

Statistical Release

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COUNCIL TAX LEVELS SET BY LOCAL AUTHORITIES IN ENGLAND – 2011-12

- The average Band D council tax set by local authorities in England for 2011-12 will be £1,439, (2010-11 £1,439).
- In England in 2011-12, the average council tax per dwelling will be £1,196 compared with £1,195 in 2010-11, an increase of 0.1%.
- Excluding parishes, no local authority has increased its Band D council tax.
- The average Band D council tax will be £1,308 in London, £1,399 in metropolitan areas and £1,484 in shire areas.
- Parish precepts in 2011-12 will total £367 million. This represents an increase of 2.8% over the 2010-11 figure of £357 million. The average Band D parish precept in 2011-12 will be £45.88, an increase of 2.1%.
- The total tax base used for setting council taxes for 2011-12 was 18.4 million Band D equivalent dwellings. This represents an increase of 0.7% over the figure of 18.2 million for 2010-11.

This release provides information on council tax levels and associated information for the financial year 2011-12, and changes over 2010-11. This information is derived from Budget Requirement (BR) forms submitted by all 326 billing authorities and all 95 major precepting 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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Council tax levels set by local authorities in England 2011-12

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Council tax levels set by local authorities in England 2011-12

1. Council tax can be measured in 'Band D' or in 'per dwelling' terms. Band D has historically been used as the standard for comparing council tax levels between and across local authorities, as this measure is not affected by the varying distribution of properties in bands that can be found across authorities. Additionally, the number of Band D equivalent dwellings are collected at around the same time that the council tax levels are set by the local authority, whereas the 'per dwelling' calculation uses chargeable dwellings figures that are captured some five months in advance of setting council tax levels. The Band D measure therefore better reflects the latest position.
2. **Table 1** gives figures for levels of, and changes in, the average Band D council tax and the average council tax per dwelling for the last 10 years. These figures include parish precepts, whereas figures excluding parish precepts are shown in **Table 5**. Figures in this release are shown in pounds whilst percentage changes are calculated on figures expressed to the nearest penny.
3. The Government Spending Review 2010 allocated £650 million to help local authorities to implement a **council tax freeze** in England in 2011-12. Key elements of the scheme can be found in paragraph 2 of the **Background notes**.

- The average Band D council tax set by local authorities in England for 2011-12 will be £1,439, (2010-11 £1,439).
- In England in 2011-12, the average council tax per dwelling will be £1,196 compared with £1,195 in 2010-11, an increase of 0.1%. This is the lowest increase since the introduction of council tax in 1993-94.

Table 1: Average council tax and % change 2002-03 to 2011-12 ^(a)

