

<b>Date of Meeting</b>	<b>16 April 2007</b>
<b>Title of Report</b>	<b>Collection Fund and budget for 2007-08</b>
<b>Portfolio</b>	<b>Leader's Responsibilities</b>
Link to Corporate Priorities	All
Key Decision	Yes
Executive Workplan Ref	B326
Public Report	Yes

**Summary of Report**

The report responds to the question, "how the surplus monies appeared and the process for uncovering them".

**Officer Recommendations**

That the Final Accounts & Audit Committee notes the report and the proposed improvements to the process surrounding the Collection Fund.

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
YES	YES	NONE	NONE	NONE

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## **1. Introduction**

- 1.1 During the creation of the 2007-08 budget, the reported surplus on the Collection Fund was noted at £50k, until the Collection Fund Report to the February 1<sup>st</sup> Executive, when it was revised up by a further £181k to £231k.
- 1.2 A question has been posed, “how the surplus monies appear and what was the process for uncovering them”.

## **2. Options and Options Appraisal**

- 2.1 Option 1 – to approve the recommendation
- 2.2 Option 2 – to amend or not approve the recommendation

## **3. Background Information**

- 3.1 The Council is required by regulations under Section 99(3) of the Local Government Finance Act 1988 to make an estimate as at 15<sup>th</sup> January of the expected amount of the surplus or deficit on this account as at the year-end. This was duly reported to the Executive of February 1<sup>st</sup>, Agenda item 10. An early indication of likely outcome would have been preferable, but circumstances worked against achieving this.
- 3.2 The reason for the surplus on the Collection Fund was twofold. Firstly there was a surplus brought forward of £1.041m. This will not occur next time, for all the surplus has been distributed as part of the 2007-08 budget.
- 3.3 Secondly, there was an in-year collection ‘surplus’ of £461k. The Council Tax base is set very early at North Wilts. Inevitably this could underestimate the number of properties, and so generate more income in-year. Whilst the next budget process will consider the Council Tax base later in the process, it could be the case that there will again be an in-year surplus that can be counted into the 2008-09 budget.
- 3.4 An improvement to the budget process was agreed by the March 15<sup>th</sup> Executive who considered “20 ways to improve monitoring” (Annex 5 of Item 7). The Executive agreed that the emerging position on the Collection Fund should be reported as part of the monthly revenue monitor. In this way, the estimated position on the Collection Fund will be built into the next budget process in a systemic way.

## **4. Financial Implications**

- 4.1 The improved monitoring will increase the accuracy of the budget forecasts.

## **5. Legal Implications**

- 5.1 There are no legal implications

## **6. Risk Analysis**

- 6.1 Risk will be reduced.

<b>Appendices:</b>	None
<b>Background Documents Used in the Preparation of this Report:</b>	Collection Fund Valuation report

**Previous Decisions Connected with this Report**

<b>Report</b>	<b>Committee &amp; Date</b>	<b>Minute Reference</b>
Collection Fund Valuation – 15 <sup>th</sup> January 2007	Executive February 1, 2007	