



The Scottish Parliament
Pàrlamaid na h-Alba

PUBLIC PETITION NO.

PE01816

Name of petitioner

Lewis McCathie

Petition title

Reform of local authority financial powers

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to reform the financial powers of local authorities by—

- Reforming the council tax
- Devolving more tax powers to local authorities

Action taken to resolve issues of concern before submitting the petition

Have written to local MSP.

Petition background information

Reforming the council tax

The regressive council tax asks those on the lowest incomes and in the smallest properties, to pay more, as a proportion of their income, than those with the most land and the largest properties. This is unfair.

Council tax is vastly outdated as it is based on property prices of the early 1990s. Property prices and the types of houses now being built on a mass scale have changed massively in 30 years.

There needs to be a wide scale debate across Scottish politics on what is the future direction for council tax. For example, should it be 100% controlled locally by councils? Should those with the biggest properties & the most land pay more towards council funding through a new reformed council tax? A couple living in a one bedroom pay, on average, over £130 a month while a couple living in a 5-bedroom house pay, on average, under £300 per month. This shows the unbalanced and unfair nature of this antiquated system.

Devolving more tax powers to local authorities

The Scottish Government should follow the lead of US, Germany, France and Spain by empowering councils to raise their revenue through additional tax powers

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By devolving power over tax powers such as non-domestic business rates, the Transient Visitor Levy (previously agreed) and council tax, local authorities could tailor governance more effectively to the unique needs of their areas. For example, the metropolitan needs of Edinburgh are vastly different to the running of the rural Scottish Borders area.

Allowing local authorities to raise as much money as possible for them to spend, in addition to central government grants, would better suit the needs of citizens as Scotland is a very dynamic, diverse country with differing types of communities. Also, by devolving tax raising powers, this would empower local democracy in which citizens would become more aware of the important role that their council plays in society. By implementing power closer to local communities, people would be more inclined to take an interest in local issues that matter to them, instead of losing interest through the current centralised model in which the vast bulk of power sits at Westminster and Holyrood.

I agree with [COSLA](#) and [Edinburgh Council Leader Cllr Adam McVey](#), that the post-pandemic economic recovery will need a local approach in order to save small businesses while also mitigating the economic impact for citizens.

Citizens would benefit massively from improvements to infrastructure across communities in which councils are fully aware of how best to implement new taxation regulation and subsequently councils have the required knowledge of where is best to invest public money for the common good.

In its report, [Thinking bigger on tax in Scotland](#), IPPR says that a local inheritance tax is currently possible under the existing devolution settlement. Implementing such a tax would lead to a financial benefit to councils and the Scottish Government, with the potential to raise an extra £300 million every year.

In relation to business rates, if local firms do not adhere to Fair Work criteria, then they would have to pay a supplement on top of their business rates.

There is a great deal of opportunity for councils to regenerate their economies and reshape the economic landscape to the benefit of citizens post-pandemic (i.e. carbon tax. etc). There has been a great deal of success in countries like Germany and Spain who currently have a local sales tax (Germany), a local income tax (Spain) which boosts tax revenue and has resulted in pioneering local public investment in key infrastructure such as new broadband connectivity, housing and such like.

As exemplified by the successful North Ayrshire Council [community wealth building programme](#), taking a localised approach to economic growth can be a tremendous success across all sectors with constituents benefitting the most.

Unique web address

<https://www.parliament.scot/GettingInvolved/Petitions/reformcounciltax>

Related information for petition

More information is available at the following sites—

<https://www.theguardian.com/money/2018/mar/20/scrap-highly-regressive-council-tax-says-thinktank>

<https://www.publicfinance.co.uk/news/2019/05/council-tax-scotland-must-be-reformed>

<https://sourcenews.scot/council-tax-still-almost-as-regressive-as-the-poll-tax-it-replaced-report-finds/>

<https://www.ippr.org/research/publications/thinking-bigger-on-tax-in-scotland>

<https://news.stv.tv/politics/councils-will-need-more-tax-powers-after-covid-crisis?top>

Do you wish your petition to be hosted on the Parliament's website to collect signatures online?

YES

How many signatures have you collected so far?

0

Closing date for collecting signatures online

13 / 08 / 2020

Comments to stimulate online discussion

Do you agree that council tax needs to be reformed?

Do you agree that some tax powers should be devolved to local authorities?