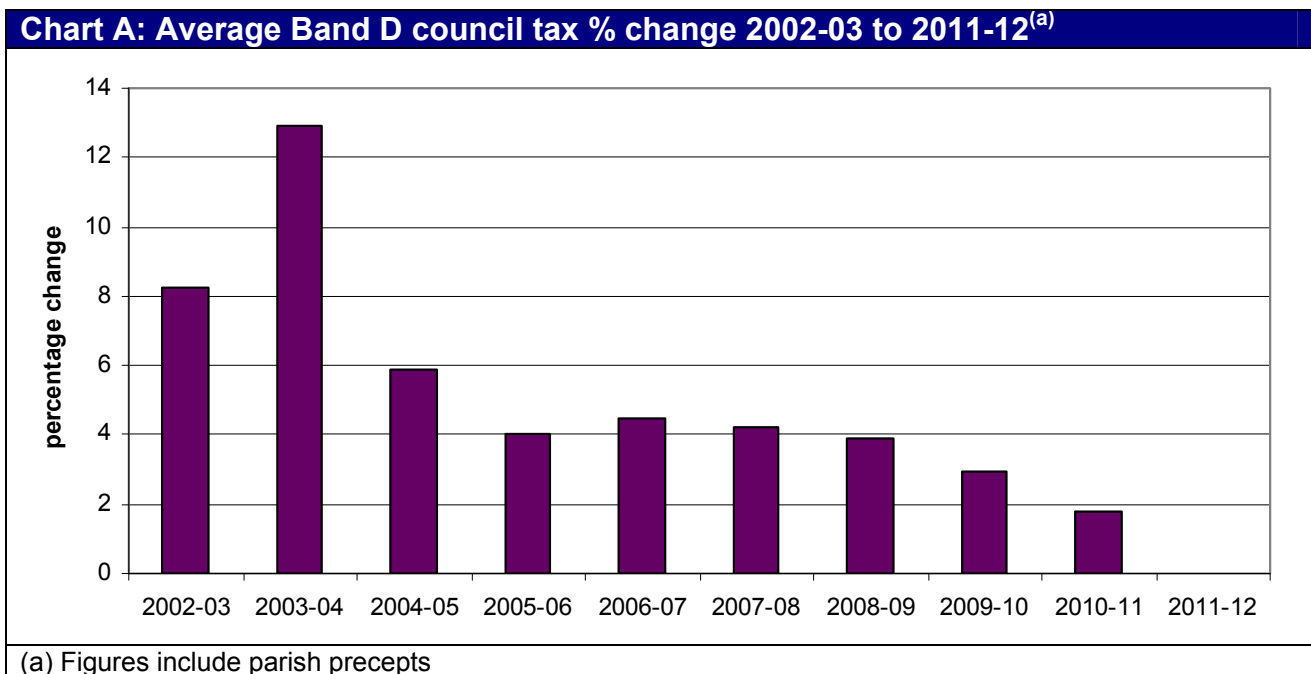
	Band D for area		Average per dwelling	
	£	% change	£	% change
2002-03	976	8.2	804	8.5
2003-04	1,102	12.9	908	13.1
2004-05	1,167	5.9	967	6.4
2005-06	1,214	4.1	1,009	4.3
2006-07	1,268	4.5	1,056	4.7
2007-08	1,321	4.2	1,101	4.3
2008-09	1,373	3.9	1,145	4.0
2009-10	1,414	3.0	1,175	2.6
2010-11	1,439	1.8	1,195	1.7
2011-12	1,439	0.0	1,196	0.1

Sources: BR and CTB forms
(a) Figures include parish precepts.

4. The average council tax per dwelling is lower than the average Band D council tax. This is mainly because, in England as a whole, bands A to C account for almost two-

thirds of all dwellings. Further details on this can be found in paragraph 7 of the Background Notes to this release.

5. Generally, the percentage increase in the average council tax per dwelling is higher than the increase in the average Band D council tax. This is largely because the percentage increase in the tax base (the denominator for the average Band D measure) is greater than the percentage increase in the number of chargeable dwellings (the denominator for the average per dwelling measure). In both 2009-10 and 2010-11 the opposite occurred and the percentage increase in tax base was lower than the percentage increase in chargeable dwellings. This led to the increase in average council tax per dwelling being lower than that for the average Band D. However in 2011-12, the percentage change in average council tax per dwelling was again higher than that for the average Band D.
6. **Chart A** shows the changes in average Band D council tax since 2002-03.



7. **Table 2** gives the average Band D council tax levels and percentage changes for London, metropolitan areas and shire areas for the last five years.

- The average Band D council tax for 2011-12 will be £1,308 in London, £1,399 in metropolitan areas and £1,484 in shire areas.

Table 2: Average Band D council tax and % change by area of authority 2007-08 to 2011-12

(a)

	London area		Metropolitan areas		Shire areas ^(b)	
	£	% change	£	% change	£	% change
2007-08	1,258	3.6	1,284	3.8	1,348	4.4
2008-09	1,292	2.7	1,328	3.4	1,406	4.3
2009-10	1,308	1.3	1,372	3.3	1,452	3.3
2010-11	1,309	0.0	1,399	2.0	1,484	2.2
2011-12	1,308	0.0	1,399	0.0	1,484	0.0

Source: BR forms

(a) Figures include parish precepts.

(b) Figures include unitary authorities.

8. **Table 3** gives a breakdown of the funding of budgeted net revenue expenditure for England for 2009-10 to 2011-12. This information is as reported at the time local authorities either set, or in the case of the designated authorities (see para 3 of **Background Notes**) revise their budgets, and is reported to the Department for Communities and Local Government by the authorities on their BR forms.

