

Making Council Tax fairer Phase 2

We want to know what you think



This document was written by the **Welsh Governmen**t. It is an easy read version of '**A Fairer Council Tax**'.

November 2023

How to use this document



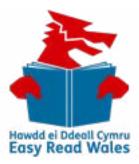
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About this document



We want to make council tax fairer.



We want to know what you think about our ideas for doing this.



We asked some questions about this in **Phase 1**.



For more information, you can read about **Phase 1** here: <u>Making Council Tax fairer.</u>



We are going to ask some more questions about this. This is called **Phase 2**.



We would like to know what you think by **Tuesday 6 February 2024**.



Please read this booklet then answer the questions at the back.

About Council tax

What does council tax pay for?

Council tax helps to pay for:







- Schools
- Social care
- Transport and roads
- Housing
- Fire and rescue services
- Police
- Many other services



People often think council tax only pays for waste collection. This is not true.

Why we want to make changes



The council tax system we have is out of date.



It is based on what houses were worth in 2003.



People who live in homes that are worth lower amounts compared to others may be paying more council tax than they should.



This isn't fair.



Changing the council tax system would be fairer for many people.



We think all homes need to be checked for how much they are worth.



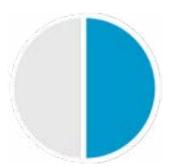
Council tax is split into groups, which are called **bands.**



The **bands** are based on how much a home is worth.



And we think a new system of bands needs to be put in place. This would be fairer.



Half of all households in Wales get some help paying for their council tax.



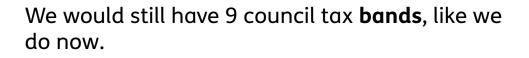
We won't try to raise more money through changing the council tax system, we want to raise the same money for local services.

Approaches for a new council tax system



We have come up with **3 approaches** of how the new council tax system could change.

Approach 1 - Least changes





But all house prices would be updated to April 2023 prices. This does not necessarily mean your council tax bill will increase.



This approach would make the system more up to date, but it isn't as fair as the other 2 approaches.



In this approach, most people's bands would stay the same, but some would be lower and some would be higher.

Approach 2- More changes



There would still be **9 bands**.



And all house prices would be updated.



But this time, the amounts paid for each **band** would be spread differently.



The rates for each band would change. People with lower priced houses would pay less than they do now.



People with higher priced houses would pay more than they do now.



This would mean they were fairer. Some people would end up paying less and some have no change.



In this example, about **7 out of 10** people would pay less, or see little change.

Approach 3 – Most changes



All property prices would be updated.



And there would be **3 extra bands**.



There would be **1 extra band** for the **least expensive** homes in Wales, and there would be **2 extra bands** for the **most expensive** homes in Wales.



Those with the highest property prices would pay more, and those with the lowest property prices would pay less.



This example would help the poorest areas of Wales.



Approach 1 is more up-to-date than now but makes the least changes, so is still unfair.

In **Approach 2** there are more changes and it is fairer.

Approach 3 would see more changes. It has the biggest drop in bills for people paying less and the biggest increase in bills for people paying more.

When the changes will be made



The earliest we could change the council tax system is **April 2025**.



But we could make changes more slowly. This is because there are a lot more pressures on money in Wales.



We have 3 choices about making the changes:

- 1. Make the changes from **April 2025**. This will mean some people see their bills drop quicker.
- 2. Wait until the next Senedd term in **2028**. This would mean people's bills will take longer to go down. But some people's bills will take longer to go up.
- 3. We could make the changes in stages. Starting in **2025** with less changes, and then make more changes after **2028**.



We think we will need to look at the value of houses every 5 years.



In the future we may need to check every 3 years.

Councils



We will keep working with local councils to make sure changes are made well.



A fairer system will help councils. This is because it could put less pressure on the **Council Tax Reduction Scheme**.



This is the name of the scheme that gives money off council tax to those who need it.



