

## Motion for Time Limited Debate - Reforming Council Tax in England

**Proposer:** Rich Lehmann

**Seconder:** Mark Hood

### **Background Information provided by the Green & Independent Group:**

The Welsh Government has announced an ambitious package of council tax reforms aimed at creating a more equitable system. These reforms include regular property revaluations every five years starting from 2028, the introduction of more progressive tax bands, and enhanced discounts for low-income households. The proposed reforms aim to address outdated inequities, create a more progressive tax structure, boost the local economy, and reduce wealth inequality.

### **Arguments for Reform:**

- 1. Addressing Outdated Inequities:** The current council tax system in England is over 30 years out of date, with property values last set in 1991. This results in wealthier areas with higher property appreciation underpaying relative to their property values, while less affluent areas bear a disproportionate burden. Regular property revaluations, as introduced by the Welsh Government, would ensure council tax reflects real property values, creating a fairer system for all.
- 2. Creating a More Progressive Tax Structure:** Council tax is regressive, placing a higher financial strain on lower-income households. The Welsh reforms, which include more progressive tax bands and discounts for low-income households, offer a blueprint for making the tax system fairer. By adding new bands at the top and bottom, England can better match tax contributions to wealth, ensuring wealthier property owners pay more, while reducing the burden on less affluent households.
- 3. Boosting the Local Economy:** Aligning council tax contributions more equitably and enhancing reductions for low-income households will leave more disposable income in the pockets of those who need it most. These households are likely to spend additional income locally, stimulating the local economy. Research suggests that reducing financial pressures on low-income families helps increase consumer spending, which is essential for small businesses and the vitality of local high streets. This economic boost would come without the need for additional government expenditure.
- 4. Reducing Wealth Inequality:** A reformed council tax system can play a significant role in reducing wealth inequality, as shown by the Welsh model. Lower-income households in Wales will benefit from reforms that reduce the regressive nature of council tax, aligning payments more closely with the ability to pay. By adopting similar reforms, England could make a significant impact on wealth distribution, ensuring that taxation contributes to social justice goals.
- 5. Political and Public Support:** The introduction of fairer council tax reforms in Wales has gained broad support, including cross-party collaboration. In England, a move towards a more progressive, modernised system would likely resonate with public sentiment, especially given the cost-of-living crisis. Public consultations in Wales showed strong backing for reform; a similar

outcome could be expected in England, building political momentum for change.

**Motion:**

This council resolves:

1. TO AGREE that the current council tax system is regressive and requires significant reform; and
2. TO RECOMMEND that the Executive write to the relevant Ministers of State to request that, for the reasons stated above, the government introduces council tax reforms in England similar to those underway in Wales.