



The Health and Social Care Alliance Scotland (the ALLIANCE)



Future of Council Tax ALLIANCE response

29 January 2026

Introduction

The Health and Social Care Alliance Scotland (the ALLIANCE) welcomes the opportunity to respond to the Scottish Government's consultation on the [Future of Council Tax](#). We have previously called, through both written and oral evidence to Scottish Parliament committees, for reform to local taxation to be progressed as a matter of urgency.

A fair and secure form of local taxation is an essential prerequisite to high quality and accessible public services. Local councils across Scotland deliver many of these services, most notably from the ALLIANCE perspective social care, but also transport, housing, education, leisure and cleansing. We believe that the current council tax system, based on 1991 property values, is not fair, does not provide the secure funding basis these services need, and is therefore not fit for purpose.

We therefore welcome the principle of the proposals set out in this consultation. A comprehensive revaluation of properties to bring valuations up to date must be carried out, and to prevent a repeat of a decades-long gap between valuations, with regular revaluation periods set out in statute.

We believe that the structure of bands should be more progressive, reducing the liability for those in the least valuable properties, whilst increasing it for those in the most. This should be subject to an appropriate framework of reductions, exemptions and deferrals, particularly targeted at people on lower and/or less secure incomes, such as older people, disabled people, and unpaid carers.

In the longer term, the current proposals must be seen as a stepping stone rather than a destination. A banded property tax, even if additional bands are added and the progression between them made more progressive, still includes cliff-edges in liability that can have significant impacts on the least well-off taxpayers. We recommend that consideration be given to a full replacement for council tax as soon as possible.



Question 1: Do you think the current council tax system in Scotland needs to be reformed?

Yes

Question 2: Do you think property values used to calculate council tax should be updated to reflect current market values, instead of using 1991 values (i.e. should there be a revaluation of every property in Scotland)?

Yes

Question 3: How often do you think property values should be reviewed and updated for council tax purposes?

Every 5 years

Question 4: Following a revaluation, do you think council tax band property value thresholds should be set at a national level or vary by council area?

Don't Know

Question 5: Which of the following is most important to you in the design of council tax bands?

Ensuring households in higher-value homes contribute more (progressivity)

Question 6: Which of the potential council tax systems do you most support?

Revalued 14-band system

Question 7: Which of the potential council tax systems do you least support?

The current council tax system

Question 8: Do you support the establishment of a transitional relief scheme to limit how much a household's council tax bill can increase each year following reform?

Yes



Question 9: Which transitional relief scheme would you prefer?

Don't Know

Question 10: Do you support the establishment of a council tax deferral scheme for homeowners

Yes

Question 11: In your view, who should be eligible to receive support from a council tax deferral scheme?

Pensioners (over state pension age), Disabled people, Households experiencing financial hardship

Question 12: Should households who defer payment pay interest on the amount deferred?

Don't Know

Question 13: Do you think the Council Tax Reduction scheme should be expanded to support more households following any reform?

Yes

Question 14: Which changes to the Council Tax Reduction scheme would you support?

Broaden eligibility for CTRS to include low-income households where property moves into a higher band due to council tax system changes

Change CTR so support is withdrawn more gradually as rising incomes move individuals out of eligibility

Question 15: Do you have any information you wish to share that has not already been discussed in the paper on the impact of council tax reform?

The ALLIANCE are longstanding advocates of human rights budgeting in public finances including revenue raising in line with the principle of ensuring maximum available resource is dedicated to realising rights.



We believe the current council tax system is poorly suited to raising the revenue necessary for essential public services, including social care. Regardless of whether individual councils choose to raise council tax or not each year, the impact is felt most strongly at the lower end of the income distribution, either due to comparatively high increases in tax liability or reductions in the availability and/or quality of public services.

We believe that reform of the council tax system is long overdue. The reforms set out in this consultation will go some way, but not far enough, to delivering a fairer system and greater financial security for local councils and the services they provide.

Regardless of the final shape of reform, it is essential that impacts on lower income households, disabled people, and unpaid carers are carefully managed through the proposed changes to the reduction, exemption and deferral schemes.

In addition to the proposed schemes, some ALLIANCE members believe councils should have discretion on reductions and exemptions, for example to defer or exempt households that have experienced a bereavement, which may impact income if one partner or resident is no longer there.

Question 16: Please provide any other comments or views on the consultation themes or council tax reform that you have not been able to share above?

ALLIANCE members tend towards the view that income should be a key consideration for any tax system. However, those who participated in our engagement meeting recognise the challenges inherent to a local income tax and the need for a broad tax base, as well as the ability to account for income without it forming the sole basis for the tax.

They agreed that property taxation is easier to collect and harder for wealthy individuals to avoid. They also considered that whilst imperfect, there is generally a reasonable relationship between the value of a property and the means of those living in it.



On this basis, ALLIANCE members generally feel that the more progressive options for reform are best. There were some additional views on occupancy, and the belief that tying local taxation to property value was overall reasonable, there is also scope to consider an additional surcharge (or reduction) on properties with more (or fewer) residents.

The ALLIANCE is a member of Tax Justice Scotland, which proposes a proportional residential property tax as a possible replacement for council tax. ALLIANCE members note that a proportional rather than banded structure would smooth some of the cliff edge changes in liability.

Whilst the ALLIANCE is still developing a detailed position on wholesale council tax reform, we agree with the general principle that the consultation's proposed changes must be a stepping stone to further reform, rather than the destination.

About the ALLIANCE

The Health and Social Care Alliance Scotland (the ALLIANCE) is the national third sector membership organisation for the health and social care sector. We bring together over 3,500 people and organisations dedicated to achieving our vision of a Scotland where everyone has a strong voice and enjoys the right to live well, with dignity and respect. Our members are essential in creating a society in which we all can thrive, and we believe that by working together, our voice is stronger.

We work to improve the wellbeing of people and communities across Scotland by supporting change in health, social care and other public services so they better meet the needs of everyone in Scotland. We do this by bringing together the expertise of people with lived experience, the third sector, and organisations across health and social care to shape better services and support positive change.

The ALLIANCE has three core aims.

We seek to:



- **Empower people with lived experience:** we ensure disabled people, people with long term conditions, and unpaid carers are heard and that their needs remain at the heart of the services and communities.
- **Support positive change:** we work within communities to promote co-production, self management, human rights, and independent living.
- **Champion the third sector:** we work with, support and encourage co-operation between the third sector and health and social care organisations.

The ALLIANCE is committed to upholding human rights. We embed lived experience in our work and aim to ensure people are meaningfully involved at every level of decision-making.

Working together creates positive, long-lasting impact. We work in partnership with the Scottish Government, NHS Boards, universities, and other key organisations within health, social care, housing, and digital technology to manage funding and develop successful projects. Together, our voice is stronger, and we can create meaningful change.

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