

# Collection of Essays on Local Government

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# The reorganisation of the Welsh Government funded Welsh public sector

Over the last 25 years there have been service reorganisations that have created larger organisations throughout the Welsh Government controlled public sector. There is generally a political consensus at the National Assembly that larger organisations are better than smaller ones and that mergers are generally a good thing.

## Currently in Wales we have:

- The Welsh Ambulance Service (WAST) that was established in 1998 by the amalgamation of four existing ambulance Trusts, and the ambulance service provided by Pembrokeshire and Derwen NHS Trust.
- Public Health Wales was created at the same time as the local health boards by the merger of National Public Health Service, Wales Centre for Health, Welsh Cancer Intelligence & Surveillance Unit, Congenital Anomaly Register & Information Service for Wales, and Screening Services Wales.
- 7 local Health boards that now plan, secure and deliver healthcare services in their areas, replacing the 22 LHBs and the 7 NHS Trusts which together performed these functions previously. The population sizes vary between Powys at just over 130,000 to Betsi Cadwaladr at just under 700,000.
- The National Procurement Service was more recently created by the Welsh Government on 12 March 2013. Its remit is to secure in the region of £1bn worth of goods and services in common and repetitive spend.
- Natural Resources Wales was formed by the merger of the [Countryside Council for Wales](#), [Environment Agency Wales](#), and the [Forestry Commission Wales](#). Since its creation there has been a number of loans from *Invest to Save* to fund redundancies and a highly critical auditor general report regarding the sale of trees.
- 2 Trunk Road agencies have replaced the former 8 County Council run agencies. The [Welsh Government](#) reviewed the way in which trunk roads and motorways were being managed, and they decided to reduce the number of trunk road agencies from eight down to three and then down to two.
- 3 National Parks. Following the [Environment Act 1995](#), each national park has been managed by its own [national park authority](#) since April 1997. Previously they were governed by the local [county councils](#). There have been calls for the three to merge into one National Park for Wales but that has recently been rejected by the Minister.
- 3 Fire and Rescue services which were formed as a consequence of local government reorganisation in 1995, replacing the 8 former County Council Fire and rescue services.
- 4 regional Education Consortium created from the 22 unitary authorities in Wales responsible for education.

- 22 County or County Borough councils were created in 1995 by the merger of county and district councils. For several years there have been calls from politicians for local government mergers.
- Over 700 Community and Town Councils  
Are mergers always right?

From the above it can be seen that the direction of travel is to larger and fewer organisations. Those who look at it simply, calculate the savings from reducing the number of senior staff and thus provide more money for front line services.

Mergers are expensive with redundancy costs and the cost of re badging the organisation. More expensive is creating a single ICT system from the systems of the predecessor organisations. Some will still be under contract and others will need to be updated or closed down and merged into the new system.

All these are up-front costs, and whilst the cost of local government reorganisation in 1996 was approximately 5% of annual expenditure for each council, that was without the variations in terms and conditions between authorities that exist today.

The simplistic conclusions of some is that following a merger, all the senior post duplication is removed and thus substantial ongoing savings are made. This ignores two major issues, namely that senior managers carry out tasks and if the number is reduced the tasks have to be reassigned and the same number of decisions need to be made.

Economic theory predicts that an organization may become less efficient if it becomes too large.

Larger organisations often suffer *poor communication* because they find it difficult to maintain an effective flow of information between departments, divisions or between head office and outlying parts.

*Coordination problems* also affect large organisations with many departments and divisions as they find it much harder to coordinate operations.

'*X*' *inefficiency* is the loss of management efficiency that occurs when organisations become large and operate in uncompetitive markets. Such losses of efficiency include over paying for resources, such as paying managers salaries higher than needed to secure their services, and excessive waste of resources.

This leads to three questions on public services as they are currently configured.

Do the larger organisations such as Betsi Cadwaladr perform better than smaller ones?

Has the creation of all Wales organisations such as the Welsh ambulance service produced an improved service?

Has the reduction in the number of organisations carrying out a function such as the trunk road agency, Natural Resources Wales and the National Procurement Service improved the services being provided?

# The reorganisation of the Welsh Government funded Welsh public sector

*Mike Hedges continues his consideration of how the scale of delivery impacts local authority's delivery of services.*

This article continues my consideration of [the reorganisation of the Welsh Government funded Welsh public sector](#).

Local Government mergers are again being considered and there is a political consensus that we need larger local authorities, although calling a reconstituted Dyfed a local Council does seem, to me at least, a little strange.

