



**TRAFFORD  
COUNCIL**

**AGENDA PAPERS FOR  
EXECUTIVE MEETING**

**Date: Monday, 21 January 2013**

**Time: 6.30 pm**

**Place: Rooms 7 and 8, Quay West, Trafford Wharf Road, Trafford Park,  
Manchester M17 1HH**

<b>A G E N D A</b>	<b>PART I</b>	<b>Pages</b>
1.	<b>ATTENDANCES</b>	
	To note attendances, including officers, and any apologies for absence.	
2.	<b>DECLARATIONS OF INTEREST</b>	
	Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code of Conduct.	
3.	<b>MINUTES</b>	
	(a) <b>Minutes of the Meeting held on 26 November 2012</b> (Pages 1 - 6) To receive and, if so determined, to approve as a correct record the Minutes of the meeting held on 26.11.12.	1 - 6
	(b) <b>Minutes of the Special Meeting held on the 17 December 2012</b> (Pages 7 - 8) To receive and, if so determined, to approve as a correct record the Minutes of the Special Executive Meeting held on 17.12.12.	7 - 8
4.	<b>MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES (IF ANY)</b>	
	To consider any matters referred by the Council or by the Overview and Scrutiny Committees.	

5. **PROPOSED CHANGES TO COUNCIL TAX AND COUNCIL TAX BENEFIT** 9 - 116
- To consider a report of the Executive Member for Finance and Director of Finance.
- Please note: Appendix 6 to this report will be to follow; as it is very extensive, it will not be circulated in hard copy, but will be made available, along with the rest of this agenda, on the Council's website.
6. **BUDGET SCRUTINY REPORT AND EXECUTIVE'S RESPONSE** 117 - 126
- To receive the Budget Scrutiny Report on the Executive's Draft Budget Proposals for 2013-14, and agree the Executive's Response.
- (a) Budget Scrutiny Report (attached)
  - (b) Proposed Executive Response (to follow)
7. **LOCAL GOVERNMENT FINANCE SETTLEMENT 2013/14 AND 2014/15** 127 - 136
- To consider a report of the Executive Member for Finance and Director of Finance.
8. **COUNCIL TAX - INTRODUCTION OF EMPTY PROPERTY PREMIUM**
- To consider a report of the Director of Finance. (To follow)
9. **REVENUE BUDGET MONITORING 2012/13 - PERIOD 8 (APRIL - NOVEMBER 2012 INCLUSIVE)** 137 - 182
- To consider a report of the Executive Member for Finance and Director of Finance.
10. **DECISIONS MADE BY THE GREATER MANCHESTER COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD 30.11.12** 183 - 188
- To note schedules of decisions from the relevant meetings:
- (a) Combined Authority
  - (b) AGMA Executive Board
11. **URGENT BUSINESS (IF ANY)**
- Any other item or items which by reason of:-
- (a) Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chairman of the meeting, with the agreement of the relevant Overview and Scrutiny Committee Chairman, is of the opinion should be considered at this meeting as a matter of urgency as it relates to a key decision; or
  - (b) special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

**12. EXCLUSION RESOLUTION**

Motion (Which may be amended as Members think fit):

That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

**THERESA GRANT**  
Chief Executive

**COUNCILLOR MATTHEW COLLEDGE**  
Leader of the Council

Membership of the Committee

Councillors M. Colledge (Chairman), A. Williams (Vice-Chairman), S. Anstee, Councillor Dr. K. M. Barclay, Miss L. Blackburn, M. Cornes, J. Coupe, M. Hyman, Mitchell and M. Young

Further Information

For help, advice and information about this meeting please contact:

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This agenda was issued on **Friday, 11 January 2013** by the Legal and Democratic Services Section, Trafford Council, Quay West, Trafford Wharf Road, Trafford Park, Manchester, M17 1HH.

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## EXECUTIVE MEETING

26TH NOVEMBER 2012

### PRESENT:

Leader of the Council (Councillor M. Colledge) (in the Chair),  
Executive Member for Adult Social Services (Councillor M. Young),  
Executive Member for Community Health & Wellbeing (Councillor Dr. K. Barclay),  
Executive Member for Economic Growth and Prosperity (Councillor M. Hyman),  
Executive Member for Education (Councillor M. Cornes),  
Executive Member for Finance (Councillor S. Anstee),  
Executive Member for Highways and Environment (Councillor A. Mitchell),  
Executive Member for Safe & Strong Communities (Councillor J. Coupe),  
Executive Member for Transformation and Resources (Councillor A. Williams).

Also present: Councillors Acton, Adshead, Baugh, Bennett, Bowker, Brotherton, Butt, Cordingley, Duffield, Fishwick, Freeman, Holden, Lloyd, John Reilly, Ross, Sharp, Shaw and A. Western.

### In attendance:

Chief Executive (Ms. T. Grant),  
Corporate Director, Children & Young People's Service (Ms. D. Brownlee),  
Corporate Director, Communities & Wellbeing (Ms. A. Higgins),  
Corporate Director, Environment, Transport & Operations (Mr. P. Molyneux),  
Acting Corporate Director, Transformation & Resources (Mr. I. Duncan),  
Interim Corporate Director, Economic Growth & Prosperity (Mr. P. Harvey),  
Acting Director of Legal & Democratic Services (Ms. J. Le Fevre),  
Waste Manager (Mr. G. Taylor) (part only),  
Housing Strategy Manager (Mr. R. Roe) (part only),  
Senior Democratic Services Officer (Mr. J.M.J. Maloney).

### APOLOGIES

Apologies for absence were received from the Executive Member for Supporting Children and Families (Councillor Miss L. Blackburn).

### 57. DECLARATIONS OF INTEREST

No declarations were made by Executive Members.

### 58. MINUTES

RESOLVED: That the Minutes of the meetings held on 22<sup>nd</sup> and 29<sup>th</sup> October 2012 be approved as correct records.

### 59. MATTERS FROM COUNCIL OR OVERVIEW AND SCRUTINY COMMITTEES

In connection with Item 62 below, Councillor Shaw advised that the comments arising from the recent Budget Scrutiny workshop, in relation to Recycling and Refuse Collection proposals, had been circulated for Executive Members' consideration in taking their decision.

**60. JOINT HEALTH AND WELLBEING STRATEGY**

The Executive Member for Health and Wellbeing submitted a report setting out details of progress in relation to the Joint Health and Wellbeing Strategy (JHWS), and setting out details of the next steps to be taken. In discussion, it was agreed that the Strategy would be subject to consultation with all Members of Council.

RESOLVED -

- (1) That the proposed priorities for the Health and Wellbeing Board to support the 'Together we will' actions of the JHWS and the co-production/partnership approach adopted be noted.
- (2) That it be noted that phases 1 and 2 of the co-production and consultation have been completed.
- (3) That the plans for the phase 3 consultation and future reporting arrangements be noted.

**61. UPDATE ON THE PROPOSED INTEGRATION BETWEEN TRAFFORD COUNCIL AND TRAFFORD PROVIDER SERVICES FOR THE DEVELOPMENT AND DELIVERY OF AN INTEGRATED HEALTH AND SOCIAL CARE SERVICE FOR ADULTS WITHIN TRAFFORD**

The Executive Member for Adult Social Services submitted a report which set out details of progress towards the establishment of an integrated service, and outlining a proposed model which will form the basis of a negotiated partnership agreement between Trafford Council and the provider of Trafford Community Health Services.

RESOLVED: That it be noted that the Leader of the Council had agreed to delegate to the Executive Member for Adult Social Care authority to sign off the Partnership Agreement between Trafford Council and the provider of Trafford Community Health Services.

**62. RECYCLING AND REFUSE COLLECTION SURVEY**

The Executive considered a report of the Executive Member for Highways and Environment which set out details of feedback received from a survey undertaken in June / July 2012, the outcome of four public meetings and a recent waste analysis undertaken across Greater Manchester, and proposed amendments accordingly to the waste collection and recycling service. The Executive Member also tabled a supplementary report which provided feedback on the outcome of a recent funding bid to DCLG, and presented, with a commentary, the observations in relation to Waste Management which had arisen from the recent Budget Scrutiny Workshop.

RESOLVED -

- (1) That the Executive is minded to approve the introduction of a revised recycling and refuse collection service, subject to a cost / benefit exercise on the effects of the DCLG proposal on the Council, as follows:

- Weekly collection of food/garden waste for recycling in the green bin
  - Four weekly collection of paper/card in the blue bin
  - Four weekly collection of glass, cans and plastic bottles in the black bin
  - Fortnightly collection of non-recyclable (residual) waste in the grey bin
- (2) That it be noted that the Leader of the Council had delegated authority for the final decision on the terms of the revised service to the Executive Member for Highways and Environment in consultation with the Corporate Director Environment, Transport & Operations after further discussion with DCLG about the use of the grant.
- (3) That approval be given to the procurement of bins, food waste caddies and liners for ordering in the first week of December 2012 to enable the introduction of a weekly food/garden waste collection service between April-September 2013.

**63. OLD TRAFFORD MASTER PLAN DELIVERY**

[Note: Councillor M. Colledge declared a Personal Interest in this item in relation to his membership of the Board of the Trafford Housing Trust.]

The Executive Member for Economic Growth and Prosperity submitted a report setting out details of progress in relation to delivery of the Masterplan and seeking approval for the establishment of a Land Pooling Agreement between the Council and Trafford Housing Trust covering their collective land assets within the masterplan area.

RESOLVED -

- (1) That the current progress on delivering the masterplan be noted.
- (2) That approval in principle be given that a Land Pooling Agreement between the Council and Trafford Housing Trust be developed and that a further report be brought to the Executive setting out the detail of the Agreement for consideration.

**64. GREEN DEAL**

The Executive Member for Economic Growth and Prosperity submitted a report setting out details of the Government's energy efficiency programme, and proposing that the Council partner with a private sector provider to deliver Green Deal and the Energy Company Obligation in Trafford.

RESOLVED -

- (1) That approval be given to the Council's procurement of a private sector Green Deal provider.
- (2) That authority to appoint a preferred provider be delegated to the Corporate Director for Economic Growth and Prosperity, in consultation with the Executive Members for Economic Growth and Prosperity and Highways and Environment, and the Corporate Director for Environment, Transport and Operations.

**65. TREASURY MANAGEMENT 2012-13 MID-YEAR PERFORMANCE REPORT**

The Executive Member for Finance and Acting Corporate Director, Transformation and Resources submitted a report providing, in accordance with the CIPFA Code of Practice adopted by the Council, an update on the progress of treasury management activities undertaken for the first half of 2012-13.

RESOLVED -

- (1) That the Treasury Management activities undertaken in the first half of 2012/13 be noted.
- (2) That the exception to one prudential indicator, relating to capital expenditure, be agreed.

**66. CAPITAL INVESTMENT PROGRAMME MONITORING 2012/13 2<sup>ND</sup> QUARTER (APRIL – SEPTEMBER)**

The Executive Member for Finance and Acting Corporate Director, Transformation and Resources submitted a report which summarised the findings from the budget monitoring for the period to 30<sup>th</sup> September 2012.

RESOLVED -

- (1) That the amendments to the 2012/13 Capital Investment Programme be approved.
- (2) That the content of the monitoring report be noted.

**67. REVENUE BUDGET MONITORING 2012/13 – PERIOD 6 (APRIL - SEPTEMBER 2012)**

The Executive Member for Finance and Acting Corporate Director, Transformation & Resources submitted a report which informed Members of the current position regarding the monitoring of the revenue budget.

RESOLVED: That the latest forecast and planned actions be noted and agreed.

**68. ANNUAL DELIVERY PLAN 2012/13 QUARTER 2 PERFORMANCE REPORT**

The Executive Member for Transformation and Resources submitted a report which provided a summary of performance against the Council's Annual Delivery Plan for 2012/13.

RESOLVED: That the content of the Annual Delivery Plan Quarter 2 report be noted.



**69. DECISIONS MADE BY THE GREATER MANCHESTER COMBINED AUTHORITY AND AGMA EXECUTIVE BOARD 28/9/12 AND 26/10/12**

The Executive received for information details of decisions made by the Greater Manchester Combined Authority and AGMA Executive Board at their meetings held on 28/9/12 and 26/10/12.

RESOLVED: That the content of the decision summaries be noted.

The meeting commenced at 6.30 p.m. and finished at 7.26 p.m.

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## URGENT SPECIAL EXECUTIVE MEETING

17<sup>TH</sup> DECEMBER 2012

### PRESENT:

Leader of the Council (Councillor M. Colledge) (in the Chair),  
Executive Member for Adult Social Services (Councillor M. Young),  
Executive Member for Community Health & Wellbeing (Councillor Dr. K. Barclay),  
Executive Member for Economic Growth and Prosperity (Councillor M. Hyman),  
Executive Member for Education (Councillor M. Cornes),  
Executive Member for Finance (Councillor S. Anstee),  
Executive Member for Highways and Environment (Councillor A. Mitchell),  
Executive Member for Safe & Strong Communities (Councillor J. Coupe),  
Executive Member for Supporting Children and Families (Councillor Miss L. Blackburn).

Also present: Councillors Acton, Bowker, Boyes, Duffield, Fishwick, Hynes, Myers, Rigby, Sharp and Shaw.

### In attendance:

Chief Executive (Ms. T. Grant),  
Acting Corporate Director, Transformation and Resources (Mr. I. Duncan),  
Acting Director of Legal and Democratic Services (Ms. J. Le Fevre),  
Democratic Services Officer (Mr. I. Cockill).

### APOLOGIES

Apologies for absence were received from the Executive Member for Transformation and Resources (Councillor A. Williams).

### 70. DECLARATIONS OF INTEREST

No declarations were made by Executive Members.

### 71. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That the public be excluded from this meeting during consideration of the following item of business because of the likelihood of disclosure of "exempt information" which falls within Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by The Local Government (Access to Information) (Variation) Order 2006.

### 72. URGENT BUSINESS – MANCHESTER AIRPORT GROUP PLC

[Note: In accordance with Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and with the agreement of the Chairman of Scrutiny Committee, the Leader of the Council allowed consideration of this item as a matter of urgency as it relates to a key decision.]

Further to Minute No. 38 of the Meeting held on 24<sup>th</sup> September 2012, the Leader of the Council and the Acting Chief Executive submitted a report providing an update on the proposals to restructure Manchester Airport Group PLC and the associated decisions which were sought to enable the proposals to be progressed. The matter had been

**Urgent Special Executive Meeting**  
**17<sup>th</sup> December 2012**

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considered at an Urgent Extraordinary Meeting of the Council held beforehand and the Executive was aware of the Council's position regarding the Airport's proposals.

RESOLVED –

- (1) That having considered the recommendations of the AGMA Executive Board at their meeting on 14<sup>th</sup> December 2012 the Executive takes the decisions as recorded in the confidential schedule to the decision statement which is exempt from publication.
- (2) That the decision is urgent and should be exempt from call-in as any delay likely to be caused by the call-in process would seriously prejudice the legal or financial position of the Council or the interests of the residents of Trafford.

The meeting commenced at 7.00 p.m. and finished at 7.05 p.m.

**Report to:** Executive / Council  
**Date:** 21 / 23 January 2013  
**Report for:** Decision  
**Report of:** Executive Member for Finance and the  
Acting Corporate Director for Transformation and Resources

## Report Title

**Proposed Changes to Council Tax and Council Tax Benefit**

## Summary

As part of the Government's welfare reform programme, the existing Council Tax Benefit scheme will end and be replaced with a new local scheme from April 2013.

As well as having to agree a new scheme, the Council must deal with a reduction of funding of 11% which equates to £1.25 million, and at the same time ensure that pensioners are fully protected from any changes. In July 2012, the Executive gave approval to proceed with a consultation based on the following proposals:

- A combined Council Tax Support Scheme based on a number of changes such as restricting the level of support to the charge for a band D property, abolishing Second Adult rebate etc. This is the Council's preferred option;
- A 20% Reduction Scheme, whereby all working age claims are reduced by 20%; and
- Removal of the 10% second homes discount and replacement of the empty and unfurnished property exemption.

The main purpose of this report is to summarise the outcomes of the consultation, so that a final decision can be taken. It is important that the consultation feedback is considered alongside the Equalities Impact Assessment (EIA) and the financial aspects of the proposals, in order to have an informed view.

This report outlines the views expressed by various groups and individuals during the consultation process.

## Recommendations

Following the public consultation and feedback from individuals, groups and stakeholders, the Executive recommends that the Council approves:

1. The introduction of a local council tax support scheme as outlined in proposal 1 and set out in appendix 6;
2. Remove the 100% empty property council tax exemption and replace it with a 100% discount for one month, followed by the full charge;

3. Remove the second home council tax discount;
4. The above changes will be effective from 1 April 2013.

Contact person for access to background papers and further information:

Name: Ian Duncan Carl Lamb Stephen Gannon  
 Extension: 4884 3327 4850

Background Papers: Equalities Impact Assessment – Council Tax Support Scheme

**Implications:**

Relationship to Policy Framework/Corporate Priorities	The localised scheme will impact on the wellbeing of residents and the level of Council Tax.
Financial	These are identified in section 5 of the report.
Legal Implications:	If the council does not adopt a scheme by the 31-01-13 it will have to use the Government's default scheme which would have significant financial implications.
Equality/Diversity Implications	An Equality Impact Assessment has been undertaken.  The consultation feedback has been disaggregated by equality strand and is reported by exception throughout this report.
Sustainability Implications	None.
Staffing/E-Government/Asset Management Implications	Considerable staffing resources will continue to be taken up during 2012/13 in developing and implementing the new scheme. Workload for the Revenues and Benefits Service will peak during 2013/14 as the Service manages three separate benefit systems.  Council Tax recovery activity will increase due to reductions in rebate awards for certain categories of claimant. It is inevitable that the new system will also lead to increased correspondence being received, more appeals against rebate determinations and additional enquiries from customers that will also place demands on Access Trafford. Every effort will be made to absorb the extra workload from existing resources.

## **Reasons for Recommendation**

The Government is abolishing the current Council Tax Benefit Scheme and in its place each billing authority must devise its own local arrangements. This report has been prepared following a 3 month public consultation exercise and outlines various options along with recommendations.

## **Key Decision**

This is a key decision currently on the Forward Plan: Yes

## **Other Options**

An alternative Council Tax Support scheme (proposal 2) was put forward for public consultation and details of this scheme can be found in section 4.5. However, the Executive recommend the preferred scheme (Proposal 1) for the reasons outlined in section 13.

## **Consultation**

An extensive public consultation took place between August and October 2013. A summary of the consultation can be found in section 18.

**Finance Officer Clearance** (type in initials).....IK.....

**Legal Officer Clearance** (type in initials).....MJ.....

**[CORPORATE] DIRECTOR'S SIGNATURE** (electronic) Appended in hard copy.

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Appendix 6: Details of the scheme	

# 1 Summary of Proposed Scheme and changes to Council Tax

1.1 To assist in the reading of this document, a summary of the main components of the recommended local council tax support scheme (Proposal 1) are set out below together with changes to council tax:

## Council Tax Support scheme

### Cost Components:

- (a) Abolish Second Adult Rebate
- (b) Restrict support to the charge for a Band D property
- (c) Increase the income taper from 20% to 30%
- (d) Include Child Benefit as income when working out entitlement
- (e) Abolish backdating so all awards are paid from the date of application
- (f) Increase the deductions made for other adults living in a property where the customer receives Council Tax Support and introduce a new charge for other adults receiving benefit.
- (g) Restrict benefit, so no awards are made under £5 per week

### Protections:

- Protect claimants of pension age in line with Government policy.
- Protect claimants and/or their partners who receive the middle or high rate of Disability Living Allowance for Care or Mobility from all the above changes except for component (a) (abolish Second Adult Rebate) and (e) (abolish backdating).
- Protect households who have a dependent child under 5 years old from component (d) (include Child Benefit as income).
- Continue to apply our local discretion to disregard War Pensions and War Widows Pensions as income, when calculating awards of Council Tax Support.
- Set up a discretionary fund to help people in need on a case by case basis.
- Uprate applicable amounts in the calculation of Council Tax Support for 2013/14 in line with the national 1% increase for working age claimants.

### Work Incentives:

- Increase Extended Reductions (formally Extended Payments) from 4 weeks to 8 weeks. This entitles some long term unemployed claimants for assistance with their Council Tax bill for up to 8 weeks when they start work.

