

STOCKPORT COUNCIL

REPORT TO CABINET– SUMMARY SHEET

Subject: Stockport Billing Area - 2018/19 Council Tax Taxbase and Non-Domestic Rates Forecast

Report to Cabinet

Date: 19 December 2017

Report of: (a) Leader of the Council and Cabinet Member for Policy, Finance & Devolution

Key Decision: (b) Y

Forward Plan ☒ General Exception ☐ Special Urgency ☐ (Mark with a Y if applicable)

Summary:

This report deals with the forecast Collection Fund outturn position for 2017/18, the setting of the Council Tax Taxbase for 2018/19 and also presents a forecast for Business Rates income for 2018/19. These items form an integral and important part of the Council's budget setting process.

Within the Collection Fund, Council Tax and Business Rates revenues are separately identified. For the Council Tax element, a surplus of £1.287m is forecast for 2017/18 of which Stockport's share is £1.123m. The 2017/18 forecast for the Business Rates element is a deficit of £3.228m of which Stockport's share is £3.196m. Further details are provided in section two of the report.

The calculation of the Council Tax Base is highly prescribed and set out in government regulations. The calculation is prepared at a specified date and is submitted in a statutory return to Government. This calculation and the associated collection rate represents the Council Tax Taxbase to be used for budget setting purposes. A Council Tax Taxbase for budget setting purposes of 93,361.2 is recommended and the calculation and assumptions are set out in section three of the report.

Section four of the report sets out the Business Rates income forecast for 2018/19 which, assuming no further adjustment is required, will form the basis of the NDR1 return to Central Government in January 2018. The latest forecast suggests income of £83.135m will be achieved; Stockport's share being £82.304m based on the 100% Business Rates Retention Pilot. The forecast may vary following publication of the Provisional Local Government Finance Settlement expected in mid-December. The report therefore recommends delegating any decision to vary the Business Rates forecast to the Borough Treasurer in consultation with the Cabinet Councillor for Reform and Governance.

Section five of the report confirms the continuation of the Council's participation in the Greater Manchester, Cheshire East and Cheshire West and Chester Council Business Rates Pool in 2018/19.

Comments/Views of the Cabinet Member: (c)

This is an important report in the context of the Council's 2018/19 budget and the Council's Medium Term Financial Plan.

Despite delays to the reform of the Local Government Financing Regime and the approach to fairer funding across Local Government, the Council is still working towards being self-financing in terms of its funding by 2019/20. The retention of local tax in the form of Council Tax and Business Rates will be a key element and put the Council in the best position to achieve this. For this reason it is important that we are able to accurately forecast these income streams and understand the impact of changes being made particularly in relation to the 100% retention of Business Rates income.

The continuation of the Business Rates Pool across Greater Manchester and Cheshire enables resources (raised through local taxes) to be retained and invested locally region rather than being paid over to Government.

Furthermore the Pool enables the Council alongside the other Greater Manchester Authorities to continue to participate in the Greater Manchester 100% Business Rates Retention Pilot in 2018/19. As part of the Pilot the Council and the other Pilot Authorities are at the forefront of and influential in the policy decisions being made nationally in relation to the reform of Local Government financing. Furthermore the 'no detriment guarantee' underpinning the Pilot guarantees that the Council will be no worse off as a result of the Pilot.

Recommendation(s) of Cabinet Member: (d)

It is recommended that the Cabinet:

- Declare a forecast Collection Fund deficit of £1.941m in 2017/18 relating to a Council Tax surplus of £1.287m and Business Rates deficit of £3.228m;
- Approve the 2018/18 Council Tax Taxbase for budget setting purposes of 93,361.2 Band D equivalent properties;
- Provisionally approve the 2018/19 forecast for Business Rates income of £83.135m; and
- Approve the use of the Collection Fund 2016/17 growth funds and 2017/18 forecast position declared to support the Council's MTFP and to increase the Council's Capital Programme Investment Reserve as part of the Reserves Policy.

It is recommended that the Cabinet delegates the following decisions to the Borough Treasurer in consultation with the Cabinet Member for Reform and Governance:

- The decision to vary the Business Rates forecast presented in Table 6.

Relevant Scrutiny Committee (if decision called in): (e)
Corporate, Resource Management & Governance

Background Papers (if report for publication): (f)

There are none.

Contact person for accessing
background papers and discussing the report

Officer: Jonathan Davies
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‘Urgent Business’: (g)

No

Certification (if applicable)

This report should be considered as ‘urgent business’ and the decision exempted from ‘call-in’ for the following reason(s):

The written consent of Councillor _____ and the Chief Executive/Monitoring Officer/ Borough Treasurer for the decision to be treated as ‘urgent business’ was obtained on /will be obtained before the decision is implemented.
