

P6, 2019/20 Collection Fund Update Summary

Table 1 - Forecast 2019/20 Collection Fund Outturn Summary

	Business Rates		Council Tax		Total
	%	£'000	%	£'000	£'000
Forecast Collection Fund surplus at 31/03/20		(597)		(786)	(1,383)
Preceptors' Share of 2019/20 forecast outturn					
Rochdale BC	99	(591)	85.18	(669)	(1,260)
GMCA Mayoral Police & Crime Commissioner	-	-	10.68	(84)	(84)
GMCA Mayoral General (including Fire Services)	1	(6)	4.14	(33)	(39)
Total forecast surplus	100	(597)	100	(786)	(1,383)

The forecast Collection Fund outturn for 2019/20 is a surplus of £1.383m, comprising:
 £0.597m surplus relating to Business Rates;
 £0.786m surplus relating to Council Tax.

The areas of variance to the budget are:
Business Rates :
 (£465k) Forecast reduced Empty Property and Discretionary Relief given, partially offset by forecast reduced Business Rate gross income and increased Small Business Rates and Mandatory Charitable reliefs.
 (£200k) Forecast reduced charge relating to bad debt provision
 £68k Actual 2018/19 surplus lower than estimated as part of 2019/20 Estimates process

Council Tax:
 (£185k) Actual 2018/19 surplus higher than estimated as part of 2019/20 Estimates process
 (£733k) Reduced charge relating to Bad Debt Provision
 £132k Forecast income lower than budget, mainly due to reduced income from Council Tax partially offset by lower levels of Local Council Tax Support given.

The Council's share of the forecast 2019/20 Collection Fund surplus is £1.260m.

The Council is due to receive £1.470m from Greater Manchester Combined Authority in respect of 2018/19 Business Rates growth previously paid, and this will be held in the Business Rates Growth Reserve

Potential risk areas

Business Rates and Council Tax debt collection not meeting target for collection. Collection performance is monitored on a monthly basis to ensure that debt is recovered as efficiently and effectively as possible, and so that action taken as necessary.

Unresolved appeals against the revaluation assessments for 2005, 2010 and 2017 cause uncertainty and financial risk for the Business Rates income retained by the Council. There are currently 86 appeals with a rateable value of £15.2m outstanding relating to the 2005 and 2010 RV lists. There is little information available relating to the 2017 list.

The VOA alters rating assessments if new information comes to light indicating that the valuation is inaccurate. The number of alterations, financial impact and timing of revaluations are not within the control of the Council.

Table 2 - Rateable Value detail - September 2019

	RV Value £	RV Values %	No of properties	No of properties %
> £1,999,999	7,210,000	4.2%	2	0.0%
£1,000,000 - £1,999,999	22,455,000	13.2%	15	0.2%
£500,000 - £999,999	12,460,000	7.3%	18	0.2%
£250,000 - £499,999	21,841,500	12.8%	63	0.8%
£100,000 - £249,999	28,741,050	16.9%	187	2.3%
£50,000 - £99,999	19,320,875	11.4%	277	3.4%
£25,000 - £49,999	17,642,225	10.4%	505	6.2%
£12,000 - £24,999	15,601,075	9.2%	928	11.3%
£6,000 - £11,999	13,915,200	8.2%	1,672	20.4%
< £6,000	10,956,786	6.4%	4,520	55.2%
Total	170,143,711	100%	8,187	100%

Business Rate appeals can be raised against the Rateable Valuation of a hereditament. If the appeal is successful this may lead to adjustments being made in prior years.

Other changes made by the Valuation Office Agency to the Rateable Value will also impact on the level of income raised and debt collectable.

