

## **WIRRAL COUNCIL**

### **CABINET**

**13 JANUARY 2011**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **COLLECTION FUND 2010-11**

#### **1. EXECUTIVE SUMMARY**

- 1.1. This report estimates the Collection Fund surplus or deficit for the year ending 31 March 2011. The position has to be notified to the precepting Authorities by 22 January 2011.

#### **2. REQUIREMENT TO CALCULATE ANY SURPLUS/DEFICIT**

- 2.1. In accordance with the Local Authority (Funds) (England) Regulations 1992, the Authority must annually estimate the likely surplus or deficit on the Collection Fund for the current financial year. The estimate should be made on, or as close to, the 15 January as possible but cover the period up to 31 March. The Authority must notify the precepting Authorities of the Fund within 7 days of the 15 January and the estimated surplus or deficit can then be taken into account by the precepting bodies for calculating their likely precept required on the Collection Fund for the following year.
- 2.2. Any surplus or deficit on the Fund must be shared pro-rata to the existing precepts on the Fund. Based upon 2010/11 Wirral is responsible for 85.59% of the precept on the Fund with the Merseyside Police and Fire and Rescue Authorities accounting for 9.99% and 4.42% respectively.

#### **3. ESTIMATED DEFICIT FOR 2010-11**

- 3.1. The Collection Fund for the year ending 31 March 2011 is estimated to be in a balanced position.
- 3.2. The reported out-turn for 2009/10 was forecast to be in a balanced position; the actual position for the Collection Fund as at 31 March 2010 was a slight surplus of £0.07m.
- 3.3. Although a balanced position was forecast, there was a slight variation, with a relatively small surplus resulting. The brought forward surplus has been factored into the January 2011 estimate.

- 3.4 In 2010-11 the collection rate is in line with the 2009-10 performance and is on target. Although collection performance is currently being maintained, any deterioration in the length of time taken to collect debt would impact upon the calculation of the provision for bad debts requirement and the balanced position of the Fund. I therefore continue to closely monitor collection performance in light of the national economic situation.
- 3.5. For 2011-12 Cabinet on 9 December 2010 agreed to remove the discounts for long term empty properties. This could impact on the collection rate in future years.

#### **4. FINANCIAL AND STAFFING IMPLICATIONS**

- 4.1. The consequence of the balanced position of the Collection Fund is that no surplus or deficit will be received by or charged to the General Fund during the 2011/12 financial year.
- 4.2. There are no staffing implications arising from this report.

#### **5. LOCAL MEMBER SUPPORT IMPLICATIONS**

- 5.1. There are no specific implications arising from this report.

#### **6. LOCAL AGENDA 21 IMPLICATIONS**

- 6.1. There are none arising from this report.

#### **7. PLANNING IMPLICATIONS**

- 7.1. There are none arising from this report.

#### **8. EQUAL OPPORTUNITIES IMPLICATIONS**

- 8.1. There are none arising from this report

#### **9. COMMUNITY SAFETY IMPLICATIONS**

- 9.1. There are none arising from this report.

#### **10. HUMAN RIGHTS IMPLICATION**

- 10.1. There are none arising from this report.

#### **11. BACKGROUND PAPERS**

- 11.1. Local Authority Funds (England) Regulations 1992.

**12. RECOMMENDATION**

12.1. That the declaration of an estimated balanced position for the Collection Fund for the year ending 31 March 2011 be noted.

IAN COLEMAN  
DIRECTOR OF FINANCE

FNCE/261/10