

## Statement of Accounts 2005 -2006

### COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT 2005/06

2004/05 £'000 Income	Notes		2005/06 £'000	2005/06 £'000
<b>Council Tax</b>				
88,336	Net Council Tax Receivable	1	93,148	
-1	Add : Transfers from General Fund			
17,805	Transitional Relief Grant		-1	
<u>106,140</u>	Council Tax Benefit		<u>18,701</u>	<u>111,848</u>
	<b>Community Charge</b>			
9	Adjustment of Previous Years Community Charges	2		6
58,810	National Non Domestic Rates (NNDR)			
<u>164,959</u>	Income from Business Ratepayers	3		<u>59,983</u>
	<b>Expenditure</b>			
92,134	Wigan Council General Fund		97,016	
3,951	GM Fire Precept		4,164	
<u>9,125</u>	GM Police Precept		<u>9,814</u>	110,994
399	NNDR Cost of Collection Allowance			394
58,411	NNDR Contribution to National Pool	3		59,589
766	Increase in Bad Debts Provision	4		384
<u>164,786</u>				<u>171,361</u>
<u>173</u>	<b>Change in Fund Balance for Year</b>			<u>476</u>
<u>278</u>	<b>Balance B/fwd</b>			<u>451</u>
<u>451</u>	<b>Balance C/fwd</b>			<u>927</u>

#### NOTES TO THE COLLECTION FUND ACCOUNT

##### Introduction

The Collection Fund is a statutory account introduced under the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992). The fund records the collection and distribution of amounts due in respect of Council Tax and National Non-Domestic Rates (NNDR). A separate balance sheet is not required as collection fund balances are consolidated into the Council's Balance Sheet.

The year-end surplus or deficit, on the Collection Fund is distributed between billing and precepting authorities in a future financial year.



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## NOTES TO THE COLLECTION FUND ACCOUNT

### 1. Council Tax

The average (Band D, 2 adult equivalent) Council Tax for the area of the billing authority was £1,191.53. This was based on a Band D equivalent tax base of 93,101 properties, set by the Director of Finance & IT in January 2005 in accordance with section 84 of the Local Government Act 2003 and regulation 3 of the Local Authorities (Calculation of Tax Base) Regulations 1992. The calculation of the tax base contains a provision of 1% losses on collection arising from bad debts and appeals against valuation etc.

Tax Base (Band D equivalents):

A	B	C	D	E	F	G	H	TOTAL
36,569	20,132	17,641	9,881	5,836	2,175	835	32	93,101

### 2. Community Charge

Adjustments of previous years' Community Charges include: -

2004/05 £'000		2005/06 £'000
0	Gross Charge	2
0	Less : Write-offs	-2
<u>0</u>		<u>0</u>
9	Provision for Bad Debts Reduction	6
<u>9</u>	<b>Total Adjustment for Previous Years</b>	<u>6</u>

### 3. National Non-Domestic Rates (NNDR)

Under the arrangements for uniform business rates, the Council collects non-domestic rates for its area based on local rateable values multiplied by a uniform rate. The total amount, less certain relief and other deductions, is paid back to a central pool (the NNDR pool) managed by Central Government. This pool in turn pays back to Authorities their share based on a standard amount per head of the local adult population (i.e. NNDR Contribution from Pool).

The Income from Business Ratepayers includes:

2004/05 £'000	2004/05 £'000		2005/06 £'000	2005/06 £'000
	67,471	Gross Debit for the year		68,734
8,037		Less: Allowances and reliefs	8,239	
624	<u>8,661</u>	Less: Provision for Bad Debts	512	<u>8,751</u>
	<b>58,810</b>	Income from Business Ratepayers		<b>59,983</b>
	399	Less: Costs of Collection		394
	<u>58,411</u>	<b>Contribution to NNDR Pool</b>		<u>59,589</u>

The total non-domestic rateable value at the year-end was £176,699,601.

From 2005/06 the Government introduced a new scheme of relief for small businesses. This introduced the concept of two national non-domestic rate multipliers, 41.5p for Qualifying Small Businesses and 42.2p for Non-qualifying Small Businesses and all Other Businesses.

### 4. Bad Debts Provision

Changes in the provision for bad debts reflect movements in the rate of collection and outstanding arrears.