- Increase child care disregards by 10%, where parents are working and children are in approved child care

### **Change the Council Tax charges for empty and unfurnished properties and second homes:**

- Remove the 100% empty property exemption and replace it with a 100% discount for one month, followed by the full charge;
- Abolish the 10% Second Homes Discount;

The detail of the scheme will be contained within the Council Tax Reduction Regulations, which will be available on the Council's website. These are based upon the Government's default scheme, with the local exceptions above.

## **2 Introduction**

- 2.1. In July 2012, the Executive agreed proposals to form the basis of a public consultation. They also approved the consultation process which is summarised in section 7.
- 2.2. The main proposals included:
  - A combined Council Tax Support Scheme based on a number of changes such as restricting the level of support to the charge for a Band D property, abolishing backdated benefit, increasing the income taper etc. This is the Council's preferred option;
  - A 20% Reduction Scheme, whereby all working age claims are reduced by 20%; and
  - Removal of the 10% second homes discount and replacement of the empty and unfurnished property exemption.
- 2.3. Following this decision an extensive 3 month public consultation took place to gather the views of residents and stakeholders about the Council's proposals for a new Council Tax Support scheme. The consultation took place between 6 August 2012 and 29 October 2012. The primary purpose of this paper is to summarise the outcomes of the consultation, so that a final decision can be taken.
- 2.4. This paper provides:
  - A summary of the Council's proposals (recapping on the initial report);
  - A number of relevant updates;
  - An up to date financial analysis which includes 2012/13 data; and
  - The outcomes of the public consultation.
- 2.5. This information should be considered alongside the EIA, which is available as a separate document, so that an informed decision can be taken.
- 2.6. It should be noted that the timescales for this project are very challenging and it is important that the final scheme is submitted to Government by 31 January 2013. If

this deadline is not met then the Council would be forced to implement the Government's default scheme, which means that the 11% shortfall in funding (not taking into account any transitional grant) would need to be found from elsewhere (i.e. not from the Council Tax Benefits scheme).

### **3 Background**

- 3.1. During 2011/ 2012, Trafford Council awarded approximately £13.3 million in Council Tax Benefit to around 18,000 households.
- 3.2. As part of the Welfare Reform Programme, the Government announced that the existing national Council Tax Benefit scheme will be abolished on 1 April 2013 and Local Authorities will be given the freedom to design their own local schemes for working age claimants. These schemes will be known as "Council Tax Support" or "Council Tax Reduction" Schemes.
- 3.3. At the same time the Government announced that they will be reducing the level of subsidy to Local Authorities by approximately 10% from the levels assumed in the Comprehensive Spending Review of 2010. In reality this reduction is 11% compared to the figure for 2011/12, which equates to approximately £1.25 million for Trafford Council; this excludes the effect for Police and Fire Authorities.
- 3.4. It should be noted that the revised scheme will affect working age residents only. Pensioners, who account for approximately 46% of Trafford's Benefits caseload, will be protected from any reduction in benefit. Therefore a 10% reduction in the cost of Council Tax Benefit alone would actually equate to a 19% cut for non-pensioner claimants.
- 3.5. The Council has worked with partners and stakeholder groups to develop a number of cost reducing options for consultation. These included two proposals for the Council Tax Benefit scheme as well as further proposals to change the Council Tax second home discount and the empty property (unfurnished) exemption.
- 3.6. These options were carefully considered by the Overview and Scrutiny Committee, who agreed that they were an appropriate basis for the consultation. This was agreed by the Executive on 30 July 2012 and the consultation took place between 6 August 2012 and 29 October 2012.

### **4 The Council's Proposals**

#### **A summary**

- 4.1. This section of the report provides a summary of the proposals, an up to date financial assessment and a brief outline of the impact they would have upon residents.
- 4.2. The Council agreed that the fairest way of making up the funding gap (for both benefit claimants and taxpayers) was to reduce spending by:
  - Introducing a new Council Tax Support scheme; and
  - Changing the Council Tax exemption and discount for second homes and empty properties.

#### 4.3. **Summary of Proposal 1: Combined Scheme**

This is the Council's preferred scheme and consists of a number of different options which when combined together create one scheme.

#### 4.4. The options to reduce Council Tax Benefit expenditure comprise of:

Component a: Abolish Second Adult Rebate

Component b: Restrict support to a Band D property charge

Component c: Increase the income taper from 20% to 30%

Component d: Include Child Benefit as income when working out entitlement

Component e: Abolish backdating so all awards are paid from the date of application

Component f: Increase the deductions made for other adults living in a property where the customer receives Council Tax Support.

Component g: Restrict benefit, so no awards are made under £5 per week

This scheme would affect approximately 3,339 claimants. These components are explained further within the consultation booklet (see appendix 4D)

#### 4.5. **Summary of Proposal 2: 20% Reduction Scheme**

Option h: Under the current Council Tax Benefit rules, some residents who receive certain benefits such as Income Support, Job Seekers Allowance (income based) and Employment Support Allowance (income related) generally receive a full benefit award, which covers their Council Tax Bill. Under this proposal everyone who receives Council Tax Support (unless they are protected) would have their benefit reduced by 20%.

#### 4.6. **Council Tax Options**

To reduce the funding gap, both Council Tax Support schemes outlined above would need to be implemented alongside changes to the Council Tax empty property exemption and the second homes discount (see options l, j and k below)

Option i: Remove the 100% empty property exemption and replace it with **either** a 25% discount for 6 months **or** a 100% discount for 1 month.

Option j: Abolish the 10% Second Homes Discount.

#### 4.7. **Protections**

The options within schemes 1 and 2 could also contain an element of protection for certain groups. The protections within the preferred scheme (scheme 1) include:

- Protect customers with a disability (in receipt of the higher or middle rate of Disability Living Allowance for care or mobility, or the support component of Employment and Support Allowance);
- Protect families with children under 5 years old from the changes to the treatment of child benefit income (option d of scheme 1);

- To complement or replace these protections, a discretionary fund could be created whereby claimants facing financial difficulties could apply for temporary support on a case by case basis.

#### 4.8. Work incentives

The proposals include a number of new specific work incentives. The options consulted on were increasing the length of time that that benefit continues when employment starts from 4 weeks to 8 weeks, and increasing the childcare disregard by 10%.

The schemes, the options and all the other elements are all explained within the consultation booklet (see appendix 4D).

## 5 A Financial Summary

5.1. This part of the report gives an indication of the financial effects of the various proposals and individual options. To ensure that the costs of each scheme are robust and up to date, financial modelling has been conducted on the actual data for 2011/12 and on forecasted award data for 2012/13.

5.2 **Proposal 1 – Combined Scheme** (Overall gross reductions in Council Tax Support expenditure with and without protections)

Ref:	Proposal 1	2011/12 (Actual)	2012/13 (Forecast)
A1	Total of combined options without protection	£796,632	£783,941
A2	Total of combined options with disability protection	£751,999	£742,690
A3	Total of combined options with disability protection and partial child protection	£650,000*	£656,865 <b>Preferred option</b>
A4	Total of combined options with disability protection and full child protection	£524,143	£539,175

Table 1

\* This is an estimated figure which could not be modelled through the software.

5.3 **Proposal 2 – 20% Reduction Scheme** (Overall gross reductions in Council Tax Support expenditure with and without protections)

Ref:	Proposal 2	2011/12 (Actual)	2012/13 (Forecast)
B1	Total without protection	£1,509,000	£1,531,770

<b>B2</b>	Total with disability protection	£1,123,313	£1,271,431
<b>B3</b>	Total with disability protection and partial child protection (estimated)	N/A (explained below)	N/A (explained below)
<b>B4</b>	Total with disability protection and full child protection	£943,019	£978,866

Table 2

## 5.4 Terminology

**Disability Protection:** This protects customers receiving the middle or higher rate of Disability Living Allowance (any component) from any of the changes except the abolition of second adult rebate and backdating.

**Partial Child (under 5) Protection:** This protects families with young children as the Child Benefit income is disregarded where a child is under 5 year old. This protection only applies to Proposal 1 because child benefit is to be used as income, whereas in Proposal 2 it will still be disregarded.

**Full Child (under 5) Protection:** This protects families with children under 5 from all the changes except the abolition of second adult rebate and backdating.

## 5.5 Proposal 1 – A breakdown of the individual options (estimated reductions without protection)

Ref:	Individual options for Proposal 1	2011/12 (Actual)	2012/13 (Forecast)
<b>A</b>	Abolish Second Adult Rebate	£ 37,067	£36,593
<b>B</b>	Restrict support to a band D property charge	£65,241	£67,644
<b>C</b>	Increase the income taper from 20% to 30%	£190,665	£191,608
<b>D</b>	Include child benefit when working out how much support to pay.	£329,083	£314,027
<b>E</b>	Abolish backdating, so all awards are paid from the date of application only	£33,100	£29,000
<b>F</b>	Increase the deductions made for other adults living in a property and introduce a new charge for other adults receiving benefits.	£96,770	£109,716
<b>G</b>	Restrict benefit, so no awards are made under £5 per week	£52,337	£59,118

Table 3

## 5.6 Proposal 1 and 2 – Council Tax Changes (estimated additional income)

Ref:	Council Tax options	2011/12 (Actual)
<b>CT1</b>	Remove the 100% empty property exemption for 6 months and replace it with a 25% discount for 6 months	£1,003k

<b>CT2</b>	Remove the 100% empty property exemption for 6 months and replace it with a 100% discount for 1 month	£795k
<b>CT3</b>	Abolish the 10% second homes discount	£47k

Table 4

\*This change affects approximately 420 properties

## 5.7 Proposals 1 and 2 – Work Incentives (estimated additional costs)

Ref:	Work Incentive options	2011/12 (Actual)
<b>WI1</b>	Increase the extended payment scheme from four weeks to eight weeks, helping with the transition to work	£35k
<b>WI2</b>	Increase Child care disregard by 10%*	£1k

Table 5 \*Although this figure is low it is only based on existing caseload and does not take into account extra take up.

## 5.8 Proposal 1 – Overall financial summary (Net figures)

The figures below are based upon the preferred scheme including the middle and higher rates of disability protection and the child under 5 (partial) protection (see A3 on Table 1). The Council Tax empty (unfurnished) property figure is based on the 100% discount scheme for one month (see CT2 in Table 4). The amounts also include the cost of providing the two additional work incentives as detailed in the chart below in WI1 and WI2 on Table 5.

Ref:	Item:	£
P1a	The reduction from the combined scheme (Ref: A3 £657k x 85%)	558,450
P1b	Less provision for non-collection (30% estimate)	(167,535)
P1c	Less costs of work incentives (Ref: WI1 and WI2 x 85%**)	(30,600)
P1d	Plus changes to the Council Tax empty property exemption (Ref: CT2 £795k x 85%** less 2.5% bad debt allowance).	658,856
P1e	Plus removal of the Second Homes Discount (Ref: CT3 £47k x 85% less 2.5% bad debt allowance**)	38,951
<b>P1g</b>	<b>Overall Net reduction</b>	<b>1,058,122</b>

Table 6 \*\* Trafford's share of the council tax bill is 85%.

## 5.9 Variants of Proposal 1

A comparison of the financial consequences of the various options as set out in para. 4.2 above are as follows:

Option A1 - £1,133k

Option A2 - £1,108k

Option A3 - £1,058k

Option A4 - £ 987k



## 5.10 Proposal 2 – Overall financial summary (Net figures)

The figures below are based upon Proposal 2 with a disability protection and no child protection. The Council Tax empty (unfurnished) property figure is based on the 25% discount scheme for six months (see CT1 in Table 4). There is the option to use the alternative 100% discount for six months but this does not generate as much income (see CT2 in Table 4). The amounts also include the cost of providing the two additional work incentives as detailed in the chart below in WI1 and WI2.

Ref:	Item	£
P2a	The reduction from the 20% scheme (Ref: B2 £1,123 x 85%)	954,550
P2b	Less provision for non-collection (40% estimate*)	(381,820)
P2c	Less costs of work incentives (Ref: WI1 and WI2 x 85%**)	(30,600)
P2d	Plus changes to the Council Tax Empty property exemption (Ref: CT1 £795k x 85%** less 2.5% bad debt allowance)	658,856
P2e	Plus removal of the Second Homes Discount (Ref: CT3 in Table 4 £47k x 85% less 2.5% bad debt allowance**)	38,951
<b>P2g</b>	<b>Overall Net reduction</b>	<b>£1,239,937</b>

Table 7

\* The provision for non-collection is higher for Proposal 2 as it will create a higher number of small debts, especially amongst residents who have received full benefit in the past.

\*\* Trafford's share of the total Council Tax bill is 85%.

## 5.11. Impact on Budget

The provisional grant settlement announced by the Government on 19 December 2012 included £10.060m towards the cost of local council tax support for Trafford.

One aspect of the current subsidy regime is that a financial incentive exists to minimise the amount of overpayments during a financial year. We have been successful in maximising this incentive, to the extent that the budget assumes additional income of £360k. The ability to generate this level of additional income will be removed under the new arrangements and thereby becomes a budget pressure.

The draft budget proposals for 2013/14, issued on 22 October 2012, include an additional budget provision of £440k. This is a provisional amount until the Council's budget is approved on 20 February 2013 following confirmation of the final grant settlement.

The overall position (using Proposal A3) is therefore:

Variations to Current Budget	£000
Reductions in grant funding	1,250
Removal of subsidy incentives	360
Savings in Rebate awarded plus increased income from council tax	(1,058)
Additional Budget provision required	552

Table 8

As can be seen the current projection is that a shortfall will exist in the first year of the new scheme arrangements. This will be addressed in the final budget proposals to be considered by the Council on 20 February 2013.

## 5.12. Discretionary Fund

In the consultation there was clear support to have a discretionary fund to aid transition to the new arrangements. From the initial budget assessment there is insufficient resource to create a recurring fund. However as the current Council Tax Benefit system unwinds there is expected to be some recovery of overpayments made in 2012/13 and earlier. This current assumption is that could provide a source of finance for a discretionary fund in the first year. In the short term an amount has been identified as a one-off contribution from reserves.

## 6 An impact summary

6.1. The impacts of two proposals are shown in the charts and tables below. Based on 2011-2012 data, Scheme 1 affects 3,339 claimants in total, but most residents (over 70%) will be affected by less than £4 per week. Scheme 2 affects 12,255 residents across Trafford (without protection). However, when the disability protection is applied it can be assumed that this scheme would affect 9,162 residents.

### 6.2. Effect of the proposals on weekly benefit income

Proposal 1 (with protection)	
Weekly Difference	No. of claimants
Up to £1.00	1,148
£1.01 - £2.00	558
£2.01 - £4.00	745
£4.01 - £6.00	390
£6.01 - £8.00	222
£8.01 - £10.00	122
£10.01 - £12.00	68
£12.01 - £14.00	40
£14.01 - £16.00	23
£16.01 - £18.00	9
£18.01 - £20.00	7
Over £20 to £28	7
<b>Grand Total</b>	<b>3,339</b>

Table 9

Proposal 2 (with protection)	
Weekly Difference	No. of claimants
Up to £1.00	1,885
£1.01 - £2.00	1,609
£2.01 - £4.00	5,872
£4.01 - £6.00	356
£6.01 - £8.00	46
£8.01 - £10.00	8
£10.01 - £12.00	0
£12.01 - £14.00	0
£14.01 - £16.00	0
£16.01 - £18.00	0
£18.01 - £20.00	0
Over £20	0
<b>Grand Total</b>	<b>9,776</b>

Table 10

For a full analysis of the impact of the two schemes, including impact per equality strand, please refer to the EIA.

## 7. The Consultation Process

This part of the project comprised two parts:

- a representative sample survey, which was conducted by Ipsos MORI; and
- a public consultation, which was managed by Trafford Council.

These two components are detailed below:

### 7.1. The Representative Survey

A representative sample survey (shown in appendix 4D) was mailed out to a sample of general Council Tax payers across the borough with the resultant sample weighted to represent the demographic profile of adult residents (aged 18+) in Trafford. The same questionnaire was also mailed out to residents who receive Council Tax Benefit (CTB) and residents who own empty (unfurnished) properties or second homes. This strand was designed to give robust and representative views of those groups affected by the proposed Council Tax discount / exemption changes.

- 7.2. A total of 5016 surveys were issued to working age benefit claimants, which were stratified according to ward (see appendix 4A) and customer groups (e.g. working, non-working, disabled etc.). This ensured that those wards most affected by the changes received an equal weighting of surveys.
- 7.3. In addition another 5000 surveys were issued to the following groups of taxpayers:
- Those currently receiving an empty (unfurnished) property discount (764);
  - Those currently receiving a second home discount (529);
  - A random sample of taxpayers (3707).

In total 807 residents responded (an 8% response rate) to the representative survey. A breakdown of respondents can be found in appendix 4B.

## 8 Methodology – Representative Sample Survey

- 8.1. In August 2012, a 12-page booklet was sent to each address in the sample (see appendix 4D for a copy of the booklet). Pages 3-7 of the booklet contained the questionnaire, and all respondents were instructed (on the front page) to answer the questions only after they had read pages 8-11 of the booklet. These pages set out in detail the Council's proposals for the new Council Tax Support scheme and how they would achieve the required savings.
- 8.2. Respondents could either complete and return the paper-based questionnaire or complete the survey online via a link on the Council's consultation webpage. A unique serial number, printed on the paper questionnaire and entered online, identified and enabled Ipsos MORI to separate out the representative sample survey responses from consultation responses.

## **9 The Public Consultation**

- 9.1. The public consultation enabled all interested parties including individuals and organisations to take part in the consultation which was available to access through a variety of channels:
- 9.2. An online survey, e-mail address and dedicated microsite were available throughout the consultation period. These were regularly updated and gave customers an opportunity to ask detailed questions and find out how the proposals would affect them. These online channels were promoted through social media, partner websites and the Council homepage. They were also promoted by a number of 'offline' methods, such as the benefit notification letter, posters, Access Trafford staff etc. The Webpages received in excess of 4000 visits.
- 9.3. The consultation forms and marketing material (FAQs and posters) were distributed to all Trafford libraries, the Council contact centre and local community centres. Stocks were also issued to partner organisations.
- 9.4. A consultation helpline was set up and Access Trafford officers were given training to help support customer enquiries. The helpline received 84 calls in total between August 2012 and October 2012.
- 9.5. A wider welfare reform steering group was established to help direct the project and consider the wider picture. This has proved to be extremely popular with internal and external stakeholders and will continue to meet on a regular basis. This group has been instrumental in shaping the consultation as well as providing valuable feedback on the proposed schemes and communicating to residents, especially those residents who would normally be hard to reach.
- 9.6. The project team worked with the Council's Communications and Marketing team to produce news releases, articles and ensure a social media presence.
- 9.7. A number of face to face meetings / focus groups were conducted throughout the twelve week consultation period. These included presentations at Neighbourhood Forums, a mobile advice centre and a number of meetings with various groups across Trafford including disability advisory and network groups. The road show events were targeted in wards with a higher proportion of benefit recipients affected by the changes.
- 9.8. Section 10 (below) provides a full summary of the consultation process. The table in appendix 4C shows the full profiles of all respondents to the survey.

## **10 Methodology – Public Consultation**

- 10.1. A mail out was sent to 500 benefit recipients, a small number of individual responses from various organisations were received.
- 10.2. The public consultation was supported by a communication campaign which included news releases, a consultation microsite, a social media presence, posters, a

consultation helpline and promotion through partner agencies. Benefit notification letters were also amended to contain information and advice to customers.

- 10.3. The 12-page printed booklet was available in all customer facing Council offices, libraries and on request from Trafford Council throughout the consultation period. With the exception of the front page (which included instructions), the booklet was the same as that used in the representative sample survey. Pages 3-7 of the booklet contained the questions being asked, and all respondents were instructed on the front page to answer the questions only after they had read pages 8-11 of the booklet. Pages 8-11 set out, in detail, the Council's proposals for the new Council Tax Support scheme and how they would achieve the required savings.
- 10.4. Responses to the public consultation could be submitted either using the paper response form, online via a link on the Council's consultation website page or via written correspondence. The public consultation was open to any individual, organisation or group to submit a response.
- 10.5. In total, 200 responses from individuals were received during the consultation period, and five responses were received from organisations.