We think that changes to council tax will help protect public services.



Public services are things like schools and police.

Other changes to council tax



This is a chance to make a better council tax system overall.



For example, we found out that people don't know much about what their council tax pays for.



To help with this we are going to make a website about council tax.



We will make council tax easier to understand. And make it easier to find out information about it.

There are a number of other changes we want to make. The main things are:



• The Welsh Government would put a system in place to support households that may change **bands**.



• It will be easier to challenge a council tax **band** when it is changed if someone does not agree with it.



 Making an appeal about council tax would be improved. An appeal is when someone disagrees with something and challenges it.



• Homes where there is only one person counted towards council tax will still get the same amount of money off their council tax.



• We will still have the **Council Tax Reduction Scheme**.



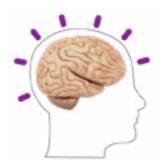
• We will check and improve our systems which help people get money off their council tax bill.



• We will make a new law that makes it easier to change council tax rules. This will be called the **Local Government Finance (Wales) Bill**.



• We want to make changes about council tax owed on empty homes where someone has died. This would mean council tax would need to be paid by the person the home is left to. This would be after a certain amount of time.



- We want to change the term 'severely mentally impaired' to:
 - significant brain impairment
 - or significant brain condition.

Question 1

A	_	_
в	=	_
с	-	_
D		-
E	_	_
F.	-	_
G	-	_
н	_	
1		_

What council tax band are you in? Please tick one box. <u>You can check your council tax band by</u> <u>clicking here</u>.

Band A
Band B
Band C
Band D
Band E
Band F
Band G
Band H
Band I
I don't pay council tax

Not applicable



What is your local council?

Anglesey	Swansea
Gwynedd	Neath Port Talbot
Conwy	Bridgend
Denbighshire	Vale of Glamorgan
Flintshire	Rhondda Cynon Taf
Wrexham	Merthyr Tydfil
Powys	Caerphilly
Ceredigion	Blaenau Gwent
Pembrokeshire	Torfaen
Carmarthenshire	Monmouthshire
Newport	Cardiff

Not applicable



We have given 3 possible approaches for a fairer council tax system. Which do you think is best? Or do you have any other ideas? Read pages 9 to 13.

Approach 1

Approach 2

Approach 3

Any other ideas



Question 4

On page 14 and 15 we talked about when to make the changes to council tax. Which option do you think is best?

Option 1 – Fastest changes

Option 2 – Slower changes

Option 3 – Carry out in stages



Do you have any other ideas? Please write them here:



Please see page 19. Do you think council tax should be charged when a home has been empty for a long time after someone has died?

Yes

No



Question 6

How long should the home be empty before council tax is due?

2 years

3 years

4 years

Other, please say how long:



Please see page 19. Which title do you think should replace the term 'severely mentally impaired'?

Option A: significant brain impairment

Option B: significant brain condition



Question 8

Do you agree with the definition of the term 'severely mentally impaired' below:

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

Yes

No

Any other views, please say:



Question 9:

What do you think about the qualifying criteria for a person with significant brain impairment or condition to get money off their council tax. You choose any 1 option from below:

Option 1: A person with significant brain impairment or condition should not need to meet any requirements to get money off their council tax. But people need to provide medical proof.

Option 2: If the person can provide proof of diagnosis, they don't need to meet any other requirements. This may depend on each council.

Other. Please write your ideas below:



Do you think our plans would affect the Welsh language at all?

Yes

No

How can we make sure the Welsh language would be treated fairly to English language? Please write your ideas here.



Question 11

Do you think these plans could give any chances to improve the use of the Welsh language? Please tell us what you think.



Is there anything you would like to add about these topics? Please write your ideas here.



Please return this form by post or email to:

Email: LGFR.Consultations@gov.wales



Post: Local Government Finance Reform Division Welsh Government Cardiff CF10 3NQ



Please return by: 6 February 2024