

20 July 2012

Supplementary forecast information release

The following table shows the assumptions used in our forecast of council tax receipts in our March 2012 *Economic and fiscal outlook (EFO)*. We are releasing the information as a result of requests for this further detail underlying our forecast in our March 2012 *EFO*. The OBR will as far as possible also meet ongoing requests to release supplementary forecast information, where this will improve the quality of public debate on the public finances

Council tax receipts

£ billions	Outturn	Forecast					
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
England council tax gross receipts¹	26.3	26.5	26.7	27.7	28.7	29.7	30.8
Percentage change in council tax level ²	1.8%	0.0%	0.3%	2.9%	2.9%	2.9%	2.9%
Percentage change in council tax base ³			0.7%	0.7%	0.7%	0.8%	0.8%
Scotland council tax gross receipts⁴	2.3	2.3	2.3	2.3	2.3	2.4	2.4
Percentage change in council tax level ⁵	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Percentage change in council tax base ⁶			0.5%	0.5%	0.5%	0.5%	0.5%
Wales council tax gross receipts⁷	1.3	1.3	1.4	1.4	1.5	1.5	1.6
Percentage change in council tax level ⁸	3.7%	3.1%	2.1%	3.0%	3.0%	3.0%	3.0%
Percentage change in council tax base ⁹			0.5%	0.5%	0.5%	0.5%	0.5%
Total gross council tax receipts	29.8	30.1	30.4	31.4	32.5	33.6	34.8
Minus England council tax benefit ¹⁰	-4.1	-4.2	-4.1	-3.7	-3.7	-3.7	-3.7
Minus Scotland council tax benefit ¹⁰	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3
Minus Wales council tax benefit ¹⁰	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
NI domestic rates	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Council tax accruals adjustment	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Total net council tax receipts (in table 4.7 of March EFO)	25.7	26.0	26.3	27.9	29.0	30.1	31.4

¹ Gross council tax receipts for England in 2010-11 and 2011-12 taken from Local Authority Revenue Expenditure and Financing England 2010-11 final outturn and 2011-12 budgets. The forecast of council tax receipts from 2012-13 onwards are calculated by applying the assumed percentage increases in the level of council tax and the tax base to the previous years council tax receipts.

² For 2012-13, the English council tax increase reflected the latest CIPFA report available before the March *EFO* on the expected overall increase in England of 0.3 per cent. This was confirmed shortly after publication by the CLG council tax statistics. For 2013-14 onwards, our forecasts are based on the assumption that English council tax increases revert to the average over the three years prior to the recent freezes (2008-09 to 2010-11).

³ Council tax base growth in England is based on a forecast provided by the Department for Communities and Local Government.

⁴ Gross council tax receipts for Scotland in 2010-11 taken from Scottish Local Government Finance Statistics 2010-11. The forecasts of council tax receipts from 2011-12 onwards are calculated by applying the assumed percentage increases in the level of council tax and the tax base to the previous years council tax receipts.

- ⁵ The Scotland council tax increase is assumed to be zero per cent until 2015-16 as the Scottish Government have announced a freeze until the end of this parliament. For 2016-17, we assume a 2 per cent increase as our best estimate, given that there hasn't been an increase since 2007-08.
- ⁶ Council tax base growth in Scotland is assumed to be 0.5 per cent.
- ⁷ Gross council tax receipts for Wales in 2010-11 and 2011-12 taken from Local Authority Revenue Expenditure and Outturn Expenditure 2010-11 and Budgeted Revenue Expenditure 2011-12. The forecasts of council tax receipts from 2012-13 onwards are calculated by applying the assumed percentage increases in the level of council tax and the tax base to the previous years council tax receipts
- ⁸ For 2012-13, the Welsh council tax increase of 2.1 per cent reflects the Welsh Local Government Association announcement shortly before the Budget. For 2013-14 onwards, our forecasts are based on the assumption that Welsh council tax increases revert to the three year average of the last three years of increases (2010-11 to 2012-13).
- ⁹ Council tax base growth in Wales is assumed to be 0.5 per cent.
- ¹⁰ Council tax benefit forecasts are provided by the Department for Work and Pensions, as approved by the OBR.