

Statistical Release

22 June 2010

COLLECTION RATES FOR COUNCIL TAX AND NON-DOMESTIC RATES IN ENGLAND 2009-10

- Local authorities in England collected £21.4 billion in council taxes by the end of March 2010 out of a total of £22.1 billion collectable. This gave a national average in-year collection rate for council tax in England of 97.1 per cent in 2009-10, an increase of 0.1 percentage points over 2008-09.
- Local authorities in England collected £19.6 billion in non-domestic rates by the end of March 2010 out of a total of £20.0 billion collectable. This gave a national average in-year collection rate for non-domestic rates in England of 97.8 per cent in 2009-10, the same as in 2008-09.
- Over the last four years, the national collection rate for council tax has increased by 0.3 of a percentage point. In the same period the national collection rate for national non-domestic rates in 2009-10 has fallen by 0.6 of a percentage point.
- The average collection rate of non-domestic rates in all regions, except West Midlands, fell in the period 2005-06 to 2009-10. The largest fall, 1.2 percentage points, occurred in Yorkshire and the Humber.

This release provides information on the collection rates for council tax and non-domestic rates by local authorities for the financial year 1 April 2009 to 31 March 2010 and changes over previous years. This information is derived from the final Quarterly Return of Council Taxes and Non-Domestic Rates (QRC4) returns submitted for all 326 billing authorities in England

The release has been compiled by the Local Government Finance – Data Collection, Analysis and Accountancy division of Communities and Local Government.

Responsible Statistician:	
Steven Melbourne & Richard Job	Email: grc.statistics@communities.gsi.gov.uk
Contact points:	
Press enquiries: Telephone 0303 444 0444	Other enquiries: Telephone 0303 444 2116
Email press.office@communities.gsi.gov.uk	Email: grc.statistics@communities.gsi.gov.uk
Website: www.communities.gov.uk	

Collection rates for council tax and non-domestic rates in England 2009-10

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Collection rates for council tax in England 2009-10

1. **Table 1** shows, by class of authority, the average in-year collection rates for council tax for the period 2005-06 to 2009-10.
2. The in-year collection rate is the amount received by 31 March in respect of that financial year's council tax (or non-domestic rates) shown as a percentage of the net collectable debit in respect of that year's council tax (or non-domestic rates) - i.e. the income authorities would collect if everyone liable had paid. All figures in this release exclude council tax benefit as this is paid directly to the local authority by the Department for Work and Pensions (DWP).
3. Collection of council taxes continues once the financial year to which they relate has ended. This means that the final collection rate achieved is somewhere between the figures shown here and 100 per cent.

- Local authorities in England collected £21.4 billion in council taxes by the end of March 2010 out of a total of £22.1 billion collectable. This gave a national average in-year collection rate for council tax in England of 97.1 per cent in 2009-10, an increase of 0.1 percentage points over 2008-09.
- Since 2005-06, the national collection rate for council tax has increased by 0.3 of a percentage point.

Table 1: Council tax - collection rates - England : 2005-06 to 2009-10					%
	2005-06	2006-07	2007-08	2008-09	2009-10
All London boroughs	94.9	95.1	95.6	95.5	95.7
<i>of which:</i>					
<i>Inner London boroughs</i> <i>(including City of London)</i>	93.9	94.1	94.7	94.6	94.6
<i>Outer London boroughs</i>	95.4	95.5	96.0	96.0	96.2
Metropolitan districts	95.6	95.3	95.6	95.7	95.9
Unitary authorities	96.4	96.6	96.7	96.7	97.0
Shire districts	97.9	98.0	98.1	98.0	98.1
England	96.8	96.9	97.1	97.0	97.1

4. Some local government reorganisation occurred on 1 April 2009 and created 9 new unitary authorities from 37 shire district councils. **Table 1a** shows the average in-year collection rates for council tax for 2008-09 and 2009-10 for the classes of authority affected by that local government reorganisation. See *Background notes* in this publication for further details of the changes. As a result of this reorganisation

the figures for 2008-09 and 2009-10 for unitary authorities and shire districts in **Table 1** are not strictly comparable.