## 11 A Consultation Summary

The following dialogue methods took place during the course of the consultation:

### Meetings / Letters - Precepting Authorities:

- Greater Manchester Fire and Rescue Authority
- Greater Manchester Police

### Meetings / Focus Groups with community groups and representative agencies:

- Disability Advisory Group and Trafford Deaf Partnership
- Housing Options Service Trafford (HOST)
- Revenues and Benefits Staff workshop
- Troubled Families Steering Group
- Trafford Information Network
- Trafford Providers Meeting
- Voice of BME Trafford
- Welfare Reform Steering Group

### Public Road Shows (Using the Mobile Advice Centre):

- |                             |                   |               |
|-----------------------------|-------------------|---------------|
| • Sale Sainsbury's car park | 22 August 2012    | (6 visitors)  |
| • Stretford Arndale Centre  | 12 September 2012 | (22 visitors) |
| • Partington Central Road   | 8 October 2012    | (14 visitors) |
| • Old Trafford              | 9 October 2012    | (28 visitors) |

### Neighbourhood Forums presentation and Q&A sessions:

- |                                    |                   |               |
|------------------------------------|-------------------|---------------|
| • Altrincham Town Hall             | 4 September 2012  | (35 visitors) |
| • St Matthews Church, Stretford    | 10 September 2012 | (18 visitors) |
| • Flixton House, Flixton           | 11 September 2012 | (28 visitors) |
| • Springfield Primary School, Sale | 18 September 2012 | (22 visitors) |
| • St John's Centre, Old Trafford   | 25 September 2012 | (9 visitors)  |
| • The FUSE, Partington             | 02 October 2012   | (36 visitors) |

### Representative Survey:

- 807 responses received from a representative sample of residents.

### Consultation Survey:

- 200 responses were received from members of the public.

### Consultation responses received from organisations:

- Trafford Labour Group
- Citizens Advice Trafford
- Royal British Legion
- Imagine, Act and Succeed
- Plus one anonymised community group

## 12 Key Findings

MORI has analysed the key findings from the representative survey and the public consultation separately (below).

### 12.1 Key findings from the Representative Survey

Overall, four in ten residents (40%) prefer Proposal 2 and one in three (34%) prefer Proposal 1; one in six said they prefer “neither of these options” (8%) or they “don’t know” (10%).

- 12.2 General Council Tax payers and empty and second home owners are equally likely to support Proposal 2 (42% of both groups vs. 23% of CTB recipients). While support for Proposal 1 is highest among General Council Tax payers (35% vs. 29% of empty/unfurnished/second home owners and 23% of CTB recipients) CTB recipients are more likely than average to say ‘neither’ (28% vs. 8% overall) or ‘don’t know’ (19% vs. 10% overall).
- 12.3 Overall, Proposal 2 is more likely to be seen as simpler to administer and saving more money; Proposal 1 is seen as fairer to everyone.
- 12.4 When considering the individual options in Proposal 1 across the three sample strands the most consistent trend is for CTB recipients to be more likely to oppose each option, compared with both General Council Tax payers and empty/unfurnished/second home owners. This is even more pronounced with relation to the statement that all working-age claimants should pay at least 20% of their Council Tax bill where the difference is 35 percentage points between them and General Council Tax payers and 37 percentage points between CTB recipients and empty and second home owners. The only measure which empty and second home owners oppose as much as CTB recipients is the restriction of support to the charge for a band D property (24% and 25% respectively, compared with 14% of General Council Tax payers).
- 12.5 Proposals to reduce exemptions and discounts for second homes and empty properties are popular; as are the proposed initiatives to encourage people into work and protect vulnerable groups. Seven in ten (69%) support the idea of establishing a discretionary fund.

### 12.6 Key findings from the Public Consultation

In total, 200 responses were received from individuals and 5 from organisations.

- 12.7 The results are different from the representative survey and show a clear preference for Proposal 1 (52%, 104 responses) rather than Proposal 2 (26%, 52 responses). One in six prefer neither of these two options (16%, 32 responses).
- 12.8 Looking at the individual options in Proposal 1 the main trend is for those who receive Council Tax Benefit to show less support for each proposal.
- 12.9 There is overall support for removing or reducing exemptions and discounts for empty properties and second homes, while supporting return to work initiatives and protecting vulnerable groups. There is also strong support for establishing a Discretionary Fund.
- 12.10 All the organisations responding to the public consultation prefer Proposal 1, although support for the individual options within this Proposal is varied. Put simply those

organisations responding more strongly support protecting those in receipt of Disability Living Allowance than other elements or groups.

- 12.11 Most organisations oppose Proposal 2 in its entirety and this is backed up through the community meetings, focus groups and a number of written responses from organisations.
- 12.12 There is support to establish of a Discretionary Fund to provide temporary financial help with Council Tax bills.

### **12.13. What do these findings mean?**

- 12.14 *'Firstly, it should be noted that the profiles of the representative survey and consultation survey are different: those responding to the public consultation are younger, more likely to be female and more likely to receive Council Tax Benefit (although by no means are all of those who responded to the public consultation CTB recipients).'*
- 12.15. *'As is often the case, the two parts of this project have produced different preferences, with the representative sample survey suggesting more support for Proposal 2 and the public consultation suggesting more support for Proposal 1. Those responding to the public consultation are more likely to have strong views although these are not necessarily representative of the overall population. However, a number of organisations have pledged support for Proposal 1 and most disagree with Proposal 2 in its entirety.'*
- 12.16. *'It should be noted that there are also differences across the sample strands in the representative sample survey, with CTB recipients less likely to express support for either option.'*
- 12.17. *'It should also be remembered that in both the representative sample survey and in the public consultation the majority of respondents are concerned about protecting vulnerable groups from reductions in Council Tax Support and also support the idea of the Council setting up a Discretionary Fund to provide assistance to those who experience severe financial hardship. This would suggest an underlying support for the principles behind Proposal 1, with the apparent complexity of the proposed scheme acting as a deterrent to those (General Council Tax payers) least likely to be affected by the change.'* Written by Ipsos Mori

## **13. Conclusion / Summary**

- 13.1 From the evidence within the EIA and this report, particularly the 'Question by Question analysis section' (appendix 5A) the following conclusions can be drawn:
- 13.2 **The proposals**
- 13.3 Those who responded to the representative sample survey are more likely to prefer Proposal 2 (40%) than Proposal 1 (34%) and those who responded to the consultation are more likely to prefer Proposal 1 (52%) than Proposal 2 (26%). Overall, the net effect shows that there is marginally more support for Proposal 1. However, all other dialogue methods, including the community meetings and substantial responses all show general support for Proposal 1 (although they may not



agree with every option). In fact, many stakeholders were opposed to Proposal 2 in its entirety.

- 13.4 It is also worth noting that Benefit recipients, likely to be impacted by the changes, often preferred Proposal 1, whilst general taxpayers (not affected by the proposals) often preferred Proposal 2 (although this is by no means the total representative opinion for each Proposal).
- 13.5 The Equality Impact Assessment shows that Proposal 1 affects fewer people by far than Proposal 2 and does not have a significant impact on claimants, who currently receive full Council Tax Benefit i.e. those on the lowest incomes. As well as protecting this vulnerable group, proposal 1 ensures that the cost of collecting small debts is minimised.
- 13.6 These proposals must also be considered alongside the Government's wider welfare reform programme as the Council Tax Support scheme is due to be introduced in April 2013; the same time as many other changes included the under occupancy (bedroom tax) and Benefits cap. Therefore depending on the design of the CTS scheme, some benefit claimants may be affected by multiple benefit cuts. The evidence shows that more people would be affected by multiple cuts under Proposal 2 (1500) than Proposal 1 (450). This would result in an average combined reduction in benefits of £18.75 per week for these residents. (The full details of this can be found in the EIA).
- 13.7 **Individual options**
- 13.8 The individual components of Proposal 1 are considered in appendix 5A (Question 3). This shows that the most popular component is to restrict support to a band D property charge, whilst the least popular is to include child benefit as income (48% support).
- 13.9 However, the child benefit option needs to be put into context as parents with children already receive an extra allowance within their Council Tax Benefit award and this would continue under Council Tax Support. Further analysis (within the EIA) shows the net weekly effect of including child benefit as income, is much lower than the amount of child benefit they receive. For example a parent with 1 child would receive £20.30 per week in Child Benefit and would lose on average approximately £3.11 per week in Council Tax support if their child was over 5 years old.
- 13.10 **Protections and the discretionary fund**
- 13.11 There was strong support to include protections for certain vulnerable groups and to establish a discretionary fund. In fact, the support to set up a discretionary fund was higher (70.44%) than the overall support to protect people with disabilities (68%) and families with children under 5 years old (58.33%). A discretionary fund would also help to mitigate the backdating issue raised by some organisations.
- 13.12 Some people felt that a discretionary fund would be burdensome in terms of administration, but as the council already has a discretionary fund for Housing Benefit

and Council Tax Benefit and will be setting up a new fund for local welfare provision, the fund would sit alongside these funds to avoid duplication and increase efficiency.

13.13 The consultation raised some questions about protections and welfare reform as many people currently receiving Disability Living Allowance may not qualify for the higher rates of personal independence payments when this is introduced from April 2013 and DLA is phased out. Transitional protection could be considered as the modelling already accounts for a certain level of protection. See appendix 5A – Question 6 for more information.

#### 13.14 **Work Incentives**

13.15 There was broad support for both work incentives which would help to underpin the Government's Welfare Reform agenda to make work pay.

#### 13.16 **Council Tax options**

13.17 Support was also high to abolish the second homes discount and replace the 6 month empty property (unfurnished) exemption with either a 25% discount for 6 months or a 100% discount for 1 month only.

13.18 Although the 25% option was more popular it did not take into account the extra costs associated with this option in terms of collecting small amounts of Council Tax as a property may only be empty for one or two days. Therefore, it is possible that the increased cost of collection would outweigh the potential saving generated.

## 14 **Key updates - DCLG Transitional Grant**

14.1 This section of the report looks at a number of key updates which have occurred since the consultation process began. The first update is about the DCLG transition grant, available to Local Authorities.

14.2 On 16 October the DCLG announced that 'one off' transitional funding of £100m was available to Local Authorities, whose Council Tax Support schemes met certain criteria.

14.3 Unfortunately the timing of this announcement meant that many Local Authorities, including Trafford, had already designed their proposals for Council Tax Support and were coming to the end of their public consultation period.

14.4 The voluntary one-off grant is available to councils who choose to design their local schemes so that:

- those who would be on 100 per cent support under current council tax benefit arrangements pay between zero and no more than 8.5 per cent of their council tax liability;
- the taper rate does not increase above 25 per cent;
- there is no sharp reduction in support for those entering work - for claimants currently entitled to less than 100 per cent support, the taper will be applied to an amount at least equal to their maximum eligible award.

- the scheme should not impose any 'large' increases in non-dependant deductions.

14.5 The Council's preferred and alternative schemes do not meet these criteria in their current format and would require major rework in order to do so. The Band D restriction and the non-dependant deduction options would need to be abandoned and the income taper would need to be set at 25% instead of 30% in order to qualify. Under Proposal 2, the reductions would need to be lowered to 8.5% rather than the current 20%.

14.6 The Executive is not minded to take up the grant offer because:

- The preferred option already attempts to minimise the number of claimants affected (3,339 out of 12,500).
- The proposed changes to the Council Tax Support scheme meet less than 50% of the funding gap, already minimising the financial impact on benefit claimants,
- The funding is temporary and the Council would need to review its scheme in 2013. This would involve re-consulting and considering transitional protection.
- The Council has invested considerable resources in carrying out the consultation
- A significant number of small accounts would have to be issued, with a consequential impact on cost and non-collection.

## 15 Recommendations

15.1 Following the public consultation and feedback from individuals, groups and stakeholders, the following recommendations are made:

15.2 Introduce the **combined Council Tax Support scheme**, which comprises the following components:

15.3 Cost Components:

- (a) Abolish Second Adult Rebate
- (b) Restrict support to a Band D property charge
- (c) Increase the income taper from 20% to 30%
- (d) Include Child Benefit as income when working out entitlement
- (e) Abolish backdating so all awards are paid from the date of application
- (f) Increase the deductions made for other adults living in a property where the customer receives Council Tax Support and introduce a new charge for other adults receiving benefit.
- (g) Restrict benefit, so no awards are made under £5 per week

15.4 **Protections:**

- Protect claimants of pension age in line with Government policy.
- Protect claimants and/or their partners who receive the middle or high rate of Disability Living Allowance for Care or Mobility from all the above changes except for component (a) (abolish second adult rebate) and (e) (abolish backdating).

- Protect households who have a dependent child under 5 years old from component (d) (include child benefit as income).
- Continue to apply our local discretion to disregard War Pensions and War Widows Pensions as income, when calculating awards of Council Tax Support.
- Set up a discretionary fund to help people in need on a case by case basis.
- Uprate applicable amounts in the calculation of Council Tax Support for 2013/14 in line with the national 1% increase for working age claimants

#### **15.5 Work Incentives:**

- Increase Extended Reductions (formally Extended Payments) from 4 weeks to 8 weeks. This entitles some long term unemployed claimants to assistance with their Council Tax bill for up to 8 weeks when they start work.
- Increase child care disregards by 10%, where parents are working and children are in approved child care

#### **15.6 Change the Council Tax charges for empty and unfurnished properties and second homes:**

- Remove the 100% empty property exemption and replace it with a 100% discount for one month, followed by a full charge;
- Abolish the 10% Second Homes Discount

## APPENDICES

### **Appendix 1A - Summary of stakeholder meetings**

Appendix 1B - Welfare Reform Steering Group

Appendix 1C - Disability Advisory Group and Trafford Deaf Group

Appendix 1D - Housing Options Service Trafford (HOST)

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Appendix 1F - Trafford Providers Meeting

Appendix 1G - Trafford Information Network

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### **Appendix 2A – Summary of written responses from organisations**

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Appendix 2C - Trafford Labour Group

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Appendix 2F - Imagine, Act and Succeed (Supporting people with learning difficulties)

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### **Appendix 3A - Summary of Neighbourhood Forums and Road Shows**

Appendix 3B - Questions and Answers raised in Neighbourhood forums

### **Appendix 4A – Council Tax Options appraisal**

Appendix 4B - Profiles of representative survey respondents

Appendix 4C - Profiles of consultation survey respondents

Appendix 4D - Representative survey questionnaire

### **Appendix 5A Question By Question Analysis**

Question 1: 'Which of the following two schemes do you prefer?'

Question 2: 'What are your reasons for your answer to question 1?'

Question 3: To what extent do you support or oppose each of the following options?

Question 4: 'To what extent do you agree with the proposals to increase the charge for empty properties and second homes?'

Question 5: 'To what extent do you support or oppose each of the following proposals for providing council tax support which helps residents back into employment?'

Question 6: 'To what extent do you support or oppose Trafford Council giving some protection from the reduction in council Tax Support to each of the groups below?'

Question 7: 'Are there any other groups who you feel should receive some protection from the changes in the way Council Tax Support will work in the future in Trafford?'

Question 8: 'Do you think the Council should set up a discretionary fund to help with the change from Council Tax Benefit to Council Tax Support?'

Question 9: Do you have any other comments about the proposals set out in this consultation?

## **Appendix 1A (Responses from stakeholder meetings)**

- 1B Welfare Reform Steering Group
- 1C Disability Advisory Group and Trafford Deaf Group
- 1D Housing Options Service Trafford (HOST)
- 1E Revenues and Benefits Staff workshop
- 1F Trafford provider Meeting
- 1G Trafford Information Network
- 1H Voice of BME Trafford

## Appendix 1B (Welfare Reform Steering Group)

### Members:

R Byrne	Revenues and Benefits
J Blandy	Communications, Publications and Marketing
D Bowden	Partnerships and Performance
Gaynor Burton	Equality and Diversity
Tina Colquhoun	Transformation Team
P Coward	Age UK Trafford
J Crawford	Care Management and Assessment
Claire Davies	Housing Options Service Trafford
Simon Davis	Customer Services
Stephen Gannon	Transformation Team
D Hill & S Jackson	Your Housing Group
Jane Hobson	Welfare Rights Team
Carl Lamb	Revenues and Benefits
Simon Lewis	Revenues and Benefits
Hazel Kimmitt	Stronger and Priority Communities
K Mackay	Multi Agency Family Support Service
Helen Malone	Trafford Housing Trust
Dale Maskell	Citizens Advice Trafford
Karen McDonald	Transformation Team
E Oldham	Irwell Valley Housing Association
G Renshaw	Commissioning and Service Development
J Tumbelty	Commissioning and Service Development
E Wood	Neighbourhoods and Funding Team

**Meetings:** Monthly meetings from May 2012

**Purpose:** This group was established to help plan, co-ordinate and support all areas of welfare reform including The Benefits Cap, Under Occupancy, Social Fund, Universal Credit and Council Tax Support.

### Main Issues:

- Concerns raised about including Child Benefit as income in the CTS assessment;
- All members were opposed to Proposal 2 (20% reduction);
- The taper could be viewed as a work disincentive;
- Some members were opposed to abolishing the backdating provision completely. It was felt that a restricted period of 1, 2 or 3 months would be fairer, especially on vulnerable groups;
- All agreed with Council Tax discount changes (second homes and empty properties);
- Housing Associations prefer the 1 month empty property exemption rather than the 25% discount for 6 months as this will allow time to turnaround properties;
- All supported the discretionary fund;
- General support for child under 5 protection;
- Some members of the group felt that the disability protection should not be included as single people were more at risk, especially given other welfare reforms (For example: the under 35 shared room rate).



## Appendix 1C (Disability Advisory Group & Deaf Partnership)

### Present:

N Goodwin	DAG (Chair)
J B-Steadman	Resident
Gaynor Burton	Trafford Council
Tina Colquhoun	Trafford Council
Adele Coyne	Trafford Council
J Easy (minutes)	Trafford Council
Stephen Gannon	Trafford Council
R Hughes	DAG
Carl Lamb	Trafford Council
W Lambert	TDCN
M McDonald	Trafford Resident
A Sharp	TDCN
A Shortland	DAG

Interpreters: A Scott & H Crompton

### Meeting:

Wednesday 26th September 2012

### Purpose:

To gain feedback about the proposals; particularly from the perspective of disabled residents.

### Main Issues:

- People on any rate of Disability Living Allowance benefit should be protected from any cuts, not just people on middle or high rates of DLA.
- Because English is deaf people's second language, they will not understand the information being presented and may not give feedback, therefore it is important to contact as many deaf people as possible.
- The presentation of the information is not clear enough to help deaf people understand. The response was that forms are available on the Internet and there is a helpline available which can be contacted via Minicom.
- Issues around the interaction of other welfare reforms and in particular about Personal Independence payments, which replace DLA from April 2013. The scheme will need to be flexible in order to deal with these changes and some kind of transitional protection should be available.
- Returning to work: There was a proposal to extend relief for 8 weeks for those returning to work. If children were involved and the children go into approved childcare then £175 for 1 child and £300 for more than 1 child would be disregarded. There was also a proposal to disregard the total amount being paid for child care. This would encourage people back into work.

## Appendix 1D: Housing Options Service Trafford (HOST)

**Present:**

K Boulger  
L Chandramani  
G Choonara  
T Colquhoun  
W Dalzell  
S Gannon  
E Hodgson  
R Millar  
J Loftus  
J Ratcliffe

**Meeting:**

3<sup>rd</sup> October 2012

**Purpose:**

To meet with the team who provide support to vulnerable residents who are trying to find accommodation. They deal with daily issues from residents who need support and advice especially concerning benefit entitlement. The purpose of this meeting was to raise awareness amongst the team to enable them to inform customers.

**Main Issues:**

- Too many welfare benefit changes are taking place at the same time
- The consultation form is complex for vulnerable residents
- Pleased that the Council are trying to bridge the funding gap with income generation from empty properties but concerned that poor people will lose more benefit

## Appendix 1E: Revenues and Benefits Staff workshop

**Present:**

Approx. 35 Benefits staff and managers

**Meeting:**

16<sup>th</sup> May 2012

**Purpose:**

To gain the views of Benefit practitioners, especially those staff who deal with customers on a daily basis and gain feedback and understand customer experiences.

