

THE COLLECTION FUND

1. Background

The Local Government Finance Act 1988 requires each billing authority to maintain a Collection Fund. Throughout the year payments and transfers relating to Council Tax and Non Domestic Rates are made into and out of the Collection Fund. The payments and transfers are those prescribed by the 1988 Act as amended by the 1992 Act and subsequent amendments) including income from Council Tax payers and Business Rate payers, Council Tax Benefits and payments to precepting authorities.

2. Key issues

2.1 Precepts

- a) Worcestershire County Council, the Police and Crime Commissioner for West Mercia and Hereford and Worcester Fire and Rescue Authority set their budgets for 2014/15 in February 2014.
- b) They are required to notify the Borough Council of their Council Tax requirements (Precepts). The precepts are calculated by apportioning their budget requirements between the district councils based on the number of Band D equivalent properties. These charges are included in the Council Tax bills issued during March.
- c) After taking account of Collection Fund balances Redditch taxpayers will pay £26.3million towards the County Council's budget requirement. The County Council's element of the Council Tax will be £1,059.22 for a Band D property, an increase of 1.94% on 2013/14.
- d) The Police and Crime Commissioner for West Mercia require £4.526 million from taxpayers in Redditch. The Police have set a Council Tax of £182.28 for a Band D property, an increase of 1.99% on 2013/14.
- e) The Hereford and Worcester Fire & Rescue Authority require £1.864 million from taxpayers in Redditch. The Fire & Rescue Authority have set a Council Tax of £75.06 for a Band D property, an increase of 1.93% on 2013/14.

Summary of demands on Collection Fund 2014/15	
Precept/demand	£'000
Worcestershire County Council	26,300
Redditch Borough Council	5,301
Police & Crime Commissioner for West Mercia	4,526
Hereford and Worcester Fire & Rescue Service	1,864
Total demand on Collection Fund	37,991

2.2 Collection Fund balance

a) The Council is required to calculate the estimated position on the Collection Fund at the 31st of March 2014. Any estimated surplus or deficit arising from Council Tax transactions must be apportioned between the County Council, Hereford and Worcester Fire and Rescue Authority, the Borough Council and the Police and Crime Commissioner for West Mercia.

b) It is estimated that the Collection Fund balance at 31st of March 2014 will be a surplus of £264,826.