

APPENDIX 3 - Collection Fund

As at Month 10, the forecast outturn position on the Collection Fund is as follows:

Collection Fund for the year ended 31 March 2022	BUDGET			FORECAST OUTTURN			VARIANCE
	Council Tax £000	NDR £000	Total £000	Council Tax £000	NDR £000	Total £000	£000
Income							
Income from Council Tax	(121,993)		(121,993)	(123,394)		(123,394)	(1,401)
Income from NDR		(53,258)	(53,258)		(43,739)	(43,739)	9,519
Total Income	(121,993)	(53,258)	(175,251)	(123,394)	(43,739)	(167,133)	8,118
Expenditure							
<u>Council Tax</u>							
The Council*	99,239		99,239	99,239		99,239	-
Mayoral Police and Crime Commissioner	13,500		13,500	13,500		13,500	-
GM Fire and Rescue Authority	5,625		5,625	5,625		5,625	-
<u>NDR</u>							
The Council		52,725	52,725		52,725	52,725	-
GM Fire and Rescue Authority		533	533		533	533	-
Allowance for cost of collection		286	286		286	286	-
Transitional Protection Payments		768	768		768	768	-
Allowance for non-collection	3,660	1,789	5,449	3,660	583	4,243	(1,206)
Provision for appeals		3,544	3,544		4,545	4,545	1,001
<u>Surplus/deficit allocated/paid out in year:</u>							
The Council	(1,737)	(29,558)	(31,295)	(1,737)	(29,558)	(31,295)	-
Mayoral Police and Crime Commissioner	(64)		(64)	(64)		(64)	-
GM Fire and Rescue Authority	(41)	(290)	(331)	(41)	(290)	(331)	-
Total Expenditure	120,182	29,797	149,978	120,182	29,592	149,773	(205)
(Surplus)/deficit for the year	(1,811)	(23,461)	(25,272)	(3,212)	(14,147)	(17,360)	7,913
Balance brought forward	(1,903)	35,029	33,126	(1,903)	35,029	33,126	
Surplus/deficit for the year	(1,811)	(23,461)	(25,272)	(3,212)	(14,147)	(17,360)	7,913
(Surplus)/deficit carried forward	(3,714)	11,568	7,854	(5,115)	20,882	15,766	7,913

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Collection Fund Forecast to 31 March 2022

Business Rates (NDR)

At 31 March 2021 there was a significant overall deficit on the Collection Fund due to the impacts of the COVID pandemic during 2020/21 and the award of significant business rate reliefs for which the Council is reimbursed with section 31 grants through the general fund. The budget for the Collection Fund in 2021/22 assumed a significant surplus would be delivered as a result of the grant compensation being paid into the Collection Fund to repay the prior year deficit.

As at period 10, there is a forecast in year surplus on the Collection Fund but this is £7.9m less than budgeted due to the extension of enhanced retail relief for business rates which was not known at the time of budget setting. This additional retail relief will again be offset by additional grant income to the general fund which will be paid into the Collection Fund in 2022/23.

Council Tax

At 31 March 2021 there was a small surplus on the Council Tax side of the Collection Fund due to collection rates in the latter half of 2020/21 being much better than previously forecast. As at period 10, the in-year forecast is for a further surplus on the Council Tax Collection Fund of £3.2m. This is due primarily to the total income from Council Tax being greater than budgeted due to improvements in the Council Tax Base. When the budget was set for 2021/22, the Council Tax base was significantly reduced due to delays in housebuilding during 2020 and a significant increase in discounts and exemptions for Council Tax Support Claimants and more properties held vacant awaiting probate. During 2021, the number of new build properties appears to be recovering and exemptions and discounts have reduced back to more 'normal' levels, which results in more Council Tax income being collectable.

Collection Rates

The current collection performance against target for both Council Tax and NDR is summarised on the following page.

Council Tax collection rates dipped significantly in the first half of 2020/21 due to the impacts of COVID-19 but then recovered in the final quarter of 2020/21 and remain broadly on target for the first ten months of 2021/22.

NDR collection rates remained below target during 2020/21 due to the impacts of the COVID-19 pandemic and whilst there were some encouraging signs in the latter quarter of 2020/21, collection for the first ten months of this year is below target. This is attributed to the economic impacts of COVID-19 on businesses.

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Council Tax Collection



Council Tax collection at the end of January 2022 was 89.9% against a target of 90%.

NDR collection at the end of January 2022 was 85.5% against a target of 89.5%.

NDR Collection

