

<p>CABINET MEETING – 13th February 2013</p> <p>EXECUTIVE SUMMARY SHEET- PART 1</p>	
<p>Title of Report: Collection Fund 2012/2013</p>	
<p>Author(s): Executive Director of Commercial and Corporate Services</p>	
<p>Purpose of Report: This report advises Cabinet of the estimated balance on the Collection Fund for 2012/2013 and the amounts available to the Council and its major precepting authorities for use in setting Council Tax levels for 2013/2014.</p>	
<p>Description of Decision: Members are requested to note the overall positive position in relation to the Collection Fund for 2012/2013, and the surplus of £500,000 which will be taken into account when setting the Council Tax level for the Council for 2013/2014.</p>	
<p>Is the decision consistent with the Budget/Policy Framework? No, the decision forms part of the budget setting process for 2013/2014.</p>	
<p>If not, Council approval is required to change the Budget/Policy Framework</p>	
<p>Suggested reason(s) for Decision: Estimating the Collection Fund balance available at the end of 2012/2013 for use in setting the Council Tax for 2013/2014 is a legal requirement, which the Council must fulfil, based on information available to it as at 15th January, each year.</p> <p>The Council also has an obligation to notify its major precepting authorities of the estimated surplus or deficit on the Collection Fund within 7 working days of when this calculation has been made.</p>	
<p>Alternative options to be considered and recommended to be rejected: Not applicable as the report is for information only.</p>	
<p>Is this a “Key Decision” as defined in the Constitution? Yes</p>	<p>Scrutiny Committee</p>
<p>Is it included in the 28 day Notice of Decisions? Yes</p>	

Cabinet Meeting – 13th February 2013

Collection Fund 2012/2013

Report of the Executive Director of Commercial and Corporate Services

1. Purpose of Report

- 1.1 This report advises Cabinet of the estimated balance on the Collection Fund for 2012/2013 and the amounts available to the Council and its major precepting authorities for use in setting Council Tax levels for 2013/2014.

2. Description of Decision (Recommendation)

- 2.1 Members are requested to note the position in relation to the Collection Fund for 2012/2013 and the surplus of £500,000 which will be taken into account when setting the Council Tax level for the Council for 2013/2014.

3. Background Information

- 3.1 The Local Authorities (Funds) (England) Regulations 1992 made under Section 99 of the Local Government Act 1988, require that billing authorities inform their relevant major precepting authorities of the amount of any estimated surplus or deficit on their Collection Fund at 31st March.
- 3.2 The estimate is to be made on 15th January or if that is not a working day, the next such day, in accordance with prescribed rules.
- 3.3 Major precepting authorities are to be notified of the estimated surplus or deficit within 7 working days of the estimate being made.

4. Council Tax Surplus or Deficit

- 4.1 The amount of any surplus or deficit, which the billing authority estimates on its Collection Fund as at 31st March is shared by the billing authority and the major precepting authorities in proportion to their respective demands upon the Collection Fund. The amount which is estimated will be taken into account by those authorities in calculating their basic amounts of Council Tax for the following year. The estimated surplus or deficit at 31st March 2013 will therefore be taken into account in setting the Council Tax for 2013/2014.
- 4.2 The sums calculated in accordance with paragraphs 3.1 and 3.2 above are not to be taken into account by authorities in calculating their budget levels, but are to be taken into account when calculating the basic amounts of Council Tax for 2013/2014.

5. Collection Fund 2012/2013

- 5.1 The surplus on the Collection Fund as at 31st March 2012, reported as part of the Statement of Accounts for 2011/2012, was £2,052,954.
- 5.2 It was estimated, in a report to Cabinet on the 15th February 2012, that the Council would use some of the projected surplus on the Collection Fund at 31st March 2012 as follows:

	£
Council Tax	
Sunderland City Council	500,000
Northumbria Police Authority (now the PCCN)	35,280
Tyne and Wear Fire and Rescue Authority	<u>30,844</u>
	<u>566,124</u>

These sums were consequently taken into account when setting the Council Tax for 2012/2013 by the Council and its precepting authorities.

- 5.3 On the basis of current collection rates and the recovery of Council Tax arrears, it is estimated that the surplus on the Collection Fund as at 31st March 2013 will be £1,728,000. The sum of £566,124 is therefore proposed to be used in 2013/14 as a prudent measure with any remaining actual surplus to be used in future years. The amount of £566,124 is to be shared as follows:

	£
Sunderland City Council, (Billing Authority)	500,000
Precepting Authorities:	
Police and Crime Commissioner for Northumbria (PCCN)	35,280
Tyne and Wear Fire and Rescue Authority	<u>30,844</u>
	<u>566,124</u>

The major precepting authorities have been informed of the position.

- 5.45 The sum of £500,000 has been taken into consideration in resourcing the Council's Revenue Budget for 2013/2014.
- 5.5 This positive position reflects the continued strong focus on Council Tax collection, continuous improvement in systems and processes and wider proactive initiatives to address Welfare Reform challenges.

6. Reasons for Decision

- 6.1 Estimating the Collection Fund balance available in 2012/2013 for use in setting the Council Tax for 2013/2014 is a legal requirement, which the Council must carry out, based on information available to it as at 15th January of each year.

6.2 The Council also has an obligation to notify its major precepting authorities of the estimated surplus or deficit on the Collection Fund within 7 working days of when this calculation has been made.

7. Alternative options to be considered and recommended to be rejected

7.1 Not applicable as the report is for information only.

