



Llywodraeth Cymru
Welsh Government

PUBLICATION, DOCUMENT

Consultation on proposed changes to the Council Tax proposals and appeals system

We are seeking your views on changes to the framework for Council Tax appeals in Wales.

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Introduction

The Welsh Government's **Programme for Government** (<https://www.gov.wales/programme-government>) commits to reforming Council Tax to make it fairer and more progressive. We are making progress on a number of planned improvements to meet this commitment and create a fairer Council Tax system in Wales.

The Welsh Government has **consulted** (<https://www.gov.wales/fairer-council-tax-phase-2>) previously on proposals for reform of the Council Tax system. You can read more about activities such as revaluation and redesigning property bands in a **written statement** (<https://www.gov.wales/written-statement-update-council-tax-reform>) from 15 May 2024. The statement outlined the Welsh Government's intention to introduce structural reforms to Council Tax bands from 2028, and then every 5 years, and this plan has now been approved by the Senedd through the **Local Government Finance (Wales) Act 2024** (<https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=42241&optionId=0>). The statement also outlined a commitment to making other improvements to the Council Tax system by the end of the Senedd term, such as reviewing discounts, reductions and appeals.

One of these improvements is to regulate the appeals process so that it is streamlined, more effective and easier to navigate. Proposed changes outlined in this consultation will also allow taxpayers to have more control over how far into the process they wish to go, as currently there are some circumstances where taxpayers can be notified of a tribunal hearing unexpectedly, and we know this can be quite a daunting experience.

The process to formally challenge your Council Tax band involves 2 independent organisations, each responsible for different parts of the process. The Valuation Office Agency (VOA) is responsible for the valuation and banding of properties for Council Tax purposes, compiling and maintaining the list of

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Council Tax properties in Wales. The VOA also considers proposals from taxpayers who believe their Council Tax band is incorrect. **The Valuation Tribunal for Wales** (<https://www.valuation-tribunals-wales.org.uk/home.html>) (VTW) is responsible for deciding the outcome of Council Tax band appeals. An appeal to the VTW is currently automatically generated when agreement cannot be reached between a taxpayer and the VOA, or after 6 months if no progress has been made. The detailed process is set out in the Council Tax (Alteration of Lists and Appeals) Regulations 1993.

This consultation seeks views on proposed changes to the Council Tax proposals and appeals system. It will be open for a 12-week period and will close on 3 April 2025. The consultation applies to Wales only.

Eligibility criteria

This consultation does not propose any changes to the eligibility criteria for proposals or appeals. Currently, there are limited circumstances when a formal challenge to a Council Tax band can be made as the current property bandings have existed for a long time, since April 2005. Taxpayers can only formally challenge a Council Tax band within 6 months of becoming a new taxpayer for a property, or in specific circumstances (e.g. there has been a physical change to the property or nearby location). In the future, when property bandings change in 2028 and then every 5 years, we intend to open up eligibility for appeals for the first 12 months after each Council Tax revaluation exercise. In between those periods, we will revert to the usual eligibility criteria for formal band challenges. However, in addition, the Valuation Office Agency will informally review a property banding at any time, even if the criteria to formally challenge a band are not met, but the taxpayer must provide firm evidence to support their view that the band is incorrect.

This consultation deals only with procedural changes to formal proposals and appeals.

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Current proposal process

To formally challenge their Council Tax band a taxpayer must first submit a proposal to the Valuation Office Agency (VOA). There are currently strict circumstances when a taxpayer can make such a challenge. In summary these are:

- within 6 months of becoming a new taxpayer for a property
- within 6 months of the VOA altering a Council Tax band
- when a physical change to a property or local area has occurred. This can include requests to value a new property, delete a property from the Council Tax system, changes to occupation, or following a relevant tribunal or High Court decision

If any of the above circumstances exist, a taxpayer can submit a proposal to the VOA to change the Council Tax band for their property. A proposal can be **submitted online from GOV.UK** (<https://www.gov.uk/challenge-council-tax-band>), or in hardcopy form via post.

