

# Why UNISON opposes a council tax freeze

## Introduction

Since First Minister Humza Yousaf announced a council tax freeze at the SNP Conference in October, it is beyond disappointing that the opposition parties seem set to also support it, if 'fully funded'.

UNISON – along with many others – strongly opposes a council tax freeze. We have done consistently, including during the nine-year freeze which ended in 2017. This briefing sets out our reasons.

## A fully funded freeze?

Council body COSLA is entitled to feel the freeze announcement drove a coach and horses through their Verity House Agreement on close working with the Scottish Government. COSLA has reportedly written to the First Minister with demands about what will need to be promised for councils to agree the freeze. In the previous freeze the Scottish Government paid money to councils supposedly covering a 3% rise in council tax. (There was also a one-off freeze during Covid when councils were given £90m.)

The COSLA letter said that calculations based on a 3% rise would not be anything like enough for the new freeze. Councils last year put up council tax by 5% on average, though some voted in a 7% rise and one council, Orkney, opted for 10%. Councils were also expecting to receive around £180m from the proposed increase in the amount paid by those in higher council tax bands. The Fraser of Allander Institute calculated that the cost of covering the freeze could be £417m (if fully funded for an 8% rise in council tax), and at 5% would be £331m (including in both scenarios, compensation for the lost income from not increasing rates in the higher council tax bands).

The IPPR calculated that for a freeze based on a 5% council tax rise, "the impact of the freeze on household budgets will be negligible, and a majority of those struggling households will see no benefit at all". It concluded spending £100m to £400m was "a deeply questionable choice" when there were better ways to support struggling families.

## Council underfunding

Local government is already on its knees financially, with numerous pressures before you add in inflation costs, including energy and fuel. Councils face major funding gaps again next year, on top of services being cut to the bone.

## KEY POINTS:

- **UNISON strongly opposes a council tax freeze because it is unfair, bad for local democracy and fails to fix what's wrong with the council tax the SNP said they'd scrap**
- **The previous nine year council tax freeze contributed to the current crisis in local government funding**
- **UNISON says council tax should be replaced with a fair property tax to help deliver sustainable local government finances**
- **A freeze is shockingly bad policy at a time of grave threat to key council services. It's [widely condemned](#) for not helping those in most need**



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Councils across Scotland were already considering millions of pounds of cuts before the freeze announcement. In North Lanarkshire last month furious campaigners defending leisure and other services forced a U-turn on plans to save £4.7m by closing swimming pools, community facilities and libraries, as part of proposals to save £64m over three years. Many UNISON branches will be campaigning again with community groups and others to save services and jobs.

Electoral calculations have clearly played a key role in the proposal from the SNP and support from other parties. We urge politicians to grasp the challenge of necessary reform of the council tax. At a minimum, all those supporting a freeze need to explain in detail how they will 'fully fund' it – will other budgets be cut? Can they demonstrate that the plan is sustainable and that it is not 'robbing Peter to pay Paul'?

We note that Labour's Deputy Spokesperson on Local Government Mark Griffin MSP recently quizzed Tom Arthur, the Minister for Community Wealth and Public Finance, in the Local Government, Housing & Planning Committee. Asked how he would define the promised full funding, the minister declined to provide a definition, saying he would not pre-empt discussions with local government.

We have long argued that funding of public services, local government in particular, needs investment, not cuts. UNISON and the STUC presented options for the Scottish Government to raise funds for such investment. We urge ministers to think again, or at least to put their money where their mouth is on full funding for a freeze and to make a firm commitment to replace the council tax with a fair property tax. If they don't seek to raise extra resources, the freeze funding is just money taken from another budget.

### **We oppose a freeze because:**

A freeze is regressive – it is unfair, as any savings are most for those on higher incomes. Many on the lowest incomes will see no benefit.

A freeze is bad for local democracy and accountability – local government should set council tax rates.

A freeze is further feeble fiddling, not fixing – we urgently need reform of the council tax, replacing it with a fair property tax. Abolishing the council tax was something the SNP Government promised to do when elected in 2007. Yet they have failed to act and last month ministers even dropped plans to increase bills for higher council tax bands. We had supported the rise, while calling for reform in our 'Fairer Council Tax' consultation response.

A freeze will worsen the current crisis in council funding – we do not agree with the claim that the previous council tax freeze was fully funded. Instead, it has contributed considerably to the long-term serious underfunding of council services, with terrible consequences for those families who most need and rely on them.

**Action for branches:** UNISON Scotland will be producing further briefings on council funding, available in due course on the website. Keep us updated, via your regional organiser, on local council budget pressures, proposed cuts and your campaigns to defend services and protect jobs.

## **Additional reading**

- **Scottish Government council tax freeze announcement**  
<https://www.gov.scot/news/council-tax-frozen/>
- **STUC response**  
<https://stuc.org.uk/media-centre/news/1732/stuc-response-to-first-ministers-council-tax-freeze-announcement>
- **Fraser of Allander Institute**  
<https://fraserofallander.org/policy-announcements-at-snp-conference-what-do-they-mean-for-scotland/>
- **IPPR analysis**  
<https://www.ippr.org/blog/freezing-council-tax-will-make-virtually-no-difference-to-households-in-poverty>
- **Minister quizzed on what full funding means**  
[https://x.com/SP\\_LocalGov/status/1725061370209554677?s=20](https://x.com/SP_LocalGov/status/1725061370209554677?s=20)
- **UNISON Scotland 'Fairer Council Tax' response**  
<https://unison-scotland.org/consultation-on-a-fairer-council-tax/>



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