

<b>CABINET</b>	AGENDA ITEM No. 5
<b>18 JANUARY 2021</b>	SUPPLEMENTARY REPORT

Report of:	Peter Carpenter, Corporate Director of Resources	
Cabinet Member(s) responsible:	Councillor David Seaton, Cabinet Member for Finance	
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**COUNCIL TAXBASE 2021/22 and COLLECTION FUND DECLARATION 2020/21 - SUPPLEMENTARY REPORT**

SUPPLEMENTARY RECOMMENDATIONS	
<b>FROM:</b> Corporate Director Resources	<b>Deadline date:</b> N/A
It is recommended that Cabinet:	
4. To note the estimated position on the Collection Fund in respect of Business Rates as at 31 March 2021 being £45,501,560.	

**1. BACKGROUND**

- 1.1 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 as the Corporate Director of Resources will return the final NNDR1 form by 31 January 2021.
- 1.2 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.
- 1.3 The Collection Fund as at 31 March 2021 in respect of business rates is estimated to be £45.501m. 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 2021. 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%.

- 1.4 In line with the new regulations, which came in to effect on 1 December 2020, mean that a deficit arising in 2020/21 is spread over the next three years.
- 1.5 The Guidance and regulations outline that an exceptional balance will be phased over the period 2021/22-2023/24. This exceptional amount is derived after taking account of the additional section 31 grants which have been received in year in respect of the retail, leisure, hospitality and nursery reliefs provided to businesses, in addition to a prior years adjustment. This is to isolate the deficit attributable to 2020/21. The following table outlines the split of the estimated deficit over these categories and over the three year period.

<b>Summary</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Prior year surplus (+)/deficit (-)	(418,681)	0	0	(418,681)
In-year surplus (+)/deficit (-)*	(41,234,620)	0	0	(41,234,620)
Spread amount	(1,282,753)	(1,282,753)	(1,282,753)	(3,848,259)
<b>Total Surplus(+)/Deficit(-)</b>	<b>(42,936,054)</b>	<b>(1,282,753)</b>	<b>(1,282,753)</b>	<b>(45,501,560)</b>

*\*This is the balance which relates to the compensation due to retail, leisure, hospitality and nursery reliefs*

- 1.6 These amounts will be shared between the parties in the following proportions, Government 50%, Peterborough City Council 49%, Cambridgeshire Fire Authority 1%.