**Main Issues:**

- The group discussed ideas to reduce benefit expenditure
- Why protect elderly people as a blanket policy
- Consider restricting benefit to band levels
- Introduce a minimum income level for self-employed customers
- Ensure that staff receive sufficient training
- Ensure customers receive effective communication
- Change Single Person Discount

## Appendix 1F: Trafford Provider Meeting

### **Present:**

Homecare providers  
Organisations working with people in supported living  
Organisations providing housing support services

### **Meeting:**

13<sup>th</sup> September 2012

### **Purpose:**

To inform organisations that work with vulnerable residents (namely those with disabilities, mental health issues and the elderly) of the changes and ask that they communicate the information to partners and residents.

### **Main Issues:**

- Too many welfare benefit changes taking place at the same time
- Concern over the empty property charges especially from housing providers who may have an empty property because they are awaiting a health and safety assessment for a new resident, or are awaiting a referral from Social Services
- Concern over poverty increasing
- Concern over lack of education for money advice as people will experience a reduction in money from April 2013

## Appendix 1G: Trafford Information Network

### **Present:**

Approximately 50 members

### **Meeting:**

5<sup>th</sup> September 2012

### **Purpose:**

Explain the proposals and seek feedback from groups representing various customers. The Trafford Information Network comprises various charities, organisations and groups that support the elderly, people with disabilities or physical or mental health issues, people from BME backgrounds and carers. Organisations such as Social Landlords, the DWP, NHS, Citizens Advice Trafford, Probation Service, VCAT and various Council Departments are involved.

### **Main Issues:**

More support for Proposal 1.

## Appendix 1H: The Voice of BME Trafford

### Present

Various residents mainly from the Old Trafford area

### Meetings:

20<sup>th</sup> September 2012

### Purpose:

To meet groups of different ethnic backgrounds who may be harder to reach. This meeting was arranged in partnership with the equalities team. This meeting gave the project team the opportunity to understand some of the issues which residents in the Old Trafford area face and advise residents how they can support the consultation by providing their views.

This meeting also gave residents the opportunity to speak to the team on a one to one basis and discuss how specific people may be affected by the benefit changes.

### Main Issues:

- The majority of residents preferred Proposal 1 over proposal 2, as it affected fewer people and did not target those who currently do not pay anything. I.e. the least well off
- Concern over the inclusion of child benefit in the calculation of Council Tax Support as this could increase child poverty.
- Pleased that pensioners will be protected
- Support protections for disabled benefit recipients
- More people should be protected – single people
- In favour of a discretionary fund
- The majority of feedback was in favour of reducing the discount / exemption for second homes
- The majority of feedback was In favour of work incentives although it was felt that the Government needed to create more jobs
- Comments were also made that the Government should be doing more to help people in the community and not cutting benefit from the most vulnerable.

## Appendix 2A (Summary of written responses from organisations)

- 2B Greater Manchester Fire and Rescue Authority
- 2C Trafford Labour Group
- 2D Citizens Advice Trafford
- 2E Royal British Legion
- 2F Imagine, Act and Succeed (Supporting people with learning difficulties)
- 2G Community Organisation

## Appendix 2B: Greater Manchester Fire and Rescue Authority

Your Reference  
Our Reference DA/AG/TB  
Contact David Acton  
Date 25 July 2012



GREATER MANCHESTER  
FIRE AND RESCUE AUTHORITY

Ian Duncan CPFA  
Acting Corporate Director  
Transformation & Resources  
Trafford Council  
Quay West  
Trafford Wharf Road  
Greater Manchester  
M17 1HH



Fire Service Headquarters  
146 Bolton Road  
Swinton  
Manchester  
M27 8US  
Telephone 0161 608 4010  
[www.manchesterfire.gov.uk](http://www.manchesterfire.gov.uk)  
Email [David.Acton@trafford.gov.uk](mailto:David.Acton@trafford.gov.uk)

**Councillor David Acton**  
Chairman

Dear Ian,

### PROPOSED CHANGES TO COUNCIL TAX SUPPORT

I write in response to your letter and attachment outlining proposals for your replacement Council tax benefit scheme for 2013/14.

Whilst it is heartening to note that you are looking to bridge the potential funding gap through this change in legislation, you will appreciate that I am unclear as to the impact of the potential shortfall you describe on the Fire Authority.

As you are no doubt aware, the Fire Authority's cuts are back loaded, unlike local government and our budget reduction plans are finely balanced around cuts of 30% under this spending review. We are aware of the risks around collection rates through this change and the impact that they will have on us. Therefore any additional cuts passed on by local authorities from changing their scheme may mean significant change to our plans and the level of service we can provide.

In these circumstances you will appreciate that we support any scheme that looks to fully bridge the funding gap and not pass any shortfall in scheme design onto a preceptor.

Yours sincerely,

A handwritten signature in blue ink that reads "David".

Councillor David Acton  
Chairman, Greater Manchester Fire and Rescue Authority

**TRAFFORD LABOUR GROUP**  
**RESPONSE TO TRAFFORD COUNCIL TAX CONSULTATION**  
**OCTOBER 2012**



## **The national context**

The Coalition Government's Comprehensive Spending Review of 2010 set out plans for the radical reform of Council Tax Benefit, to be introduced from April 2013. The new policy, which replaces the existing national Council Tax Benefit Scheme with localised Council Tax Support Schemes, places the responsibility for the administration of Council Tax Benefit on local authorities. It is the view of the Labour Group that it is absolutely unacceptable to introduce these changes in the current climate; and in particular to do so whilst providing authorities with only 90% of the current funding to administer the scheme.

It is immediately apparent that the decision to introduce locally administered schemes across the country runs the risk of creating a postcode lottery, with a range of approaches to the new Council Tax Support Scheme meaning that residents will be eligible for different levels of support dependent on the local authority in which they live. To this end, the Labour Group shares the concern of the Institute for Fiscal Studies that the new scheme creates both the opportunity and incentive for local authorities to encourage low-paid people to move elsewhere.<sup>1</sup>

In addition to initial concerns about the funding cut of 10% to run Council Tax Support schemes locally and the potential this has in terms of creating a postcode lottery for claimants, the decision to allow local authorities to handle claims runs contrary to the principles of the Welfare Reform Act 2012. Rather than simplifying the administration of benefit claims, the Labour Group would contend that the decision to run multiple localised schemes will create a chaotic, two-tier benefits system with both local and central government setting policy. This in turn further undermines Ian Duncan Smith's already flawed Universal Credit due to be introduced in October 2013 - it seems utterly ridiculous to shatter the illusion of its 'universal' nature before it has even been introduced by establishing a localised system of Council Tax Support operating outside of this and administered at a local level.

In setting the introduction of localised schemes in the context of national changes and especially the new Universal Credit system, the Labour Group can not help but note the unfortunate timing of the scheme's introduction. It seems a waste of time for Trafford Council to go to great lengths in April 2013 to introduce the new scheme and assess claimants under the new criteria, only to face the prospect – just six months later – of having to reassess a number of claimants again following the introduction of Universal Credit in October 2013.

Aside from the impact that the Universal Credit will have on the lives of thousands of local people, this reassessment process has the potential to cost thousands of pounds in administration costs at a time when Trafford Council is looking to cut millions from its annual budget. In the current climate, local authorities simply can not afford to waste money in this

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<sup>1</sup> <http://www.publicfinance.co.uk/news/2010/10/council-tax-benefit-changes-will-hit-poorest-families-says-ifs/>  
accessed 4<sup>th</sup> October 2012



way as a result of poor planning by the Coalition Government, taking no account of the impact this would have on both councils and their residents.

In addition to providing local authorities with only 90% of the funding previously used to administer Council Tax Benefit, the government have further stipulated that any local proposals do not impact on those of pensionable age. This is a measure that Trafford Labour Group does not oppose and indeed accepts is necessary given the outrageous decision made by George Osborne in the 2012 Budget to fund a tax cut for millionaires by freezing the personal tax allowance for the over 65s and the impact of pension credit cuts on low-income pensioners.

However, whilst Trafford Labour Group accepts the decision to protect pensioners from the impact of the cut in funding to administer Council Tax Support, what this effectively means is that Trafford needs to identify not a 10% reduction in the Council Tax Benefit of working age claimants but a reduction of around 20%. This is an enormous figure in the context of the financial situation of many Council Tax Benefit claimants, and one which will have a significant impact on those affected.

It is particularly unjust therefore that the government has restricted the income generating options available to local authorities by ignoring calls for a review of Council Tax banding. To cut the Council Tax Benefit of millions of people across the country without tackling the injustice of an outdated banding system highlights once again the continued refusal of this Government to inflict its austerity measures in a fair and balanced way. It is the view of Trafford Labour Group that it is difficult enough for any local authority to devise a workable scheme, without the Coalition Government restricting potential income generating streams in this way.

There can be no doubt that the principle driver behind the decision to localise Council Tax Benefit is political. Under the plans the government will save £0.5 billion by 2014/15 and it is clear that the government is passing the burden of making this cut on to local authorities in order to wash its hands of the responsibility and avoid any potential electoral fallout. Huge cuts to welfare and benefits will see the poorest struggle even further in a climate with little scope for finding work and a UK economy which is spluttering with zero growth in the past year. To expect local authorities to do the Coalition's dirty work is not localisation: it is the decimation of the low-paid at the hands of this tory-led government.

Trafford Labour Group firmly believes that the Coalition Government should think again about this policy. Council Tax Benefit cuts hit the poorest hardest, and it is our belief that Trafford Council should show strong leadership and speak up for its residents by publicly denouncing this policy. Whatever the government may claim, this is another funding cut for councils when they have already had cuts imposed greater than that of any government department. As Simon Parker of the New Local Government Network has said: "just because the government cuts Council Tax Benefit, doesn't mean fewer poor and elderly people need

it. The level of need remains the same. Many councils are already making huge cuts to their budgets and will struggle to top up what they get from central government.”<sup>2</sup>

### **What other councils are doing**

It is important, in the context of discussing Trafford’s approach to devising a Council Tax Support Scheme, to consider the proposals being put forward by other local authorities. There are a range of different approaches across Greater Manchester and this is understandable given the different demographics of the ten boroughs. However for the purposes of this exercise it is perhaps most useful to look at the approach of the largest authority in the area, Manchester, and that of what is probably the most comparable authority, Stockport.

#### **Manchester:**

Manchester Council is faced with an enormous £5 million pound cut from central government to administer Council Tax Support. The key difference between Manchester’s approach and that of Trafford is a proposal to reduce all working-age claimants’ entitlement by 15% (85% pay on liability). Whilst this does not provide the full saving required, it enables Manchester to propose the following when assessing claims:

- Disregard Child Benefit when calculating Council Tax Support
- Retain the Council Tax Support income taper at 20%
- Establish a minimum payment threshold of £1 per week (as opposed to £5 proposed by Trafford)

In addition, as opposed to a blanket capping for claims on a property at Band D level (the Trafford proposal) Manchester will assess claims and cap according to the size of property required by the claimant. For example, a single person’s claim would be capped at Band A level, while the proposed cap for a family requiring two or more beds would be at Band C level.

Details of Manchester’s proposals can be found at:

[http://www.manchester.gov.uk/info/200028/council\\_tax/5718/council\\_tax\\_support\\_consultation/1](http://www.manchester.gov.uk/info/200028/council_tax/5718/council_tax_support_consultation/1) (accessed 3<sup>rd</sup> October 2012)

#### **Stockport:**

Stockport Council is facing a deficit of £2.4 million against the current level of funding for Council Tax Benefit claimants in Stockport. In addition to income generating options, Stockport’s proposals differ from Trafford’s as follows:

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<sup>2</sup> <http://www.nlgn.org.uk/public/2011/councils-can%E2%80%99t-administer-benefit-cuts-without-the-tools-to-deal-with-the-consequences-says-think-tank/> accessed 10<sup>th</sup> October 2012

- There will be a capital limit on claimants of £8000
- Establish a minimum payment threshold of £1 per week
- Cap claims by property size to Band A for single person claims and Band B for families

Details of Stockport's proposals can be found at:

[http://www.stockport.gov.uk/services/councildemocracy/your\\_council/counciltax/counciltaxconsultation/counciltaxsupportconsultation/](http://www.stockport.gov.uk/services/councildemocracy/your_council/counciltax/counciltaxconsultation/counciltaxsupportconsultation/) (accessed 3<sup>rd</sup> October 2012)

Both of these proposals differ vastly from Trafford's and many features of their approach should be given real consideration by Trafford Council. It is particularly interesting to note that neither authority is looking to include Child Benefit as assessed income.

Looking outside of the Greater Manchester Conurbation it is perhaps most pertinent to consider the proposals of the only other Conservative-controlled Metropolitan Borough, Solihull. Facing a shortfall in government grant of around £1.5 million, Solihull have decided that – in the short term at least – they will not develop a policy of localised Council Tax Support and will absorb the cost of the scheme enforced by central government.

It is a damning indictment of the failure of the Coalition Government to provide jobs and growth that one of their flagship councils is refusing to devise a localised scheme. Ken Meeson, the Leader of Solihull Council, has himself acknowledged the need to provide greater support to help people back in to work before a localised scheme – with considerably less funding – could be considered. He has stated that “we are proposing not to make any changes to the council tax benefits scheme for next year as we wish to use the time to develop services to support people back into work before making any changes to their benefit.”<sup>3</sup>

Trafford Labour Group wholeheartedly concurs with Ken Meeson that before any cuts to Council Tax Benefit are introduced, people need greater support and a better economic climate in which to find work. It is fundamentally wrong to attack benefits claimants and cut the welfare bill when the government has spectacularly failed to provide a climate where people are able to support themselves back into work and our economy is flatlining. We therefore call upon Trafford Council to look at other options beyond cutting Council Tax Benefit until need is substantially reduced and people are better able to find work.

Furthermore, it is not lost on the Labour Group that Conservative-controlled councils across Yorkshire have shown the courage to publicly oppose the cuts to Council Tax benefits imposed by central government.<sup>4</sup> They correctly assert that these cuts will be devastating for millions of people across the country and are right to call for the government to change course. Moreover, they share the concerns of the Labour Group in Trafford that localised schemes create a postcode lottery for benefits claimants due to variant demography borough-by-borough. Similar concerns have been expressed in a joint letter to the Chair of the Local Government Association by the leaders of 12 Surrey councils who are particularly

<sup>3</sup> <http://www.solihull.gov.uk/news/27935.htm> accessed 5th October 2012

<sup>4</sup> <http://www.independent.co.uk/news/uk/politics/eight-conservative-led-town-halls-to-campaign-against-council-tax-benefit-cuts-8008807.html> accessed 5th October 2012

concerned about the impact on 'troubled families'.<sup>5</sup> It was also illuminating more recently to see that even David Cameron's own West Oxfordshire District Council has joined the rebellion, slamming the changes for disincentivising work because of the way the benefit would be reduced progressively as incomes rise.<sup>6</sup>

The Labour Group is extremely concerned that the Conservative administration here in Trafford has not spoken out against these proposals. The impact on local residents is so severe that local Conservatives – and in particular the Leader of the Council and relevant Executive Member – should have the courage to join calls for a rethink on this policy. By blindly following the guidance of the Conservative-led Government the Ruling Group are guilty of placing political allegiance before the needs of local residents. They should set aside narrow political interests and follow the lead of dozens of Conservative councils across the country in opposing this policy in order to get the best outcome for the residents of Trafford.

### **The Trafford Proposals**

Trafford Labour Group fully appreciates the difficulties faced by the local authority in trying to design a workable scheme that is both fair for claimants and affordable when a funding cut of 10% is taken in to consideration. We pay tribute to the work of the staff involved with this project however there are several specific concerns with Trafford's proposals that the Labour Group feel the need to place on record. It is apparent from the consultation document that Trafford has clearly identified Option 1 as its preferred model for the administration of Council Tax Support. This is known as the 'Combined Scheme' and is made up of several key changes to existing Council Tax Benefit arrangements which when combined with new income generating options will save the required £1.4 million per annum.

Whilst the Labour Group remains opposed to all aspects of the localisation of Council Tax Benefit as it amounts to little more than a means of making brutal cuts to Council Tax Benefit, the Group has some specific concerns with the Council's preferred option, which are set out below:

**Implementing a minimum cap on claims of £5 per week:** It is the view of the Labour Group that this proposal will have an adverse impact on claimants who could potentially lose benefit of up to £260 per year as a result. This is a significant amount of money to have to find elsewhere in the current financial climate, when household budgets are being squeezed and families are struggling to make ends meet.

In addition, this measure potentially undermines Trafford's supposed aim of 'incentivising work' as there would be a point at which – should household income increase by a small amount – that household would lose all of their Council Tax Support because entitlement to

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<sup>5</sup> <http://www.guardian.co.uk/politics/2012/aug/26/council-tax-benefits-revolt> accessed 6th October 2012

<sup>6</sup> As above, accessed 6<sup>th</sup> October 2012

benefit below £5 per week would no longer exist. This creates a climate where people could potentially be up to £260 a year better off if they receive a minimal pay increase which would take them over this cut off point. It is simply too high a threshold for low paid residents across Trafford and is absolutely unacceptable.

**Abolish all backdated claims:** It is simply not possible to abolish all backdating as there will always be cases where the claimant has genuinely been unable to claim; for example if they have been hospitalised for several weeks or even months. It is unfair that such an individual would lose their entitlement to Council Tax Support because of specific personal circumstances out of their control. The creation of a 'discretionary fund' to handle such occurrences does nothing to satisfy the Labour Group that vulnerable residents who may have been very ill will be able to access the support they need for the full period they have needed it. Residents who are entitled should not be penalised for severe illness nor should they have to jump through hoops applying to a discretionary pot for support they would have been entitled to if well enough to claim.

**Increase the excess income taper from 20% to 30%:** This proposal again fundamentally undermines Trafford Council's principle of 'incentivising work' as claimants would lose a greater proportion of their earned income thus removing the incentive to make more money through their employment. This is a particularly risky move and the Labour Group would assert that if adopted could be extremely damaging to the economy, further restricting claimant's ability to spend by reducing their disposable income. In a fragile economy this is a negative step that does nothing to encourage growth or drive up consumer sales.

**Inclusion of Child Benefit in a claimant's assessable income:** Trafford Labour Group is very concerned at the proposal to include Child Benefit as assessable income for Council Tax Support claimants. The last Labour Government ensured in the Childcare Act 2006 that Child Benefit would be disregarded from CTB claims and to reintroduce it as part of the calculation now would be a devastating blow for low income families. Such a measure could have the effect of further exacerbating child poverty when these vulnerable families are already struggling and we are extremely disappointed that this option is being considered by the local authority. It is utterly abhorrent to target children in such a way and highlights how damaging the funding cut by the tory-led Government will be to local families.

There are several other areas of significant concern to the Labour Group in analysing the proposals set out in Option 1 which, when combined with the issues set out above, highlight exactly why the Government's decision to make this brutal cut is so unfair and will have such a devastating impact on low paid people in Trafford. Given this, the ruling-Conservative Group should accept that their Government has made a massive error with this policy and again Trafford Labour Group calls upon the Council to reject both this Scheme and indeed their Option 2 proposal. Instead the Ruling Group should, as outlined earlier, refuse to accept this draconian cut and challenge their Government to rethink on this most critical of issues.

## **Conclusion**

Trafford Labour Group remains fundamentally opposed to the localisation of Council Tax Benefit. This is a disastrous policy which will have a number of adverse effects on the millions of claimants across the country. It will, when combined with wider welfare reform measures, create a two-tier benefit system and a postcode lottery with different authorities operating vastly different Council Tax Support schemes. Moreover, as the new schemes are to be funded with only 90% of the existing allocation for the national Council Tax Benefit Scheme, people will face real hardship as a result of this policy. It is simply disgraceful to introduce such a scheme that attacks the low paid on the very same day that those earning over £1 million per annum will receive a tax cut of £40,000.

Trafford's Conservative administration simply must reject this edict from central government. To accept it is to accept a bad deal for the people of Trafford and in particular some of our most vulnerable residents. The Labour Group can not state more categorically the need for Trafford's Conservative Group to join the dozens of other Conservative-led authorities that have set political affiliation to one side and are pressurising the Government to rethink. This is the wrong policy at the wrong time and refusing to put up any sort of meaningful challenge is a damning indictment on the willingness of Trafford's Tories to place narrow party politics ahead of the best interests of local residents. The people of Trafford deserve better and the Labour Group demands it.

