

For Publication

Collection Fund Revised Estimates 2020/21

Meeting:	Cabinet
Date:	12 th January 2021
Cabinet portfolio:	Deputy Leader
Directorate:	Finance

1.0 Purpose of report

- 1.1 To agree the revised estimate of the surplus or deficit on the Collection Fund for 2020/21 so that it can be shared amongst the major precepting authorities in 2021/22.

2.0 Recommendations

- 2.1 That the estimated deficit on the Council Tax of £704,062 be agreed and allocated to the major precepting authorities as detailed in Appendix A.

3.0 Reasons for recommendations

- 3.1 To fulfil a statutory requirement and to feed into the budget setting process for 2021/22.

4.0 Background

- 4.1 The Local Government Finance Act 1992 requires Billing Authorities to calculate the estimated surplus or deficit on the Council Tax elements of the Collection Fund each year.
- 4.2 The Act prescribes that the estimated surplus or deficit should be allocated to the major precepting authorities in proportion to their precepts and that the major preceptors should then take it into account when calculating their Council Taxes for the following financial year.

5.0 Considerations

5.1 Council Tax Transactions

- 5.1.1 The estimate of Council Tax income for the year 2020/21 is £54.1m.
- 5.1.2 The accumulated bad debt provision has been estimated at £2,180,000.
- 5.1.3 In setting the Council Tax for 2020/21 it was originally estimated that there would be a surplus from the previous year of £940,939 to allocate. However, at the end of 2019/20 there was surplus of £901,726. The difference of £39,213 will be allocated in 2021/22.
- 5.1.4 The precepts on the fund in 2020/21 total £53.7m.
- 5.1.5 The net result of the above items is to produce an estimated deficit of £704,062 on the Fund at 31st March 2021. Appendix A shows how the deficit is to be shared between the major precepting authorities. The majority (73.35%) goes to the County Council. The Borough Council receives 10.10% of the deficit i.e. £71,110.
- 5.1.6 The forecast deficit of £704,062 would usually be recovered in 2021/22 from all precepting authorities. However, due to the Covid19 pandemic, billing authorities are required to spread that element of the deficit relating to the current year, over the next three financial years from 2021/22 and 2023/24. Therefore £260,830 will be recovered in 2021/22 and £221,616 in 2022/23 and 2023/24. The Borough Council share is £26,344 in 2021/22 and £22,383 in 2022/23 and 2023/24.

6.0 Alternative options

- 6.1 None.

7.0 Implications for consideration – Council Plan

- 7.1 There are no Council Plan implications to consider in this report.

8.0 Implications for consideration – Financial and value for money

- 8.1 Financial and value for money implications are detailed in sections 4 to 5.

9.0 Implications for consideration – Legal

9.1 The Local Government Finance Act 1992 requires Billing Authorities to calculate the estimated surplus or deficit on the Council Tax elements of the Collection Fund each year.

10.0 Implications for consideration – Human resources

10.1 There are no human resource implications to consider in this report.

11.0 Implications for consideration – Risk management

11.1 There are a number of significant risks inherent in any budget forecasting exercise. The most significant budget risk currently is the impact of Covid19 and the council's ability to collect Council Tax.

12.0 Implications for consideration – community wellbeing

12.1 There are no community wellbeing implications to consider in this report.

13.0 Implications for consideration – Economy and skills

13.1 There are no economy and skills implications to consider in this report.

14.0 Implications for consideration – Climate Change

14.1 Individual climate change impact assessments are not required for the budget process. These are included as part of the decision-making processes for specific spending options.

15.0 Implications for consideration – Equality and diversity

15.1 Individual equality and diversity impact assessments are not required for the budget process. These are included as part of the decision-making processes for specific spending options.

Decision information

Key decision number	996
Wards affected	All

Document information

Report author	Contact number/email
Richard Staniforth	01246 936274 richard.staniforth@chesterfield.gov.uk
Background documents These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix A	Revised Collection Fund Estimates 2020/21