Table 1a: Council tax - collection rates : authorities affected by reorganisation : 2008-09 and 2009-10		
	2008-09	% 2009-10
Shire districts not involved in reorganisation	98.1	98.1
Shire districts that became Unitary authorities	97.6	97.5
Unitary authorities not involved in reorganisation	96.7	97.1
England	97.0	97.1

5. **Table 2** shows the average in-year collection rates for council tax by region for the period 2005-06 to 2009-10.

- The average council tax collection rate in London rose by 0.8 percentage points in the period 2005-06 to 2009-10. Both Inner and Outer London authorities contributed to this improved performance (See also **Table 1**).
- The average council tax collection rate in both Yorkshire and the Humber and the South West region showed no change in the period 2005-06 to 2009-10; this was in spite of small year-on-year fluctuations.

Table 2: Council tax - collection rates - England : by region 2005-06 to 2009-10					
	2005-06	2006-07	2007-08	2008-09	% 2009-10
North East	96.5	96.6	96.7	96.6	96.9
North West	96.3	96.2	96.3	96.3	96.5
Yorkshire & the Humber	96.5	96.3	96.4	96.3	96.5
East Midlands	97.2	97.4	97.6	97.4	97.5
West Midlands	96.9	96.9	97.2	97.2	97.2
East of England	97.7	97.8	97.9	97.8	97.8
London	94.9	95.1	95.6	95.6	95.7
South East	97.7	97.7	97.9	97.9	98.0
South West	97.7	97.8	97.8	97.8	97.7
England	96.8	96.9	97.1	97.0	97.1

Collection rates for non-domestic rates in England 2009-10

6. **Table 3** shows, by class of authority, the average in-year collection rates for non-domestic rates for the period 2005-06 to 2009-10.
7. Collection of non-domestic rates continues once the financial year to which they relate has ended. This means that the final collection rate achieved is somewhere between the figures shown here and 100 per cent.

- Local authorities in England collected £19.6 billion in non-domestic rates by the end of March 2010 out of a total of £20.0 billion collectable. This gave a national average in-year collection rate for non-domestic rates in England of 97.8 per cent in 2009-10, the same as in 2008-09.
- The national collection rate for national non-domestic rates in 2009-10 is the same as it was in 2008-09, but is 0.6 of a percentage point lower than four years ago.

Table 3: Non-domestic rates - collection rates - England : 2005-06 to 2009-10					%
	2005-06	2006-07	2007-08	2008-09	2009-10
All London boroughs	98.1	98.6	98.9	98.0	98.0
<i>of which:</i>					
<i>Inner London boroughs</i> <i>(including City of London)</i>	97.9	98.5	98.9	98.1	98.1
<i>Outer London boroughs</i>	98.4	98.7	98.9	97.8	97.8
Metropolitan districts	97.9	98.3	98.5	97.2	97.5
Unitary authorities	98.4	98.8	98.6	97.5	97.4
Shire districts	98.8	98.9	99.0	98.2	98.2
England	98.4	98.7	98.8	97.8	97.8

8. **Table 3a** shows the average in-year collection rates for non-domestic rates for 2008-09 and 2009-10 for the classes of authority affected by local government reorganisation that occurred on 1 April 2009. See para 4 above and *Background notes* in this publication for further details of the changes. As a result of this reorganisation the figures for 2008-09 and 2009-10 for unitary authorities and shire districts in **Table 3** are not strictly comparable.

Table 3a: Non-domestic rates - collection rates: authorities affected by reorganisation : 2008-09 and 2009-10

	2008-09	2009-10
		%
Shire districts not involved in reorganisation	98.2	98.2
Shire districts that became Unitary authorities	97.7	97.7
Unitary authorities not involved in reorganisation	97.5	97.5
England	97.8	97.8

9. **Table 4** shows the average in-year collection rates for non-domestic rates by region for the period 2005-06 to 2009-10.