- Local authority budget requirements including parish precepts in 2011-12 will total £56.7 billion.
- Parish precepts in 2011-12 will total £367 million. This represents an increase of 2.8% over the 2010-11 figure of £357 million.
- The council tax requirement in 2011-12 will total £26.5 billion which represents an increase of 0.8% over the 2010-11 figure of £26.3 billion.
- Local authorities have budgeted to use £963 million from reserves during 2011-12. This figure is £190 million, or 20% higher than the £773 million reported on the 2010-11 BR forms but is less than half the amount of reserves local authorities reported they would use in 2009-10.
- The total tax base used for setting council taxes for 2011-12 was 18.4 million Band D equivalent dwellings. This represents an increase of 0.7% over the figure of 18.2 million for 2010-11.

Table 3: Budgeted local government net revenue expenditure: England summary 2009-10 to 2011-12

		2009-10	2010-11(R) ^(c)	£ million 2011-12
	Net revenue expenditure (excluding parish precepts)	55,611	55,796	56,672
less	Use of reserves	1,936	773	963
	<i>of which:</i>			
	<i>schools reserves</i>	59	76	84
	<i>earmarked reserves</i>	1,476	509	575
	<i>unallocated reserves</i>	400	188	305
<i>equals</i>	Net budget requirement (excluding parish precepts)	53,675	55,023	55,709
<i>plus</i>	Parish precepts	340	357	367
<i>equals</i>	Budget requirement	54,016	55,380	56,076
less	Formula Grant	28,318	29,060	29,499
	<i>of which:</i>			
	<i>Redistributed business rates (a)</i>	19,515	21,517	19,017
	<i>Revenue support grant</i>	4,501	3,122	5,873
	<i>General GLA grant (Greater London Authority only)</i>	48	48	63
	<i>Principal formula police grant</i>	4,253	4,374	4,546
<i>plus</i>	Community charge items from the preceding year	0	0	0
<i>plus</i>	Collection fund deficit (+)/ surplus (-) from the preceding year (b)	-65	-65	-125
<i>equals</i>	Council tax requirement	25,633	26,254	26,451
<i>divided by</i>	Taxbase for council tax-setting purposes (million)	18.130	18.242	18.378
<i>equals</i>	Average Band D council tax (including parish precepts) (£)	1,414	1,439	1,439

Source: BR forms

9. **Table 4** shows both the levels and the annual percentage changes in the average Band D council tax and the average council tax per dwelling by area and region. There are increases in the average band D council tax for regions in which no individual authority has increased its council tax. This is because the region's council tax is calculated as an average of the authorities' band D council tax weighted by their taxbase; the average figure is therefore affected by changes in the taxbase as well as by changes in the band D figure.

- The average Band D council tax in each region for 2011-12 varies from £1,308 in London to £1,512 in the North East.
- The average council tax per dwelling for 2011-12 varies from £1,048 in Yorkshire and the Humber to £1,374 in the South East.

Table 4 : 2011-12 Council tax (average Band D and average per dwelling)^(a) and % change: by area

	Average Band D council tax for area of billing authority		Average council tax per dwelling in the area	
	£	% change	£	% change
ENGLAND	1,439	0.0	1,196	0.1
By area of authority:	-			
London area	1,308	0.0	1,214	0.3
Metropolitan areas	1,399	0.0	1,000	0.1
Shire areas (b)	1,484	0.0	1,258	0.0
By region:	-			
North East	1,512	0.1	1,060	0.1
North West	1,469	0.0	1,088	0.1
Yorkshire and the Humber	1,406	0.0	1,048	0.2
East Midlands	1,486	0.0	1,140	0.0
West Midlands	1,416	0.0	1,114	0.2
East of England	1,480	0.0	1,293	0.1
London	1,308	0.0	1,214	0.3
South East	1,468	0.0	1,374	0.0
South West	1,500	0.1	1,272	-0.1

Sources: BR and CTB forms
(a) Figures include parish precepts.
(b) Figures include unitary authorities.

