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Dominic Morris Esq  
Private Secretary to  
The Prime Minister  
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My ref:

Your ref:

*nbpm*  
4 June 1990

*Dear Dominic,*

**NON-COLLECTION OF THE COMMUNITY CHARGE**

*See with AF*  
Your letter of ~~31~~ May requested a note on the latest state of play on non-collection of the community charge.

It is still too early in the day to gain an accurate picture of collection across the country. We do have some anecdotal evidence, quoted in the press, that up to 80% of chargepayers have made some payment although the figure is put at 50% for charge capped authorities which are of course the highest spending authorities. If this is true then it is quite encouraging for, although it is not as good as authorities would have wanted, it seems to be better than the early results last year in Scotland and has been achieved before any enforcement action has been taken.

I should stress that there is no statistical basis to these figures. We attempted a monitoring exercise in May but authorities were not then in a position to say how their collection was progressing. We now have in hand monitoring of a sample of authorities to give us a better idea of progress on collection. The results of this will be available by the end of this month. We will be following this with a questionnaire to all charging authorities which will ask about collection in the first quarter of the financial year. Information from this should be available at the end of July or the beginning of August.

You will understand from this that we are not yet in a position to discern a geographical or any other pattern of non-payment. Until we receive evidence we shall not have a firm basis for challenging figures put forward by authorities. I recognise that this is not entirely satisfactory since some authorities, and others, are already painting a far bleaker picture on collection than we believe to be case. This may be motivated by political considerations or used as a smoke screen to cover up for inefficiencies in authorities' collection arrangements.



You asked specifically how the proportion of non-payers of the charge compared with the old domestic rating system. It is not possible to separate statistics on the old system between domestic and non-domestic rates. Also they were collected on the basis of the total amount payable and not on the number of ratepayers. It will therefore be difficult even when our monitoring exercise is complete to draw strict comparisons. However some comment has suggested that the level of revenue received is not too different from that received under rates at this stage of the year.

Our assessment of the Isle of Wight (Medina DC) cases is that they collapsed from a single administrative error in not sending out reminders by 1st class post (under rates there was no entitlement to a reminder at all and many authorities did not send them or posted only general notices) Medina should not be publically criticised for that but it was clearly embarrassing.

As you state in your letter, although the number of late payers is likely to increase because there are twice as many people liable to pay it does not follow that the amount of uncollectable charge will increase proportionately. Authorities have been given an increased range of enforcement powers, including attachment of earnings and attachment of benefit and these should enable authorities to maximise collection. However, the proportion of rates written off as uncollectable was very low indeed - 0.02%. A priori, it is possible that it will be more difficult for authorities to collect the community charge and it would be wise to assume that the proportion ultimately written off will not be as low as under rates. There are some signs from Scotland that that is the case. But our stance must be to encourage authorities to make the maximum effort to collect the charge and minimise the ultimate write off.

I still owe you advice on the RSG arrangements made for this year to cover collection arrangements I will write again tomorrow morning.

Yours

Phillip

PHILLIP WARD  
Private Secretary

NON-COLLECTION OF THE COMMUNITY CHARGE

LINE TO TAKE

It is too early to gain a statistically accurate picture of how the collection of the community charge is progressing in England and Wales but there is no evidence, despite the bad example of some Hon Members opposite, of any concerted refusal to pay the charge. Lawfully demanded bills should be paid: failure to pay merely increases the burden on those who do pay. We have introduced a generous community charge benefit scheme for those on low incomes so that everybody should be in a position to pay. However, if people refuse to pay local authorities have been given wider enforcement powers to ensure that everyone pays their fair share of the costs of local government.

LOCAL GOVT: Katus, P119