The current size of local authorities in Wales are shown below.

<b>Rank</b>	<b>District</b>	<b>Population</b>
1	Cardiff	361,500
2	Swansea	244,500
3	Rhondda Cynon Taf	238,300
4	Carmarthenshire	185,600
5	Caerphilly	180,500
6	Flintshire	154,400
7	Newport	149,100
8	Bridgend	143,200
9	Neath Port Talbot	141,600
10	Wrexham	136,700
11	Powys	132,200
12	Vale of Glamorgan	128,500
13	Pembrokeshire	124,000
14	Gwynedd	123,600
15	Conwy	116,500
16	Denbighshire	94,800
17	Monmouthshire	92,800
18	Torfaen	92,100
19	Ceredigion	74,100
20	Isle of Anglesey	69,700
21	Blaenau Gwent	69,600
22	Merthyr Tydfil	59,800

England and Scotland have several unitary authorities larger than Cardiff but Scotland has 5 smaller than Merthyr (Inverclyde, Clackmanshire, Western Isles, Orkney and Shetland) and England one (Rutland).

If larger authorities were more efficient and effective then two things would happen: council tax would be lower and performance would be better. The council tax should show that the larger authorities, and Powys which has been deemed not to need to be merged, charging the lowest amount. Using Welsh Government data on 2018/19 County and County Borough Council tax rates.

<b>District</b>	<b>Band D Council Tax</b>	<b>Relative size</b>
Pembrokeshire	994	13
Newport	1,057	7
Caerphilly	1,058	5
Wrexham	1093	10
Isle of Anglesey	1140	20
Cardiff	1155	1
Conwy	1168	15
Flintshire	1178	6
Vale of Glamorgan	1,187	12
Powys	1189	11
Carmarthenshire	1,197	4
Ceredigion	1226	19
Torfaen	1,242	18
Monmouthshire	1,242	17
Denbighshire	1248	16
Swansea	1269	2
Gwynedd	1301	14
Bridgend	1396	8
Rhondda Cynon	1,406	3
Neath Port Talbot	1,497	9

Merthyr Tydfil	1500	21
Blaenau Gwent	1571	22

Whilst the two smallest authorities are in the bottom two places regarding council tax, medium sized authorities appear to perform better than either large or small authorities when it comes to the cost of council tax to the resident.

Does council performance show that the larger authorities by population perform best? According to the [Western Mail](#) “the quality of services delivered by local authorities in Wales is not determined by the size of the council.”

The Western Mail figures are based on 28 indicators across the range of local government, including education, social care, housing, environment and transport, planning and regulatory services, leisure and culture and corporate health.

With four points on offer for councils that performed in the top quartile of each indicator, a maximum score of 112 was possible. Depending on their performance, councils scored between one and four points in each indicator.

This uses figures published in 2015/16 and I will update these figures when I can access the 2016/17 figures.

<b>Council</b>	<b>Score</b>	<b>Relative size</b>
Vale of Glamorgan	86	12
Denbighshire	85	16
Carmarthenshire	79	4
Pembrokeshire	77	13
Rhondda Cynon Taf	77	3
Merthyr Tydfil	76	22
Wrexham	76	10
Neath Port Talbot	73	9
Gwynedd	72	14
Flintshire	71	6
Caerphilly	70	5

Conwy	68	15
Isle of Anglesey	68	29
Blaenau Gwent	67	21
Bridgend	67	8
Monmouthshire	66	17
Newport	66	7
Torfaen	66	18
Cardiff	64	1
Ceredigion	61	19
Powys	61	11
Swansea	59	2

From this it is not possible to conclude that larger councils and Powys perform better with medium sized authorities taking three of the top four places.

In Scotland the variation in council tax is much less than Wales but the lowest council tax is the Western Islands and Shetland and the largest Council, Glasgow, has the largest band D council tax.

I didn't find it possible to get the same data for Scotland as is available for Wales on relative performance.

I look forward to reading an explanation on how larger councils perform better and an explanation of the advantages of larger councils.



# The reorganisation of the Welsh Government funded Welsh public sector

I have previously looked at the [changes in structure of the public sector in Wales](#) and [how the performance of local authorities varies with size](#). Now I am addressing how I believe we can take the public sector in Wales forward.

I believe that all change should be based on the answers to these questions:

- Is the current structure providing effective services?
- Is the structure responsible, in part or whole, for the weakness of the organisation or its failure?
- Is it close enough to the people so that they feel ownership of it?
- Will the new structure improve service delivery?

