APPENDIX E

2016/17 Collection Fund

The Collection Fund is a statutory account that the Council must maintain. The fund considers the amount of Council Tax that was anticipated to be collected when the Council sets its Council Taxbase (i.e. the number of properties in the borough at Band D equivalent) in January before the financial year begins. The fund also consider the anticipated receipts from retained Business Rates that the Council received compared to the forecast made in January before the start of the financial year.

There are two key variables which alter the Collection Fund position; (i) an increase or decrease in the number of properties compared to the forecast, or (ii) an increase or decrease to the collection rate at which the Council is collecting these taxes. Following the introduction of its Council Tax support scheme in January 2013, any increase or decrease in Council Tax support claimant's impacts upon the Collection Fund position.

The Council must estimate its Collection Fund position for the year ahead before setting its budget. Any surplus or deficit on the collection fund position must be taken into accounts in the following year; i.e. if the Council had a surplus of £10k in the collection fund for 2015-16, it would need to show this in the 2016-17 budget paper.

The anticipated Collection Fund position as at January 2016 is as follows:

- Council Tax £1.1m Surplus
- Retained Business Rates £0.3m Deficit

The figures above relate purely to the Council's share of the collection fund. The fire authority shares both the Council Tax and Retained Business Rates collection fund and the Fire alone shares the retained business rates fund.