

CABINET	AGENDA ITEM No. 9
10 January 2022	PUBLIC REPORT

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**COUNCIL TAXBASE 2022/23 and COLLECTION FUND DECLARATION 2021/22-
SUPPLEMENTARY REPORT**

Recommendation

To note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2021 being £16.6m

Background

The Collection Fund surplus/deficit calculation is used by the precepting authorities in setting its budget for the forthcoming year. The figures in this report are provided for information and are an estimate. A final forecast will be reported within the NNDR1 form, which is to be returned to Government by 31 January 2021.

The Collection Fund represents council tax and business rates income receipts and has separate calculations of the surplus/deficit at the year-end compared to the General Fund. Prior to 2013/14 the total amount of business rates was transferred to the government whereas under the new system it is shared between the Council, the Fire Authority and the Government.

The Collection Fund as at 31 March 2022 in respect of business rates is estimated to be £16.6m. The values will be based on information as at 30 December and reported within the National Non-Domestic Rates (NNDR1) form to the government by 31 January 2022. The NNDR1 form is used to inform the government and other relevant authorities of both the collection fund balance and the following year's Business Rates income. The deficit will be shared between the parties in the following proportions, Government 50%, Peterborough City Council 49%, Cambridgeshire Fire Authority 1%.

This has been calculated in accordance with regulations, which came into effect on 1 December 2020, meaning any forecast deficit in 2020/21 was spread over a three year period covering 2021/22-2023/24. This position reflects the 2nd year of this arrangement, with a remaining £1.4m being deferred in to 2023/24 as the final year.

The following table summarises the collection fund deficit of £16.6m, and the share of this across the relevant authorities. For a second year running that deficit balance is unusually high, and is largely the result of the retail relief scheme, which the chancellor extended in March to support businesses struggling as a result of the pandemic in 2021/22. The Council has received section 31 grants to fund

the cost of this support, due to collection fund accounting practises these cannot be applied to the collection fund, But will be used in the general fund in 2022/23 to mitigate the budgetary impact of this timing difference.

Summary	Total	PCC	Fire	Gov
	£	£	£	£
A- Prior year surplus (+)/deficit (-) (B + C):	(4,665,520)	(2,286,105)	(46,655)	(2,332,760)
<i>B- Amount deferred (to be paid in 2023-24)</i>	<i>1,404,945</i>	<i>688,423</i>	<i>14,049</i>	<i>702,473</i>
<i>C- Amount to be paid in 2022-23</i>	<i>(3,260,575)</i>	<i>(1,597,682)</i>	<i>(32,606)</i>	<i>(1,630,288)</i>
D- In-year surplus (+)/deficit (-)*	(13,348,593)	(6,540,810)	(133,486)	(6,674,296)
E- Total Surplus(+)/Deficit(-) (D + C)	(16,609,168)	(8,138,492)	(166,092)	(8,304,584)

**This is the balance largely relates to the compensation due to the extended retail relief*