## Regional Footprint

We need the same regional footprint for all public services provided by the Welsh Government. To give an example of current inconsistency: those of us who live in Swansea have a different regional footprint for almost every service. For health, Swansea, Neath Port Talbot and Bridgend are combined; the Fire and Rescue Authority covers Swansea, Neath Port Talbot, Carmarthenshire, Ceredigion, Powys and Pembrokeshire; the educational improvement boundary is the same but policing, which is currently non-devolved, includes all the former county of Glamorgan except for Caerphilly; and finally, the Welsh Ambulance Service covers the whole of Wales.

The aim should be to have all services within the three or four footprints of Wales: the Cardiff City region; the Swansea City region; and mid and/or north Wales. Whilst services could, and in many cases will, be on a smaller footprint than the regions, no service should cut across the regional boundaries unless it is an all-Wales service which would be very rare and include things such as forestry, where regionalisation would not be of benefit. This will allow regional working across services to be undertaken far more easily.

There is nothing intrinsically good about the current structure of local government in Wales. Why were the councils of Rhondda, Cynon Valley and Taff Ely merged into one but Blaenau Gwent and Merthyr district Councils turned into unitary authorities? Change should only be considered where there is a very strong chance of improving services and/or reducing cost over the medium term because of the initial cost of change.

Having spent several years discussing local government reorganisation as if it were some silver bullet to solve the lack of funding for councils, the threat of reorganisation initially receded and has now been brought back for consideration. It was as if the economic theory that predicts that an organization may become less efficient if it becomes too large or diseconomies of scale were unknown.

## Joint working models

Different services need different methods of joint working, but most work best at the current local authority level. Examples of services that would benefit from a joint working model based upon the regional footprint are transport, economic development and regional planning.

Specialised social service provision and educational improvement could be dealt with by two or more councils working together within the regional footprint. Within Wales, it is the councils that will know best what works for them and consequently they should be allowed to decide locally what works best for an area.

Turning to health, where hospitals provide complimentary services, such as Morriston, Singleton and Neath Port Talbot, then a health board covering that area makes administrative and medical sense. In areas such as north and west Wales, individual hospital trusts having control over their services and recruitment would make more sense.

Primary health care should be split from secondary health care and run within each region. Each region should have operational control of the ambulance service but need to work closely with the hospitals in their area.

### **Private Finance initiative (PFI)**

PFI deals need to be examined and a cost-benefit analysis of buying out each scheme undertaken. The revenue cost of PFI schemes is having a detrimental effect on the money available for public service provision. We owe a debt of gratitude to Rhodri Morgan for not getting seduced by the PFI schemes that have unfortunately proven so expensive for public service provision in England. Nevertheless, Wales's PFI bill costs the Welsh public services £100m a year that could otherwise be spent on supporting local services.

Finance Minister Mark Drakeford has stated: "There have been only 23 schemes in Wales and very, very little new PFI in the devolution era, and of those 23, 21 of them are not the direct responsibility of the Welsh Government, belonging to local authorities and to the health service.

"But we are absolutely open to keeping under continual review whether or not those arrangements could be improved and a better deal secured for the taxpayer, and when we have the next Labour government, then our ability to do that will be much enhanced."

Local authorities could also be encouraged to consider the use of prudential borrowing to remove PFI revenue costs.

### **Conclusion**

How we organise and run our public services in Wales is important to everyone.

Decisions on changing the structure of public services should be made based upon whether the current structure is failing and if the new structure will improve the service delivery.

We need to ensure all service delivery takes place within the Welsh regions, if the regions are to be meaningful entities.

# Improving democracy at a local government level

There is a widely held belief by Council tax payers that their Council Tax pays for the services provided by the Council. What has happened in recent years is that Council Tax has increased whilst services have reduced and Council Tax payers have had a variety of reactions varying between anger and confusion.

This is because Council Tax pays for less than ¼ of the total Council services with the rest being funded by the rate support grant and the Councils' share of business rates both provided by the Welsh Government. The business rate payment to a Council is not related to the business rates collected in the area but is distributed via a formula. Some Council areas are net contributors to the national business rates, most notably Cardiff, whilst others are net gainers from the system.

