tax system was introduced in 1993, a banded system of valuation was adopted in England, Scotland and Wales. Valuation bands were constructed by reference to average property values at a fixed valuation date.

From our records, when a revaluation took place in Wales in 2005, the Welsh Government at the time decided how it would update the band thresholds and consulted on a range of approaches. The new bands were set based on average house sales values for each band. An 'antecedent valuation date' of 1 April 2003 was set as a common reference date for all valuations to ensure fairness between properties.

From the average sales data, the midpoint between successive bands was used to set the upper limits. To use Band C as an example:

The average sale value of Band C properties at the time was £77,000. The average sales value of the successive band D properties was £105,000. The mid-point between the two figures (£77,000 and £105,000) was £91,000. Therefore, the upper limit for band C was set at 91,000. This process was used to set the upper band limits for bands A to F.

For Band G, using the same process meant the midpoint was considered too high a figure by the Welsh Government at the time. The band G upper limit was therefore set at £324,000.

For Band H, the upper limit was set at the median sale value.

A new Band I was introduced at the top of the scale for very high value properties, as it was felt this would go some way to achieving a more progressive council tax system.

Next steps

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,
Cathays Park,
Cardiff,
CF10 3NQ

or Email: Freedom.ofinformation@gov.wales

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at: Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,

Cheshire,
SK9 5AF.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely