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Welsh Government

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Welsh Government
Consultation – summary of response

A Fairer Council Tax – Phase 2

15 May 2024

Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

Overview

The Welsh Government undertook a Phase 2 Consultation seeking further views on a fairer council tax system in Wales. This followed a [Phase 1 consultation](#) in 2022.

Action Required

This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

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Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

The consultation documentation can be found [here](#).

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Introduction

This document provides an overview of the responses to the consultation on A Fairer Council Tax: phase 2 which ran from 14 November 2023 to 6 February 2024. The consultation covered four main topics: different approaches to designing new council tax bands; regular updates to council tax in the future; discounts and exemptions; a more transparent system and a more effective appeals process.

The Consultation

Views were invited as a part of a 12-week consultation period which began on 14 November 2023 and ended on 6 February 2024. The [consultation document](#), an [easy read version](#) and a [British Sign Language version](#) were published on the [consultation pages](#) of the Welsh Government's website. Respondents were able to submit their views and comments online, by email or post, and in Welsh or English. The link to the consultation was emailed to a wide range of stakeholders including local authorities, representative organisations and professional bodies for the relevant sectors.

The consultation received **1,676 responses**, reflecting a wide spectrum of interests and views. The consultation contained two questions about the respondent's residential details (the council tax band of their property, and the council area in which they live), two questions about the potential approaches to a fairer council tax system, and five questions about discounts and exemptions, alongside three more general questions.

This document aims to present the broad views and themes that were provided in response to the consultation, rather than to summarise every individual response.

The consultation applied to Wales only.

Who responded to the consultation?

The consultation received a total of **1,676 responses**. All the responses have been considered and analysed. The respondents represented a range of interest groups, as follows:

Category of respondent	Number of respondents
Members of the public	1,633
Principal local authority	22
Representative bodies	18
Professional / academic experts	3

Where respondents did not explicitly state whether their response was an official response from an organisation, it is assumed they responded in a personal capacity and are categorised as a member of the public.

A list of respondents other than those who requested anonymity is at Annex A. Where respondents asked for their details to be withheld, they are identified as 'Anonymous' in order to comply with the General Data Protection Regulation.

Question 1: Council Tax Band

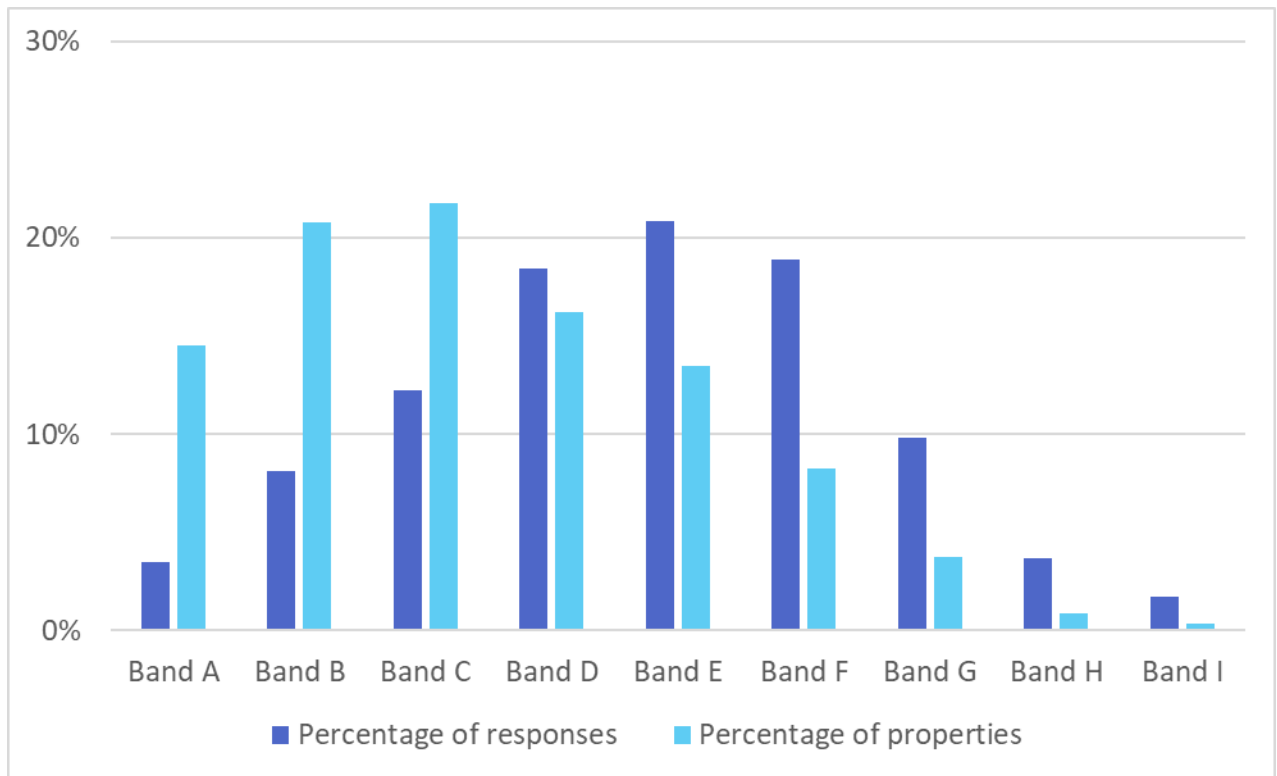
What council tax band are you currently in? Please choose an option, you may wish to refer to your latest council tax bill or [you can check your council tax band by looking up your address or postcode](#).

Band A	57 respondents / 3%
Band B	132 respondents / 8%
Band C	199 respondents / 12%
Band D	301 respondents / 18%
Band E	340 respondents / 21%
Band F	308 respondents / 19%
Band G	160 respondents / 10%
Band H	60 respondents / 4%
Band I	28 respondents / 2%
I don't pay council tax	8 respondents / 0%
Not applicable	38 respondents / 2%
	Total: 1,631 respondents

45 respondents did not provide an answer to this question.

Figure 1 compares the council tax band distribution from consultation responses with the actual distribution by band of 1.5 million council tax properties in Wales. As seen in Figure 1, the majority of respondents indicated their property was either in Band D (18%), Band E (21%), or Band F (19%). However, the actual distribution of council tax properties in Wales shows the largest number of properties are in Band C (22%) and Band B (21%).

Figure 1: Distribution of consultation responses by council tax band, compared with the distribution of council tax properties in Wales



Question 2: Council Area

Which council area do you live in?

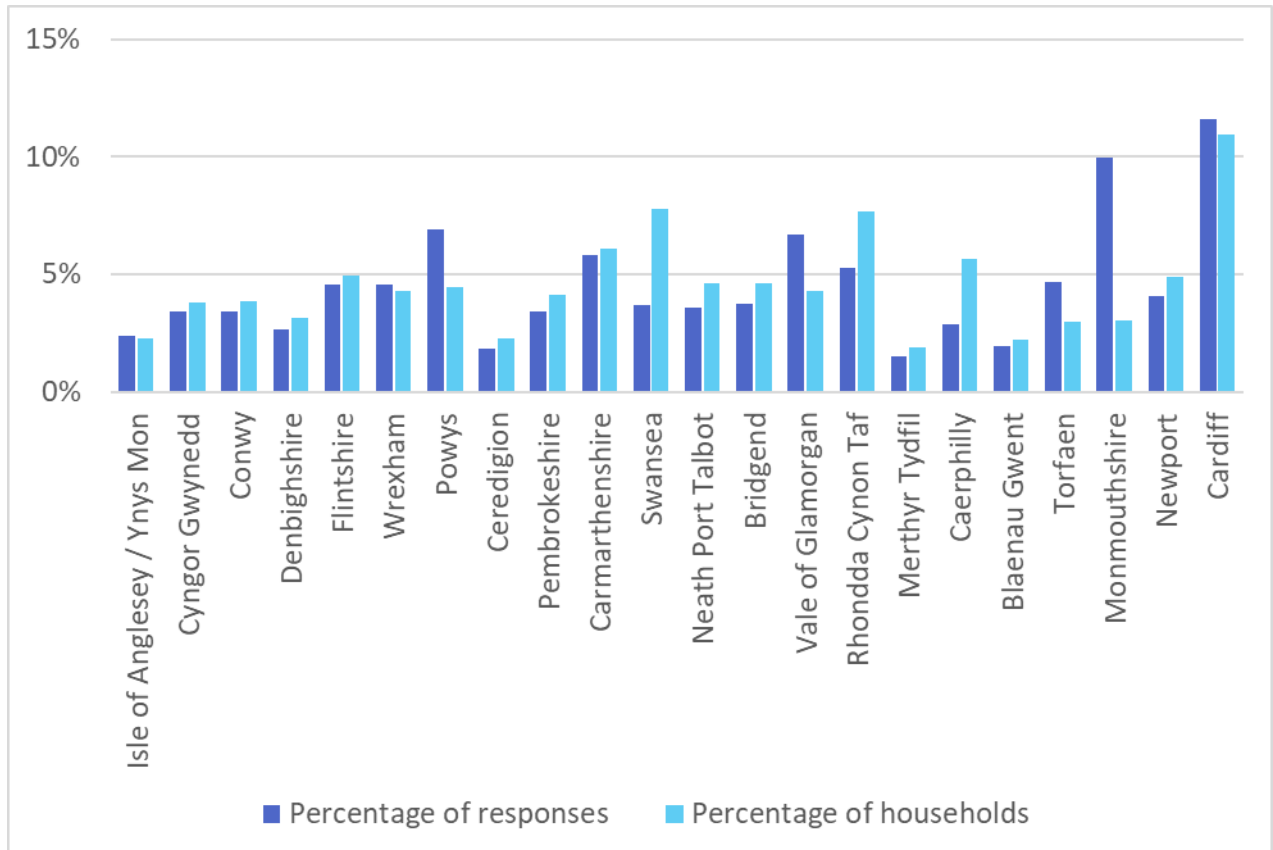
Isle of Anglesey / Ynys Mon	39 respondents / 2%
Cyngor Gwynedd	56 respondents / 3%
Conwy	56 respondents / 3%
Denbighshire	44 respondents / 3%
Flintshire	75 respondents / 5%
Wrexham	75 respondents / 5%
Powys	114 respondents / 7%
Ceredigion	30 respondents / 2%
Pembrokeshire	56 respondents / 3%
Carmarthenshire	96 respondents / 6%
Swansea	61 respondents / 4%
Neath Port Talbot	59 respondents / 4%
Bridgend	62 respondents / 4%
Vale of Glamorgan	110 respondents / 7%
Rhondda Cynon Taf	87 respondents / 5%
Merthyr Tydfil	25 respondents / 1%
Caerphilly	47 respondents / 3%
Blaenau Gwent	32 respondents / 2%
Torfaen	77 respondents / 5%
Monmouthshire	164 respondents / 10%
Newport	67 respondents / 4%
Cardiff	191 respondents / 12%
Not applicable	22 respondents / 0%
	Total: 1,645 respondents

31 respondents did not provide an answer to this question.

Figure 2 compares the distribution of properties by council area from the consultation responses with the actual distribution by council area of the 1.5 million council tax

properties in Wales. As seen in Figure 2, the percentage of consultation respondents from Monmouthshire (10%), Powys (7%) and the Vale of Glamorgan (7%) was greater than the percentage of council tax payers in Wales that live in Monmouthshire (3%), Powys (4%) and the Vale of Glamorgan (4%). Only 5% of respondents indicated they were from Rhondda Cynon Taf and 4% from Swansea, whereas the actual percentage of council tax payers living in each of these areas accounts for 8% of the total in Wales.

Figure 2: Distribution of consultation responses by council area, compared with the distribution of council tax properties in Wales



Question 3: Approach to Reform

The Welsh Government has shown 3 possible approaches for how to design a fairer council tax system. We want to ask you about your appetite for reform.

Do you think we should aim for:

Approach 1: minimal reform	523 respondents / 32%
Approach 2: modest reform	197 respondents / 12%
Approach 3: expanded reform	383 respondents / 23%
Other (please specify)	533 respondents / 33%
	Total: 1,636

40 respondents did not provide an answer to this question.

841 written responses (51% of the total) were provided.

In Question 3, respondents to the consultation were presented with 3 potential approaches to the design of a fairer council tax system. An option to provide an alternative view, described as “Other”, was also included. All respondents were able to provide a detailed comment regardless of the option chosen.

Just under a third (32%) of respondents favoured the minimal reform approach. Respondents who favoured **minimal reform** generally acknowledged that the current council tax system would benefit from property values being brought up to date, as values are currently based on 2003 housing market conditions, but questioned whether another revaluation was needed especially during a cost-of-living crisis.

Four local authorities favoured minimal reform. The Welsh Local Government Association (WLGA) stated that “the continued use of old property values undermines the credibility of the system and accuracy of property banding ensures councils collect the right amount of tax”. This was echoed by other stakeholders including Citizens Advice Cymru who said that “at a minimum, properties in Wales should be revalued in 2025 to ensure that council tax rates are based on up-to-date property values, improving the credibility and fairness of council tax banding”.

Just over one tenth (12%) of respondents preferred **modest reform**. These respondents indicated that this approach was fairer than minimal reform, and would have less of an impact on higher banded properties than the expanded reform approach. Three local authorities favoured modest reform.

Almost a quarter (23%) of respondents favoured **expanded reform**. These respondents felt that this was the fairest option for a future council tax system, with one respondent stating that it “takes the biggest step towards creating a fairer system”. Thirteen local authorities were supportive of the expanded approach.

The WLGA felt that “there is significant additional work involved for the revenues teams [in local authorities] in the ‘modest’ and ‘expanded’ options that go beyond a revaluation exercise, and that the council taxpayer also needs to understand and be fully prepared for changes beyond a simple revaluation”.

UNISON Cymru expressed the need for change and stated that “there is a moral duty upon the Welsh Government to do everything in its power to lift people out of poverty, and ensure wealthier citizens contribute their fair share to funding public services which benefit the entire community”.

213 respondents (13% of total respondents) to this question indicated that there should be no reform of council tax.

241 respondents suggested an alternative form of local taxation which included:

- a local income tax, or a local tax based on ‘ability to pay’
- a tax based on the number of occupiers in a property
- a tax based on usage of local services
- a flat rate charge for all households
- one respondent suggested a land value tax as an alternative.

These alternative suggestions were consistent themes the Welsh Government received in response to the Phase 1 consultation on a fairer council tax.

The Institute of Revenues Rating and Valuation (IRRV) proposed an alternative approach, where “a banded system could continue for properties up to a certain property value and any properties that exceeded this value could be taxed at a percentage of their market valuation therefore creating a more progressive tax”.

Other general views provided by respondents included:

- the reforms would have a negative impact on those who are asset rich but cash poor, particularly older people or retired households
- more clarity required about the proposals for reform
- piloting approaches for reform in a number of local authority areas before implementation.

Question 4: Timescale for Reform

The Welsh Government has described when the changes could be made to the council tax bands and tax-rates. Again, we want to ask about your appetite for reform.

