

# North Lanarkshire Council Report

## Finance and Resource Committee

Does this report require to be approved?  Yes  No

Ref: GT/VR

Date 04/03/26

## Future of Council Tax in Scotland: Consultation

**From** Greg Telfer, Chief Officer (Finance and Technology)

**E-mail** TelferG@northlan.gov.uk

**Telephone** 07583 010692

### Executive Summary

The Scottish Government launched its consultation on the future of Council Tax in Scotland in 27 October 2025. The consultation aimed to seek views on how the Council Tax system could be made fairer and more up to date.

The consultation also explores different models in relation to the revaluation of properties, adjusting tax bands and introducing protections to help households manage any financial impact.

The consultation had to be considered and submitted outwith committee cycles so this report is presented for information and outlines the response submitted on behalf of the Council by the deadline of 30 January 2026.

### Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledges the submission of the Council's response to the Scottish Government's consultation on the Future of Council Tax in Scotland as set out in Appendix 1.

### The Plan for North Lanarkshire

Priority	Improve economic opportunities and outcomes
Ambition statement	(25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning
Programme of Work	Statutory / corporate / service requirement

## **1. Background**

- 1.1. Council Tax reform in Scotland has been the focus of analysis and debate over the past two decades. There have been numerous reviews, commissions and working groups examining how the system could be improved. However, efforts have consistently identified the need for change and highlighted a range of potential approaches to deliver a fairer and more sustainable model for the future.
- 1.2. On 11 February 2025, the Scottish Government and COSLA launched a Programme of Engagement to support their shared commitment to long term Council Tax reform. A consultation was launched, setting out several possible models for improving the Council Tax system and requests views on how the system could be made fairer, more up to date, and easier to understand, while still providing the funding needed for essential local services.
- 1.3. The consultation closed on 30 January, with the feedback gathered, along with wider public engagement throughout 2025, will help inform future decisions that the Scottish Parliament will consider on the future of Council Tax.

---

## **2. Report**

- 2.1. The supporting information and consultation document have been reviewed by Finance & Technology. The response submitted prior to the deadline of 30 January 2026 is set out in Appendix 1.
- 2.2. The service is satisfied that the response considers the impact on both the Council and residents.

---

## **3. Measures of success**

- 3.1 n/a

---

## **4. Supporting documentation**

- 4.1 Appendix 1 Submitted NLC Consultation Response



**Greg Telfer**  
**Chief Officer (Finance and Technology)**

---

## 5. Impacts

<p><b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b> Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?</p> <p>If Yes, has an assessment been carried out and published on the council's website? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p><b>5.2 Financial impact</b> Does the report contain any financial impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant financial impacts have been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p><b>5.3 HR policy impact</b> Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts have been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p><b>5.4 Legal impact</b> Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts have been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>
<p><b>5.5 Data protection impact</b> Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/></p>

**5.6 Technology / Digital impact**

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes  No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes  No

**5.7 Environmental / Carbon impact**

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes  No

If Yes, please provide a brief summary of the impact?

**5.8 Communications impact**

Does the report contain any information that has an impact on the council's communications activities?

Yes  No

If Yes, please provide a brief summary of the impact?

**5.9 Risk impact**

Is there a risk impact?

Yes  No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

**5.10 Armed Forces Covenant Duty**

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes  No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

**5.11 Children's rights and wellbeing impact**

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes  No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes  No

# Consultation: The Future of Council Tax in Scotland

## Respondent Information Form

**Please Note** this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy - [Privacy - gov.scot](#)

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

North Lanarkshire Council

Phone number

Address

Civic Centre,  
Windmillhill Street

Postcode

ML1 1AB

Email Address

The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name  
 Publish response only (without name)  
 Do not publish response

### Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

## About You Questions

### 1. About you Question 1

[For individual respondents] Please tell us which local authority area(s) you live in

Local Authority Area(s):

[For organisational respondents] Please tell us which local authority area(s) your organisation operates in

Local Authority Area(s): North Lanarkshire

### 2. About you Question 2

If you pay council tax, please indicate which council tax band(s) apply to the property (or properties) for which you pay council tax:

- Band A  
 Band B  
 Band C  
 Band D  
 Band E  
 Band F  
 Band G  
 Band H  
 I don't pay council tax  
 I don't know

## Questions for Consultation

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

- Yes
- No
- Don't know

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
- No
- Don't know

It should be noted that the cost to revalue current market values for Council Tax base will result in significant additional costs. Consideration should be given to how valuations would be carried out and whether additional funding would be provided to support this.

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

- Every 3 years
- Every 5 years
- Every 7 years
- Every 10 years
- Other, please specify [50 words maximum]
- Don't Know

Although there is some sense in mirroring the triennial frequency for revaluation of non domestic properties, the more significant scale of impact of revaluation of residential properties would render such regular revaluations impractical and costly.

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?