10. **Table 5** shows council tax levels for England as a whole and by class of authority, along with the percentage change over the corresponding figure for 2010-11. For columns 1 to 6, this is expressed in terms of average Band D council tax, both excluding (columns 1 and 2) and, where they exist, including parish precepts (columns 3 to 6). Columns 5 and 6 show the average area Band D council tax for 2011-12.
11. The final two columns of **Table 5** show the average council tax per dwelling within the area. The definition for columns 5 to 8 includes the council tax for the other authorities that provide services in the authority's area.

- Shire districts have the lowest change for a class excluding parishes with a decrease of 0.1%, but the highest increase excluding parishes with an increase of 0.3%.
- There will be a small decrease in the average Band D council tax in London boroughs, but the average council tax per dwelling will increase by 0.3%.
- The highest percentage change in average council tax will be for the Metropolitan Police Authority which will increase by 5.1% over the 2010-11 figure. However, the average council tax for all other services in the Greater London Authority area has decreased by 12.0% which results in there being no change in the average council tax for the Greater London Authority area.
- The Greater London Authority's Band D council tax again includes a £20 precept to contribute towards the 2012 Olympic Games.

12. Further information about which class of authority individual local authorities fall into can be found either in Annex A to *Local Government Financial Statistics England No. 20 2010* which is accessible at <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics202010> , or in Table 8 of this release

Table 5 : 2011-12 Council tax (average Band D and average per dwelling) and % change: by class of authority

	Average council tax for the authority excluding parish precepts (Band D)		Average council tax for the authority including parish precepts (Band D)		Average council tax for area of billing authority (Band D) ^(a)		Average council tax per dwelling in the area ^(a)	
	£ (Column 1)	% change (Column 2)	£ (Column 3)	% change (Column 4)	£ (Column 5)	% change (Column 6)	£ (Column 7)	% change (Column 8)
ENGLAND	1,419	0.0	1,439	0.0	1,439	0.0	1,196	0.1
Class of authority:								
Inner London boroughs including City	808	0.2	808	0.2	1,117	0.1	1,025	0.6
Outer London boroughs	1,119	0.0	1,119	0.0	1,429	0.0	1,335	0.2
London boroughs	999	0.0	999	0.0	1,308	0.0	1,214	0.3
Greater London Authority ^(b)	310	0.0	310	0.0	-	-	-	-
<i>of which Metropolitan Police Authority</i>	228	5.1	228	5.1	-	-	-	-
<i>of which other services</i>	82	-12.0	82	-12.0	-	-	-	-
Metropolitan districts	1,214	0.0	1,219	0.0	1,399	0.0	1,000	0.1
Metropolitan police authorities ^(c)	123	0.0	123	0.0	-	-	-	-
Metropolitan fire and rescue authorities	56	0.0	56	0.0	-	-	-	-
Shire unitary authorities	1,216	0.0	1,243	0.0	1,462	0.0	1,165	0.1
Shire counties	1,096	0.0	1,096	0.0	-	-	-	-
Shire districts	166	-0.1	196	0.3	1,496	0.0	1,311	0.0
Shire police authorities	162	0.0	162	0.0	-	-	-	-
Shire fire and rescue authorities	67	0.0	67	0.0	-	-	-	-
Police authorities ^(d)	165	1.2	165	1.2	-	-	-	-
<i>excluding Metropolitan Police Authority</i>	153	0.0	153	0.0	-	-	-	-
Fire and rescue authorities ^(e)	64	0.0	64	0.0	-	-	-	-

Sources: BR and CTB forms

(a) Figures include parish precepts.

(b) This includes Transport for London (TfL), London Development Agency (LDA), London Fire and Emergency Planning Authority (LFEPA) and Metropolitan Police Authority.

(c) This does not include Metropolitan Police Authority element from GLA.

(d) Includes Metropolitan Police Authority element from GLA, but excludes City of London Police (as this element is not distinguishable from the amount paid to the City of London).

(e) Excludes fire and rescue services provided by counties, unitaries and the GLA.

