



Department for
Communities and
Local Government



Statistical Release

26 June 2013

COLLECTION RATES AND RECEIPTS OF COUNCIL TAX AND NON-DOMESTIC RATES IN ENGLAND 2012-13

- Local authorities in England collected £22.4 billion in council taxes by the end of March 2013 out of a total of £23.0 billion collectable. This gave a national average in-year collection rate for council tax in England of 97.4% in 2012-13, an increase of 0.1 percentage points over 2011-12.
- Local authorities in England collected £21.9 billion in non-domestic rates by the end of March 2013 out of a total of £22.4 billion collectable. This gave a national average in-year collection rate for non-domestic rates in England of 97.7% in 2012-13, a decrease of 0.1 percentage points over 2011-12.
- Over the last four years, the national collection rate for council tax has increased by 0.4 percentage points. In the same period the national collection rate for national non-domestic rates has fallen by 0.1 percentage points.

This release provides information on the collection rates and the receipts of council tax and non-domestic rates by local authorities for the financial year 1 April 2012 to 31 March 2013 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 the Department for Communities and Local Government.

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Collection rates for council tax and non-domestic rates in England 2012-13

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Collection rates for council tax in England 2012-13

1. **Table 1** shows, by class of authority, the average in-year collection rates for council tax for the period 2008-09 to 2012-13. See the additional table, **Table 4**, for details of which authorities fall into which class of authority and also their individual collection rates.
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. It includes prepayments made in 2011-12 in respect of 2012-13. 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%.

- Local authorities in England collected £22.4 billion in council taxes by the end of March 2013 out of a total of £23.0 billion collectable. This gave a national average in-year collection rate for council tax in England of 97.4% in 2012-13, an increase of 0.1 percentage points over 2011-12.
- Since 2008-09, the national collection rate for council tax has increased by 0.4 of a percentage point.

Table 1: Council tax - collection rates - England : 2008-09 to 2012-13					
	2008-09	2009-10	2010-11	2011-12	2012-13
					%
All London boroughs	95.5	95.7	96.0	96.3	96.4
of which:					
<i>Inner London boroughs</i> <i>(including City of London)</i>	94.6	94.6	95.1	95.4	95.6
<i>Outer London boroughs</i>	96.0	96.2	96.4	96.6	96.8
Metropolitan districts	95.7	95.9	96.1	96.1	96.2
Unitary authorities	96.7	97.0	97.2	97.2	97.3
Shire districts	98.0	98.1	98.2	98.2	98.1
England	97.0	97.1	97.3	97.3	97.4
Source : QRC4 returns					

Collection rates for non-domestic rates in England 2012-13

4. **Table 2** shows, by class of authority, the average in-year collection rates for non-domestic rates for the period 2008-09 to 2012-13. **Table 4** gives details of individual local authority collection rates..
5. 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%.

- Local authorities in England collected £21.9 billion in non-domestic rates by the end of March 2013 out of a total of £22.4 billion collectable. This gave a national average in-year collection rate for non-domestic rates in England of 97.7% in 2012-13, a decrease of 0.1 percentage points over 2011-12.
- The national collection rate for national non-domestic rates in 2012-13 is 0.1 percentage points lower than four years ago.

Table 2: Non-domestic rates - collection rates - England : 2008-09 to 2012-13					%
	2008-09	2009-10	2010-11	2011-12	2012-13
All London boroughs	98.0	98.0	98.1	98.2	98.2
of which:					
<i>Inner London boroughs</i> <i>(including City of London)</i>	98.1	98.1	98.2	98.3	98.4
<i>Outer London boroughs</i>	97.8	97.8	97.8	97.7	97.6
Metropolitan districts	97.2	97.5	97.3	96.8	96.7
Unitary authorities	97.5	97.4	97.7	97.5	97.4
Shire districts	98.2	98.2	98.4	98.3	98.1
England	97.8	97.8	98.0	97.8	97.7
Source : QRC4 returns					

6. **Table 3** shows the net collectable debit (NCD) and the amount collected for both council tax and non-domestic rates in 2012-13 by class of authority.

Table 3: Council tax and non-domestic rates - amount collected - England : by class 2012-13						
	£ millions					
	Council Tax			Non-domestic rates		
	NCD	Collected	%	NCD	Collected	%
All London boroughs	3,356	3,236	96.4	6,567	6,445	98.2
of which:						
<i>Inner London boroughs</i> <i>(including City of London)</i>	1,086	1,038	95.6	4,563	4,489	98.4
<i>Outer London boroughs</i>	2,270	2,198	96.8	2,004	1,956	97.6
Metropolitan districts	3,848	3,702	96.2	4,049	3,916	96.7
Unitary authorities	5,127	4,989	97.3	4,531	4,412	97.4
Shire districts	10,651	10,450	98.1	7,234	7,100	98.1
England	22,982	22,378	97.4	22,381	21,873	97.7
Source: QRC4 returns						

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:

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/council-tax-statistics>

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

- **Table 4** 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.

