

STOCKPORT COUNCIL

REPORT TO CABINET MEETING – SUMMARY SHEET

Subject: Stockport Billing Area - 2021/22 Council Tax Taxbase and Non-Domestic Rates Forecast

Report to: Cabinet Meeting

Date: 22 December 2020

Report of: (a) Corporate Director – Corporate and Support Services

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 2020/21, the setting of the Council Tax Taxbase for 2021/22 and also presents a forecast for Business Rates income for 2021/22. 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, an in-year deficit of £5.603m is forecast for 2020/21 of which the Council's share is £4.760m. The 2020/21 forecast for the Business Rates element is an in-year deficit of £42.940m of which the Council's share is £42.511m. It should be noted that this deficit will be partially offset by a Section 31 grant for expanded retail relief of £41.228m in 2021/22. Further details are provided in section two of the report.

The calculation of the Council Tax Taxbase 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 represent the Council Tax Taxbase to be used for budget setting purposes. A 2021/22 Council Tax Taxbase for budget setting purposes of 95,945.1 is recommended, the calculation and assumptions are set out in section three of the report. The Council's final 2021/22 Council Tax Taxbase will be presented for approval to the Council meeting on 21 January 2021.

Section three of the report sets out the Business Rates income forecast for 2021/22 which, assuming no further adjustment is required, will form the basis of the NNDR1 (budget) return to Central Government in January 2021. The latest forecast suggests income of £77.055m will be achieved; Stockport's share being £76.284m based on the 100% Business Rates Retention Pilot. The forecast may vary following publication of the Provisional Local Government Finance Settlement and the completion of the 2021/22 NNDR1 (budget) form.

Section four of the report confirms the Council's intention to continue its participation in the Greater Manchester, Cheshire East and Cheshire West and Chester Council Business Rates Pool in 2021/22.

Section five of the report provides details of future developments and considerations impacting on the Collection Fund.

Comments/Views of the Cabinet Councillor: (c)

This is an important report in the context of the Council's 2021/22 Budget and the Council's Medium Term Financial Plan (MTFP). Given the increasing reliance on local taxation to fund the provision of essential services to Stockport residents, being able to accurately forecast Council Tax and Business Rates income streams is important. This remains a complex area of Local Authority financial accounting which has been exacerbated by the pandemic.

The need to monitor and understand the financial scarring impact of Covid-19 on the Collection Fund position is important to inform the Council's MTFP beyond 2021/22 as the Council's continues to respond and recover.

Recommendation(s) of Cabinet Councillor: (d)

It is recommended that the Cabinet:

- Declare a provisional forecast outturn Collection Fund deficit of £48.543m in 2020/21 relating to a Council Tax deficit of £5.603m and Business Rates deficit of £42.940m;
- Declare a provisional forecast outturn Collection Fund deficit to be reimbursed to the Council's General Fund in 2021/22 of £47.271m relating to a Council Tax deficit of £4.760m and Business Rates deficit of £42.511m;
- Note the 2021/22 Council Tax Taxbase for budget setting purposes of 95,945.1 Band D equivalent dwellings. The Council's final 2021/22 Council Tax Taxbase will be presented for approval to the Council meeting on 21 January 2021;
- Provisionally approve the 2021/22 forecast for Business Rates income of £77.055m; and
- Note the forecast 100% Pilot benefit from the 2020/21 Pilot of £2.966m.

It is recommended that the Cabinet delegates the following decisions to the Corporate Director – Corporate and Support Services in consultation with the Cabinet Member for Resources, Commissioning and Governance:

- The decision to change the in-year provisional forecast outturn Collection Fund position in 2020/21 prior to declaring the position by 31 January 2021;
- The decision to continue in the Greater Manchester and Cheshire Business Rates pooling arrangement; and
- The decision to vary the Business Rates forecast presented in Table 7 and Table 8.

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

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

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.