Additional tables

13. There are three additional tables produced for all authorities that are not included in the printed version of this release owing to their size. They are available on the Department's website and can be found at:
<http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/counciltax/rates/>
14. Below is a brief description of the data contained in the tables:
- Table 6 is similar to Table 5 but shows details at local authority level;
 - Table 7 shows the average area council tax for a dwelling occupied by two adults in each local authority area, for each council tax band;
 - Table 8 shows some of the data used by billing and major precepting authorities in calculating their council tax for 2011-12. The data are taken from the Budget Requirement (BR) forms supplied by local authorities in England to the Department for Communities and Local Government. The table also shows details of the number of chargeable dwellings in each authority taken from the CTB forms. Totals are also shown for England, regions and class of authority.

Parish and Charter trustees in England

15. **Table 9** shows information relating to parishes and parish precepts. Information on the number of parishes setting precepts was first collected for 2010-11. The table shows the number and tax base of parishes and charter trustees charging precepts and the average parish precept on an average Band D property in a precepting area. The parishes, or temples, of the City of London are excluded due to their unique arrangements.
16. Further parish analysis and local level data, including any revisions to the information, will be published in April 2011. For further information about parishes in England please see the statistical release published in November 2010 which is available at
<http://www.communities.gov.uk/publications/corporate/statistics/parishes201011>

- The average Band D precept charged by a parish or charter trustee for 2011-12 will be £45.88. This is an increase of 2.1% from 2010-11. The largest increase is in the North East where precepts have increased by 6.7%

Table 9: Average Band D Parish precept by region ^(a)

	Parishes and charter trustees charging a non-zero precept								
	Total Number		Tax base ('000)		Aggregate of Local Precepts (b) (£'000)		Average parish precept per Band D equivalent (£)		
	2010-11 ^(R)	2011-12	2010-11 ^(R)	2011-12	2010-11 ^(R)	2011-12	2010-11 ^(R)	2011-12	% change
England	9,128	9,178	7,933	8,000	356,452	367,060	44.93	45.88	2.1
North East	305	304	312	305	16,935	17,684	54.33	57.97	6.7
North West	707	724	727	734	17,771	18,437	24.43	25.10	2.8
Yorkshire & the Humber	947	950	727	728	23,176	23,766	31.90	32.63	2.3
East Midlands	1,350	1,365	810	835	39,329	40,140	48.56	48.07	-1.0
West Midlands	921	923	750	756	29,099	29,742	38.78	39.36	1.5
East of England	1,689	1,695	1,312	1,324	65,400	67,588	49.83	51.03	2.4
London	0	0	0	0	0	0	-	-	-
South East	1,492	1,494 ^(c)	1,957	1,969 ^(c)	96,302	98,625	49.22	50.09	1.8
South West	1,717	1,723	1,338	1,348	68,440	71,078	51.14	52.72	3.1

(a) Excludes the Temples of London

(b) This is the total amount collected by the constituent billing authorities on behalf of parishes and Charter Trustees.

(c) Numbers have been imputed for one authority to replace missing values.

Worked examples

The data in **Table 8** can be used to calculate other figures in this release:

Example A – Average council tax for Dartford excluding parish precepts (Band D)

Council tax requirement	6,530,470
<i>less</i>	
Parish precepts:	891,527
<i>equals</i>	<u>£5,638,943</u>
<i>divided by</i>	
Council tax base:	34,616.0
<i>equals:</i>	£162.90

Example B – Average council tax per dwelling in the North East:

Council tax requirement	£1,203,656,238
<i>divided by</i>	
Chargeable dwellings:	1,135,142
<i>equals:</i>	£1060.36

All published figures are as reported by the authority on their BR forms and may vary slightly when the formulae above are used.

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 G to *Local Government Financial Statistics England No. 20 2010*. This is accessible at <http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics202010>
The most relevant terms for this release are defined below.

Area council tax - The average total amount of council tax payable for a Band D dwelling occupied by two adults within a billing authority's area. It is the sum of the amounts requested: a) by the billing authority; b) by major precepting authorities covering the billing authority's area; and c) by parish or town councils within the billing authority's area. The amount at c) is the total amount requested by parish and town councils, averaged across the whole of the billing authority's area.

Average council tax per dwelling - The total council tax payable in an area divided by the total number of chargeable dwellings in the area.