Do you think we should make changes according to the:

Fastest timetable: minimal, modest or expanded reform by 1 April 2025	386 respondents / 24%
Staged reform: minimal or modest reform in 2025, moving to expanded reform in the next Senedd term	274 respondents / 17%
Slower reform: minimal, modest or expanded reform starting in 2028	569 respondents / 35%
Other (please specify)	400 respondents / 25%
	Total: 1,629

47 respondents did not provide an answer to this question.

615 written responses (38% of the total) were provided.

In question 4, respondents to the consultation were asked about their preferred timing for implementation of a fairer council tax system and were given three potential timescales to choose from, as well as another option to provide an alternative view, described as “Other”. All respondents were able to provide a detailed comment regardless of the option chosen.

Just over a third of respondents (35%) preferred a **slower reform** timescale, starting from 2028. Almost a quarter of respondents (24%) preferred the **fastest timetable** for the reform (in April 2025), whilst 17% of respondents preferred **staged reform** (starting in 2025 with further changes in the next Senedd term). The remaining quarter of respondents (25%) selected the option “Other”. Out of the 22 local authority responses, nine preferred a slower reform, three preferred the fastest timetable and eight preferred staged reform. One local authority selected the option “Other” and one did not answer this question.

Of the 615 written responses provided, a number of themes were identified as follows. 100 responses (16%) provided other suggestions about the proposed timescales for reform, such as:

- suggestions that reform should be implemented as soon as possible, with references to the positive impact this would have on households during the cost-of-living crisis
- any changes should be gradually introduced to allow people to adapt to the impact of the reform
- reform should only be implemented when it is fully considered regardless of timeline
- suggestions that reform should be delayed, referring to timelines that differ to the approaches presented in the consultation.

Some of these views were echoed by stakeholders, with the Institute of Revenues Rating and Valuation suggesting that “the changes should be made as soon as feasibly possible” and that “council tax reform is long overdue, so any changes must be implemented quickly in order to address the current unfairness in the system”.

Citizens Advice Cymru added that “reforms should start sooner than later”, they also suggested that reform should start “with the more straightforward process of revaluation in 2025 and progressing to some of the more complex changes in 2028. Alongside the staged approach, there needs to be work on robust transitional protection to help those who will be facing higher bills”.

Other responses contained criticisms of the proposed approaches, such as:

- 209 respondents (34%) stated they wished to see no change to the current council tax system
- 52 respondents (8%) felt that it was the wrong time to implement council tax reform because of the cost-of-living crisis.

Other general themes included:

- suggestions for an alternative form of local taxation, with the three most frequently cited being taxes based on income, the number of occupiers, or a flat rate tax for all households
- suggested reform would have a negative impact on those who are asset rich but cash poor, particularly elderly or retired households
- concerns about the cost of council tax generally.

Question 5: Exemption F Time-limit

Do you agree there should be an overall time-limit on Exemption F to discourage properties being left empty and exempt from Council Tax for an indefinite period?

A Class F exemption is currently provided for properties that have been unoccupied since a former resident's death where the only person liable for Council Tax would be the deceased's personal representative, and no grant of probate or letters of administration has been made.

Yes	1,059 respondents / 65%
No	560 respondents / 35%
	Total: 1,619 respondents

57 respondents did not provide an answer to this question.

Question 6: Probate / Letters of Administration

What do you consider is a reasonable period for obtaining probate or letters of administration?

2 years	747 respondents / 46%
3 years	306 respondents / 19%
4 years	210 respondents / 13%
Other (please specify)	355 respondents / 22%
	Total: 1,618 respondents

58 respondents did not provide an answer to this question.

467 written responses (29% of the total) were provided.

303 of the written responses provided suggestions for alternative options and timescales. 123 of these (41%) suggested there should be no change to the current position that the property should be exempt from council tax if it remains empty after

the death of the occupant, and the exemption should last as long as the process takes, citing that difficulties and delays can occur when applying for probate. A further 132 (44%) responses suggested periods of between 6 months and 18 months. A small number of responses proposed that local authority discretion should be applied after 2 years in exceptional circumstances, such as cases where the executor or personal representative of the deceased person has been difficult to locate or where the type of property involved takes longer to process.