Looking at Swansea Council income in 2014/15:

Rate Support Grant from Welsh Government	£241,788,000	58.45%
National non-domestic rates	£76,436,000	18.48%
Council Tax- City and County of Swansea	£95,435,000	23.07%
<b>Total Income</b>	<b>£413,659,000</b>	<b>100%</b>

Expenditure on Education and Social Services was almost 65% of the total expenditure of the Council.

Social Services	£104,727,000
Education	£160,987,000

This means that if Councils protect Social Services, which is a demand led expenditure and Education expenditure then any cuts made by local councils will disproportionately affect the other services.

This is what we have seen occur throughout Wales irrespective of either type of area or political control. Libraries, sports facilities and other discretionary or non-statutory services have seen substantial cuts.

This disconnect between the Council Tax bill and the level of service provided is bad for democracy and bad for Local Government. As other areas of council expenditure are cut in order to protect Education and Social services the percentage spent on Education and Social Services can only increase.

As it stands currently the Government policy is to look for collaboration between Councils and one of the key areas will be collaboration between councils in Education and Social Services and I would like to suggest a possible solution.

The creation of joint boards between Councils to run Education and Social services is something that I have promoted for some time. A criticism of this approach is that it is a backdoor method of recreating the County Councils. Since I, and others, believe that this was the best method of providing these services then I would see this as a very positive move. Those that supported the creation of unitary authorities failed to understand that whilst there are some services that need to be run as locally as possible there are others that need the benefits of scale, not for only for potential savings but in order to provide a comprehensive service.

If these joint boards were directly funded by the Welsh Government, and the main argument for this is that they are providing a local service to national standards, then the rate support grant would disappear from local Councils income and the National Non Domestic rates would be shared between the joint boards and local Councils.

This would produce democratic control and national funding which I consider the best option available for supporting these services. This would then mean that the Council Tax collected would approach 2/3 of unitary Council expenditure and that local decisions such as freezing Council Tax or increasing it for the protection or improvement of local services could be taken, the benefit seen, and the electorate could then express their view on this at the ballot box.

This would lead to both a more responsive local government and also mean that different political parties could lay out a manifesto at election time either prioritising service provision or Council Tax stability.

# Aligning services with the Swansea City Region

As an enthusiastic supporter of the Swansea Bay City region, I believe it can be a lot more than an economic development entity. It is very important that the region gets a city deal and that we use it to regenerate our economy. The Swansea Bay City Region has already submitted a ground-breaking 'Internet Coast' City Deal bid, in excess of £500m over 20 years, to the UK and Welsh Governments. We currently are awaiting the approval of this bid, which will benefit the whole of our region.

The aim of the city deal is to address the integrated universal themes and challenges of energy, health and well-being and economic acceleration by harnessing the transformational power of digital networks and the asset base of Swansea Bay. It is estimated that the City Deal investment could lever in total around £3.3bn of output and £1.3bn of gross value added for Wales, while supporting around 39,000 jobs in the region.

Sir Terry Matthews, Chair of the Swansea Bay City Region Board, said: "Swansea Bay became world famous in 'the first machine age'. We aim to re-energise a vibrant and pioneering role in Wales and the UK as the world now enters 'a new digital machine age.'

In essence, the City Deal will see the Swansea Bay City region become a giant test bed that innovates, trials and globally commercialises smart internet based solutions that will transform the local, Wales and UK economy, energy and health sectors in much the same way as the internet has already transformed the telecommunications industry.

If we believe, as I do, that the Swansea Bay City region covering the Council areas of Neath Port Talbot, Swansea, Carmarthenshire and Pembrokeshire is a coherent sub Wales region then the obvious next step is for all public services to be run within this footprint.

What we do know is, by either visiting local employers, or just looking at the early morning and evening traffic is that a large number of people move around the region for employment.

Whilst currently the Welsh Government has no control over the Police service and so cannot align policing with the area but all the or services under Welsh Government control can be aligned. Obviously this cannot be done immediately but as the structure each service is reviewed then the structural changes necessary to align services within the city region must be taken.

Firstly and most simply is Fire and Rescue that can be easily realigned to the City region boundary as it would only mean the transfer out of Powys and Ceredigion.

Secondly if it is going to be an economic sub region then what is needed is to have a development plan equivalent to the old county development plans to cover the whole area. This would ensure that housing and economic development planning can be aligned over the whole region and not only on a local authority area. The development of the bay campus which is in Neath Port Talbot but which will almost

certainly have a greater effect on Swansea than on Neath Port Talbot is an example of the need for an area based approach.