Band D council tax - This is the council tax payable on a Band D dwelling occupied as a main residence by two adults, before any reductions due to discounts, exemptions or council tax benefit. This definition is widely regarded as a benchmark when comparing council tax levels in different areas or over time.

Billing Authorities - Billing authorities are the 326 authorities (354 before 1 April 2009) that are empowered to set and collect council taxes, and manage a Collection Fund, on behalf of themselves and other local authorities in their area. In England, district councils (metropolitan and shire), the Council of the Isle of Scilly, unitary authorities, London boroughs, and the City of London are billing authorities. These are also sometimes known as lower-tier authorities.

Budget requirement - An amount calculated, in advance of each year, by each billing authority, by each major precepting authority and by each local precepting authority (primarily parish councils). It is broadly the authority's net revenue expenditure allowing for movement in reserves. It is therefore, the amount to be met from revenue support grant, redistributed non-domestic rates, principal formula police grant, GLA general grant and council tax. On occasions this may be revised during the year.

Budget Requirement (BR) forms - A return completed by all billing and precepting authorities in England giving details of how their council tax requirement is calculated and what council tax a Band D two-adult dwelling should pay.

BR1 forms are completed by billing authorities, BR2 forms by precepting authorities and the BR3 form is completed by the Greater London Authority.

Chargeable dwellings - Those domestic dwellings in an area for which council tax is payable. It excludes dwellings on the valuation list which are exempt from paying council tax. Each chargeable dwelling is counted as one dwelling, whether or not a full council tax bill is payable for it. The total number of chargeable dwellings in an area is the denominator used to calculate the average council tax per dwelling.

Charter Trustee - A body of councillors charged with preserving the historic property, privileges, rights, status and traditions of areas which have been subsumed within larger authorities as a result of local government reform. Charter Trustees cease to exist when a parish council is formed for the area.

Collection Fund - The fund administered by a billing authority into which council taxes are paid, and from which payments were made to the general fund of billing and precepting authorities.

Council tax - This is 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. The Valuation Office Agency assesses the properties in each district area and assigns each dwelling to one of eight valuation bands; A to H. The tax is set on the basis of the number of Band D equivalent properties. Tax levels for dwellings in other bands are set relative to the Band D baseline.

Council Tax Band - There are eight council tax bands, A to H. Each domestic dwelling is assigned a council tax band by the Valuation Office Agency (VOA). Council tax bands are based on the value of the dwelling as at 1 April 1991. Any dwelling built after this date is given a notional 1991 value for council tax purposes.

Council tax requirement - This is an amount calculated, in advance of each year, by each billing authority and by each major precepting authority. It is the amount of revenue to be met from council tax, and is equivalent to an authority's Band D council tax multiplied by its council tax base.

Designation - when the government limits a local authority's budget requirement and hence its council tax.

Local precepting authority – parish / town councils, chairmen of parish meetings, charter trustees and the treasurers of the Inner and Middle Temples are all local precepting authorities. These local authorities make a precept on the billing authority's general fund.

Major precepting authority - These are county councils in two-tier areas, police authorities, fire and rescue authorities and the Greater London Authority. These local authorities make a precept on the billing authority's Collection Fund.

Olympic precept - A precept on all properties liable for council tax within the Greater London Authority area to contribute towards the 2012 Olympic Games. The precept was introduced in 2006-07 and has been set at £20 per Band D equivalent property for each year.

Parish - The term parish means an English civil parish. A parish may be represented by a parish council or parish meeting. A parish council can resolve to have the status of a town and can have city status conferred on it by royal prerogative. A parish council or parish meeting may resolve to adopt the style of a community, neighbourhood or village. They are local precepting authorities.

Parish precepts – Parish councils can raise a precept on the principal council (the billing authority). This is the main source of a parish council's income and the level of the precept is at the discretion of the parish. Parishes and Charter Trustees are local precepting authorities.

Precept - The amount of money (council tax) that a local or major precepting authority has instructed the billing authority to collect and pay over to it in order to finance its net expenditure, i.e. budget requirement less income from revenue support grant, redistributed non-domestic rates, principal formula police grant and General GLA grant.