Receipt of council tax and non-domestic rates in England 2003-04 to 2012-13

7. **Table 5** shows the amount of council tax collected in 2003-04 to 2012-13 irrespective of the year to which it relates.

- In 2012-13 local authorities collected £22.8 billion in council tax, irrespective of the year to which it related. This was an increase of nearly £0.3 billion over 2011-12.

Table 5: Receipts of council tax in England : 2003-04 to 2012-13				
	Receipts of council taxes in respect of the billing year	Receipts of council taxes in respect of previous years ^(a)	Receipts of council taxes in respect of the subsequent billing year	£ millions Total receipts of council taxes collected during the financial year
2003–04	15,785	362	246	16,392
2004–05	16,764	368	240	17,372
2005–06	17,750	379	289	18,419
2006–07	18,654	382	279	19,315
2007–08	19,737	356	280	20,374
2008–09	20,648	338	332	21,319
2009–10	21,114	365	349	21,826
2010–11	21,574	391	341	22,306
2011–12	21,761	393	342	22,496
2012–13	22,053	392	314	22,759

Source: QRC4 returns

(a) Net of council taxes received in respect of previous years

8. Details of these receipts of council tax at local authority level can be found on the DCLG website at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>
9. **Table 6** shows the amount of non-domestic rates collected in 2003-04 to 2012-13 irrespective of the year to which it relates.

- In 2012-13 local authorities collected £21.6 billion in non-domestic rates, irrespective of the year to which it related, an increase of £0.9 billion over 2011-12.

Table 6: Receipts of non-domestic rates in England : 2003-04 to 2012-13

				£ millions
	Receipts of non-domestic rates in respect of the billing year	Receipts of non-domestic rates in respect of previous years (a)	Receipts of non-domestic rates in respect of the subsequent billing year	Total receipts of non-domestic rates collected during the financial year
2003-04	14,917	-527	225	14,615
2004-05	15,209	-550	183	14,842
2005-06	16,099	-459	252	15,892
2006-07	16,993	-298	310	17,004
2007-08	17,457	-482	301	17,276
2008-09	18,822	-452	321	18,691
2009-10	19,259	-419	248	19,088
2010-11	19,382	-493	302	19,192
2011-12	20,568	-131	309	20,746
2012-13	21,590	-253	295	21,632

Source: QRC4 returns

(a) A negative figure indicates that local authorities repaid more than they collected in respect of previous years. This is usually down to revaluations which often stretch back over a number of years.

10. Details of these receipts of non-domestic rates at local authority level can be found on the DCLG website at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>

Arrears of council tax in England

11. **Table 7** shows the level of arrears of council tax in the period 2008-09 to 2012-13 as well as the amounts of council tax that were written off in the same period.

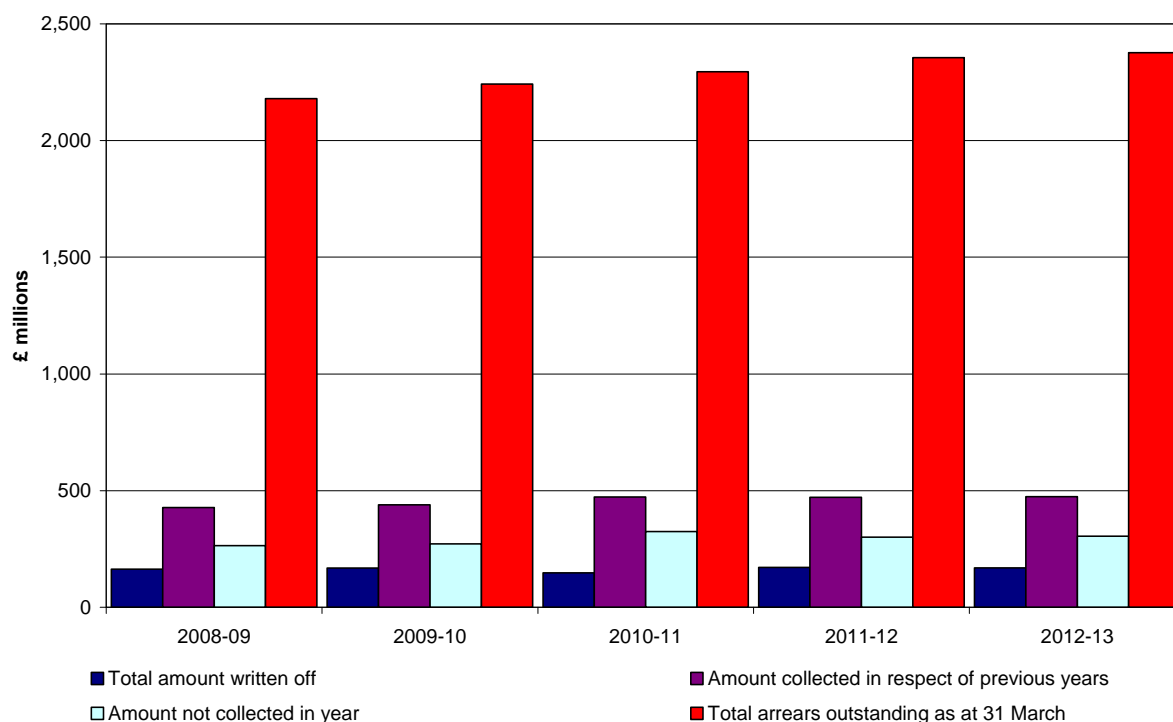
- In 2012-13 local authorities collected £474 million of outstanding council tax, irrespective of the year to which it related. This represents more than 2% of the Net Collectable Debit for 2012-13.
- In 2012-13 local authorities wrote off £162 million of uncollectable council tax, irrespective of the year to which it related. This represented 0.7% of the Net Collectable Debit for 2012-13.
- At 31 March 2013, the total amount of council tax still outstanding amounted to £2.376 billion; this is a cumulative figure and includes arrears that may stretch back to the introduction of council tax in 1993