Upon receipt of a valid proposal the VOA will, within 6 months, contact the taxpayer about the proposal. This contact will either:

- state that the VOA agrees with the proposed amendment, and will change the Council Tax band for the property
- ask the taxpayer to withdraw the proposal on the basis that the VOA believes the Council Tax band for the property is correct, and that no amendment is required. The letter may also include supporting evidence explaining why the VOA believes the band to be correct
- serve an invalidity notice because the proposal has not been validly made

If the VOA and the taxpayer reach agreement at this stage the proposal is resolved, the case is closed and the Council Tax band for the property is

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updated (if required).

If the VOA does not hear from the taxpayer, if the VOA has not made progress, or if the VOA does not agree to the proposed amendment and the taxpayer does not wish to withdraw their proposal, the proposal is automatically referred by the VOA to the Valuation Tribunal for Wales (VTW). This referral must take place within 6 months of receipt of the proposal. The VTW will then schedule the unresolved case for a tribunal hearing and notify the taxpayer.

A case can be withdrawn or agreed at any stage, however if it remains unresolved, a case can only be concluded by a tribunal hearing.

Read more about how the **current proposal process works on GOV.UK** (<https://www.gov.uk/challenge-council-tax-band>).

Current appeals process

Proposals for Council Tax band changes made by a taxpayer must be ready to be treated as an appeal within 6 months of receipt by the Valuation Office Agency (VOA), so in practice some cases are automatically sent to the Valuation Tribunal for Wales (VTW) within 6 months if they remain outstanding with the VOA. This happens without any communication with the taxpayer. Currently as volumes of proposals are relatively low, this happens within a shorter timeframe, but at times of high volumes (such as revaluations) it is likely to take up to the full 6 months before a proposal automatically becomes an appeal.

Even at appeal stage the taxpayer can continue to discuss their case with the VOA; however, in due course, if the appeal remains unresolved, the VTW will schedule the appeal to be heard at a tribunal. At the moment, the timeframes and amount of contact between a taxpayer and the VOA in particular is variable, which can mean the process is quite vague and unclear for the taxpayer.

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Once a case is scheduled to be heard at a tribunal, the VTW will issue a letter to the taxpayer giving at least 4 weeks' notice of the hearing date. The VTW will at the same time also inform the VOA that the case will be heard at tribunal, and each party must prepare a case to put before the hearing. Each party should allow the other to have sight of their case prior to the hearing.

Tribunals are currently heard both virtually and face to face. Cases are presented to an independent panel who will make a determination based on the evidence placed before them during the hearing. The outcome of the hearing is normally notified to each party within 28 days.

If the hearing concludes that a change to the Council Tax band is needed, the VOA must action this within 6 weeks.

This process generally concludes the matter; however, there is an opportunity for either party to appeal to a higher court but this can only be on a point of law rather than simply disagreeing with the tribunal's decision.

Read more about how the [tribunal process currently operates on Valuation Tribunal Wales](https://www.valuationtribunal.wales/council-tax-banding.html) (<https://www.valuationtribunal.wales/council-tax-banding.html>).

Improving the system

The Welsh Government believes the current process for Council Tax band proposals and appeals is unclear, vague and doesn't provide taxpayers with enough information, or a clear choice as to how far they wish to progress their formal Council Tax band challenge. We sometimes receive complaints from taxpayers who were not expecting to be called to a tribunal appeal hearing with 4 weeks' notice and asked to prepare their case, and this can be stressful for taxpayers who were not wishing to take this next step.

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To meet our commitment to improve the appeals process and provide greater transparency, we plan to make the following changes:

- Clearly define the operational responsibilities of each organisation, the Valuation Office Agency (VOA) and the Valuation Tribunal for Wales (VTW), to improve taxpayers' understanding of who does what and when.
- Enable the VOA to provide taxpayers with their own property data and any available evidence used to arrive at their banding earlier in the process, thus improving transparency and allowing people to make informed choices as early as possible.
- Ensure the VOA and the VTW clearly set out the choices and next steps in correspondence with the taxpayer and provide an option for taxpayers to withdraw after reviewing property data and evidence provided.
- Remove the automatic referral of an unresolved proposal to the VTW, allowing autonomy for taxpayers to decide how far into the process they wish to go.

By improving the appeals system, we want to make the system more user friendly and less ambiguous for the taxpayer, with better information provided at every stage. By providing property and valuation data earlier in the process, we will improve transparency, allowing the taxpayer to make informed decisions sooner.

We believe that it should be the taxpayer's own decision as to whether they wish to progress to a tribunal hearing. Therefore, we propose to end the automatic transmission of proposals to the VTW.

We have outlined our proposed changes to the proposal process and appeals process below.

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Proposed changes to the proposal process

The criteria and methods to make a formal challenge to your

(<https://www.gov.wales>) Council Tax band will remain unchanged.

Under the proposed changes, when taxpayers submit a valid proposal to the Valuation Office Agency (VOA) to formally challenge their Council Tax band, taxpayers will receive the property data, and any available sales or property comparisons held by the VOA for their property. This will allow taxpayers to review the information earlier in the process than they can currently, and we think this will help taxpayers to decide how they wish to proceed.

Correspondence from the VOA will set out those choices clearly, and the next steps.

It will be possible for taxpayers to withdraw from the process at any time, should they wish to do so, either because they agree that their property information held by the VOA is correct and/or they are now content that their Council Tax banding is correct. If a taxpayer withdraws, the proposal is concluded.

If the VOA does not receive further correspondence from the taxpayer after releasing property information, the VOA will assume the taxpayer wishes to proceed and the VOA will issue a considered decision about the Council Tax band within 4 months of receipt to conclude the proposal.

If a taxpayer disagrees with the property data held by the VOA, or wishes to continue with their proposal, the taxpayer will have the option to provide additional evidence to support their proposal and further discuss their case. There will not be a requirement to provide additional evidence to continue in the process. If a taxpayer proceeds, the VOA will review any additional evidence if provided and correspond further with the taxpayer to conclude the proposal.

The proposal can be concluded by the following actions:

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- the taxpayer is happy with the evidence provided and withdraws the proposal
- the VOA agrees to the proposed changes
- the VOA issues a considered decision stating why they have been unable to agree to the proposed changes with supporting evidence, and the taxpayer can decide to move forwards with an appeal to the VTW
- based on evidence, the VOA decides that a different change to the Council Tax band for the property is required (different to the band proposed by the taxpayer). If the taxpayer still disagrees with this decision, they can decide to move forwards with an appeal to the VTW
- the VOA notifies the taxpayer that they have been unable to reach a considered decision within the 4 month timeframe due to the complexity of the case and informs the taxpayer that they can decide to move forward with an appeal

If the VOA agrees to the proposed changes, or states that a different change is required to the banding, they will update the Council Tax band accordingly; there will be no need for the taxpayer to sign any further paperwork.

Proposals must be concluded within 4 months of receipt, and this timeframe aligns with the Council Tax proposal and appeals system in England.

Proposed changes to the appeals process

Rights of appeal for taxpayers are a fundamental aspect of a fair Council Tax system. Appeals to Council Tax bands are handled by the Valuation Tribunal for Wales and are distinct from the VOA proposal process. The procedural operation of a tribunal hearing conducted by the VTW at the appeal stage will remain largely unchanged.

Under the changes outlined in this consultation, band proposals will no longer be

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automatically sent from the VOA to the VTW, and we want to empower taxpayers to make their own choice. If taxpayers should wish to do so, they can make an appeal to challenge the decision made by the VOA directly to the VTW, after reviewing the VOA's data and evidence.

At the point the VOA corresponds with the taxpayer on the outcome of the proposal stage, the VOA will provide taxpayers with clear information about their options and the next steps. It is at this point a taxpayer can choose to appeal to the VTW. The timeframe to do this will be within 4 months from the proposal outcome issued by the VOA.

Summary

To summarise the proposed changes to the existing proposal and appeal process, the following steps demonstrate a comparison between the existing process and the proposed changes.