Reserves - These are sums held to finance future spending for purposes falling outside the definition of a provision. Reserves held for stated purposes are known as earmarked reserves, schools reserves are reserves held by individual schools with delegated budgets and the remainder are unallocated reserves.

Tax base - This is the number of Band D equivalent dwellings in a local authority area. To calculate the tax base for an area, the number of dwellings in each council tax band is reduced to take account of discounts and exemptions. The resulting figure for each band is then multiplied by its proportion relative to Band D (from 6/9 for Band A to 18/9 for Band H) and the total across all eight bands is calculated. An adjustment is then made for the collection rate. The tax base figure that is used by a local authority when it sets its council tax uses an adjustment for the collection rate and the actual discount for second homes.

Temples of London – The Inner and Middle Temples are self-governing bodies located in the west of the City of London. The Temples were defined as local authorities with many of the same powers and responsibilities, except in relation to housing, as the Inner London boroughs, under the London Government Act 1963. The Inner Temple and Middle Temple, through powers vested in the Under Treasurer and Sub-Treasurer of the Middle and Inner Temple respectively, exercise a small number of local authority functions. All other functions fall under the responsibility of the City of London.

Data quality

The information in this release is based on data returned to the Department for Communities and Local Government by English local authorities on Budget Requirement (BR) forms. The data are collected using legislative powers that require all precepting and billing authorities to return completed forms within seven days of the calculation and

council agreement of an authority's budget requirement for the coming year. This effectively ensures a 100% response rate before the release is compiled.

In some cases there are inconsistencies between figures reported by a major preceptor and a billing authority on which it precepts. These inconsistencies may, in turn, affect regional or national average or aggregate figures. Although work is done to identify and rectify reporting errors and inconsistencies prior to release, it is not always possible for an authority to amend its figures due to the legislation under which authorities set their budgets.

Two of the key financial aggregates reported on the form (budget requirement and council tax requirement) are fixed once reported on an authority's BR form and cannot, except in certain exceptional circumstances (e.g. when they are designated and required to recalculate their budget requirement), be varied during the year. Consequently, local authorities have a very strong financial incentive to report accurate figures on the BR forms. The form also has to be signed by the Chief Finance Officer of the authority.

Figures are subjected to rigorous pre-defined validation tests both whilst the form is being completed by the authority (within the form itself) and also within the Department for Communities and Local Government as the data are received and stored.

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 used to inform government policy on council tax and monitor existing schemes such as the Council Tax Freeze grant. This also includes decisions about whether government should intervene by designating authorities (when the government limits a local authority's budget requirement and hence its council tax), and other decisions in government about how increased spending by local authorities - or additional requirements of local government implied by new government policies - will impact on council tax levels. The data include both the council tax level (council tax requirement) and the budget requirement which form the basis of all financial assessment of local government spending and are set out for users in the context of formula grant for the year in question. Users can therefore look at how local authorities' council tax requirement relates to other elements that finance their budget requirement.

The council tax requirement figure is also used by the Office for National Statistics and HM Treasury for the Public Sector Finances statistics and the National Accounts.

Because the statistical release includes data for individual authorities, it enables the public (including council tax payers) to compare its authority with others in the same class or locally. This can be done on the basis of Band D council tax - the normal benchmark when comparing council tax levels in different areas or over time - and council tax per dwelling, a more direct measure of the impact on council tax payers in an area. Users can also examine the contribution of the local parish precept on their council tax bill and compare that with other local authority areas. Information is also used to answer numerous parliamentary, ministerial and ad hoc questions.

Information on the use and level of earmarked, unallocated and school reserves is used by various customers including policy colleagues and members of the general public to increase their awareness of the financial position of the local authorities.

