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# Councillor **Sean Anstee**, Leader of the Council, writes about Trafford Council's finances for **2016/2017**

Welcome to Trafford Council's guide to the council tax for 2016/17, this booklet explains how the council tax is calculated and our board spending plans.

You may be aware that local councils are facing significant financial pressures that are expected to last until at least 2018. For Trafford, this means that next year alone we have to save £22.6m.

Trafford Council is working to ensure that Trafford is the most prosperous, diverse and economically successful place in Greater Manchester, creating and sustaining employment, helping local businesses to grow and investing in the things that are important to you.

This is happening at the same time that Councils across the country continue to face significant financial pressures. Trafford Council is no exception and has had to find new and innovative solutions in order to maintain Council services within a reduced budget.

Despite our budget challenges, we are still achieving great results. Ofsted has judged our children's services joint highest in the country and our Youth Offending services received an equally top judgement from the Probation Service.

We have seen substantial savings through achieving efficiencies, changing our service delivery models and reducing costs still further by working collaboratively with our partner agencies, other councils and the private sector. Our decision to join forces with Amey LG has seen the launch of the 'One Trafford Partnership' providing a value for money environmental, asset management and highways service which is not only reaping financial savings, it is maintaining a high level of service and investing in new technology.

As always we will look to maximise the amount of income and funding we can attract including making the most of our buildings – we now host weddings at Trafford Town Hall. The income we

generate will be invested back into services. We are also growing our housing stock and helping new businesses to open, all bringing vital investment into the borough.

For the past five years, the Council has frozen Council Tax. In our budget consultation some of you asked if a rise in Council Tax could help towards supporting services that may have to change. We considered this option, and following the announcement from Government in November that we could add a precept to pay towards adult social care, we have decided to levy a precept of 2% which will solely go towards the cost of adult social care - the biggest cost to the Council and one which is continuously rising due to a growing older population.

Our primary aim is to continue to provide high quality, efficient and effective services to those who need them most and to make sure that, for all Trafford residents, Trafford remains an aspirational and great place to live and work.

Your contribution to Trafford is vital and helps to provide services for our communities. If you are having difficulty paying your Council Tax, help is available. Please visit [www.trafford.gov.uk/counciltax](http://www.trafford.gov.uk/counciltax) or call 0161 912 2000.

Thank you for your continued support, all of which helps to contribute to keeping Trafford a great place to live, learn, work and relax.

**Cllr Sean Anstee, Leader of Trafford Council**

## **1 - Council Tax helps pay for the following**

- 40 public parks, 50 amenity green spaces, 21 recreation/sports grounds, 6 cemeteries/crematoria, 41 woodlands, 86 children's playgrounds and 35 allotment sites.
- Maintaining 66,000 trees.
- Seven leisure centres, two golf courses.
- Three athletics stadia and 286 outdoor sports pitches, greens and courts.
- Lending approximately 600 thousand items from our libraries and over one million visitors annually.
- Up to 800 places for vulnerable people needing residential care.
- Social care services provided to over 4,800 adults at any given time.
- Services, advice and information provided to over 5,000 carers in year.
- Over 15,000 items of equipment to residents, including children, who need them in one year.
- Over 650,000 hours of home help for elderly and disabled people living in the community.
- Repairing and lighting over 500 miles of roads and footpaths.
- Maintaining over 27,500 lampposts and 4,500 items of illuminated street furniture.
- Emptying ten million recycling and refuse containers every year.
- Spreading 1,700 tonnes of salt and grit in an average winter.
- Provide 71 active school-crossing patrol points in Trafford.
- 340 sites managed including, shops, offices and industrial estates.
- 10 community centres.
- Assisting over 400 households to be rehoused into affordable housing.
- Enabling 70 new affordable homes to be built.

**We cover all these services in our spending plans**

## 2 - Our spending plans

2015 – 2016

2016 - 2017

	Gross spending £million	Income £million	Net spending £million	Gross spending £million	Income £million	Net spending £million
Education	139.8	132.9	6.9	144.2	137.1	7.1
Social services	112.2	37.4	74.8	112.9	37.5	75.4
Highways	10.3	2.8	7.5	9.5	2.5	7.0
Planning and economic development	4.6	3.6	1.0	4.6	4.1	0.5
Recreation and tourism	7.5	1.5	6.0	7.6	1.9	5.7
Environmental health	3.3	2.7	0.6	3.2	2.8	0.4
Collecting and getting rid of waste	19.0	0.6	18.4	19.1	1.1	18.0
Housing	1.3	0.2	1.1	1.4	0.3	1.1
Benefit payments and other services	121.4	88.8	32.6	121.3	89.1	32.2
<b>Sub total</b>	<b>419.4</b>	<b>270.5</b>	<b>148.9</b>	<b>423.8</b>	<b>276.4</b>	<b>147.4</b>
Use of reserves	-	1.0	-1.0		1.9	-1.9
<b>Our net spending</b>	<b>419.4</b>	<b>271.5</b>	<b>147.9</b>	<b>423.8</b>	<b>278.3</b>	<b>145.5</b>

## Why spending has changed

We estimate that our spending will decrease from £147.9 million in 2015-2016 to £145.5 million in 2016-2017 a reduction of £2.4 million as follows:

	£million
Increases in children's services	2.2
Increases in adult social services	0.8
Increase in charges for getting rid of waste	0.7
Inflation and other increases	6.0
Increase due to national living wage	2.4
Reductions in specific government grants	2.3
Planned reductions in running costs	-12.3
Improved income	-2.5
Increased use of reserves	-0.9
Savings in our debt financing costs	-2.0
Other	0.9
<b>Total</b>	<b>-2.4</b>

## 3 - How your Council services are paid for

Our total planned spending on services is £423.8 million. This is paid for from specific grants, local fees and charges and reserves of £278.3 million. The largest grants are Dedicated Schools Grant £122.5 million, and Housing Benefit subsidy grant £66.1 million. The remaining £145.5 million comes from general government grants, a proportion of business rates and council tax. This includes redistributed business rates of £33.3 million, local growth in business rates of £2.8 million and £1.6 million Adult Social Care Precept.

## 4 - How we work out your Council Tax

Council Tax pays for our spending plans that are not covered by government grants and fees and charges.

We also add on the net spending plans of the Office of the Police and Crime Commissioner for Greater Manchester and Greater Manchester Fire and Rescue Authority before we work out how much Council Tax each household must pay.

	2016-2017 £million	Amount for each person £
Our spending	145.470	625.79
Estimated collection fund surplus	-0.300	-1.29
	<u>145.170</u>	<u>624.50</u>
<b>Less:</b>		
Revenue support grant	-22.989	-98.90
Contribution from business rates	-38.934	-167.49
	<u>-61.923</u>	<u>-266.39</u>
<b>Council Tax Requirement</b>		
<b>Trafford's own purposes</b>	83.247	358.11
<b>Add:</b>		
Office of the Police and Crime Commissioner for Greater Manchester	11.616	49.97
Greater Manchester Fire and Rescue Authority	4.341	18.67
	<u>15.957</u>	<u>68.64</u>
<b>Total Council Tax Requirement</b>	<u>99.204</u>	<u>426.75</u>

The amount shown against Trafford Council's own purposes includes a figure of £1.632 million (2% increase) to cover the introduction of a social care precept to help finance the cost of adult social care (see Section 5 for further details of the adult social care precept).

The estimated equivalent number of properties in valuation band D is 73,844, so the Council Tax for a property in Band D is £1,343.41. We work out the Council Tax for each property band as a specific proportion of the Band D tax. The relevant tax levels for 2016-2017 are as follows:

Band	Fraction	Council Tax £
A	6/9	895.60
B	7/9	1,044.86
C	8/9	1,194.13
D	9/9	1,343.41
E	11/9	1,641.95
F	13/9	1,940.48
G	15/9	2,239.01
H	18/9	2,686.82

Taxpayers in Partington pay extra because of the Partington Parish Precept of £66,088.

In 2015-2016, we worked out the money we needed to raise from Council Tax as follows:

	2015-2016 £million	Amount for each person £
Our spending	147.914	642.61
Estimated collection fund surplus	-0.300	-1.30
	<u>147.614</u>	<u>641.31</u>
<b>Less:</b>		
Revenue support grant	-30.646	-133.14
Contribution from business rates	-36.652	-159.23
	<u>80.316</u>	<u>348.94</u>
<b>Add:</b>		
Office of the Police and Crime Commissioner for Greater Manchester	11.067	48.08
Greater Manchester Fire and Rescue Authority	4.189	18.20
<b>Total Council Tax Requirement</b>	<u>95.572</u>	<u>415.22</u>

The estimated equivalent number of properties in valuation band D was 72,669, so the Council Tax for a property in band D was £1,315.17.

## 5 - Statement concerning adult social care funding

The Localism Act 2011 abolished council tax capping and replaced it with a requirement to hold a council tax referendum if an authority wishes to increase its “Relevant Basic Amount of Council Tax” by an amount equal to or exceeding a level set out by the Government, which for 2016/17 is 2%.

In addition, the Secretary of State for Communities and Local Government has made an offer to adult social care authorities to charge a ‘precept’ of up to 2% on its council tax for the financial year beginning in 2016 without holding a referendum, to assist the authority in meeting expenditure on adult social care. Subject to the annual approval of the House of Commons, the Secretary of State intends to offer the option of charging this ‘precept’ in relation to each financial year up to and including the financial year 2019-20.

In relation to the financial year beginning in 2016 the Secretary of State has determined (and the House of Commons has approved) a referendum principle of 4% (comprising 2% for expenditure on adult social care and 2% for other expenditure), for adult social care



authorities, such as Trafford. These authorities may therefore set council tax up to this percentage in 2016 without holding a referendum.

## 6 - Charges for other public services

Our net spending plans include charges for public services we do not provide :

### Environment Agency

The Environment Agency provides the following information about its flood defences for the North West (how it will protect the area from flooding).

The Environment Agency is a levying body for its Flood and Coastal Erosion Risk Management Functions under the Flood and Water Management Act 2010 and the Environment Agency (Levies) (England and Wales) Regulations 2011.

The Environment Agency has powers in respect of flood and coastal erosion risk management for 6,500 kilometres of main river and along tidal and sea defences, in the area of the North West Regional Flood and Coastal Committee. Money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system and management of the risk of coastal erosion.

The financial details are:

	2015 – 2016 thousands	2016 – 2017 thousands
Gross expenditure	£80,544	£75,649
Levies raised	£3,711	£3,785
<b>Total Council Tax Base</b>	<b>1,995</b>	<b>2,039</b>

The majority of funding for flood defence comes directly from the Department for Environment, Food and Rural Affairs (Defra). However, under the new Partnership Funding rule not all schemes will attract full central funding. To provide “matching” funding the Agency may seek funding from County and Metropolitan Councils, Unitary Authorities and London Boroughs in the form of a Local Levy. The Local Levy is shared on the basis of Band D Equivalents between all contributing bodies within the Committee Area. The levy to be paid by Trafford Council to the Agency in 2016 - 2017 is £0.137 million (£0.135 million in 2015 - 2016).

Changes in the Gross Budgeted expenditure between the years reflects the programme of works for both capital and revenue needed by the Regional Flood and Coastal Committee. The total Local Levy raised has increased by 2% from £3.711 million in 2015/2016 to £3.785 million for 2016/2017.

## Waste and transport

The Greater Manchester Combined Authority and the Greater Manchester Waste Disposal Authority also charge us for services they provide:

	2015 – 2016 £thousands	2016 – 2017 £thousands
GM Combined Authority (Transport)	16,543	16,597
GM Waste Disposal	<u>13,624</u>	<u>14,358</u>
	30,167	30,955

## 7 - Staffing

The number of full-time equivalent staff working for us in February 2016 was 3,941.

## 8 - Capital spending and loan debt

We have a continuing capital programme reflecting the investment we are planning to make in our assets (buildings, highways and so on). The money to pay for this spending comes from loans, capital grants and contributions and money we make from selling assets. In 2016 to 2017, we plan to spend £43.7 million.

	£million
Education	12.0
Social services	2.1
Highways	14.0
Planning and economic development	4.7
Other services	<u>10.9</u>
	43.7

On 29<sup>th</sup> February 2016, we had borrowed £103 million. This amounts to £452 for each person in the borough.