The third whole Swansea bay city region policy co-ordination that is needed is a transport strategy, the Swansea bay equivalent of the Cardiff city region metro system. This needs to ensure that there is coherent rail and bus network that can move people from the residential areas to the main employment sites. Also the road network needs to be such that movement between major population centres is via at least a dual carriageway.

Within the city region a simple subdivision into two can be done (West Glamorgan and Dyfed) which equates to the former counties of Dyfed (minus Ceredigion) and West Glamorgan. Joint boards of Neath Port Talbot and Swansea could be set up for both Social Services and Education (the two main former County Council Services and the same can be done for Pembrokeshire and Carmarthenshire.

The health boards could then be realigned to these larger areas covered by the joint boards. That would align health boards and social services just like they were when health boards such as west Glamorgan health board existed to cover health. Also it would make it easier for the health board covering Carmarthenshire and Pembrokeshire to work with West Glamorgan.

Local services could continue to be run by the current local authorities. Local Authorities provide a very wide range of services most of which are best provided at a local level. Local people making local decisions on behalf of the area in which they live is the basis of local democracy.

This is about agreeing the City region as a basic footprint and then having services within the region organised on the most suitable area within that footprint

# Council Tax

Every property in Wales has been valued at its estimated 2003 value and placed into one of nine bands. All properties are banded on the same basis, including properties bought under discount schemes, such as the Right to Buy. The purchase price discounts applied to these properties aren't taken into account when setting the band. Whilst it seems that setting council tax band based upon 2003 valuations renders them out of date, England's are based upon 1991 valuations. Whilst property valuations can change following building work what is not taken into account is the relative popularity and price changes between different areas

Table 1 below shows the valuation for each band.

**Table 1**

## **Council Tax bands in Wales**

<b>Band</b>	<b>Value at 1 April 2003</b>
A	up to £44,000
B	£44,001 to £65,000
C	£65,001 to £91,000
D	£91,001 to £123,000
E	£123,001 to £162,000
F	£162,001 to £223,000
G	£223,001 to £324,000
H	£324,001 to £424,000
I	more than £424,000

The number of properties in each council tax band varies between local authorities. Some such as Blaenau Gwent have over half their properties in band A and very few properties in



the highest two bands. Monmouthshire by comparison has only just over one percent of its properties in band A and has almost 6 percent in the top two bands.

The number of properties in each band for each authority is shown in table 2.

**Table 2**

<b>Council</b>	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>	<b>Band I</b>
Isle of Anglesey	4,860	6,840	6,730	7,260	5,430	2,610	1,040	160	5
Gwynedd	9,200	15,690	12,450	10,620	8,240	3,980	1,260	200	9
Conwy	5,350	8,220	15,360	11,780	9,010	5,010	1,890	430	17
Denbighshire	3,980	7,200	14,380	7,740	5,380	3,660	1,990	310	17
Flintshire	4,260	9,320	20,260	12,820	10,620	7,350	3,150	580	23
Wrexham	4,330	12,560	16,890	10,080	7,980	4,960	2,500	720	29
Powys	5,810	9,200	12,850	10,240	12,190	9,390	4,080	580	21
Ceredigion	1,940	4,920	7,490	7,410	8,930	3,720	930	110	2
Pembrokeshire	6,520	9,410	13,870	11,110	12,210	5,810	2,050	320	9
Carmarthenshire	9,190	24,220	18,160	14,120	12,940	6,340	2,120	300	7
Swansea	17,030	28,210	24,290	16,780	12,860	7,970	3,800	1,160	53
Neath Port Talbot	13,510	27,320	11,530	7,240	4,440	1,500	510	100	2
Bridgend	10,400	15,150	14,380	10,320	7,600	4,310	1,450	280	11
Vale of Glamorgan	1,360	6,200	13,540	11,110	10,060	7,050	5,510	2,190	1,02
Cardiff	4,040	19,130	32,470	35,260	29,620	20,980	9,950	2,730	1,43
Rhondda Cynon Taf	46,610	25,200	17,090	9,140	6,620	3,350	1,150	180	7
Merthyr Tydfil	14,130	6,660	2,190	2,160	1,470	560	150		1
Caerphilly	15,130	26,690	18,420	9,240	6,410	2,250	780	90	8
Blaenau Gwent	19,190	8,050	2,590	1,610	840	320	60		2
Torfaen	6,050	12,960	11,780	4,040	3,660	2,150	660	60	3
Monmouthshire	500	3,300	6,940	8,740	7,140	7,540	5,300	1,740	67
Newport	6,580	14,730	17,660	12,320	7,950	5,490	2,560	540	19

The Local Government Finance Settlement determines how much of the funding provided for Wales, will be given to each local authority. This funding contains the Revenue Support Grant (RSG) and non-domestic rates (NDR) and is distributed on the basis of a needs based formula. A joint Welsh Government and local authority working group, called the Distribution Sub Group is responsible for ensuring the formula is reviewed regularly. Other local authority funding is raised locally in the form of council tax which is set by each authority as part of its annual budget setting process as well as fees and charges collected by the local authority.