A further 22 (7%) responses suggested the time-limit on an exemption from council tax should be a period of 5 years or more. Conversely a small number of responses (4%) suggested that council tax should continue to be payable after the death of the occupant to incentivise the sale or letting of the property.

Question 7: 'Severely Mentally Impaired' Title Replacement

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

Option A: significant brain impairment	791 respondents / 53%
Option B: significant brain condition	695 respondents / 47%
	Total: 1,486 respondents

189 respondents did not provide an answer to this question.

Question 8: Definition

Do you agree with the proposed definition to describe a person with a significant brain impairment or condition?

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

Yes	1,125 respondents / 72%
No	186 respondents / 12%
Any other views (please specify)	251 respondents / 16%
	Total: 1,562 respondents

114 respondents did not provide an answer to this question.

339 written responses (22% of the total) were provided.

149 respondents did not answer the question or they provided broader comments outside the scope of the question. 52 respondents (15%) were of the view that the existing definition and title should not be changed. A total of 81 responses provided alternative suggestions for a new title, including 34 (10%) respondents who considered 'cognitive impairment' to be a more suitable term to describe the condition. A further 24 respondents (7%) did not agree with the term 'permanent' and expressed a view that the exemption should also cover temporary conditions. Other

views emphasised the importance of having a clear list of conditions and criteria to ensure the exemption is only provided for the intended recipients.

Question 9: Qualifying Criteria

Do you have any views on the qualifying criteria for a person with a significant brain impairment or condition to be entitled to an exemption or disregard?

The current qualifying criteria are for a person to be entitled to a qualifying benefit and to have medical certification from a registered practitioner.

Option A: remove the requirement for a person to be entitled to a qualifying benefit in order to qualify for the exemption or disregard but retain the need for a medical certification	546 respondents / 36%
Option B: where a person can provide proof of clinical diagnosis, the requirement for a person to be in receipt of a qualifying benefit could be removed at the discretion of the council	653 respondents / 43%
Other (please specify)	308 respondents / 20%
	Total: 1,507 respondents

169 respondents did not provide an answer to this question.

357 written responses (23% of total) were provided.

130 responses were either not relevant to the question or respondents expressed that they did not feel sufficiently informed about this topic to answer the question.

95 respondents (27%) did not support making any changes to the current criteria. This included 11 local authorities, the IRRV and the WLGA. 11 local authorities also supported retaining the need for a person to be entitled to benefits “to help validate and fast-track applications” and facilitate the signposting of applicants to the range of benefits that may be available to them.

36 respondents (10%) suggested the exemption could be open to fraudulent applications and robust criteria are needed to determine entitlement. A small number of respondents (3%) suggested the exemption should be means tested. Some respondents (7%) questioned the need for the exemption if recipients were claiming benefits.

Question 10 and 11: Welsh Language

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

644 respondents did not provide an answer to this question.

1,031 written responses (62% of total) were provided.

Please also explain how you believe the proposed policy approach could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.

874 respondents did not provide an answer to this question.

801 written responses (48% of total) were provided.

Almost half of responses to Question 10 (44%) and three quarters of responses to Question 11 (70%) were unrelated to the question or commented on broader Welsh language policy considerations which were beyond the scope of council tax reform and this consultation.

Of the responses to both questions that were in scope of the consultation, the following themes emerged.

Approximately a third of respondents (34%) indicated there would be no or little impact on the Welsh language from the proposed council tax reforms.

One in ten respondents (10%) commented that the proposals could not be formulated or changed to have positive effects on the Welsh language.