Table 7: Council tax arrears and write-offs : 2008-09 to 2012-13

	2008-09	2009-10	2010-11	2011-12	£ million 2012-13
Arrears for earlier years brought forward on 1 April (a)	2,026	2,157	2,244	2,310	2,344
<i>add</i>					
Net adjustments made in year to arrears included in the Net Collectable Debit for earlier years	-37	-32	-31	-9	-22
Arrears relating to earlier years before write- offs in current year	1,989	2,125	2,213	2,301	2,322
<i>less</i>					
Amount collected in year relating to arrears for earlier years	427	440	472	471	474
Amounts written-off in year relating to earlier years <i>equals</i>	154	155	140	164	162
Arrears in respect of earlier years as at 31 March	1,407	1,531	1,601	1,666	1,685
Amounts not collected in current year	781	724	701	696	698
Amount written off in year relating to current year	9	13	7	7	7
Total arrears in respect of current year outstanding as at 31 March	772	711	694	689	691
Total Arrears outstanding as at 31 March ^(a)	2,179	2,242	2,295	2,355	2,376
Court and administration costs included Total Arrears above	159	163	195	199	209
Total amount written off each year irrespective of the year to which it relates	164	168	148	171	170

Source : QRC4 returns

(a) The figures for 31 March & 1 April of the same year are not identical as the figures for 31 March are best estimates provided by local authorities in May/June following the year in question and the 1 April figures are provided 14 months afterwards.

Chart A: Council tax arrears and write-offs 2008-09 to 2012-13


Source: QRC4 returns

National Statistics

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- meet identified user needs;
- are well explained and readily accessible;
- are produced according to sound methods, and
- are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

Terminology used in this release

A list of terms relating to local government finance is given in the glossary at Annex A to *Local Government Financial Statistics England*. The latest edition is accessible at <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-government-finance-statistics-england>

The most relevant terms for this release are defined below.

Arrears – unpaid council tax or non-domestic rates that, in the opinion of the billing authority, can still be collected.

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.

Council Tax Freeze Grant – a scheme introduced in 2011-12 to reward local authorities that froze or reduced their council tax in that year. A grant payment will be made in each year of the 2010 Spending Review. All authorities took part in the scheme in 2011-12 and as a result, the small growth in the Net Collectable Debit for council tax for that year was

down to growth in the housing market. In 2012-13 359 out of 421 authorities (85%) took advantage of the freeze grant. Because 62 authorities did not participate in the freeze grant scheme the average council tax in England rose by 0.3%. The net collectable debit for 2012-13 rose by 1.3% which is due to both the increase in council tax, and the growth in the housing market.

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 (NCD) - 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.

Write-offs - the amounts of council tax or non-domestic rates that local authorities no longer considered recoverable - this does not include any provision for bad debts. In this release the figures for council tax write-offs should include court costs or administration costs that have also been written off.

Data quality

The information in this release is based on data returned to the Department for Communities and Local Government for all the billing authorities in England (there were 354 until 2008-09 and 326 since 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.

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 the Department for 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. These data are published on a quarterly basis and can be found at the following link: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>

The live tables also provide a local authority breakdown, using the same format as tables 5 and 6, looking at figures relating to the specific billing year but also looking at the collection of finance regardless of the year to which it relates.

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 2012-13 (QRC4). The data shown in this release may have been updated from previous statistical releases. In 2012-13 QRC4 forms were received from all 326 billing authorities in England.
3. For press enquiries about this Statistical Release please contact the Local Government press desk on 0303 444 1201 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.
4. Further information is also available on the department's website at : <https://www.gov.uk/government/organisations/department-for-communities-and-local-government>

For a fuller picture of recent trends in local government finance readers are directed to the latest edition of *Local Government Financial Statistics England No23 2013* which is available via the Department's web site:

<https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-government-finance-statistics-england>

5. 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

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June 2013

ISBN: 978-1-4098-3940-8