The distribution of properties in each band varies enormously and whilst some authorities have over half their properties in the lowest two bands others notably Monmouth have over half their properties in band D and above.

We would thus expect the Councils to get the largest Welsh Government support per capita to be Blaenau Gwent, Merthyr and Rhondda Cynon Taf and the three lowest per capita to be Vale of Glamorgan, Monmouth and Cardiff due to the scheme making up for the council tax able to be collected.

Table 3 shows the Welsh Local Government Revenue Settlement 2019-2020 and shows that the highest support per capita does go to Blaenau Gwent, Merthyr and Rhondda Cynon Taf and the least goes to Monmouth.

**Table 3**

**Aggregate External Finance (AEF) plus top-up per capita, 2019-20**

<b>Unitary Authority</b>	<b>2019-20 Final Aggregate External Finance plus top-up funding (£'000s)</b>	<b>Final Aggregate External Finance per capita (£)*</b>	<b>Rank</b>
Isle of Anglesey	95,791	1,365	11
Gwynedd	176,552	1,423	9
Conwy	154,192	1,317	15
Denbighshire	143,637	1,500	5
Flintshire	188,980	1,218	19
Wrexham	175,252	1,244	18
Powys	174,291	1,323	14
Ceredigion	102,091	1,333	13
Pembrokeshire	162,448	1,308	17
Carmarthenshire	260,388	1,397	10
Swansea	322,211	1,311	16
Neath Port Talbot	214,796	1,518	4
Bridgend	191,807	1,339	12
The Vale of Glamorgan	152,070	1,184	21
Rhondda Cynon Taf	367,339	1,537	3
Merthyr Tydfil	91,304	1,541	2
Caerphilly	268,614	1,482	6
Blaenau Gwent	110,815	1,597	1
Torfaen	132,650	1,440	7
Monmouthshire	93,229	1,002	22

Newport	214,343	1,436	8
Cardiff	444,629	1,201	20
<b>Total unitary authorities</b>	<b>4,237,431</b>	<b>1,352</b>	

We know that Council tax hits the poorest households particularly hard with low earners paying an average of 7% of their income in Council tax whilst the wealthiest households pay only 1.5%. <sup>(1)</sup>

[Council tax](#) is an outdated and regressive levy on households that should be scrapped in favour of a progressive levy on property, according to a report by the Resolution Foundation. Laura Gardiner, principal researcher at the foundation, said analysis showed that [council tax has “only a very weak link to property values”](#) that meant it was “highly regressive”.

“Someone living in a property worth £100,000 pays around five times as much council tax relative to property value as someone living in a property worth £1m. This is exactly the kind of result that opponents of the poll tax wanted to avoid and in stark contrast to income tax, which increases with incomes in a progressive way so higher earners pay a higher average tax rate,”

Starting with the assumption that it is not intended to collect less council tax in the immediate future and that a change to another local tax is several years at least away, then what can be done to make council tax fairer.

The first and easiest is to add extra bands at the top of the banding system or bringing in a mansion tax.

I would suggest a band J at £1 million, a band K at £5 Million and a band L at £10 million. This would mean that those in very expensive properties would pay more. An alternative reform would be a “mansion tax” surcharge of 1% on the value of properties worth more than £2m and 2% on the value of properties above £3m, which would also generate just over £1bn in the UK.

I would further suggest ending single person council tax relief on properties above band G would mean that those in higher valued properties would not get a discount.

More difficult would be revaluations, as the National Non Domestic rate revaluation showed, where those who benefited from a reduction generally said nothing whilst those facing an increase complained loudly. This includes a petition on rates from Cowbridge retailers and Western Mail headlines such as “Stadiums in Wales to be hit by a huge hike in business rates” and “reform business rates now to save the Welsh High Street, retailers urge. I have been unable to find any examples of people celebrating a reduction in their business rate valuation.

(1) Independent 26<sup>th</sup> April 2017