17% of responses included comments about the use of bilingual council tax bills or correspondence. 9% suggested that correspondence issued by local authorities should be sent only in the preferred language of the recipient to reduce waste and costs. The remaining responses (8%) indicated that the Welsh Government should continue to adhere to the [Welsh Language Standards](#).

Other, less common, themes in response to Question 10 and Question 11 included:

- potential impacts on Welsh language speakers in rural communities as a result of bill changes
- general comments about the impact of second homes in Welsh speaking communities

- making council tax more affordable for young, local, people
- incentives for Welsh language speakers.

Question 12: Any Further Comments

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

756 written responses (45% of the total) were provided.

In Question 12, respondents to the consultation were asked to report any related issues which had not been specifically addressed in their responses to Questions 1 to 11. As a result, responses to this question included a wide range of different themes, many of which have been summarised in this document.

252 responses (28%) to this question contained general criticisms of the proposed changes to council tax, such as:

- not the right time for council tax reform because of the cost-of-living crisis
- the reforms could have a negative impact on those who are asset rich but cash poor, particularly elderly or retired households
- general views about households in rural communities
- concerns about the overall costs of reform or similar
- concerns the proposals would lead to increased taxes
- general comments asking the Welsh Government to reconsider the proposals.

14% of responses included suggestions for an alternative form of local taxation. The three most frequently cited suggestions were taxes based on income or 'ability to pay', the number of occupiers, or a flat rate tax for all households.

16% of responses expressed wider concerns about the current council tax system such as the overall cost of council tax (sometimes in relation to annual rises), dissatisfaction with various local services or infrastructure, the comparative use of local services by certain households, and variations in locally set council tax levels.

Other comments (9%) focused on discounts for certain types of properties or households including the single occupancy discount (with most asking for it to be retained or increased) and discounts for students, empty properties or disabled households. Some responses suggested introducing council tax discounts for greener homes.

Other, less common, themes included:

- general comments about second homes;
- views or procedural comments about council tax debt;

- whether council tax liability should be paid by the owner rather than the occupier;
- the need for transitional relief;
- views on the contribution made by those who receive help towards their council tax; and
- general comments in support of reform.

Government Response

The Welsh Government is grateful to everyone who has participated in this consultation and the previous [Phase 1 consultation](#). As a summary document, not all the issues outlined in responses have been reflected but each response has been considered carefully.

Next Steps

The Cabinet Secretary for Finance, Constitution and Cabinet Office issued a statement outlining how the Welsh Government will meet its commitment to a fairer council tax for Wales, as set out in the Programme for Government and the Cooperation Agreement.

Annex A – List of Respondents to the Consultation

Age Alliance Wales

All Wales Forum of Parents and Carers of People with Learning Disabilities

Blaenau Gwent County Borough Council

Caerphilly County Borough Council

Cardiff Council

Care & Repair Cymru

Carmarthenshire County Council

Centre for Cities

Ceredigion County Council

Ceredigion Green Party

Citizens Advice Cymru

Cllr Dr Louise Brown

Conwy County Borough Council

Country Land and Business Association (CLA CYMRU)

Cyngor Gwynedd

Cyngor Sir Ynys Môn

Denbighshire County Council

Flintshire County Council

MoneySavingExpert

Monmouthshire County Council

National Residential Landlords Association

Neath Port Talbot County Borough Council

Newport City Council

News Media Association

NFU Cymru

Office of Carolyn Thomas MS

Powys County Council

Resolution Foundation

Rhondda Cynon Taf County Borough Council (Overview and Scrutiny Committee)

Tax and Welfare Group, Bangor Business School, Bangor University

TaxPayers' Alliance

The Institute of Revenues, Rating & Valuation (IRRV)

Torfaen County Borough Council

UNISON Cymru Wales

Vale of Glamorgan Council

Valuation Tribunal for Wales (VTW)

Welsh Local Government Association (WLGA)

Wrexham County Borough Council

Private Individual x 565

Anonymous x 1,072