**End.**

## Appendix 2D (Citizens Advice Trafford)

### CAT Council Tax Benefit Reform Response

CAT welcomes the opportunity we have been given to contribute to the reform of Council Tax Benefit in the borough. We are pleased that our many years of experience of working with residents of Trafford are valued and that our clients' experiences have informed the consultation process.

Council Tax Benefit Enquiries have made up approximately 4% of our benefit enquiries to date this year. This reflects the fact that the scheme is well established and that local administration of Council Tax Benefit is not problematic for residents. We anticipate a sharp increase in enquiries as the new scheme, regardless of which is adopted, comes into effect.

The reform of Council Tax Benefit comes at a time when reform and change is unprecedented across the whole of social welfare. As a service, we applaud attempts to make the welfare system simpler and easier to navigate. As an organisation, we also recognise that the most effective way out of poverty is through work. However, this is not to say that we do not have some broader concerns about the means used and the speed of change.

The Council Tax Benefit Reform comes at the same time as the 'Bedroom Tax', the Benefits Cap, the introduction of Universal Credit, the reform of Disability Living Allowance and the reform of the Social Fund. At the same time, the price of energy and food continues to rise and presents a further challenge for households on a low income or on means-tested benefits. We are concerned that this will create a 'perfect storm' of change and uncertainty for many people living in our borough, with many struggling to cope and understand the changes happening to them.

We would urge the Council to work with partners to ensure that the changes are communicated effectively and that extra support for residents is resourced adequately. We would also urge the council to reach out to those communities who find council services hard to reach to ensure that there is support available to all of Trafford's communities.

Our response to the Council Tax Benefit reform proposals follows broadly the same format as the official consultation document. We attempt to understand the need addressed by the current system and how this may be affected by the new proposals. In each section, we have made suggestions about communities that may be disproportionately affected by the proposals. We hope that this will support the council in deciding on a scheme to implement in Trafford.

Dale Maskell  
Chief Officer – Citizens Advice Trafford

## PROPOSAL 1

### **OPTION A: Abolish Second Adult Rebate**

**The need Second Adult Rebate is designed to address:** This aspect of CTB was introduced to support those claimants who live with another, adult non-dependent living in the household on a low income. The maximum discount that can be awarded for the Second Adult Rebate is 25% of the CT. The aim of the Second Adult Rebate scheme is to ensure that people liable for CT are not penalised for sharing a household with a person who is on a low income and unable in practical terms to contribute to the CT bill.

**Consequences and impact of the proposal:** When considered in the broader context of welfare reform, it would appear that removing this aspect of the scheme might act as a disincentive to people sharing accommodation with those on a low income. This would occur because potentially, the person liable for the CT will lose their CT single person discount and therefore would be better off living alone.

In light of the changes with regards to the 'bedroom tax' there may be a situation created where people on a low income cannot find a household to share because of the reluctance of liable persons to lose their 25% discount and struggle to find one bedroom properties. The demand for single bedroom properties locally will overwhelm the supply and this leaves those on a low income with very few, if any, options.

The Council should be mindful of the impact this proposal has on those living in households where the Second Adult Rebate applies. We do not have access to this data here at CAT but we suspect that this proposal is likely to have a disproportionate impact on young people and in particular, young women, who are often low-paid. We do recognise that this is a small aspect of the overall scheme and that the numbers of people affected will be small but the changes are important to each individual.

### **OPTION B: Restrict support to a Band D property charge**

**The need the banding structure in CT and CTB is designed to address:** CTB was introduced because of the failure of the poll tax and Community Charge Benefit. In particular, it was designed to cover up to 100% of CT liability, regardless of the CT band a property fell in to. This system was introduced in response to the difficulties of collecting small amounts of tax from those on means-tested benefits who were disproportionately affected by the poor design of the previous system.

**Consequences and impact of the proposal:** Larger families in Trafford are likely to live in larger houses, and therefore be included in the higher bands of CT valuation. This proposal will therefore affect these people disproportionately (at least those who are currently in receipt of CTB).



The Council should be mindful of the impact this proposal has on those living in larger family households with a low-income. We do not have access to this data here at CAT but we suspect that this proposal is likely to have a disproportionate impact on the communities in Trafford that traditionally have larger family units.

This proposal will also have an impact on older people (not quite of pension age) living in the family home who have been widowed/are widowers/are divorced and live alone. A high proportion of these people, we suspect, will be women and the Council should use its data to establish any disproportionate impacts.

### **OPTION C: Increase the Council Tax Benefit taper from 20% to 30%**

**The need the Council Tax Benefit taper set at 20% is designed to address:** The taper for CTB is designed to support claimants with making a proportional contribution to the CT by decreasing the amount of CTB awarded and increasing the amount they have to contribute. The taper is applied at a rate of 20p in every £1 over a threshold amount.

**Consequences and impact of the proposal:** This proposal will affect those in low income households as the impact of having to pay more towards CT will be felt more keenly. This is because the relatively small amount of disposable income available will be reduced further and taken into account, with the increases in food and energy bills and the wider welfare reforms this will be a struggle for many.

### **OPTION D: Include Child Benefit as income**

**The need Child Benefit disregarded as income addresses:** The withdrawal of Child Benefit from the calculations for CTB was enacted in 2009. The intention was to boost the incomes of many of the lowest paid families, including those who are the parents of children in poverty. It is well established that 'Universal Benefits', such as CB, are the most successful at reaching people living in poverty.

**Consequences and impact of the proposal:** Low paid families with children will feel the impact of this proposal as it will represent a reduction in their income. This is money that they will have been using for everyday living expenditure e.g. food, heating etc. Although Child Benefit is a small amount of money in itself, as a proportion of a low-income household it is a significant amount.

### **OPTION E: Abolish backdating so all benefit is paid from the date of application**

**The need that backdating addresses:** The difficulties and vagaries of everyday life are recognised in the current legislation and case law regarding the backdating of CTB. Currently, CTB can be backdated in the following circumstances:

- a. You sought advice about your rights but were misled by someone on whom you were entitled to rely.

- b. You did not seek advice about your rights because you misunderstood them or you mistakenly thought that you understood them or you mistakenly thought you had no entitlement and there was nothing for you to enquire about.
- c. The delay was due to some factor beyond your control e.g. postal failure, or somebody acting on your behalf failed to submit your claim.
- d. You were unable to claim because of physical or mental ill health.
- e. You have difficulty communicating in English or understanding documents, or have little knowledge of the benefits system.
- f. You only qualify for HB and CTB when a 'qualifying benefit' is awarded.

**Consequences and impact of the proposal:** The proposal will affect a number of people who will have struggled to make a claim in good time. The proposal will also result in arrears of Council Tax that in all reality will be small and difficult to collect. Indeed, in many cases the claimants will not have any disposable income with which to pay off these arrears.

- a. This provision supports people who might rely on other organisations to advise on entitlements against negligent advice. CAT has its quality of advice audited, our volunteers are closely supervised and we have insurance against any poor advice given. Many smaller community groups do give advice but their quality processes are not so robust. There is also the issue of Housing Association/Local Authority contact-centre type staff member who express an opinion on entitlement but is incorrect.

To remove this will potentially leave some clients open to losing out through no fault of their own. Trafford Council will have more detailed data on the number of backdating claims that are made under this provision and the demographic of these claimants. We suspect that members of BME communities may potentially be disproportionately affected by removing this protection.

- b. This provision is intended to protect those claimants who make a genuine mistake about their entitlement to a benefit or otherwise.

To remove this provision will mean that those claimants who have little or no understanding of the benefits system will be penalised for this and will therefore suffer a detriment.

- c. This proposal protects those who had no control over the date of claim and were powerless to submit it sooner. This would affect those who become suddenly ill or have an accident and are in hospital, for example.

Trafford Council will have more detailed data on the number of backdating claims that are made under this provision and the demographic of these claimants

- d. This provision is intended to protect those clients who do not make a claim in time and have mental health and/or physical disabilities that contributed to this.

To remove this provision means that disabled people may suffer a detriment purely because of their disability. The Council should be mindful of this, particularly as it may be argued that this provision is a reasonable adjustment. The Council cannot discriminate on the grounds of disability and should implement a scheme that will not have the effect of doing so.

Trafford Council will have more detailed data on the number of backdating claims that are made under this provision and the demographic of these claimants. We suspect that disabled members of our communities will be potentially disproportionately affected by removing this protection.

- e. This provision is intended to protect those clients who have difficulty communicating in English and those who have difficulty in understanding forms and the benefits system.

Trafford Council cannot discriminate on the basis of race, religion or disability. The council should be mindful that many people who have difficulty in communicating in English might be from minority communities. The Council should also be mindful of the fact that people with learning disabilities may also have difficulty in understanding forms and the benefits system.

Trafford Council will have more detailed data on the number of backdating claims that are made under this provision and the demographic of these claimants. We suspect that disabled and minority members of our communities will be potentially disproportionately affected by removing this protection.

- f. This provision is intended to protect those clients who have made a claim for a benefit but are waiting for a decision in order to qualify for CTB. It allows CTB to be backdated once a decision on the other benefit has been made. This is largely out of the control of clients as they wait on government agencies to make a decision on their claims.

## **OPTION F: Increase the deductions made for other adults living in a property**

**The need that non-dependent deductions address:** Non-dependent deductions are intended to ensure that other adult residents of a property make a contribution to the CT. This is done by reducing the amount of CTB awarded.

**Consequences and impact of the proposal:** This change is likely to affect those households that have another adult residing and not financially dependent on the person liable for the CT and receiving CTB.

Trafford Council will have more detailed data on the number of claims that are made under this provision and the demographic of these claimants. The Council will be aware of any disproportionate impacts this may have.

## **OPTION G: Restrict benefit to a minimum of £5 per week**

**The need that is addressed by all payments being made:** The CTB system is designed to support clients with payments of CT based on means testing. This means that the benefit is paid according to your circumstances on a sliding scale, based on the ability to pay. At the heart of the system is the allocation of minimum amounts that are regarded as minimum income standards, depending on your circumstances.

**Consequences and impact of the proposal:** This proposal is likely to impact on low earners who are just above the applicable amounts and only receive a small amount of benefit.

Trafford Council will have more detailed data on the number of claims that are made under this provision and the demographic of these claimants. The Council will be aware of any disproportionate impacts this may have.

## **PROPOSAL 2**

**Consequences and impact of the proposal:** This proposal would affect all Council Tax Benefit claimants. Our concerns with this proposal can be summarised as....

- The scheme has a disproportionate impact on those with a low income and those on means-tested benefits.
- These members of Trafford's Communities are living on household incomes, which are on the very edge of what people can be expected to live on.
- Asking for a contribution from all claimants means that these people will be forced into even more difficult decisions – whether to eat, heat or pay the CT.
- In reality, when faced with this choice, people will not pay the CT.
- The amount of CT that is not paid is likely to be small amounts that are uneconomical to recover.
- If recovery is pursued aggressively then this will cause resentment.

The issues outlined in our response to Proposal 1 regarding disproportionate impacts should be considered again for Proposal 2. This analysis should be based on an analysis of the data available and any conclusions and mitigating factors identified.

## **CHANGING THE COUNCIL TAX EXEMPTIONS AND DISCOUNTS FOR SECOND HOMES AND EMPTY PROPERTIES**

CAT is in favour of measures that encourage property owners to get their properties back on to the market, as housing and homes are in short supply in the borough. It would appear that reducing the exemption for unfurnished properties after 1 month would be the most efficient way of achieving this.

CAT has no strong views on the proposal to remove the 10% discount on second homes.

## CONCLUDING COMMENTS

In conclusion, providing that the above issues are fully explored and that disproportionate impacts are mitigated, CAT believes that option 1 will affect a smaller number of low-income households, while achieving the required cuts. However, we do have particular concerns about the backdating proposal, which we have detailed earlier in our response.

## Appendix 2E (Royal British Legion)

The following Correspondence was received from the Royal British Legion. This urges the Council to disregard 100% of military compensation payments when calculating Council Tax Support. This includes War Disablement pensions, War Widows Pensions and Armed Forces compensation scheme payments. **Both schemes will continue to disregard these payments.**



Patron Her Majesty The Queen

*Dr. Chris Simpkins DMA, Hon.DUniv,  
Director General*

The Royal British Legion  
199 Borough High Street  
London SE1 1AA

T 020 3207 2361  
F 020 3207 2276  
W [www.britishlegion.org.uk](http://www.britishlegion.org.uk)

Ms T Grant  
Acting Chief Executive  
Trafford Metropolitan Borough Council  
Quay West  
Trafford Wharf Road  
Trafford Park  
MANCHESTER M17 1HH

Date: 1 November 2012

Reference: 12/077

Contact: [dmartin@britishlegion.org.uk](mailto:dmartin@britishlegion.org.uk)

Dear Ms Grant

### **Localised support for council tax – consultation submission**

As you will no doubt be aware, as part of the Government's localisation agenda local authorities are now required to design and operate their own council tax support schemes. As part of this process local authorities must consult stakeholders on the proposed design of their schemes. Please accept this letter as The Royal British Legion's submission to your authority's consultation process.

I strongly urge you to ensure that your local authority provides a 100% disregard of military compensation payments when calculating entitlement to council tax support. This includes all War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme payments. These payments are not an income support payment but are paid as compensation for injury, illness or loss as a result of Service in HM Armed Forces. It is therefore not appropriate, nor a recognition of commitment to the nation, to include such compensation payments in calculations for means tested benefits.

Until the recent changes local authorities were statutorily required to disregard the first £10.00 of these compensation payments. However, following our campaigning work, almost every local authority in the country has used its discretionary power to fully disregard these payments, and this is an approach that we strongly support.

The Government, in its guidance to local authorities, provides a reminder that the discretion to provide a full disregard to them is still available under the new regulations. Indeed it encourages them to do so, in line with the principles of the Armed Forces Covenant<sup>1</sup>.

An increasing number of authorities are signing up to the Armed Forces Community Covenant and we are very grateful to those who have done so, or are looking to do so. I believe that the provision of a full disregard of military compensation payments when it comes to calculating council tax support is an essential step in delivering on the principles of the Covenant at a local level.

<sup>1</sup> Localising Support for Council Tax: Vulnerable people – key local authority duties, Communities and Local Government, May 2012.

I would be very grateful if you could confirm to me that your local authority intends to provide a full disregard of War Disablement Pensions, War Widow's Pensions and Armed Forces Compensation Scheme payments in the design of your council tax support scheme.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Simpkins', with a horizontal line drawn underneath the name.

Chris Simpkins DMA, Hon.DUniv, DL

Director General

## Appendix 2F (Trafford Imagine, Act and Succeed)

**Organisation:** Imagine, Act and Succeed (Supporting people with learning difficulties)

Group represents 13 people

### Preferred option

Imagine, Act and Succeed prefer Proposal 1 (combined options) over Proposal 2. The main reason being that Proposal 1 will not have as much an impact on vulnerable people.

The group are strongly opposed to Proposal 2 (20% reduction in working age claimants' benefit)

The group supports many of the components of Proposal 1, however there are some components that the group does not support. The table below provides a breakdown:

	Option	Response
a,	Abolish Second Adult Rebate	Tend to oppose
b,	Restrict support to Band D	Tend to support
c,	Increase the income taper to 30%	Tend to support
d,	Include Child Benefit as income	Strongly oppose
e,	Abolish backdates	Tend to oppose
f,	Increase non-dependant deductions	Strongly support
g,	Introduce a £5 minimum award	Strongly support

### Empty Properties / Second home proposals

The group has not stated any views around the empty property or second home questions.

### Work Incentives

The group has not stated any views around the work incentive proposals.

### Protections and Discretionary Fund.

The group has not stated any views on protecting households with children under 5 years old.

The group has shown strong support to protect people on all rates of Disability Living Allowance, but also to protect people who are in receipt of Severe Disability Allowance (this benefit is being phased out) and Incapacity Benefit.

The group has stated that they do think that the Council should set up a discretionary fund.



## Appendix 2G (Community Organisation)

Organisation: **Organisation does not wish for name details to be published but happy for reference to being a community organisation which promotes stronger bonds between communities**

### Preferred option

A community organisation prefers Proposal 1 (combined options) over Proposal 2. The main reason being that Proposal 1 will affect fewer people. The group tend to oppose Proposal 2.

Although the group prefers Proposal 1 over Proposal 2, they tend to oppose the majority of the options within Proposal 1. The table below provides a breakdown:

	Option	Response
a,	Abolish Second Adult Rebate	Tend to oppose
b,	Restrict support to Band D	Tend to support
c,	Increase the income taper to 30%	Not stated
d,	Include Child Benefit as income	Tend to oppose
e,	Abolish backdates	Tend to oppose
f,	Increase non-dependant deduction	Tend to oppose
g,	Introduce a £5 minimum award	Tend to oppose

### Empty Properties / Second home proposals

The group tends to support charging for empty properties, but has not shown a preference between the two options. The group also tends to support charging for second homes.

### Work Incentives

The group tends to support all the work incentives proposed.

### Protections and Discretionary Fund.

The group has shown that it tends to support protecting households with children under 5 years old and protecting people on all rates of Disability Living Allowance.

The group has stated that it believes the Council should set up a discretionary fund.

## Appendix 3A (Neighbourhood Forum and Roadshow summary and Q&As)

Forum / Event	Date	No of residents / attendees	No of Councillors
<b>Neighbourhood forum events</b>			
Altrincham	04.09.12	22	13
Stretford	10.09.12	6	12
Urmston	11.09.12	21	7
Sale	18.09.12	14	8
Old Trafford	25.09.12	6	3
Partington & Carrington	02.10.12	34	2
<b>Welfare Advice Centre – Roadshow events</b>			
Sale	22.8.12	6	0
Stretford	12.9.12	22	0
Partington	8.10.12	12	0
Old Trafford	9.10.12	28	0

## Appendix 3B Questions raised

### Council Tax Benefit Changes - Frequently Asked Questions

#### What is Council Tax Benefit?

Council Tax Benefit is a national welfare benefit which helps people on a low income to pay their Council Tax bill. It is administered by local councils using rules set nationally by the Government.

#### What is changing?

From April 2013, The Government is abolishing the current national Council Tax Benefit scheme and giving local authorities the freedom to set up their own local schemes. These local schemes will be known as Council Tax Support.

The Government is giving councils less money to pay for their new schemes. We estimate that Trafford Council will receive a reduction in funding of approximately £1.4million in 2013/14. This shortage means that we will need to make some difficult decisions about who gets Council Tax Support and how much.

#### Why are we replacing the current Council Tax Benefit scheme?

The Government is reducing the amount of funding it pays to Trafford for Council Tax Support and therefore the Council has to reduce expenditure.

If Trafford Council did not make changes to the scheme, the funding may have to be found from other Council services. The Council is looking to make up the shortfall from both the Council Tax Support scheme and from income from empty and unfurnished properties and second homes.

#### What are the Council's proposals?

The Council has considered a wide range of options to make up for the shortfall in funding and believes the fairest proposal (for both benefit claimants and taxpayers) is to:

- Reduce benefit expenditure through a new Council Tax Support scheme; and
- Generate income by changing the Council Tax exemptions and discounts for second homes and empty properties.

All current working age Council Tax Benefit claimants may be affected by these changes and might see their benefit reduce. Although pensioners will move onto the new scheme, they will be protected and will continue to receive the same level of support as they would under the current Council Tax Benefit rules.

Taxpayers may also be affected by the proposed changes to the Council Tax empty property exemption and second home discount, or may move onto benefit in the future. The Council is consulting on whether other vulnerable groups should receive some protection from these changes.

#### How much will I have to pay under the new scheme?

Depending on the outcome of the consultation, it is likely that some working age people who qualify for Council Tax Support will have to pay more than they do now. The consultation will help us to determine how much more people in different groups will have to pay. You can view our proposals in more detail by completing a survey or looking at our draft scheme.

#### Why are we consulting?

We consulted with local residents and a wide range of community and welfare groups between 6th August 2012 and 29th October 2012 to gather views about our proposals.

The purpose of the consultation was to understand what people thought about the proposals, and how we could improve the scheme to support people back into work and protect the most vulnerable groups.

### **Will I need to fill in a new application form to claim Council Tax Support?**

If you currently receive Council Tax Benefit you will not have to re-apply. You will automatically be re-assessed using the new rules and will be sent a new Council Tax Bill and benefit decision letter in February 2013. Your award may be reviewed once you have moved across to the new benefit.

### **Single Person Discount**

#### **Is Single Person Discount affected by the changes?**

No, single person discount is not affected by these changes. Anyone who currently receives Single Person Discount will continue to do so unless their circumstances change.

### **Empty and Unfurnished Properties**

#### **What happens to the Council Tax charge when a house is repossessed?**

#### **What happens if a property is uninhabitable?**

#### **What happens if a resident leaves a fully furnished home to go into a care home?**

#### **What happens if a resident dies and their property remains fully furnished whilst their personal affairs/probate is being attended to?**

The empty and unfurnished exemption does not apply to any of the specific cases listed above. Please see [the exemptions page on our website for more information.](http://www.trafford.gov.uk/adviceandbenefits/counciltax/reducingyourbill/)  
<http://www.trafford.gov.uk/adviceandbenefits/counciltax/reducingyourbill/>

#### **Has the Council considered abolishing the discount for empty properties altogether and charging full Council Tax from day one?**

Yes, the Council has considered a number of options. However, charging from the first day the property becomes empty would not allow home owners and Housing Associations any time to find a tenant or buyer, especially if work was required on the property. It would also involve raising more small debts, placing an administrative burden on the Council.

### **Second Homes**

#### **What happens where a landlord is letting out a second home? Is there a Council Tax discount for owning the second home?**

A second home discount does not apply as the tenant residing at the property would be liable to pay the Council Tax.

#### **How many second homes and empty and unfurnished properties are there in the borough?**

Over the course of last year there were approximately 634 second homes and approximately 8000 empty and unfurnished properties in Trafford.

#### **What happens if a Pensioner owns a second home in Trafford? Will they be protected?**

Pensioners are only protected from the proposed changes to Council Tax Benefit. Anyone who owns a second home or has an empty property in Trafford would be affected by the proposed changes to these discounts.

## **Protections**

### **Who is exempt from the scheme?**

The Government has told us that Pensioners must be protected from the changes to Council Tax Benefit. We have asked for people's views on who else should receive either full or partial protection, such as people with disabilities, households with children under 5, or any other groups.

### **What age is pension age?**

For Council Tax Support purposes, pension age is the age at which a person qualifies for state pension credit. This is currently 61.5 years old for both men and women but this age is increasing over future years.

### **Will pensioners be protected if they currently receive full Council Tax Benefit?**

Yes, all pensioners will be protected from the changes to Council Tax Benefit so they will continue to receive the same level of support as they do now, unless their circumstances change.

### **Is the Council aware that the Government is planning to change Disability Living Allowance? This may have implications for the level of protection being offered in the proposed schemes.**

Yes the Council is aware that Disability Living Allowance is changing. Further consideration will be given to protections from the Council Tax Support Scheme once all the consultation responses have been considered.

### **Children never stop costing money - why do the proposals only suggest protecting people with children under the age of 5?**

This protection is designed to help people who have to pay child care costs, or who do not work because their children are not of school age. This is consistent with Job Seekers Allowance, as single parents are not required to sign on until their child reaches 5 years old. However, the Council is asking for people's views on any groups that should be protected.

### **Would the discretionary help fund be as well as, or instead of, protecting certain groups?**

The Council will need a full understanding of all the consultation feedback before making a final decision on which groups to protect. The discretionary help fund could be used as well as or instead of other protections, depending on the outcome of the consultation.

## **Funding**

### **How will the shortfall be met?**

Savings from the preferred Council Tax Support Scheme are expected to be between £500,000 and £800,000. Income from the proposed changes to empty and unfurnished properties and second homes will make up the remainder of the £1.4m shortfall.

### **In cases where people have to pay towards their Council tax bill where they didn't before, has the Council considered the cost of administering this?**

Yes, the Council is considering the cost of collecting debts under the new scheme.

**If the Government cuts are 10%, why does Proposal 2 have a 20% cut for working age customers?**

Approximately 50% of people receiving benefit in Trafford are over pension age and are not affected by these changes. Therefore a 20% reduction would be required from the remaining working age claimants.

**Other Local Authority Schemes**

**Are we following what other Councils are doing in respect of Council Tax Support? Is there a risk that residents might move to another borough if other Councils are offering a more generous scheme?**

We are aware of how other Councils are consulting with residents and other interested parties but we are not following their proposals.

Trafford's proposals have been arrived at following numerous meetings with Councillors, managers, staff and a range of community stakeholders. In addition the options have been modelled financially to ensure that we understand the impacts on benefit recipients and non benefit recipients across the borough.

**Are any other Authorities proposing to take Child Benefit into account as income when calculating Council Tax Support entitlement?**

Many councils are applying a blanket reduction in the amount of Council Tax Support that is paid to benefit claimants and some Councils are considering a range of options, such as the inclusion of Child Benefit.

**The Proposals**

**What happens if someone has a genuine need for backdating a claim, such as being hospitalised?**

It is proposed that Council Tax Support claims will be paid from the date of the claim only. The proposed Discretionary Fund may help to alleviate this on a case by case basis.

**Does the proposed increase to the income taper act as a disincentive to work?**

There are no easy choices for the Council. The income taper is one of a number of options in the council's preferred scheme, but depending on the outcome of the consultation some of these options might be amended or removed. The council is also including work incentives such as increasing extended payments from 4 weeks to 8 weeks and increasing child care disregards by 10%

**Including Child Benefit as income will make it very difficult for some people to manage.**

One of the proposals is to protect people with children under the age of 5. It is also proposed that the Council will have a discretionary fund to help residents facing a reduction in Council Tax Support and experiencing severe financial hardship.

**How many people are affected by the changes?**

The council has carried out significant analysis into the numbers of people likely to be affected by each of the options, and how much benefit they would lose.

The council has also been gathering information about the locality, age, household type and ethnic origin of the people likely to be affected by the proposals.

This information will form part of the Equalities Impact Assessment and will be published at the end of the consultation period.

**Has the Council considered that some people may be affected by welfare reforms such as the benefits cap and under occupancy rules, and could now also be faced with a reduction in their Council Tax Benefit?**

The Council has carried out analysis on people potentially facing a double or triple impact as a result of all of the changes. Proposal 1 is the Council's preferred option, which affects fewer residents and has fewer multiple impacts than Proposal 2.

**The Consultation**

**How has Trafford consulted with residents?**

We have published details of the consultation on our website and have asked for residents' views on our proposals. We sent out 10,500 response forms to residents in all parts of the Borough; response forms have also been available in community centres and libraries, and online. We have also attended a number of Neighbourhood Forums and the Mobile Advice Centre has visited various parts of the borough, and have been in consultation with a number of community groups. In addition to this, there have been press releases in the local press and Manchester Evening News.

**Who received the questionnaires that were sent out?**

Trafford sent out 10,500 response forms. 5500 of these were sent to people currently receiving Council Tax Benefit and 5000 were sent to non- benefit recipients, including people who have a second home or empty property in Trafford.

**Next Steps**

**Who will make the decision about what the new Council Tax Support Scheme will look like?**

Once all the feedback from the consultation has been considered, The Council will then vote on the new scheme.

## Appendix 4A (Council Tax Options Appraisal)

Needs Analysis for: Effects of Possible Changes to Council Tax Discounts and Exemptions

<b>Required Outcome</b>	Raise Additional Income Under Proposed Council Tax Regulation Changes in order to Support Budget Pressures	
	<b>Advantages</b>	<b>Disadvantages</b>
<b><u>Option 1</u></b>  <b>Replace 6 month exemption with 1 month 100% discount.</b>	<p>Will allow manageable amount of time for landlords to let between tenancies.</p> <p>Will encourage timely occupation of empty property.</p> <p>Avoids the problems involved in the billing and collection of small sums.</p> <p>Significant sum raised (£650k)</p>	<p>May discourage builders to invest in new developments.</p> <p>Avoidance schemes may occur (difficult to verify sole occupier discount claims).</p> <p>Complaints from affected council taxpayers.</p>
<b><u>Option 2</u></b>  <b>Replace 6 month exemption with 25% discount from day 1.</b>	<p>Significant sum raised (£800k)</p> <p>Should not impact on fraudulent sole occupier discount claims as both receive 25%.</p>	<p>May discourage builders to invest in new developments.</p> <p>Accounts will have to be raised for very small periods between tenancies.</p> <p>The collection of these can be very time consuming and costly.</p> <p>Does not allow landlords any turnaround time between tenancies.</p> <p>Complaints from affected council taxpayers.</p>
<b><u>Option 3</u></b>  <b>Remove 10% discount on furnished empty property.</b>	<p>Administratively straight forward to introduce.</p>	<p>Avoidance schemes may occur (difficult to verify sole occupier discount claims).</p> <p>Relatively small gain (£40k)</p>
<b>Timescale</b> for the changes, any phasing of changes	Introduced for the start of the 2013/14 financial year	



## Appendix 4B (Profile of residents who responded to the Representative Survey)

### Who responded?

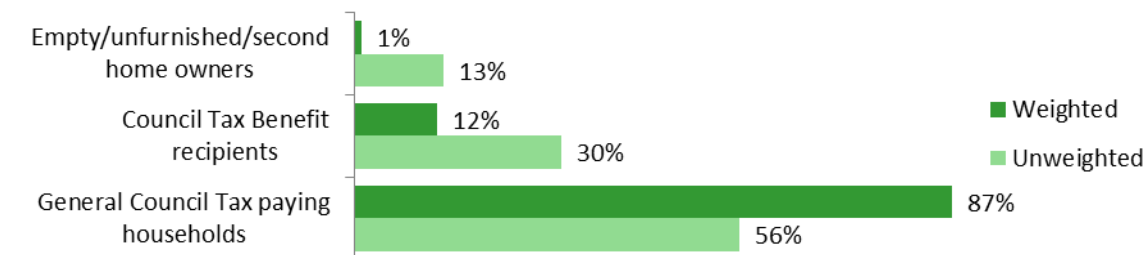
This section looks at the profile of those who responded to the representative sample survey in terms of which sample strand the respondent belongs to and the demographic profile both before and after weighting. It also looks at whether those who responded pay council tax and whether they receive Council Tax Benefit or other benefits. This latter information is useful in providing context for opinions given about the Council's proposals.

#### Sample strand

Reflecting the profile of the initial mailout, the profile of unweighted respondents is particularly concentrated among recipients of Council Tax Benefit and empty/unfurnished/second home owners. In order to make the profile of responses representative of the Trafford adult population overall, responses from the CTB recipients respondents have been weighted downwards and responses from general Council Tax payers have been weighted upwards to the true relative proportions within the population of Trafford as a whole.

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#### Sample strand



Base : All responding (807)  
Source: Ipsos MORI

---

## Age, gender and ethnicity

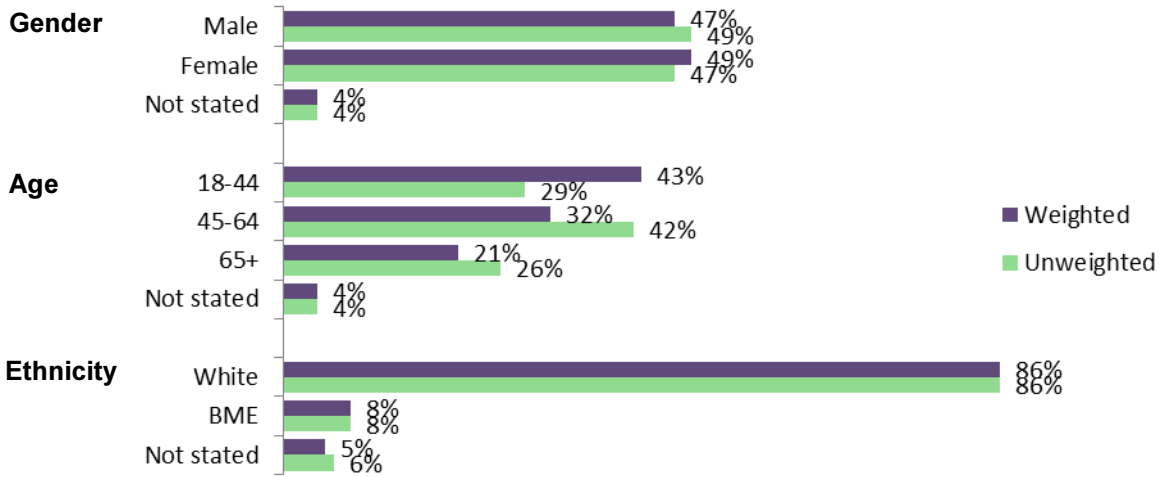
Only responses from General tax payer households were weighted to reflect the population of Trafford in terms of age, gender and ethnicity. It was not possible to weight the results from empty/unfurnished/second home owners and CTB recipients because there is no known accurate demographic profile of these recipients.

The following chart shows that for general Council Tax payers, there is relatively little difference between the weighted and unweighted profile by gender. However, there is a significant divergence by age, with older people aged 45+ having a much higher representation in the unweighted sample than younger people aged 18-44. This has been substantially corrected in the weighting process which has weighted up the responses from young people.

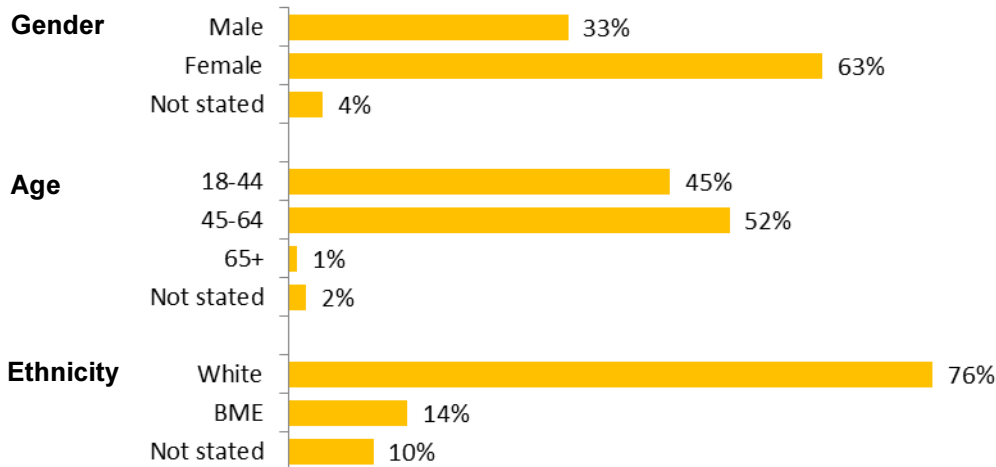
The profiles of the three sample strands are significantly different to each other.

- Most responses from empty/unfurnished/second home owners are from men (68%) but most responses CTB recipients are from women (61%). In contrast, General Council Tax payers are evenly split by gender (47% male and 49% female).
- Responses from empty/unfurnished/second home owners tend to be from the older age groups, with one in three (32%) being aged 65+ compared with one in five General Council Tax payers (21%) and only 1% of responses CTB recipients.
- Responses from CTB recipients have a higher representation of ethnic minorities (14% vs. 8% of General Council Tax payers and 5% of empty/ unfurnished/second home owners).

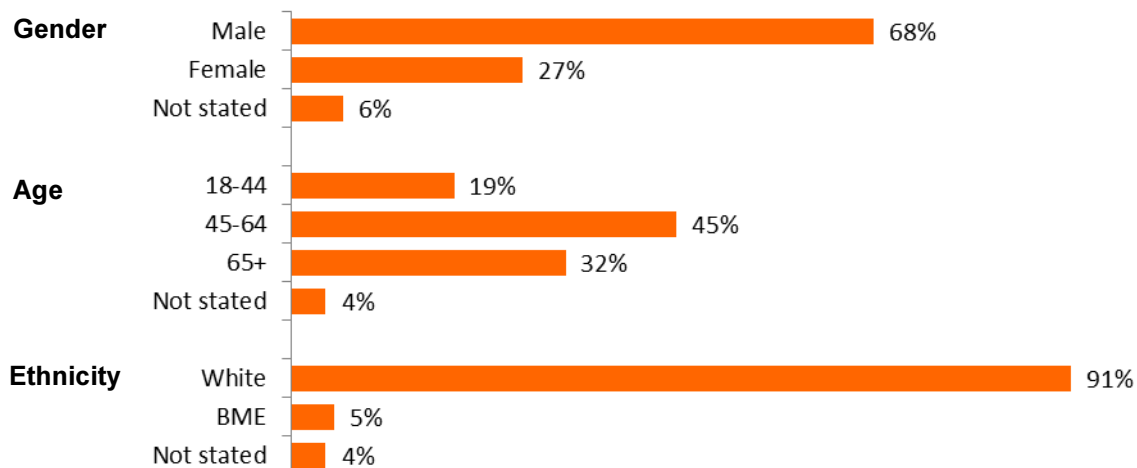
Personal information 1: General Council Tax payers



Personal information 1: CTB Recipients (unweighted)



Personal information 1: Empty/unfurnished/second home owners (unweighted)



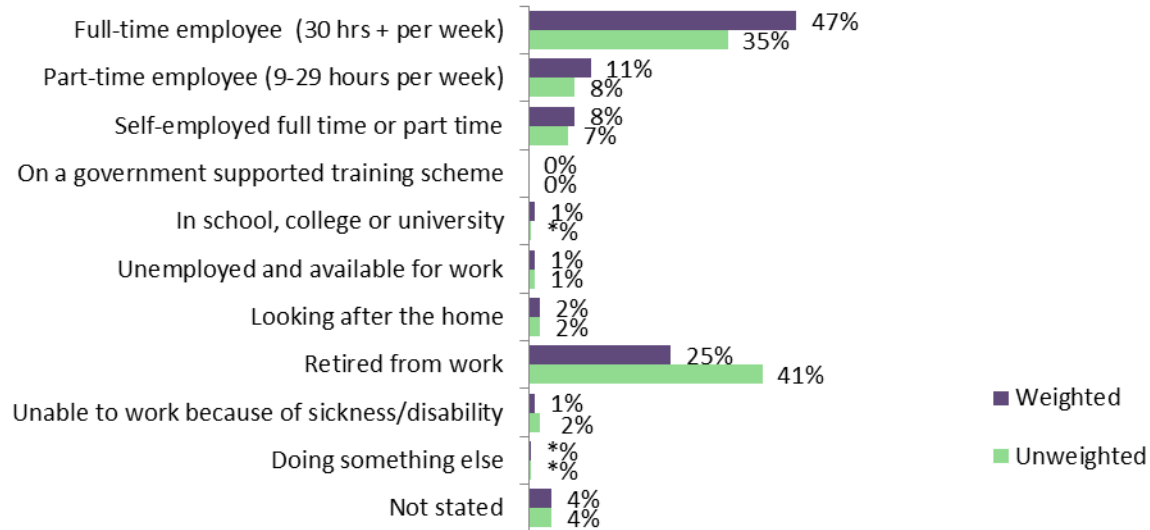
Base : All responding: General Council Tax payers (453), CTB recipients (246); Empty/unfurnished/second home owners (108)  
 Source: Ipsos MORI

## Other key demographic data

Among General Council Tax payers, there are major differences by work status, which reflects the fact that older people were more likely to respond. The unweighted profile has a higher concentration of retired respondents, and a lower number of full-time workers. As a result of the weighting process for age, the responses of full-time workers have been weighted upwards and retired people have been weighted downwards to match the true population of those in this audience.