- The average collection rate of non-domestic rates in all regions, except West Midlands, fell in the period 2005-06 to 2009-10. The largest fall, 1.2 percentage points, occurred in Yorkshire and the Humber.

Table 4: Non-domestic rates - collection rates - England : by region 2005-06 to 2009-10

	2005-06	2006-07	2007-08	2008-09	2009-10
					%
North East	98.5	98.7	99.0	98.1	98.2
North West	98.3	98.5	98.7	97.3	97.5
Yorkshire & the Humber	98.5	98.4	98.5	97.1	97.3
East Midlands	98.6	98.8	98.7	97.6	98.0
West Midlands	97.5	98.3	98.5	97.4	97.7
East of England	98.8	99.1	99.2	98.3	98.1
London	98.1	98.6	98.9	98.0	98.0
South East	98.7	98.8	98.9	98.1	97.8
South West	98.9	99.0	98.9	98.2	98.0
England	98.4	98.7	98.8	97.8	97.8

Additional table

There is an additional table produced for all authorities that is not included in the printed version of this release owing to its size. It is available on the Department's website and can be found at:

<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/counciltax/collectionrates/>

Below is a brief description of the data contained in the table:

- **Table 5** gives more detail, showing both the net collectable debit and the receipts of council tax and non-domestic rates, as well as in-year collection rates for each billing authority.

Terminology used in this release

A list of terms relating to local government finance is given in the glossary at Annex G to *Local Government Financial Statistics England*. The latest edition is accessible at <http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/>.

The most relevant terms for this release are defined below.

Billing authority – are the 326 (354 prior to 1 April 2009) local authorities empowered to set and collect council taxes, and manage the Collection Fund, on behalf of itself and local authorities in its area. They are also empowered to collect non-domestic rates. In England, shire and metropolitan districts, the Council of the Isles of Scilly, unitary authorities, London Boroughs and the City of London are billing authorities.

Collection fund – the fund administered by a billing authority into which council taxes are paid, and from which payments are made to the general fund of billing and major precepting authorities. NNDR collected by a billing authority is also paid into the fund before being passed on to central government for distribution to local authorities.

Council tax – a local charge (or charges) set by the billing authority in order to collect sufficient revenue to meet their demand on the collection fund and the precepts issued by the precepting authorities. It replaced the community charge on 1 April 1993 and is calculated based on the council tax band assigned to the dwelling.

Council tax benefit – an income related social security benefit designed to help people on low income pay their council tax. Council tax benefit is paid directly to the local authority by the Department for Work and Pensions (DWP) and not to the householder.

National non-domestic rates (NNDR) - are a means by which local businesses or organisations contribute to the cost of local authority services. Liable properties include public buildings, pipelines and advertising hoardings, as well as businesses. Some non-domestic properties, such as agricultural land and associated buildings, and churches, are exempt however. On 1 April 1990 the rating of non-domestic (mainly commercial and industrial) properties was substantially reformed. Before 1990-91, rates were set individually by local authorities and varied from authority to authority. Since 1 April 1990, the national multiplier has been set by the Government.

Net collectable debit - the income authorities would collect in the year if everyone liable for either council tax or non-domestic rates had paid. This includes not only those who are liable to pay for the whole year but also those who are liable to pay for part of the year. It also reflects the amount payable after discounts (council tax) and reliefs (non-domestic rates) are applied.

Data quality

The information in this release is based on data returned to Communities and Local Government for all the billing authorities in England (354 in 2008-09 and 326 in 2009-10). The data are returned on Quarterly Return of Council Taxes and Non-Domestic Rates (QRC4) forms which have to be signed by the Chief Finance Officer of the authority. Data for Harborough District Council and the Scilly Isles Council that were estimated in last year's release have been replaced by actual data that were received too late for inclusion in that release.

Figures are subjected to rigorous pre-defined validation tests both within the form itself, while the form is being completed by the authority and also in Communities and Local Government as the data are received and stored.

Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

Uses made of the data

The data in this statistical release are essential for a number of different purposes. A central and immediate purpose is to provide Ministers and the Office for National Statistics (ONS) with the most up to date information available. The data are also used by local authorities, their associations and regional bodies.

In addition, the data are important sources for evidence based policy, financial decisions, answering parliamentary questions and contributing towards producing a profile of payments for formula grant.

The data are collected quarterly during the year and estimates for England as a whole are provided to ONS for use in the compilation of National Accounts and public sector finances.

Background Notes

1. The figures exclude Council Tax Benefit and all other discounts, are before any amounts written off for bad or doubtful debt, and reflect any correction to liabilities made after billing.
2. The information in this statistical release is derived from the final Quarterly Return of Council Taxes and Non-Domestic Rates for 2009-10 (QRC4). The data shown in this release may have been updated from previous statistical releases. In 2009-10 QRC4 forms were received from all 326 billing authorities in England. In particular, data for Harborough District Council and the Scilly Isles Council that were estimated in last year's release have been replaced by actual data that were received too late for inclusion in that release.
3. Following local government reorganisation, nine unitary authorities came into existence from 1 April 2009. The nine new authorities replaced seven county councils and 37 shire district councils. The data for these new authorities are included in this release.

Details of the new authorities and those they replace are as follows:

Bedford UA

Bedfordshire County Council (part), Bedford

Central Bedfordshire UA

Bedfordshire County Council (part), Mid Bedfordshire, South Bedfordshire

Cheshire East UA

Cheshire County Council (part), Congleton, Crewe & Nantwich, Macclesfield

Cheshire West & Chester UA

Cheshire County Council (part), Chester, Ellesmere Port & Neston, Vale Royal

Cornwall UA

Cornwall County Council, Caradon, Carrick, Kerrier, North Cornwall, Penwith, Restormel

Durham UA

Durham County Council, Chester-le-Street, Derwentside, Durham City, Easington, Sedgfield, Teesdale, Wear Valley

Northumberland UA

Northumberland County Council, Alnwick, Berwick-upon-Tweed, Blyth Valley, Castle Morpeth, Tynedale, Wansbeck

Shropshire UA

Shropshire County Council, Bridgnorth, North Shropshire, Oswestry, Shrewsbury & Atcham, South Shropshire

Wiltshire UA

Wiltshire County Council, Kennet, North Wiltshire, Salisbury, West Wiltshire

4. In addition to the data for these new authorities being included in this release, data for the new authorities has been calculated for 2008-09 from the predecessor areas and included in Table 5 to allow comparison with the data for 2009-10.
5. For press enquiries about this Statistical Release please contact the Local Government press desk on 0303 444 0444 or email press.office@communities.gsi.gov.uk. For other enquiries please telephone John Farrar on 0303 444 2116 or email grc.statistics@communities.gsi.gov.uk.
6. Further information is also available on the department's website at : www.communities.gov.uk
7. For a fuller picture of recent trends in local government finance readers are directed to the latest edition of *Local Government Financial Statistics England* which is available in hard copy from Cambertown Limited at product@communities.gsi.gov.uk (Tel: 0300 123 1124)

and electronically in PDF format via the Department's web site:

<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/>

8. Both the Scottish Government and the Welsh Assembly Government also publish collection rate statistics. Their information can be found at the following websites:

Scotland:

www.scotland.gov.uk/Topics/Statistics/Browse/Local-Government-Finance

Wales:

In English:

www.wales.gov.uk/topics/statistics/theme/loc-gov/?lang=en

In Welsh:

www.wales.gov.uk/topics/statistics/theme/loc-gov/?lang=cy

9. We welcome any comments you may have on this release. Please send them to grc.statistics@communities.gsi.gov.uk.

Symbols and convention used in this release

...	=	not available
–	=	not relevant
-	=	negative
0	=	zero or negligible
	=	Discontinuity in data

Rounding

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent items