

10. NOTES TO THE COLLECTION FUND

General

The Council has a statutory requirement as a billing authority to operate a collection fund as a separate account from the general fund. The purpose of the collection fund is to separately identify the income and expenditure relating to council tax and business rates.

Collection fund surpluses or deficits are declared by the billing authority in relation to council tax and are apportioned to the relevant precepting bodies in the subsequent financial year. Wokingham's precepting bodies for council tax are the Police and Crime Commissioner for Thames Valley and the Royal Berkshire Fire and Rescue Authority.

Business rates surpluses or deficits declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions.

The code of practice requires the collection fund income and expenditure account to be included in the Council's accounts, and the collection fund balance sheet is incorporated into the Council's consolidated balance sheet.

NOTE 1 INCOME COLLECTABLE FROM BUSINESS RATE PAYERS

Each Council which is a billing authority collects Non Domestic Rates (NDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by the business rates multiplier set nationally by Central Government.

The total business (non-domestic) rateable value at 31 March 2018 was £179,865,070 (at 31 March 2017 £141,075,496). The national non-domestic rate multiplier for 2017/18 was 47.9p (for 2016/17 49.7p).

In 2018/19 Wokingham will be part of the Berkshire business rates pilot. More information can be found in the narrative report.

NOTE 2 CALCULATION OF THE COUNCIL TAX BASE

Council tax is charged according to the value of residential properties, which are classified into 9 valuation bands (A to H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the collection fund by the Council for the forthcoming year and dividing this by the council tax base (i.e. the equivalent numbers of Band D dwellings).

The council tax base for 2017/18 was 67,433.4 band D equivalent properties (66,001.4 in 2016/17). The tax base for 2017/18 was approved at a Special Council Executive meeting on 26 January 2017 and was calculated as set out in the table below. The council tax reduction scheme which must be approved each year, was approved by the Special Council Executive on 26 January 2017.

2016/17				2017/18			
Band	Chargeable Dwellings	Ratio	Band D Equivalent Dwellings	Chargeable Dwellings	Ratio	Band D Equivalent Dwellings	
A	1,500	6/9	1,000	1,515	6/9	1,010	
B	2,891	7/9	2,248	2,926	7/9	2,276	
C	8,800	8/9	7,822	8,862	8/9	7,877	
D	16,549	1	16,549	16,724	1	16,724	
E	13,850	11/9	16,927	14,009	11/9	17,122	
F	9,211	13/9	13,304	9,314	13/9	13,454	
G	5,839	15/9	9,732	5,929	15/9	9,881	
H	441	18/9	882.5	446	18/9	892	
Total			68,465			69,235	
Net effect of premiums and discounts			(2,464)				(1,802)
Council Tax Base			66,001				67,433

NOTE 3 COLLECTION FUND (SURPLUS) / DEFICIT

	Council Tax	Business Rates	2016/17	Council Tax	Business Rates	2017/18
	£,000	£,000	£,000	£,000	£,000	£,000
Wokingham Borough Council	(2,069)	(1,868)	(3,937)	(2,485)	(6,853)	(9,338)
Central Government	0	(1,907)	(1,907)	0	(6,992)	(6,992)
Police and Crime Commissioner for Thames Valley	(267)	0	(267)	(311)	0	(311)
Royal Berkshire Fire Authority	(98)	(38)	(136)	(114)	(140)	(254)
Total	(2,433)	(3,813)	(6,246)	(2,911)	(13,985)	(16,896)

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