

SURF CONSULTATION RESPONSE:

The Future of Council Tax in Scotland

About This Paper

In October 2025, the Scottish Government and COSLA launched a consultation on the future of council tax in Scotland. The consultation explores various approaches to a council tax revaluation exercise, options for creating new council tax bands, transitional or support measures for households, and asks which model – and which level of progressivity – would be preferred. SURF strongly believes that council tax reform is needed. A new progressive system should mean that those living in higher value properties pay more than those living in lower value properties. Ideally, SURF would like to see council tax set as a flat proportion of the value of a property, but as this is not in scope of the current consultation, we support plans for the implementation of a new 14-band progressive system.

Relevant background on this consultation can be found [here](#).

Please see below SURF's response to selected questions from this 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

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

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

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]

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

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

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

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

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

- Yes
- No
- Don't know

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

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

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]

While the above proposal (specifically around the 14 band progressive system) is an improvement, it still maintains inequality and is a missed opportunity to ensure wider fairness and progressivity within the council tax system.

For example, using the figures from Figure 11 (relating to the 14-band progressive system), we can see that:

- At the £65,000 upper threshold of Band A1, the tax rate is £772, which means council tax charges equate to a yearly charge of 1.19% of the property's value.
- At the higher end of the scale, Band J, the proposed tax rate is £5,658 for a property with a maximum value of 1,830,000 – which equates to a yearly charge of 0.309% of the property's value. This highlights that there are still inequities within the proposed system.

For example, if the council tax bill for Band J was set at the same percentage as Band A1, it would increase the yearly bill from £5,658 to £21,777.

A preferred solution would be a flat percentage rate of the property's value.

Although SURF appreciates there are political complexities around such decisions, and they may not be popular, the above highlights the missed opportunities to further embed equity and fairness into a new system. Lower income households living in lower value properties will, under even the most

progressive proposals, still contribute a larger proportion of their income to council tax.

End of SURF's response

Augustijn van Gaalen, Policy & Advocacy Manager, January 2026

Visit our [policy page](#) for more on SURF's policy influencing activities and other consultation responses.