Background Notes

1. For press inquiries 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 inquiries please telephone John Farrar on 0303 444 2116 or email br.statistics@communities.gsi.gov.uk.
2. The Government Spending Review 2010 allocated £650 million to help local authorities to implement a council tax freeze in England in 2011-12. The key elements of the scheme are:
 - a. The scheme is voluntary; and applies separately to each billing and major precepting authority in England (including police and fire and rescue authorities) rather than to each council tax bill issued. Local precepting authorities, such as town and parish councils, are not included in the scheme.
 - b. Where a local authority has not increased its Band D council tax in 2011-12 it will receive a grant equivalent to them having set a 2.5% increase from their 2010-11 level.
 - c. Slightly different arrangements - still based upon a 2.5% grant - will apply for the Greater London Authority and for those authorities which restructured in 2009, to reflect their unique circumstances.
 - d. Any grant paid to an eligible authority in 2011-12 will be matched exactly in each subsequent year of the Spending Review to compensate for the income foregone for a freeze. Authorities will not have to continue to freeze or reduce their council tax from 2012-13 to continue to receive this grant.
3. The figures in this release use recalculated budget requirement and council tax levels for one authority previously designated in 2009-10, one authority previously designated in 2008-09, eight authorities previously designated in 2005-06 and six authorities previously designated in 2004-05.
4. Following local government reorganisation, nine unitary authorities came into existence from 1 April 2009 and the nine new authorities replaced seven county councils and 37 shire district councils. The new authorities were given the flexibility to set separate basic amounts of council tax in each of their predecessor areas with the proviso that the unitary authority must ensure that the Band D amount is the same across the whole of its area no later than 1 April 2014.
5. Council taxes are set by each authority that receives formula grant (i.e. both billing authorities such as district councils and London boroughs, and major precepting authorities such as county councils, fire and rescue authorities and the Greater

London Authority). The billing authority's council tax may also include an amount used to finance parish or town councils (known as parish precepts). Council taxes for all authorities providing services in an area appear on one council tax bill issued by the billing authority.

6. There are eight council tax bands: bands A to H. How much council tax each household pays depends on the value of the dwelling concerned, as estimated in the 1991 dwelling valuation exercise or referenced to 1991 values. The bands and the percentage of dwellings in each band as a percentage of the England total are:

Band	Value of dwelling (estimated at April 1991)	Proportion of the tax due for a Band D dwelling	% of total dwellings in England as at 13 September 2010
A	£40,000 and under	6 / 9	25
B	£40,001 - £52,000	7 / 9	20
C	£52,001 - £68,000	8 / 9	22
D	£68,001 - £88,000	9 / 9	15
E	£88,001 - £120,000	11 / 9	9
F	£120,001 - £160,000	13 / 9	5
G	£160,001 - £320,000	15 / 9	4
H	Over £320,000	18 / 9	1

7. Band D is used as the basis for calculating the tax base (the number of Band D equivalent dwellings) and for year-on-year comparisons of tax levels set. However, as only a minority of dwellings in each local authority are in Band D, the average Band D council tax does not enable direct comparison to be made of the average amounts of council tax payable by people in different areas. In contrast, the average council tax per dwelling reflects the wide variation between authorities in the distribution of dwellings across bands. Although, this is a helpful measure to use when comparing the amounts payable in different areas, the calculation requires using chargeable dwellings figures that are captured some five months in advance of setting council tax levels. Variations between council tax per dwelling figures are due to a combination of local authority tax-setting decisions and the distribution of dwellings across bands within each authority's area.

8. Further information is also available on the department's website at www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/counciltax/

In particular, spreadsheets shown under *Related downloads* give both the average Band D and the per dwelling figures for each authority, region and class of authority since council tax was introduced in 1993-94.

Information on council tax collection rates can be found at www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/counciltax/collectionrates/ .

9. For a fuller picture of recent trends in local government finance readers are directed to *Local Government Financial Statistics England No.20 2010* 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:
www.communities.gov.uk/publications/corporate/statistics/financialstatistics202010

10. Both the Scottish Government and the Welsh Assembly Government also collect council tax data. Their information can be found at the following websites:

Scotland:

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

Wales:

In English: new.wales.gov.uk/topics/statistics/theme/loc-gov/ctlevels/?lang=en

In Welsh: new.wales.gov.uk/topics/statistics/theme/loc-gov/ctlevels/?lang=cy

Symbols and convention used in this release

...	=	not available
–	=	not relevant
-	=	negative
0	=	zero or negligible
(R)	=	Revised since last release

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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