Chart 1 - Business Rates Relief

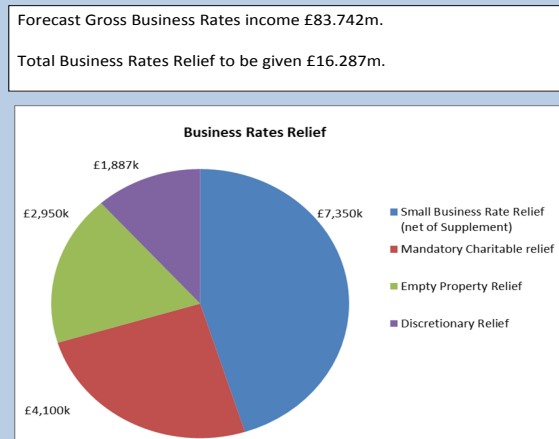


Chart 2 - Business Rates income collection

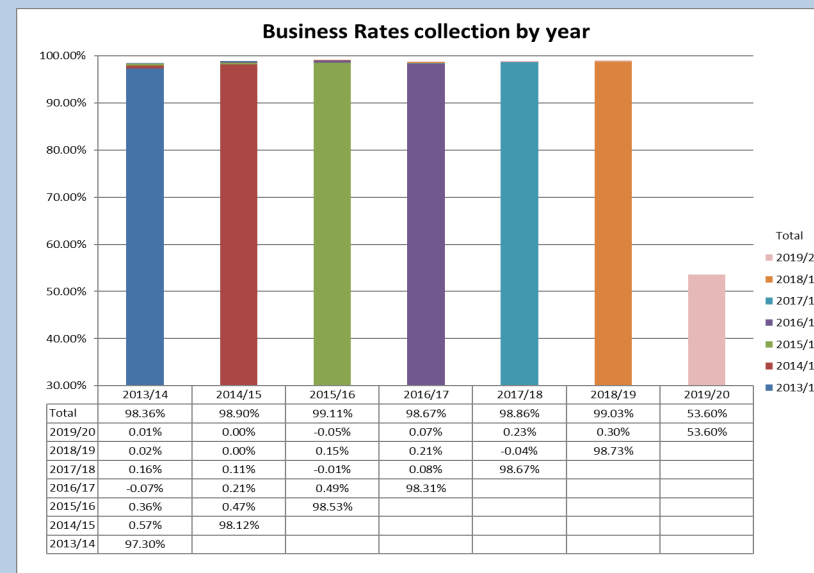
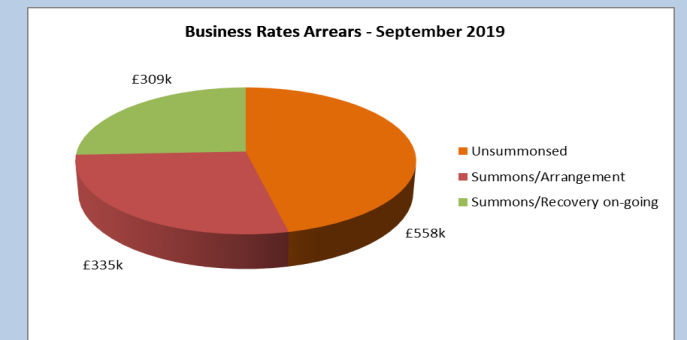


Chart 3 - Business Rates arrears

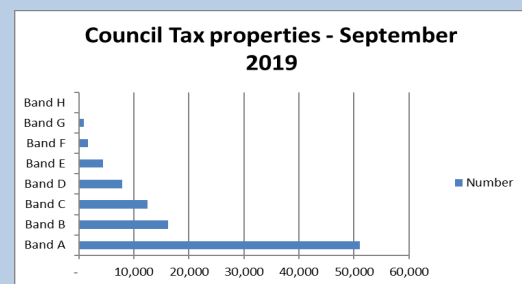


Total Arrears outstanding as at September 2019 are £1,202k.

A large proportion of the unsummonsed balance relates to new debt as a result of Valuation Office Agency decisions which have affected prior years. On confirmation of these decisions, Revenue & Benefits initiate the debt collection process.