### Personal information 2: General Council Tax payers

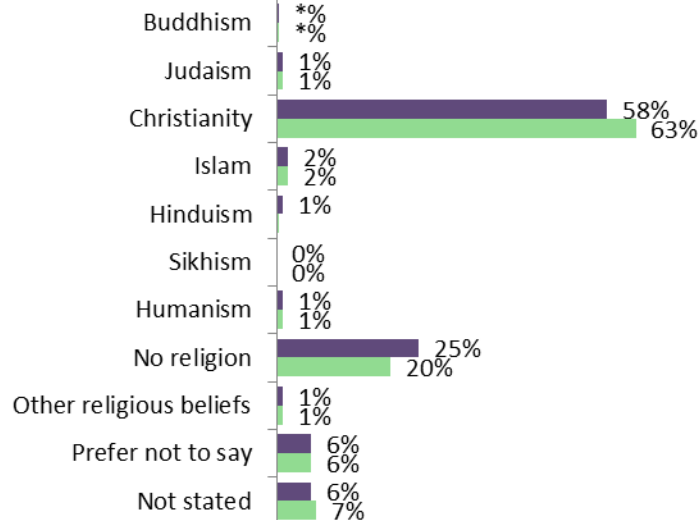
#### Employment status



#### Disability



#### Religion



Base : All responding: General Council Tax payers (453)

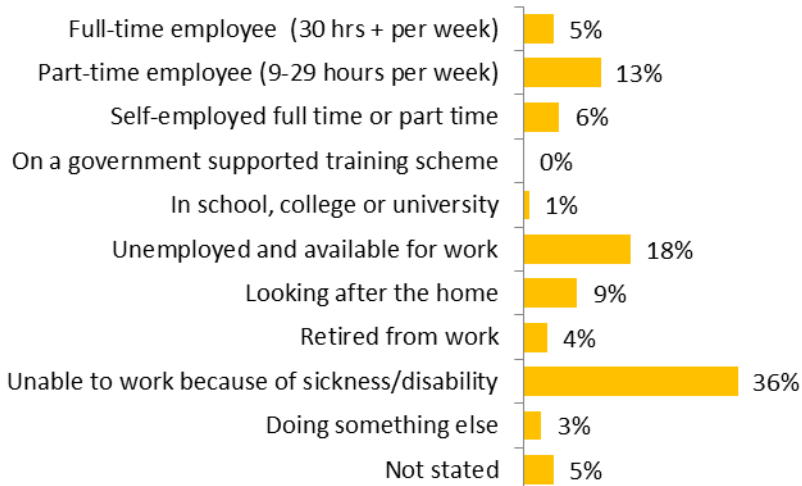
Source: Ipsos MORI

The profile of CTB recipients is very different to the weighted profile of General Council Tax payers. The CTB recipients are much more likely to have a disability (37% vs. 8%) or to be unable to work because of sickness or disability (36% vs. 1% overall).

One in four of the CTB recipients (25%) is in work, compared with two in three General Council Tax payers (66%). One in six of the CTB recipients is unemployed (18%) compared with 1% of General Council Tax payers.

## Personal information 2: CTB recipients (unweighted)

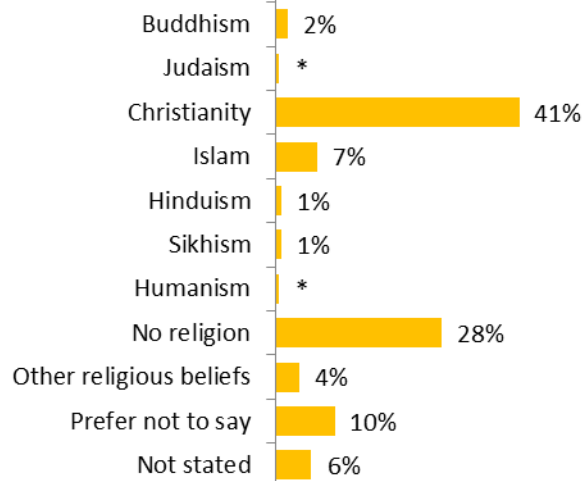
### Employment status



### Disability



### Religion



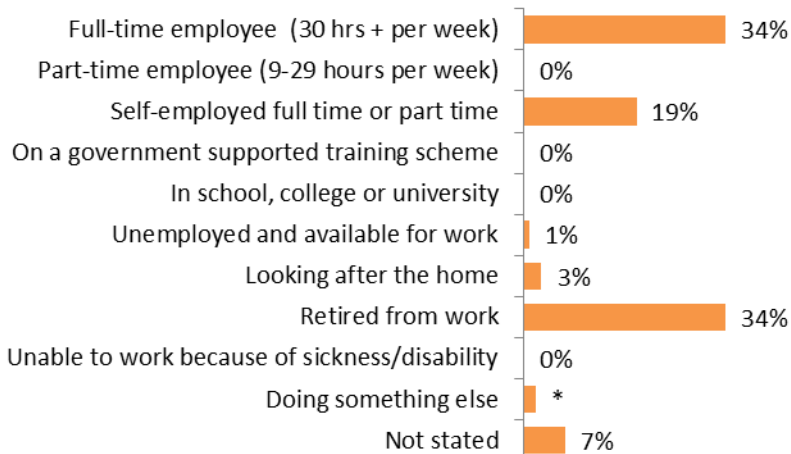
Base : All responding: CTB recipients (246)

Source: Ipsos MORI

The profile of empty/unfurnished/second home owners is closer to the weighted profile of General Council Tax payers. The main difference is that the recipients are more frequently self-employed (19% vs. 8% of General Council Tax payers).

Personal information 2: Empty/unfurnished/second home owners (unweighted)

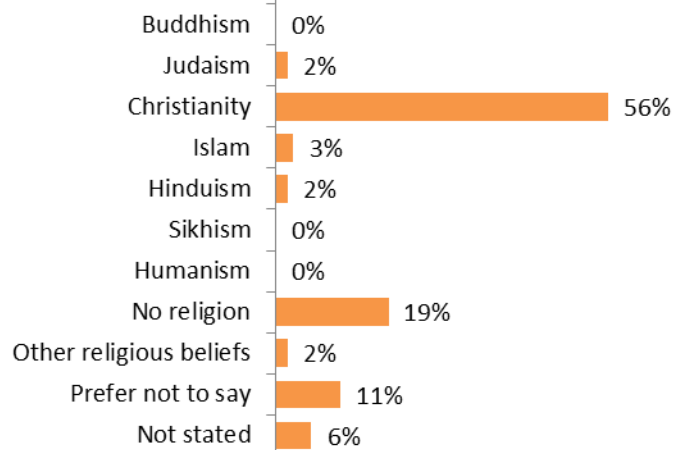
**Employment status**



**Disability**



**Religion**



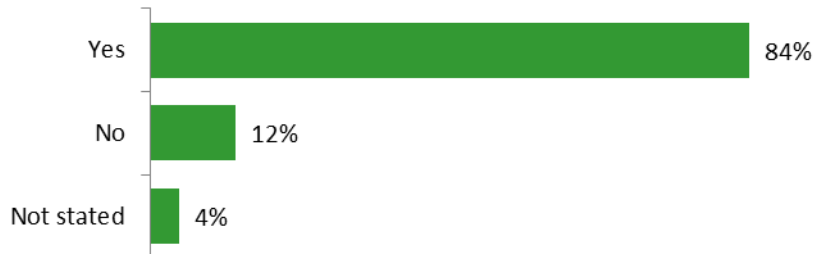
Base : All responding: Empty/unfurnished/second home owners (108)  
 Source: Ipsos MORI

## Council Tax payment and benefits claimed

The great majority of respondents to the representative sample survey pay Council Tax (84%); one in eight (12%) do not do so.

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Q11. Do you or others in your household pay Council Tax to the Council?



Base : All responding (807)  
Source: Ipsos MORI

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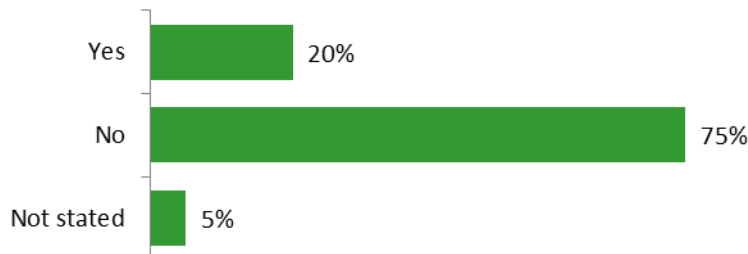
The proportion paying Council Tax is higher among General Council Tax payers (89%). It is significantly lower among empty/unfurnished/second home owners (75%), and lowest of all among CTB recipients (48% pay at least part of their Council Tax).

The great majority of working or retired people pay Council Tax (92% and 86% respectively) but this figure is much lower among those who are neither in work nor retired (56%).

One in five respondents (20%) receive Council Tax Benefit, three-quarters (75%) do not.

---

Q12. Do you or others in your household receive Council Tax Benefit?



Base : All responding (807)  
Source: Ipsos MORI

---

The proportion receiving Council Tax Benefit is low among those in the General Council Tax payer (12%) and empty/unfurnished/second home owner (7%) sample strands. Among CTB recipients a majority (85%) say they receive Council Tax Benefit.

Overall, one in four retired people (25%) and one in ten working respondents (9%) say they receive Council Tax Benefit.

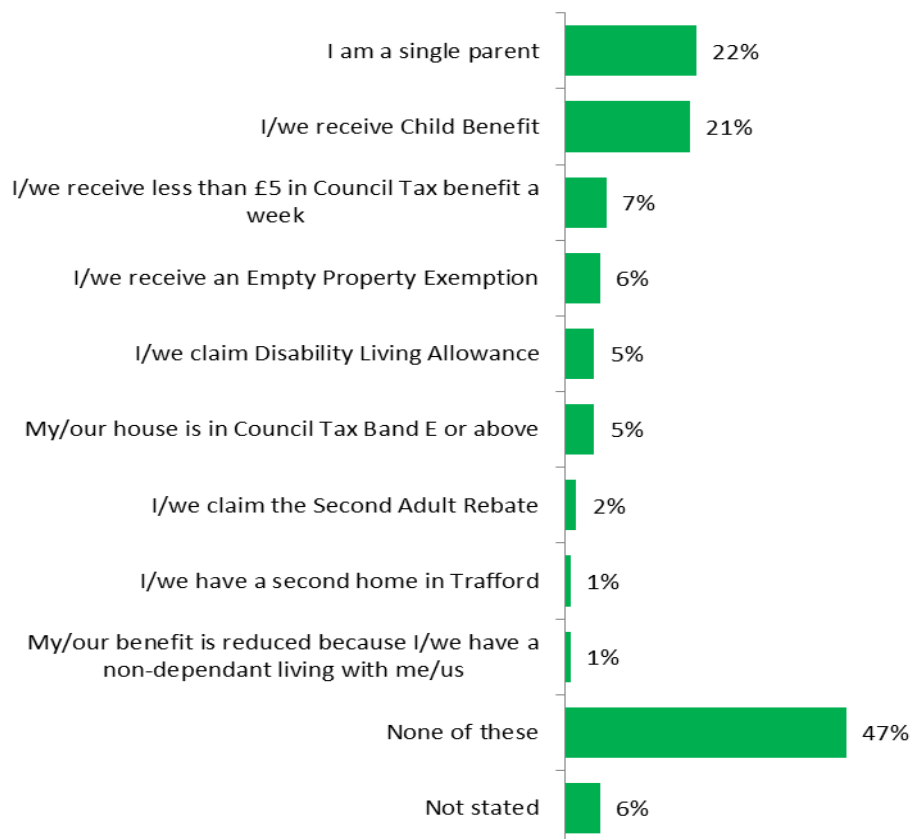
The questionnaire asked if respondents were members of groups who are currently eligible for Council Tax Benefit, or if they belong to a group which will be directly affected by the proposed changes.

One in five respondents to the representative sample survey receives Child Benefit (21%). Among other benefits received are Disability Living Allowance (5%) an Empty Property Exemption (6%) and a Second Adult Rebate (2%).

Of those circumstances that might affect eligibility for support, one in five respondents (22%) say they are a single parent. Around one in twenty receives less than £5 a week in Council Tax Benefit (7%) or resides in a house in Council Band E or higher (5%).

One per cent of respondents has a second home in Trafford or has their benefits reduced because a non-dependant person lives with them.

Q10. Which, if any, of the following apply to you?



Base : All responding (807)  
Source: Ipsos MORI

## Representative survey responses by neighbourhood forum areas

Urmston "cluster" = 124 unweighted, 131 weighted, responses  
 Stretford "cluster" = 176 unweighted/194 weighted responses  
 Altrincham "cluster" = 166 unweighted/151 weighted responses  
 Partington "cluster" = 71 unweighted/85 weighted responses  
 Sale "cluster" = 145 unweighted/137 weighted responses  
 Old Trafford "cluster" = 80 unweighted/75 weighted responses



## Appendix 4C (Profile of residents who responded to the Consultation Survey)

### Who responded?

This section shows the profile of responses to the public consultation received from individuals. There is a separate section detailing the responses received from organisations.

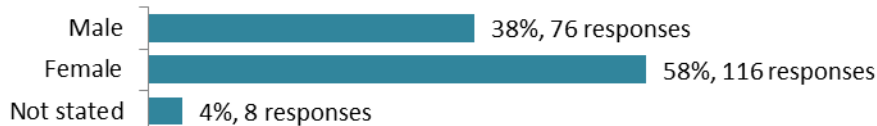
#### Age, gender and ethnicity

The following chart shows that most respondents to the public consultation are women (58%, 116 responses) and are aged either 25-44 (41%, 81 responses) or 45-64 (40%, 80 responses). The great majority are also White (81%, 162 responses).

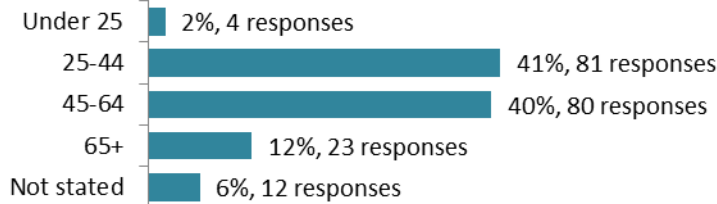
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#### Personal information 1

##### Gender



##### Age



##### Ethnicity



Base : All individual responses (200)

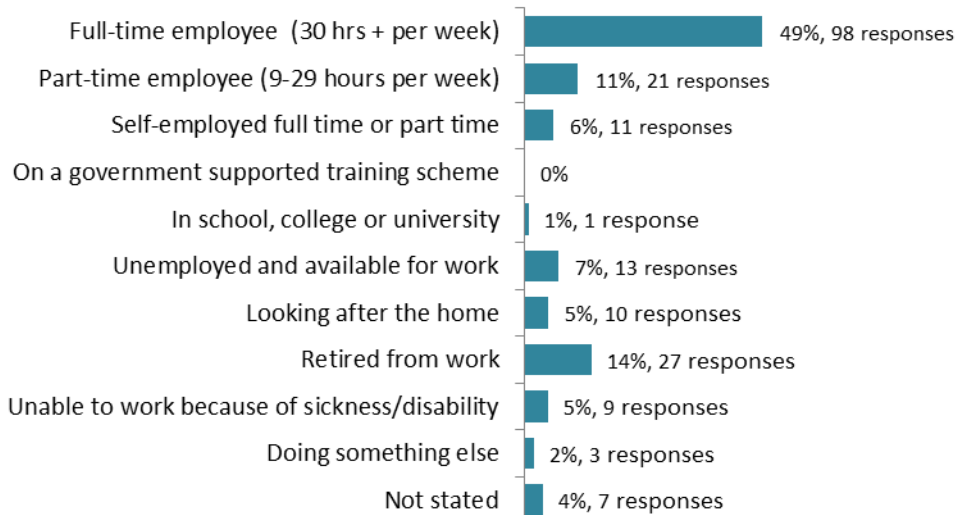
Source: Ipsos MORI

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Half of those responding to the public consultation are in full-time work (49%, 98 responses) and most are in some form of employment (65%, 130 responses). Only a small proportion (13%, 25 responses) are disabled.

## Personal information 2

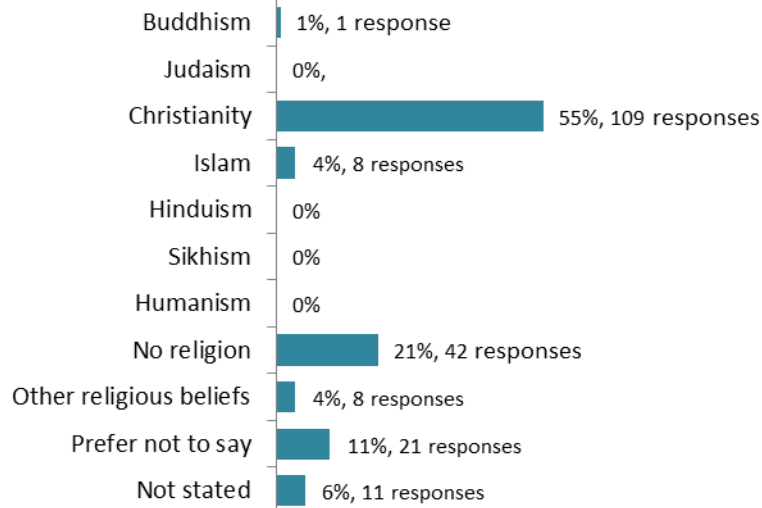
### Employment status



### Disability



### Religion



Base : All individual responses (200)

Source: Ipsos MORI

## Council Tax and benefits claimed

The great majority of respondents to the consultation pay Council Tax (87%, 174 responses), one in eight (12%, 24 responses) do not do so.

---

Q11. Do you or others in your household pay Council Tax to the Council?



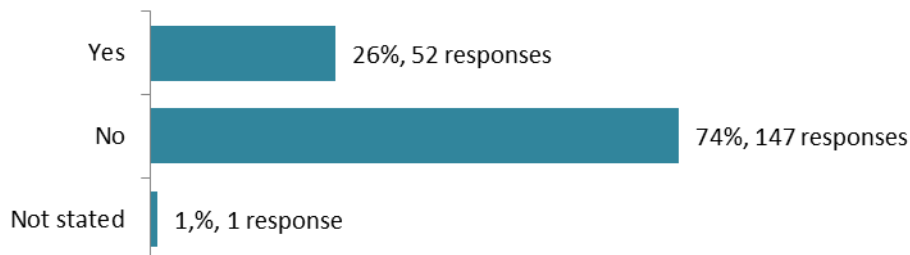
Base : All individual responses (200)  
Source: Ipsos MORI

---

Reflecting this, one in four public consultation respondents (26%, 52 responses) receives Council Tax Benefit, compared with most who do not (74%, 147 responses).

---

Q12. Do you or others in your household receive Council Tax Benefit?



Base : All individual responses (200)  
Source: Ipsos MORI

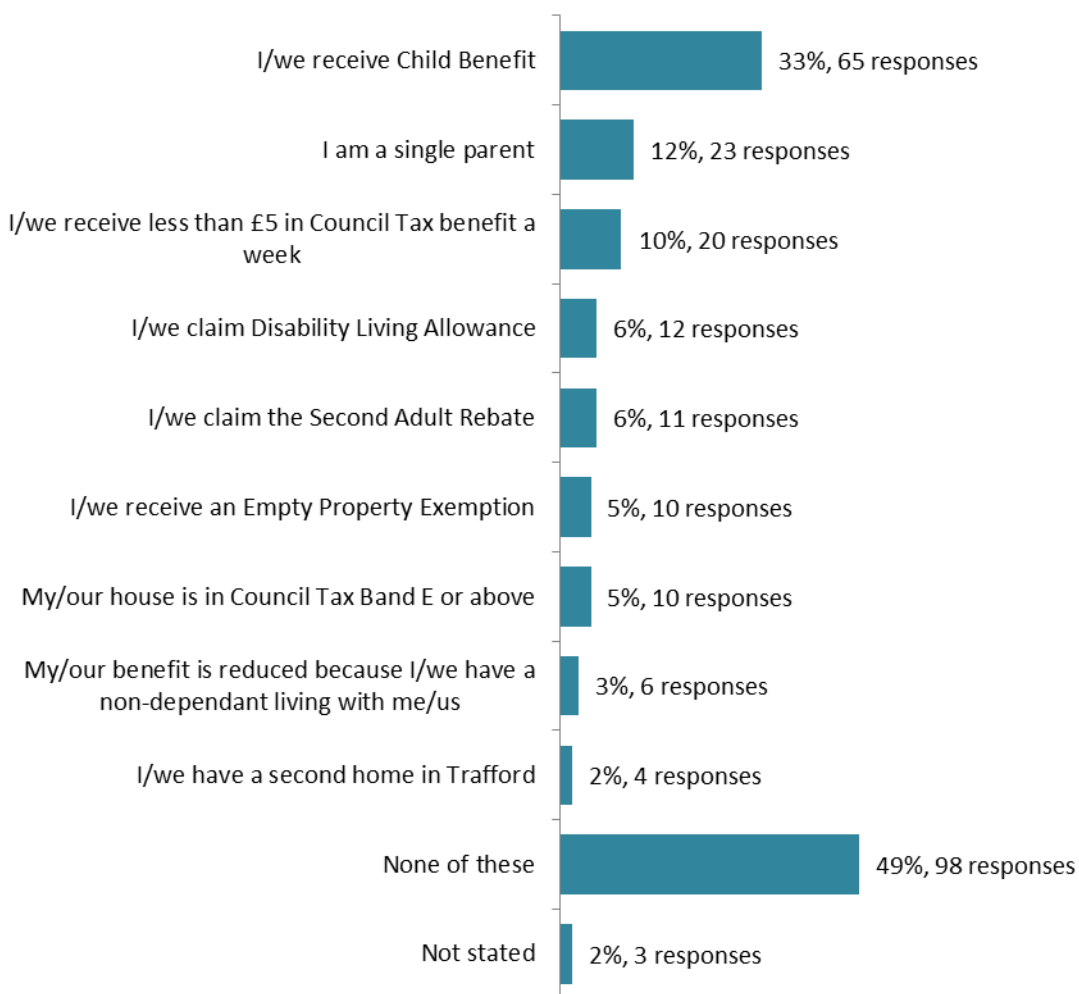
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One in three respondents to the consultation receives Child Benefit (33%, 65 responses). Among other benefits received are Disability Living Allowance (6%, 12 responses), a Second Adult Rebate (6%, 11 responses) and an Empty Property Exemption (5%, 10 responses).

