

WIRRAL COUNCIL

CABINET

24 JANUARY 2013

SUBJECT	COLLECTION FUND 2012/13
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

1.1 This report estimates the Collection Fund position for the year ending 31 March 2013.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Council has to keep a Collection Fund to record the Council Tax and Non-Domestic Rates collected and paid to the precepting authorities and to the Government National Non-Domestic Rate pool. The Non-Domestic Rates collected are currently paid to the Government. From 1 April 2013 a new Local Government Finance System will see authorities retaining a proportion of locally raised business rates with either a tariff paid or a top-up received to ensure a comparable starting position between the two funding systems. The Council Tax collected is paid to the precepting authorities based upon their initial precepts with any surplus / deficit at the end of each financial year paid to / recovered from the precepting authorities.
- 2.2 Council Tax income (including transfers from the General Fund) currently exceeds £150 million per annum (as per Appendix 1). In January 2012 the forecast Collection Fund outturn for 2011/12 was for a surplus position of £1.7 million therefore resulting in a distribution to the precepting bodies.
- 2.3 The actual position on the Collection Fund as at 31 March 2012 was a surplus of £2.3 million. This was mainly as a result of higher council tax receipts being received in 2011/12 due to windfall receipts from empty property exemptions changes.
- 2.4 Budget options for 2013/14 onwards may impact upon the level of discounts awarded and subsequent collection Fund income. Any decision will not however effect the Collection Fund surplus/deficit position for 2012/13.

- 2.5 A reassessment of the level of bad debt provision is required to reflect the impact the longer term impact of recent changes to empty property discounts and also the ongoing economic climate. Council Tax collection rates are currently 0.5% below the corresponding period for last year although an element of this reflects the movement of some payers to 12 monthly instalments.
- 2.6 Any surplus or deficit on the Fund must be shared pro-rata to the existing precepts on the Fund. Based upon the 2012/13 precepts and taking the above factors into account the Collection Fund balance for the year ending 31 March 2012 is estimated to be nil. Any surplus or deficit position would be allocated to precepting bodies on the follow basis:-

Precepting Authority	% share	£
Wirral Council	85.18	0
Police and Crime Commissioner for Merseyside	10.24	0
Merseyside Fire and Rescue Services	<u>4.58</u>	<u>0</u>
Total	<u>100.00</u>	<u>0</u>

3.0 RELEVANT RISKS

- 3.1 In estimating the end of year position on the Collection Fund the actual position could be either a deficit position, requiring recovery from the precepting authorities in 2013/14, or a larger surplus requiring to be distributed during 2013/14. To mitigate the risks, the estimate takes account of past performance and current known collection levels.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 There are no other options considered in this report.

5.0 CONSULTATION

- 5.1 The Merseyside Police Authority / Police and Crime Commissioner for Merseyside and Mersey Fire and Rescue Service will be informed of their share of the declared surplus by 22 January 2012.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising directly out of this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 Wirral Council will neither receive any additional distribution or pay an additional contribution on the basis of the estimated 31 March 2013 position on the Collection Fund.

7.2 The 2013/14 Council Budget assumptions assume a nil balance at 31 March 2013. The estimate is therefore in line with this assumption.

7.3 There are no IT, staffing or asset implications arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 Under the Local Authority (Funds) (England) Regulations 1992, the Authority must annually estimate the likely surplus or deficit on its Collection Fund for 2012/13 and notify the precepting Authorities of the Fund by 22 January 2013.

9.0 EQUALITIES IMPLICATIONS

9.1 There are none arising directly out of this report.

9.2 An Equality Impact Assessment (EIA) is not required.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none directly arising out of this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none directly arising out of this report.

12.0 RECOMMENDATION

12.1 That the declaration of an estimated nil balance position for the Collection Fund for the year ending 31 March 2013 which is in accordance with current budget assumptions be noted.

13.0 REASON FOR RECOMMENDATION

13.1 In accordance with the Local Authority (Funds) (England) Regulations 1992, the Authority must annually estimate the likely surplus or deficit on its 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 in setting their Budget and likely precept requirements on the Collection Fund for the following year.

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APPENDIX

Wirral Borough Council 2012/13 Estimated Collection Fund Account.

REFERENCE MATERIAL

Statement of Accounts 2011/12: Additional Financial Statements: Collection Fund

SUBJECT HISTORY

Council Meeting	Date
Cabinet - Collection Fund 2008/09	15 January 2009
Cabinet - Collection Fund 2009/10	14 January 2010
Cabinet - Collection Fund 2010/11	13 January 2011
Cabinet - Collection Fund 2011/12	12 January 2012

Wirral Council 2012/13 Estimated Collection Fund Account at 15 January 2013

Actual 2011/12 £'000		Estimate 2012/13 £'000
	<u>Income</u>	
-124,642	Council Tax Income	-124,808
	Transfers From General Fund	
-31,217	- Council Tax Benefits	-31,225
-815	- Pensioner Discounts	-1,289
-61,502	- Income from Business Rate Payers	-65,022
-218,176	Total Income	-222,344
	<u>Expenditure</u>	
	Precepts	
131,434	- Wirral Borough Council	132,911
15,336	- Police and Crime Commissioner for Merseyside	15,974
6,793	- Merseyside Fire and Rescue Services	7,144
	Business Rates	
61,162	- Payment to National Pool	64,682
340	- Costs of Collection	340
	Bad & Doubtful Debts	
1,829	- Increase in Bad Debt Provision	1,899
216,894	Total Expenditure	222,950
-1,282	Surplus (-) / Deficit (+) For Year	606
	Impact on Collection Fund Balance	
-1,024	Accumulated Balance Brought Forward	-2,306
-	Distribution of Prior Year Estimated Deficit	1,700
-1,282	Surplus (-) / Deficit (+) For Year	606
-2,306	Estimated Accumulated Surplus / Deficit Carried Forward	0
	Distribution of Estimated Collection Fund Surplus	
-1,971	Wirral Borough Council	0
-232	Police and Crime Commissioner for Merseyside	0
-103	Merseyside Fire and Rescue Services	0
-2,306	Total	0

Equality Impact Assessment Toolkit (from May 2012)

Section 1: Your details

EIA lead Officer: Peter Molyneux

Email address: petemolyneux@wirral.gov.uk

Head of Section: Tom Sault

Chief Officer: Peter Timmins

Department: Finance

Date: 10th January 2013

Section 2: What Council proposal is being assessed?

There is no assessment at this time, this report is regarding the Collection Fund.

Section 2b: Will this EIA be submitted to a Cabinet or Overview & Scrutiny Committee?

Yes If 'yes' please state which meeting and what date

Cabinet – 24 January 2013

Please add hyperlink to where your EIA is/will be published on the Council's website (see your Departmental Equality Group Chair for appropriate hyperlink)

.....

Section 3: Does the proposal have the potential to affect..... (please tick relevant boxes)

- Services**
- The workforce**
- Communities**
- Other** (please state eg: Partners, Private Sector, Voluntary & Community Sector)

If you have ticked one or more of above, please go to section 4.

- None** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 4: Does the proposal have the potential to maintain or enhance the way the Council (please tick relevant boxes)

- Eliminates unlawful discrimination, harassment and victimisation
- Advances equality of opportunity
- Fosters good relations between groups of people

If you have ticked one or more of above, please go to section 5.

- No** (please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 5:

Could the proposal have a positive or negative impact on any of the protected groups (race, gender, disability, gender reassignment, age, pregnancy and maternity, religion and belief, sexual orientation, marriage and civil partnership)?

You may also want to consider socio-economic status of individuals.

Please list in the table below and include actions required to mitigate any potential negative impact.

Which group(s) of people could be affected	Potential positive or negative impact	Action required to mitigate any potential negative impact	Lead person	Timescale	Resource implications

Section 5a: **Where and how will the above actions be monitored?**

Section 5b: **If you think there is no negative impact, what is your reasoning behind this?**

Section 6: **What research / data / information have you used in support of this process?**

Section 7: **Are you intending to carry out any consultation with regard to this Council proposal?**

Yes / No – (please delete as appropriate)

If 'yes' please continue to section 8.

If 'no' please state your reason(s) why:

(please stop here and email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for publishing)

Section 8: How will consultation take place and by when?

Before you complete your consultation, please email your preliminary EIA to equalitywatch@wirral.gov.uk via your Chief Officer in order for the Council to ensure it is meeting it's legal requirements. The EIA will be published with a note saying we are awaiting outcomes from a consultation exercise.

Once you have completed your consultation, please review your actions in section 5. Then email this form to your Chief Officer who needs to email it to equalitywatch@wirral.gov.uk for re-publishing.

Section 9: Have you remembered to:

- a) **Add appropriate departmental hyperlink to where your EIA is/will be published (section 2b)**
- b) **Include any potential positive impacts as well as negative impacts? (section 5)**
- c) **Send this EIA to equalitywatch@wirral.gov.uk via your Chief Officer?**
- d) **Review section 5 once consultation has taken place and sent your completed EIA to equalitywatch@wirral.gov.uk via your Chief Officer for re-publishing?**