Existing process

1. Taxpayer submits a band proposal to the VOA.
2. VOA contacts the taxpayer within 6 months.
3. If the VOA and the taxpayer agree on an outcome, the proposal is resolved.
4. If the VOA and the taxpayer cannot agree, the band proposal is automatically referred to the VTW at the end of the 6 months.
5. Once sent to the VTW by the VOA, the proposal automatically becomes an appeal. If an appeal is not withdrawn or agreed and remains unresolved, it can only be concluded at a tribunal hearing.

Proposed changes

1. No change. Taxpayer submits a band proposal to the VOA.
2. Taxpayer receives property data held for their property and available supporting evidence to review.
3. Taxpayer makes an informed decision about how to proceed based on the information received: they either continue with the proposal process or they withdraw from the process.
4. If the proposal is continued, it must be resolved within 4 months with a VOA considered decision, or a VOA letter explaining the outcome.
5. If the taxpayer disagrees with the VOAs decision, or they do not receive a decision within 4 months, the taxpayer will be provided with clear information about how to appeal directly to the VTW.

Consultation questions

Question 1

Do you agree that Council Tax payers should receive their property data and supporting valuation evidence from the Valuation Office Agency earlier in the proposal process than they currently do?

Question 2

Do you agree that enabling Council Tax payers to receive their property data and supporting valuation evidence from the Valuation Office Agency earlier in the proposal process, will help inform a taxpayer's choice about whether to progress their case to an appeal?

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Question 3

Do you agree that Council Tax payers should be able to choose to progress their case to an appeal tribunal only if they want to do so?

Question 4

What is your view on the Welsh Government's proposals to amend the process for Council Tax proposals and appeals?

Welsh language

'A Wales of vibrant culture and thriving Welsh language' is one of 7 well-being goals in the Well-being of Future Generations (Wales) Act 2015. The Welsh Government recognises the importance of Welsh-medium education and is working towards the aim of a million Welsh speakers by 2050.

Comments are invited about the effects (whether positive or adverse) which the proposals for reforming Council Tax proposals and appeals may have on opportunities for persons to use the Welsh language and on treating the Welsh language no less favourably than the English language.

Question 5

The Welsh Government would like your views on the possible effects that the proposals for reforming Council Tax appeals could have on the Welsh language, specifically on:

- opportunities for people to use Welsh

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- treating the Welsh language no less favourably than English

Question 6

Please also explain how you think the proposals for reforming Council Tax appeals could be developed so as to have:

1. 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
2. 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

Question 7

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.

How to respond

Submit your comments by 3 April 2025, in any of the following ways:

- complete our **online form** (<https://www.gov.wales/node/65771/respond-online>)
- download, complete our **response form** (<https://www.gov.wales/sites/default/files/consultations/2025-01/wg50858-response-form.docx>) and email **CTandNDR.Consultations@gov.wales** (<https://www.gov.walesmailto:CTandNDR.Consultations@gov.wales>)
- download, complete our **response form** (<https://www.gov.wales/sites/default/>)

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<files/consultations/2025-01/wg50858-response-form.docx>) and post to:

Council Tax Policy
Welsh Government
Cardiff
CF10 3NQ

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is our independent regulator for data protection

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please **tell us** (<https://www.gov.wales/proposed-changes-council-tax-proposals-and-appeals-system>).

For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer

Data Protection Officer

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E-mail: data.protectionofficer@gov.wales
(<https://www.gov.walesmailto:data.protectionofficer@gov.wales>)

Information Commissioner's Office

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Telephone: 01625 545 745 or 0303 123 1113

Website: ico.org.uk (<https://ico.org.uk/>)

UK General Data Protection Regulation (UK GDPR)

The Welsh Government will be data controller for Welsh Government consultations and for any personal data you provide as part of your response to the consultation.

Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. The lawful basis for processing information in this data collection exercise is our public task; that is, exercising our official authority

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to undertake the core role and functions of the Welsh Government. (Art 6(1)(e))

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. In the case of joint consultations this may also include other public authorities. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation and that the Welsh Government may be under a legal obligation to disclose some information.

If your details are published as part of the consultation response, then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than 3 years.

Further information and related documents

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