- Thresholds should be set nationally to be the same across all council areas
- Thresholds should vary by council area based on local housing markets
- Don't know

Council Tax bands thresholds and the proportional charges between bands should continue to be fixed nationally and identical for all councils. This will ensure fairness and consistency, continues to be a simple and transparent system and avoids issues with boundaries between LA areas.

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

- Ensuring tax rises between bands are gradual and predictable (differentiation)
- Ensuring households in higher-value homes contribute more (progressivity)
- Don't know
- Other, please specify [50 words maximum]

A progressive approach should be adopted, ensuring that those with a greater ability to pay contribute proportionately more. This supports a fairer distribution of the overall tax burden while generating the revenue required to fund essential local services, without placing an undue impact on lower income households.

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

- Revaluation with 8 existing bands
- Revalued 12-band (differentiated) system
- Revalued 12-band (progressive) system
- Revalued 14-band system
- The current council tax system
- Don't know

This option offers a more progressive model in which households occupying higher value properties contribute a greater share. This creates a fairer and more proportionate system with taxation more closely aligned with the ability to pay while offering protection for lower income households.

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

- Revaluation with 8 existing bands
- Revalued 12-band (differentiated) system
- Revalued 12-band (progressive) system
- Revalued 14-band system
- The current council tax system
- Don't know

The current Council Tax system is outdated and regressive. While revaluing properties within the existing eight band structure would update the valuation base, it would not resolve the underlying issues of fairness or address the issues created by the broad and uneven banding framework.

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
- No
- Don't know

Transitional relief should be introduced to help manage the financial impact of reforms on households, ensuring that any changes to Council Tax liability are phased in gradually and affordability is protected during the transition period. However, such a scheme would need to be simple to administer and lessons learned from transitional reliefs available following non-domestic property revaluations.

9. Which transitional relief scheme would you prefer?

- Scheme 1: Cap increases at 10% or £300 per year
- Scheme 2: Cap increases at 25% or £600 per year
- Other, please specify [50 words maximum]
- Don't know

Transitional relief should be given to those where there is cost pressure as a result of reform however where a reduction is required that should be immediate. Increases should be capped at one band per annum.

10. Do you support the establishment of a council tax deferral scheme for homeowners?

- Yes
- No
- Don't know

A deferral scheme would offer a safety net for households who are asset-rich but income-constrained, allowing them to delay payment until a change in circumstances (such as selling the property). This ensures people can stay in their homes without facing immediate financial pressure, while councils still ultimately recover the tax owed.

11. In your view, who should be eligible to receive support from a council tax deferral scheme?  
[Select as many as you think should apply]

- Pensioners (over state pension age)
- Disabled people
- Households with children
- Households experiencing financial hardship
- Other, please specify [50 words maximum]
- Don't know

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

- Yes
- No
- Don't know

The interest should cover the costs of administering any scheme. An interest free arrangement would come at a cost to Councils and remove any incentive for early payment.

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

- Yes
- No
- Don't know

14. Which changes to the Council Tax Reduction scheme would you support? [Select as many as you think should apply]

- Broaden eligibility criteria for CTRS to include low-income households where the 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
- No changes needed
- Other, please specify [50 words maximum]
- Don't know

Council Tax Reduction (CTR) scheme should be adjusted so that support tapers away more steadily as household incomes rise. A smoother withdrawal of assistance would help prevent people from facing sudden increases in their council tax bill as their financial situation improves.

To strengthen the safety net for residents who are finding it difficult to meet their council tax obligations, a number of changes could be introduced, including:

- A lower taper, ensuring that support reduces at a gentler rate.
- Higher earnings disregards, enabling people to retain more of their income before it affects their entitlement.

- A higher capital threshold, allowing those with small savings to continue to receive help. Although these improvements would increase the overall cost of the CTR scheme, they could be balanced within a wider package of reforms designed to keep the overall system broadly cost-neutral.

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 on any of the following:

- Groups who share protected characteristics
- Island Communities
- Businesses or organisations in the public, private or third sector
- Your local area

Please provide details, making reference to the type of impact to which your comments relate. [free text, 300 words maximum]

#### Impact on Local Authority and residents

Ensuring local government funding remains stable throughout reform is essential, as the Council relies on this income to deliver core services and manage long term financial planning. NLC use ringfenced council tax increases to support capital investment, any impact on the Council Tax base could adversely affect both revenue and capital planning. A new system must therefore be supported by clear guidance, adequate transition funding, and a phased approach that avoids sudden revenue fluctuations. The reform should not impact on the resources available to any individual Council.

Alongside this, strong communication with residents will be crucial to maintain public confidence. People need simple, accessible information about how the new system works, why changes are being made, and what the impact will be on their household, helping to minimise confusion and support a smooth transition.

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. [free text, 300 words maximum]

North Lanarkshire Council supports meaningful reform of the Council Tax system, including a comprehensive revaluation of properties and wider system improvements. Modernisation is essential to ensure the system is fair, up-to-date, and more progressive, with contributions more closely aligned to households' ability to pay.

Changes to Council Tax bands would have implications for water and sewerage costs. Depending on the approach taken by Scottish Water this could increase the impact of reform on some households.