

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 05 December 2023

TITLE	Collection Fund Surplus/Deficit 2023/24		
Ward(s)	City Wide.		
Author: Denise Murray	Job title: Director of Finance		
Cabinet lead: Cllr Craig Cheney - Cabinet member for Finance, Governance, Property and Culture	Executive Director lead: Stephen Peacock – Chief Executive		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member			
Decision forum: Cabinet			
Purpose of Report:			
<ol style="list-style-type: none"> To set the estimated Collection Fund surplus / deficit as at 31st March 2024 as required by legislation for determination by Full Council. 			
Evidence Base:			
<ol style="list-style-type: none"> The Local Government Finance Act 1992 (as amended) requires the Council to determine the estimated surplus or deficit on the Collection Fund in respect of Council Tax by 15 January. This will enable the precepting authorities (the Police and Crime Commissioner for Avon and Somerset and Avon Fire and Rescue) to take into account their share of any surplus before finalising their precepts for 2024/25. Similarly, following the introduction of the Business Rates Retention Scheme from April 2013, in accordance with the Non-Domestic Rating (Rates Retention) Regulations 2013, the Council must determine the estimated surplus or deficit on the Collection Fund in respect of Business Rates prior to 31 January 2024. Budgeted income from Council Tax and Business Rates are fixed at the start of each financial year. Any variations from this are realised through the Collection Fund and are distributed over the following two financial years (based on estimated in the following year and actuals in the subsequent year.) The Council is required by statute to maintain a Collection Fund separate from the General Fund. The Collection Fund accounts independently for: <ul style="list-style-type: none"> Income into the Fund: the Fund is credited with the amount of receipts of Council Tax and Non Domestic Rates (NDR) it collects. Payments out of the Fund: in relation to Council Tax payments that are made to the Council and the two major precepting authorities (Avon and Somerset Police and Crime Commissioner and Avon Fire and Rescue). In relation to NDR payments that are made to the Council, Avon Fire and Rescue Service and WECA. 2023/24 shows an overall estimated deficit on the collection fund at the end of the year of £4.750m, Bristol's share of which is £4.528m. This is after taking account of any surpluses or deficits brought forward. Council tax is showing a small overall surplus of £835k, (Bristol share £712k) largely due to a reduction in arrears, offset with increased discounts and exemptions. Business rates is showing a total net deficit of £4.545m (Bristol share £5.420m which includes a pending payment of £1.030m to central government). The Bristol share can be met from additional, unbudgeted, business rates income carried forward from 2023/24 into 2024/25. 			
Cabinet Member / Officer Recommendations:			

1. That Cabinet approve the report and calculations as set out in this report and refer to Full Council for approval.
Corporate Strategy alignment: 1. Managing our local tax income well is aligned to the being an effective development organisation. By having good governance and sound financial management of our tax income ensures we deliver good value for money and maximises resources available to deliver all other corporate strategy objectives.
City Benefits: 1. Setting the Collection Fund Estimate is a legislative requirement. Council Tax and Business Rates provides the largest proportion of income to the Council to provide all services. There are various exemptions, discounts, and reductions available to ensure those who aren't able to pay receive the help they need.
Consultation Details: N/A
Background Documents: N/A

Revenue Cost	£ NIL	Source of Revenue Funding	General Fund
Capital Cost	£ NIL	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:		
1. Finance Advice: The total deficit on the Collection Fund for 2023/24, including any brought forward balances is £3.710m. The Bristol share of this deficit, including a pending payment to central government is £5.420m. However, this can be offset against additional, unbudgeted, business rates receipts carried forward into 2024/25. Therefore, the overall financial impact is an improved position of £0.514m on the assumptions made in the MTFP.		
Finance Business Partner: Tony Whitlock 8/11/2023		
2. Legal Advice: This report enables the Council to comply with the requirements of the Local Government Finance Act 1992(as amended), to determine the estimated surplus or deficit on the Collection Fund in respect of Council Tax prior to 15 January. This is so that the precepting authorities (the Police and Crime Commissioner for Avon and Somerset and Avon Fire and Rescue) can take into account their share of any surplus before finalising their precepts for 2023/24. The report also enables the Council to comply with the requirements of the Non-Domestic Rating (Rates Retention) Regulations 2013, to determine the estimated surplus or deficit on the Collection Fund in respect of Business Rates prior to 31 January.		
Legal Team Leader: Husinara Jones – Solicitor/Team Manager 8/11/23		
3. Implications on IT: No IT implications		
IT Team Leader Alex Simpson – Lead Enterprise Architect		
4. HR Advice: No HR Implications		
HR Partner: James Brereton – Head of HR 8/11/23		
EDM Sign-off	Denise Murray – Director of Finance	15 November 2023
Cabinet Member sign-off	Cllr Craig Cheney	15 November 2023
For Key Decisions - Mayor's Office sign-off	Mayor's Office	15 November 2023

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	NO
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Financial Advice	YES
Appendix H – Legal Advice	YES
Appendix I – Exempt Information	No
Appendix J – HR advice	YES
Appendix K – ICT	NO
Appendix L – Procurement	NO