

**Scottish Water Consultation Response
The Future of Council Tax in Scotland
Scottish Government Consultation
January 2026**

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

☐ Yes

☐ No

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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]

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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
- ☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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]
- ☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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 with no revaluation
- ☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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 with no revaluation
- ☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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]

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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

☐ Yes

☐ No

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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]

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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

☐ Yes

☐ No

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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

☐ Yes

☐ No

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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]

☐ [Leave blank if possible or 'Don't Know' if need to select answer to submit](#)

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]

Scottish Water welcomes the discussion on this important topic and is keen to engage in the process as plans develop, given the dependencies between its household charges and Council Tax.

Scottish Water derives around 75% of its revenue from household charges, which are separately itemised in Council Tax bills. Councils manage Scottish Water's household billing and collection functions and Scottish Water contributes towards Councils' costs of collection under a commercial arrangement defined in statute.

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]

For these reasons, the household charging structure for water and sewerage is closely aligned to current Council Tax arrangements. Reform of council tax arrangements, therefore, has the potential to impact on:

- The structure and stability of water and sewerage charges, and their alignment with Ministers' Principles of Charging for Water Services. This includes the level of affordability support and the continued geographic harmonisation of charges for water and sewerage services across Scotland, as required by the Water Industry (Scotland) Act 2002.
- The resilience and timing of household income to enable Scottish Water to fund its regulatory obligations and maintain investment in critical infrastructure to protect customer services. In particular, transitional phasing or deferral arrangements could affect the timing of available funding.
- The sustainability of current household billing and collection arrangements which benefit Scottish Water and Councils by sharing the associated costs across public sector organisations, keeping the overall cost burden to customers low.

Scottish Water considers it to be essential that we are actively engaged in the further development of plans for Council Tax reform to ensure that implications for water and sewerage charges, and revenue are well understood.