

P8, 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		(1,103)		(676)	(1,779)
Preceptors' Share of 2019/20 forecast outturn					
Rochdale BC	99	(1,092)	85.18	(576)	(1,668)
GMCA Mayoral Police & Crime Commissioner	-	-	10.68	(72)	(72)
GMCA Mayoral General (including Fire Services)	1	(11)	4.14	(28)	(39)
Total forecast surplus	100	(1,103)	100	(676)	(1,779)

The forecast Collection Fund outturn for 2019/20 is a surplus of £1.779m, comprising:
 £1.103m surplus relating to Business Rates;
 £0.676m surplus relating to Council Tax.

The areas of variance to the budget are:

Business Rates :

(£971k) 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 Budget process
 (£503k) Reduced charge relating to Bad Debt Provision
 £12k Forecast income lower than budget, mainly due to reduced gross Council Tax income
 offset by lower levels of Local Council Tax Support given.

largely

The Council's share of the forecast 2019/20 Collection Fund surplus is £1.668m.

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 85 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 - November 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	22,595,000	13.2%	15	0.2%
£500,000 - £999,999	12,460,000	7.3%	18	0.2%
£250,000 - £499,999	22,549,000	13.2%	65	0.8%
£100,000 - £249,999	28,814,050	16.8%	188	2.3%
£50,000 - £99,999	19,112,375	11.2%	274	3.3%
£25,000 - £49,999	17,916,725	10.5%	512	6.2%
£12,000 - £24,999	15,708,325	9.2%	935	11.4%
£6,000 - £11,999	14,002,650	8.2%	1,682	20.5%
< £6,000	10,936,281	6.4%	4,524	55.1%
Total	171,304,406	100%	8,215	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

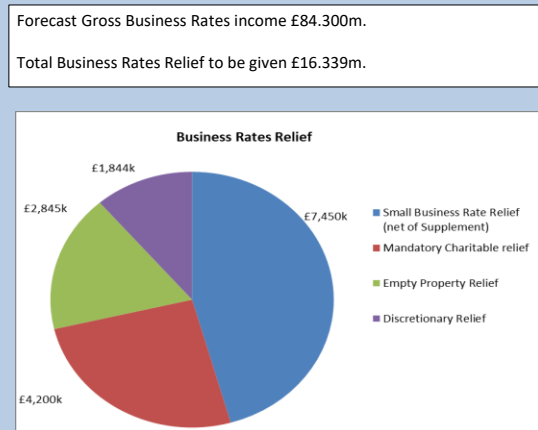


Chart 2 - Business Rates income collection

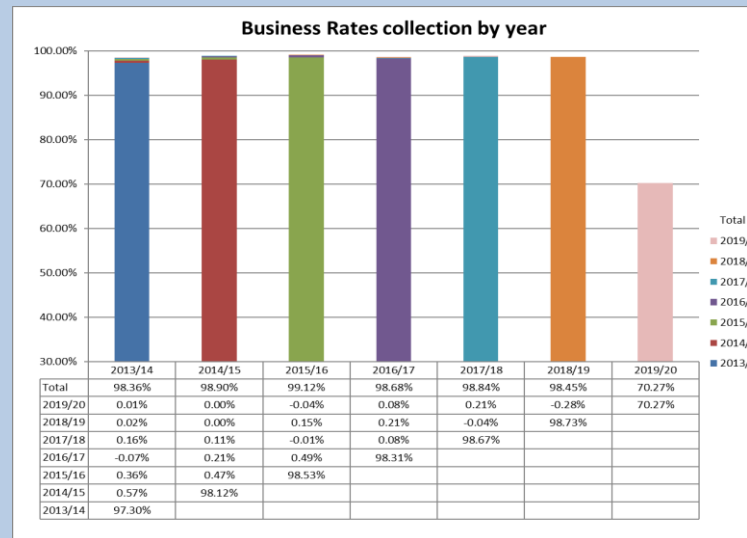
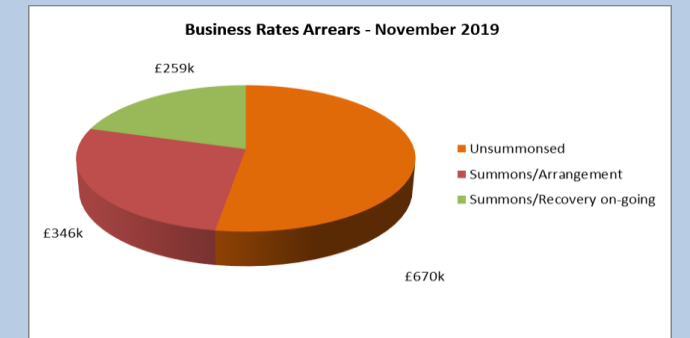


