

# A Fairer Council Tax: phase 2

Organisation (if applicable):

Denbighshire County Council Revenues and Benefits

Responses to consultations may be made public. To keep your response anonymous (including email addresses) tick the box:

## Questions about Council Tax bands and tax-rates

Please read about the 3 possible approaches to designing a new Council Tax system before answering the following questions. We welcome evidence about the possible benefits for, and impacts on, households and councils. We are particularly interested in the views of people with lived experience of disadvantaged backgrounds and those who have experience working with people with protected characteristics.

### Question 1

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
- Band B
- Band C
- Band D
- Band E
- Band F
- Band G
- Band H
- Band I
- I don't pay Council Tax
- Not applicable

### Question 2

Which council area do you live in?

- Isle of Anglesey / Ynys Mon
- Cyngor Gwynedd
- Conwy
- Denbighshire
- Flintshire
- Wrexham
- Powys
- Ceredigion
- Pembrokeshire
- Carmarthenshire

- Swansea
- Neath Port Talbot
- Bridgend
- Vale of Glamorgan
- Rhondda Cynon Taf
- Merthyr Tydfil
- Caerphilly
- Blaenau Gwent
- Torfaen
- Monmouthshire
- Newport
- Cardiff
- Not applicable

### Question 3

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
- approach 2: modest reform
- approach 3: expanded reform

Or do you have other views or ideas about the approach we should take to the scale of reform (please specify)?

The expanded reform allows for the more progressive and fairer element to reach those tax payers who are in the lowest value properties and who are more likely to be on a low income, living alone or receiving Council Tax Reduction.

We support approach 3, however there are concerns in Denbighshire as the Tax Base will significantly drop, with more reliance on the RSG. If the RSG was to be reduced, the impact will be greater due to the fact the Tax Base is low.

There is also a risk that those LA's where the Tax Base reduces, will increase Council tax significantly if RSG decreases, meaning the fairness of the scheme becomes a postcode lottery and will erode the rationale for the changes.

Denbighshire would ask that WG provide assurances if approach 2 or 3 is progressed that the decrease in Tax Base will be mitigated by the increase in RSG on a long term basis

### Question 4

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
- slower reform: minimal modest or expanded reform starting in 2028
- staged reform: minimal or modest reform in 2025, moving to expanded reform in the next Senedd term

Or do you have other views or ideas about the approach we should take to the pace of reform (please specify)?

Denbighshire support the revaluation to be implemented by 2025 to allow this to be up to date before implementing the further changes. It would also allow time for any appeals with the VOA to be considered, as well as the complex transitional arrangements to be detailed before the further changes are implemented.

CTR will also be impacted by the revaluation. WG will need to review the funding arrangements for this. Currently Denbighshire have over £1m shortfall on CTR expenditure compared to what is funded. Revaluation will allow for this to be evaluated and the impact considered before the further approaches commence.

## Questions about discounts, disregards and exemptions

### Question 5

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
- No

### Question 6

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

- 2 years
- 3 years
- 4 years
- Other (please specify)

Agree there should be a time bound period. Properties on a Class F exemption have increased in Denbighshire. Many properties are left empty for a number of years. Some are potentially being used as second homes but this is not possible to administer with the current legislation.

6 months period to apply for probate

6 months period after probate is granted.

This would give the payer 1 year to administer the estate. A S13a can always be considered for any exceptional cases, however the norm would be 12 months maximum and then a full charge or potential premium if applicable.

### Question 7

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 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
- No
- Any other views (please specify)

In a lot of cases we have customers that have capacity to deal with their own affairs but they are considered SMI by their GP. However the title doesn't necessarily mean any 'severe' mental challenges.

Possibly a term that does not include mental or impairment as these are deemed derogatory terms in the context that they are used for this exemption. Perhaps something around capacity should be more appropriate.

## Question 9

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
- 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
- Other (please specify)

If the intent of the exemption is to award to individuals who lack capacity, the criteria possibly needs to change to reflect the severity. The GP certificate is often signed for conditions that possibly don't impact on the persons life significantly or may be a degenerative condition that may not initially but in 5 years may mean they qualify.

We have seen individuals have a GP certificate for conditions that allow a person to still work full time and not need additional support. It therefore raises a question about the rationale for the exemption.

## Questions about Welsh language

### Question 10

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?

It is believed there will be a neutral impact on the Welsh language. By Wales becoming a more progressive and fairer nation in terms of Council Tax, this could increase the likelihood of younger people remaining in Wales as a place to live, however it equally could encourage people to move into Wales.

### Question 11

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.

All of the public communications regarding Council Tax is always bilingual, possible using some Welsh medium business to support the promotion and information of the changes.

## Any other views

### Question 12

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.

The process of gaining a Liability Order within the Magistrates Court seems outdated and burdensome on LA's and the justice system. It also generates costs for tax payers already struggling to pay. Could the recovery process be considered to allow the recovery paths to be utilised once a certain stage is reached without the need for Court or costs. Housing Benefit Overpayments operate in this way and it works well.

It is suggested that Council Tax Reduction is applied consistently across Wales by way of a DWP notification if all information is provided rather than customers having to make a separate application. This will reduce the numbers of households missing out on entitlement.

Non Domestic Rates currently has too many loop holes to allow companies not to pay with no avenues of recovery for LA's to utilise. Often shell companies are used to buy properties. The property is the only asset of the company. Without the ability to do a Charging Order, as with Council Tax, Wales is writing off millions in uncollected NDR debts. It is also too easy for Ltd companies to avoid paying by dissolving a company with no challenge and again leaving no recourse for LA's to collect the monies owed, often with the same directors etc occupying under a new company name. There needs to be some form of liability of the directors and again being able to utilise Charging Orders for this purpose would help.

Many town centres have partly occupied buildings, whereby the ground floor is a shop/café or other retail outlet but upstairs is empty. Could there be an incentive to have the remainder of the building utilised for domestic purposes to enhance town centres, increase foot fall as well as assist with the strategy to increase affordable housing. Many town centres have 3 or 4 stories empty and capable of being occupied.