

APPENDIX 4 – Collection Fund Update

Council Tax

The Council has a significant historic surplus on the Council Tax Collection Fund, due to collection rates exceeding expectations. For 2019/20 the budget assumes the transfer of this surplus (as estimated in January 2019) to the General Fund, which resulted in a budgeted deficit for the 2019/20 financial year. Excluding this transfer, the Council Tax collection fund is expected to break even in 2019/20.

The actual surplus at 31 March 2019 was higher than the estimate, resulting in a forecast residual surplus on the collection fund at 31 March 2020. This will be transferred to the General Fund in 2020/21.

Non-Domestic Rates (NDR)

The 2019/20 budget assumed a small deficit on the NDR collection fund due to an increase in reliefs which are offset by additional grants. As at period 6, the NDR collection fund is forecast to be in deficit by £2.8m at the end of the financial year. This is in part due to a reduction in rateable values across the borough, and also due to an increase in unoccupied property relief, with the collapse of Thomas Cook having a significant impact. The Council maintains a smoothing reserve to mitigate the impact of unexpected deficits on NDR income, however any permanent reductions to NDR income will place further pressure on future budgets.

	BUDGET 1920			Forecast M6		
	31 March 2019			31 March 2019		
	Council Tax £000	NDR £000	Total £000	Council Tax £000	NDR £000	Total £000
(Surplus)/deficit for the year	13,272	908	14,180	12,661	2,150	14,811
Balance brought forward	(17,003)	657	(16,346)	(17,003)	657	(16,346)
(Surplus)/deficit for the year	13,272	908	14,180	12,661	2,150	14,811
(Surplus)/Deficit carried forward	(3,731)	1,565	(2,166)	(4,342)	2,807	(1,535)
<u>Share of (surplus)/deficit</u>						
The Council	(3,143)	1,549	(1,593)	(3,657)	2,779	(878)
Mayoral Police and Crime Commissioner	(424)	0	(424)	(493)	0	(493)
GM Fire and Rescue Authority	(165)	16	(149)	(191)	28	(163)
Total (Surplus)/Deficit	(3,731)	1,565	(2,166)	(4,342)	2,807	(1,535)

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	BUDGET 1920			Forecast M6		
	31 March 2019			31 March 2019		
	Council Tax £000	NDR £000	Total £000	Council Tax £000	NDR £000	Total £000
Income						
Income from Council Tax	(110,947)		(110,947)	(111,570)		(111,570)
Income from NDR		(58,074)	(58,074)		(57,135)	(57,135)
Total Income	(110,947)	(58,074)	(169,021)	(111,570)	(57,135)	(168,705)
Expenditure						
<u>Council Tax</u>						
The Council	91,579		91,579	91,579		91,579
Mayoral Police and Crime Commissioner	12,355		12,355	12,355		12,355
GM Fire and Rescue Authority	4,795		4,795	4,795		4,795
<u>NDR</u>						
The Council		51,805	51,805		51,805	51,805
GM Fire and Rescue Authority		523	523		523	523
Allowance for cost of collection		287	287		291	291
Transitional Protection Payments		942	942		937	937
Increase/(decrease) in:						
Allowance for non-collection	2,219	1,744	3,963	2,231	1,615	3,846
Provision for appeals		2,773	2,773		3,259	3,259
<u>Surplus/deficit allocated/paid out in year:</u>						
The Council	11,329	899	12,228	11,329	846	12,175
Mayoral Police and Crime Commissioner	1,397		1,397	1,397		1,397
GM Fire and Rescue Authority	545	9	554	545	9	554
Total Expenditure	124,219	58,982	183,201	124,231	59,285	183,516
(Surplus)/deficit for the year	13,272	908	14,180	12,661	2,150	14,811