Chart 3 - Business Rates arrears

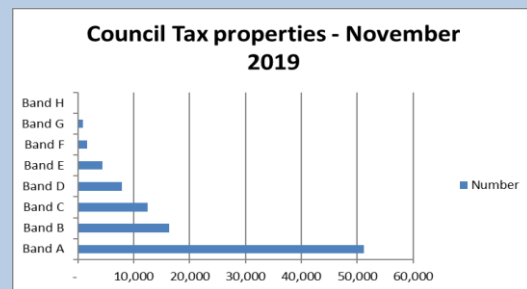


Total Arrears outstanding as at November 2019 is approximately £1,275k.

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.

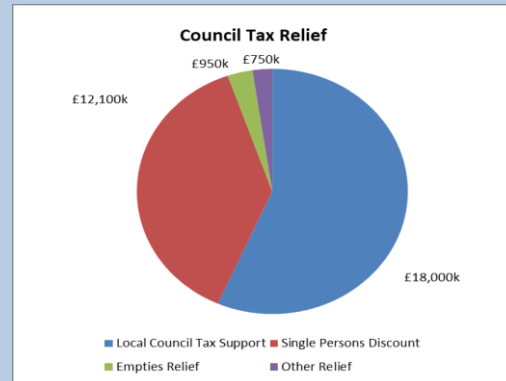
Although £1,112k of debt has been collected during 2019/20, this has been offset by refunds and other adjustments.

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	51,146	16,327	12,459	7,880	4,423	1,673	870	56	94,834
% 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

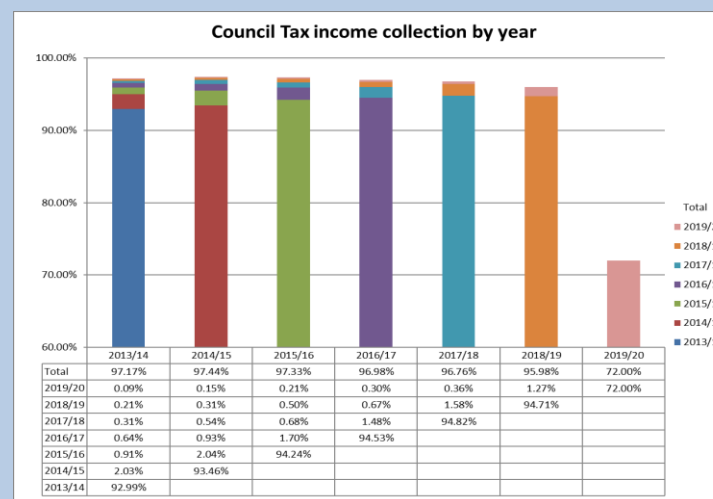
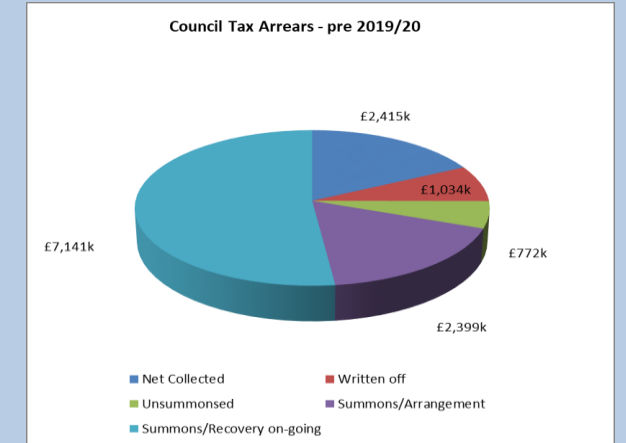


Chart 7 - Council Tax arrears



Total debt outstanding as at the end of March 2018 is approximately £13,761k.
 Arrears at November 2019 is approximately £10,313k.