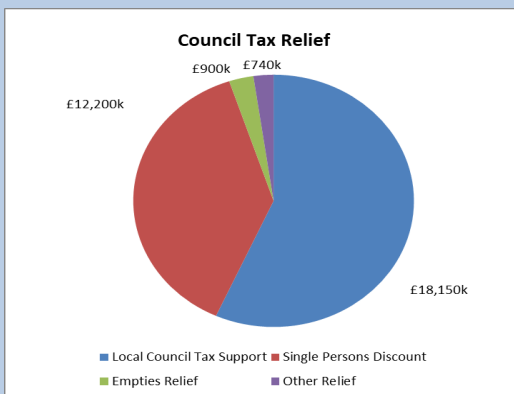
Although £1.034k of debt has been collected during 2019/20, this has been offset by refunds and other adjustments.

Chart 4 - Council Tax properties



Property Band	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Totals
Number	51,135	16,279	12,439	7,862	4,422	1,670	867	55	94,729
% of total	54%	17%	13%	8%	5%	2%	1%	0%	100%

Chart 5 - Council Tax Relief



Forecast Gross Council Tax income is approximately £137m.
 Forecast Council Tax relief to be given is approximately £32m.

Approximately 35,000 properties receive Single Person's Discount.
 There are currently approximately 22,000 claiming Local Council Tax Support.

Chart 6 - Council Tax income collection

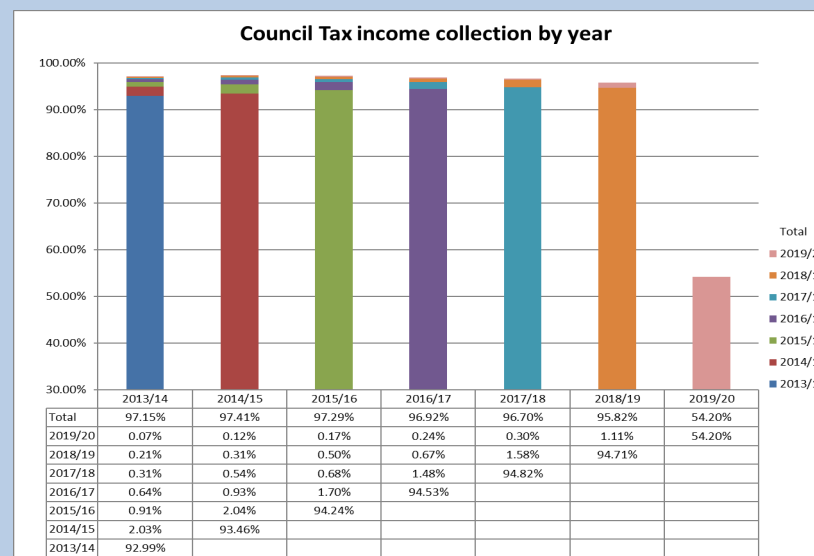
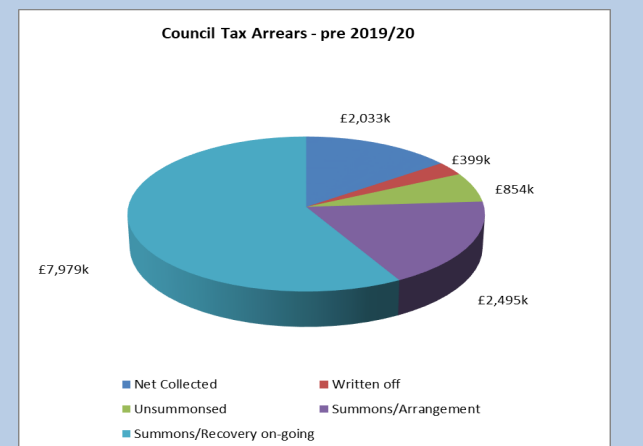


Chart 7 - Council Tax arrears



Total debt outstanding as at the end of March 2018 was £13,761k. Arrears at September 2019 are £11,330k.