Of those circumstances that might affect eligibility for support, one in eight consultation respondents (12%, 23 responses) is a single parent; one in ten receives less than £5 a week in Council Tax Benefit (10%, 20 responses) or is in a house in Council Band E or higher (5%, 10 responses).

Three per cent of consultation respondents (6 responses) have their benefits reduced because a non-dependant person lives with them and 2% (4 responses) have a second home in Trafford.

**Q10. Which, if any, of the following apply to you?**



Base : All individual responses (200)  
 Source: Ipsos MORI

## Appendix 4D (Representative Survey)

Dear Resident or other interested party,

### TRAFFORD COUNCIL TAX CONSULTATION – RESPONSE FORM

Trafford Council is running a consultation to gather people's views on the future of Council Tax Support in Trafford. We are proposing to make a number of important changes to the Council Tax and the way that benefit is administered, and we would like to hear your views before we make a decision. **More details about how Council Tax and Benefits might change can be found on pages 8-11 of this booklet. It is very important that you read these proposals before you answer any of the questions in this booklet.**

#### Why are we consulting?

From April 2013, the Government is abolishing the current national Council Tax Benefit scheme and giving Local Authorities the freedom to set up their own local schemes. These local schemes will be known as Council Tax Support. The Government is giving Councils less money to pay for their new schemes and we estimate that Trafford Council will receive a reduction in funding of approximately £1.4 million in tax year 2013/14. This shortage means that we will need to make some difficult decisions about who gets Council Tax Support and how much.

Everyone currently entitled to Council Tax Benefit, except for pensioners, could be affected by these changes. Taxpayers may also be affected by the proposed changes to the Council Tax Empty Property Exemption and Second Home Discount or if they move onto benefits in the future, so it's important that everyone has their say. We need your views, so we can develop a scheme which best suits the needs of Trafford residents.

**We have to make changes and I would encourage everybody to tell us how they feel about the proposed changes by answering and returning the questions in this booklet by 29th October 2012, or filling in an online response by visiting [www.trafford.gov.uk/ctsconsultation](http://www.trafford.gov.uk/ctsconsultation).** The council has a statutory obligation to consult on the proposed Council Tax Support Scheme and this consultation has been fully funded by a Government grant at no additional cost to the taxpayer.

If you want to explain any of your answers, or you feel the questions have not given you the chance to express your views fully, or if you think there are options we have not considered that we should have done, please say so in the box at the end of the form (at Question 9), you may add extra sheets if needed.

**Important:** Please do not provide the names of any individuals in the feedback boxes.

Thank you for your help.



**Councillor Sean Anstee, Executive Member for Finance**

**The information you provide, including personal information, may be subject to publication or release to other parties or to disclosure under regimes such as the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004. Please note that any queries or complaints submitted via this process cannot be counted as part of the formal consultation.**

Trafford Council will undertake the analysis and reporting of the information in the response forms. Please read this booklet all the way through, and then give us your answers to the questions in this response form. In the response form we have shown which sections of this booklet cover the issues raised by each of the questions. Please refer to these sections as you answer the questions.

1234567890

Page 7

BARCODE

Page 81

Electronic and hard copies of this combined Consultation Document and Response Form are available in other formats such as large print and other languages. These are available on request by contacting Trafford Council's Consultation Helpline on 0161 912 2090 or on Minicom 0161 912 2102. An electronic version of the response form can be found at [www.trafford.gov.uk/ctsconsultation](http://www.trafford.gov.uk/ctsconsultation) or by emailing [cts@trafford.gov.uk](mailto:cts@trafford.gov.uk)

If you have any queries or complaints regarding the consultation process or consultation documentation please phone Trafford Council's Consultation Helpline on 0161 912 2090. This line is open from 8.00am to 7.00pm Monday to Friday.

### Background information

**QA.** Are you responding on your own behalf or on behalf of an organisation or group?

- Providing my own response – **go to Q1**
- Providing a response on behalf of an organisation or group – **continue to QB**

**QB.** What is your name, your position in the organisation/group, and the name and address of the organisation/group on whose behalf you are submitting this response? The name and details of your organisation or group may appear in the final report. **Please write below in block capitals**

Name:	<input type="text"/>
Position in the organisation/group:	<input type="text"/>
Name of organisation/group:	<input type="text"/>
Address of organisation/group:	<input type="text"/>

How many people does your organisation or group represent?

**QC.** Please tell us which type of organisation you represent? **Please tick one box only**

- |  |   |
|--|---|
| <input type="radio"/> Social Landlord (e.g. a housing association) | <input type="radio"/> Welfare organisation (e.g. a charity) |
| <input type="radio"/> Private landlord                             | <input type="radio"/> Other (PLEASE WRITE IN BELOW)         |
| <input type="radio"/> Community group (e.g. a residents group)     | <input type="text"/>  |

### Preferred scheme

**Please read Pages 8 to 10, which describe Trafford Council's proposals for the new Council Tax Support scheme before answering these questions.**

**Q1.** Which, if any, of the two options described on **page 8** of this booklet do you prefer? **Please tick one box only**

- Proposal 1: Combined Options.** Reduce the amount of Council Tax Support paid on behalf of working age claimants by applying the 7 options listed on **Pages 8, 9 and 10** of this booklet

- Proposal 2: Reduce all Working Age Claims by 20%.** Reduce the amount of Council Tax Support paid on behalf of working age claimants by 20% as listed on **Page 8** of this booklet
- Neither of these options
- Don't know

**Q2.** What are your reasons for your answer to Q1?  
**Please summarise your key comments in the box below**

### Options to reduce Council Tax Support

**Q3.** To what extent do you support or oppose each of the following options? Options a-g form Proposal 1 (described above) and option h forms Proposal 2 (described above). These options are explained further on **Pages 8 to 10. Please tick one box only for each row**

		Strongly support	Tend to support	No views either way	Tend to oppose	Strongly oppose	Don't know
a)	The Second Adult Rebate scheme for working age claimants should be abolished (See page 9) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b)	Council Tax Support should be restricted to the charge for a Band D property, so people in Band E or higher value properties do not get as much support (See page 9).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c)	The income taper should be increased from 20% to 30% (See page 9).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d)	Child benefit should be treated as income when working out an application for Council Tax Support (See page 9).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e)	Benefit should be awarded based on the date that the person made their application and not from an earlier (i.e. backdated) period (See page 9).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f)	The deductions made for other adults living in a property (such as an adult son) should be increased by 20% and a minimum deduction should be introduced for other adults (who live in the property) who are receiving benefit (See page 10).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g)	A minimum level of award should be set so people receiving less than £5 per week do not qualify for any Council Tax Support (See page 10) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h)	All working age claimants should pay a minimum of 20% of their Council Tax (See page 8) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### Options to reduce Council Tax Exemptions and Discounts

**Please read Page 10, which describes Trafford Council's proposals to reduce the Council Tax Exemptions and Discounts which currently exist before answering these questions.**

**Q4.** To what extent do you support or oppose each of the Council's proposals to increase the charge for empty properties and second homes? These options are explained further on Page 10. **Please tick one box only for each row**

	Strongly support	Tend to support	No views either way	Tend to oppose	Strongly oppose	Don't know
a) Remove the 100% (no charge) exemption for residents who have an empty and unfurnished property within Trafford and replace it with a 25% discount for 6 months. This would generate income of approximately £800,000. (See page 10 of this booklet) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Reduce the 100% (no charge) exemption for residents who have an empty or unfurnished property from six months to one month. This would generate income of approximately £650,000. (See page 10 of this booklet) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Remove the 10% discount for residents who have a second home in Trafford. This would generate income of approximately £40,000. (See page 10 of this booklet) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Work incentives – Helping residents back into employment**

Please read Page 11, which describes Trafford Council’s proposals for providing Council Tax Support incentives which help residents back into employment before answering these questions.

**Q5.** To what extent do you support or oppose each of the following proposals for providing Council Tax Support incentives which help residents back into employment? These options are explained further on Page 11. **Please tick one box only for each row**

	Strongly support	Tend to support	No views either way	Tend to oppose	Strongly oppose	Don't know
a) Give people who receive Council Tax Support extra support for a limited period of 8 weeks to help pay their Council Tax when they start work. The current period is 4 weeks (See page 11 of this booklet) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Increase the child care disregards by 10%, so that people with children can continue to receive Council Tax Support if they are in work and on a low income. The child care disregard is the amount of money that is not counted as income when working out entitlement to benefit. (See page 11 of this booklet)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Protecting Vulnerable Residents**

Please read Page 11, which describes Trafford Council’s proposals to give some protection from the reduction in Council Tax Support to specific groups before answering these questions.

**Q6.** To what extent do you support or oppose Trafford Council giving some protection from the reduction in Council Tax Support to each of the groups below? These proposals are explained further on Page 11. **Please tick one box only for each row**

	Strongly support	Tend to support	No views either way	Tend to oppose	Strongly oppose	Don't know
a) Families with children under 5 who receive benefits. (See page 11 of this booklet).....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Single parent households with children under 5 who receive benefits. (See page 11 of this booklet) .....	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



- c) People receiving the middle or higher rate of Disability Living Allowance. (See page 11 of this booklet) .....
- d) People receiving any rate of Disability Living Allowance. (See page 11 of this booklet) .....

**Q7.** Are there any other groups who you feel should receive some protection from the changes in the way Council Tax Support will work in future in Trafford?  
**Please summarise your key comments in the box below**

**Protecting Vulnerable Residents**

The Council is considering setting up a discretionary fund, so that residents facing a reduction in Council Tax Support who experience severe financial hardship, can apply for additional temporary financial help towards their Council Tax bill on a case by case basis.

**Q8.** Do you think the Council should set up a discretionary fund to help with the change from Council Tax Benefit to Council Tax Support? **Please tick one box only**

- Yes  No  Don't know

**Other information**

**Q9.** Do you have any other comments about the proposals set out in this consultation?  
**Please summarise your key comments in the box below**

## Personal Information

We would be grateful if you could answer the following questions so we can establish if we have responses from a wide range of people, and allow us to analyse these results.

**Q10.** Which, if any, of the following apply to you?

**Please tick all that apply**

- |   |   |   |  |
|---|---|---|--|
| <input type="radio"/> I/we receive Child Benefit  | <input type="radio"/> I/we claim Second Adult Rebate                          | <input type="radio"/> I/we receive an Empty Property Exemption      | <input type="radio"/> I am a single parent                       |
| <input type="radio"/> I/we claim Disability Living Allowance  | <input type="radio"/> I/we receive less than £5 in Council Tax Benefit a week | <input type="radio"/> My/our home is in Council Tax Band E or above | <input type="radio"/> I/we have a <b>second</b> home in Trafford |
| <input type="radio"/> My/our benefit is reduced because I/we have a non-dependant (i.e. grown up son or daughter) living with me/us |   |   | <input type="radio"/> None of these                              |

**Q11.** Do you or others in your household pay Council Tax to Trafford Council?

**Please tick one box only**

- Yes  No

**Q12.** Do you or others in your household receive Council Tax Benefit?

**Please tick one box only**

- Yes  No

**Q13.** Are you..?

**Please tick one box only**

- |   |   |
|---|---|
| <input type="radio"/> Full-time employee (30 hrs + per week)                                  | <input type="radio"/> Unemployed and available for work             |
| <input type="radio"/> Part-time employee (9-29 hours per week)                                | <input type="radio"/> Looking after the home                        |
| <input type="radio"/> Self-employed full time or part time                                    | <input type="radio"/> Retired from work                             |
| <input type="radio"/> On a government supported training scheme (e.g. Modern Apprenticeships) | <input type="radio"/> Unable to work because of sickness/disability |
| <input type="radio"/> In school, college or university  | <input type="radio"/> Doing something else                          |

**Q14.** Are you..?

**Please tick one box only**

- Male  Female

**Q15.** What is your age?

**Please write in years**

**Q16.** The Equality Act 2010 considers that you are disabled if you have a physical or mental impairment which has a long term and substantial adverse effect on your ability to carry out normal day-to-day activities. Do you consider yourself to be disabled? **Please tick one box only**

- Yes  No

**Q17.** How would you describe your ethnic group?  
**Please tick one box only**

**White**

- British
- Irish
- Polish
- Any other white background (WRITE IN)

**Asian or Asian British**

- Indian
- Pakistani
- Bangladeshi
- Kashmiri
- Vietnamese
- Chinese
- Any other Asian background (WRITE IN)

**Mixed**

- White and Black Caribbean
- White and Black African
- White and Asian
- Any other mixed background (WRITE IN)

**Black or Black British**

- Caribbean
- African
- Somali
- Any other black background (WRITE IN)

**Other groups**

- Travellers and Gypsies
- Any other ethnic group
- Prefer not to say

**Q18.** What is your religion/belief?  
**Please tick one box only**

- |                                    |                                   |   |
|------------------------------------|-----------------------------------|---|
| <input type="radio"/> Buddhism     | <input type="radio"/> Hinduism    | <input type="radio"/> Other religious beliefs |
| <input type="radio"/> Judaism      | <input type="radio"/> Sikhism     | <input type="radio"/> Prefer not to say       |
| <input type="radio"/> Christianity | <input type="radio"/> Humanism    |   |
| <input type="radio"/> Islam        | <input type="radio"/> No religion |   |

**Q19.** What is the first part of your postcode? e.g. M16, M17, M41  
**Please write in**

**Please reply by 29 October 2012 online, in the envelope supplied or send to the following address:  
Freepost RSLG-AYZE-KLGS, Trafford Council Tax Support Consultation, RS House, Elmgrove Road,  
Harrow, HA1 2QG**

Thank you for your help in shaping our future Council Tax and Benefit scheme.

**Where to get more information**

Visit our website at [www.trafford.gov.uk/ctsconsultation](http://www.trafford.gov.uk/ctsconsultation) for more information about the consultation including a copy of the proposed draft schemes.

Trafford Council wants to ensure that all residents in the borough (including organisations and voluntary groups) have an opportunity to take part in this consultation. Electronic and hard copies of the Consultation Document and Response Form are available in other formats such as large print and other languages. These are available on request by contacting Trafford Council's Consultation Helpline on 0161 912 2090 or on Minicom 0161 912 2102. An electronic version of the response form can be found at [www.trafford.gov.uk/ctsconsultation](http://www.trafford.gov.uk/ctsconsultation) or by emailing [cts@trafford.gov.uk](mailto:cts@trafford.gov.uk)

If you need help with any other aspect of this consultation please phone the Council's consultation helpline on **0161 912 2090 between 8.00am and 7.00pm Monday to Friday** or email us at [cts@trafford.gov.uk](mailto:cts@trafford.gov.uk). This is one of a number of welfare benefit reform changes, which the council will be implementing over the next 12 months. For more information on welfare reforms visit our website at [www.trafford.gov.uk/welfarereform](http://www.trafford.gov.uk/welfarereform)

## CONSULTATION DOCUMENT

**Please read these proposals before completing the questions.**

### Trafford Council's proposals

Trafford Council has considered a wide range of options to make up for the shortfall in the Council's funding and believes the fairest proposal (for both benefit claimants and taxpayers) is to reduce spending by:

- A.** Introducing a new Council Tax Support scheme (with **2** proposals for how it would work); **as well as**
- B.** Changing the Council Tax exemptions and discounts for second homes and empty properties.

### A: INTRODUCING A NEW COUNCIL TAX SUPPORT SCHEME

As noted above, we have produced a draft Council Tax Support scheme, based largely upon the existing Council Tax Benefit rules. However, we have created two draft proposals for how this scheme would work (see below).

In the questions, you are asked which of these two proposals you prefer. Before you answer the questions please read through the details of the two proposals so that you have a good understanding of them.

#### PROPOSAL 1: COMBINED OPTIONS

The following options could be combined together to help Trafford Council reduce benefit expenditure. The options are flexible and can be changed, depending on the outcome of this consultation. The options include:

- Option a: [Abolish Second Adult Rebate](#)
- Option b: [Restrict support to a Band D property charge](#)
- Option c: [Increase the income taper from 20% to 30%](#)
- Option d: [Include Child Benefit as income when working out entitlement](#)
- Option e: Abolish backdating so all awards are paid based on the date of application
- Option f: [Increase the deductions made for other adults living in a property where the customer receives Council Tax Support.](#)
- Option g: [Restrict benefit, so no awards are made under £5 per week.](#)

**Please read [Pages 9 to 10](#) for a more detailed explanation of these options.**

We estimate this proposal would reduce benefit expenditure between £500,000 and £800,000 depending on the [protections](#) applied. The rest of the funding would come from changes to the empty property exemption and second home discount.

The new scheme should include a number of new incentives to make work pay and help protect vulnerable residents.

#### PROPOSAL 2: REDUCE ALL WORKING AGE CLAIMS BY 20%

Under this proposal everyone who claims Council Tax Support (unless they are a member of a [protected group](#)) would have a 20% reduction in the amount of support they get. They would still receive 80% of the payments currently made, but they would have to pay the remaining 20% themselves. This proposal would affect approximately 12,000 residents of working age.

We estimate this proposal would reduce benefit expenditure by approximately £1million a year, depending on the [protections](#) applied. The rest of the savings would come from changing the Empty Property Exemption and Second Homes Discount. The new scheme should include a number of new incentives to make work pay and help protect vulnerable residents. To show how this proposal might work, see the example scenario below:

##### Proposal 2 example

###### Current scheme example

A resident who qualifies for full Council Tax Benefit and lives in a Band D property would currently receive help of £1,302.21 per year towards their Council Tax bill. Their benefit meets the full cost of their Council Tax bill.

Proposed scheme (based on Council Tax amount remaining at the rate for the tax year 2012 / 2013). Under this scheme the same resident would receive help of £1,041.77 (80% of what they would currently receive) per year towards their Council Tax bill and would need to contribute £260.44 themselves.

## EXPLANATION OF THE OPTIONS IN PROPOSAL 1

### OPTION A: Abolish Second Adult Rebate

Second Adult Rebate was designed to compensate people who would normally qualify for a sole occupier discount (25% off their bill) if a second adult did not live with them. Currently, Second Adult Rebate cannot be claimed if the claimant lives with a partner, a boarder or joint tenant and is often awarded when a grown up son or daughter lives with one of their parents. The amount of rebate given depends upon the second adult's income, regardless of the claimant's income. Under this proposal the Second Adult Rebate Scheme would be abolished.

### OPTION B: Restrict support to a Band D property charge

Under the current Council Tax Benefit Scheme it is possible to receive enough benefit to pay your Council Tax bill in full, no matter which Council Tax Band your property is in. Under this proposal, support would be restricted to a Band D property charge. This would affect people living in Band E properties and above.

#### Current scheme example

A couple living in a Band E property may receive full Council Tax Benefit of £1,591.59 in tax year 2012-2013.

#### Proposed scheme\*

Under the new scheme Council Tax Support is capped at the charge for a Band D property. Therefore, the couple would receive Council Tax Support of £1,302.21 in tax year 2013-2014 and would need to contribute £289.38 towards their Council Tax bill. \*based on current benefit rates

### OPTION C: Increase the Council Tax Support income taper from 20% to 30%

If a claimant earns more than the minimum amount the Government says he/she needs to live on, they must pay some of the remainder towards their Council Tax bill. The percentage of the remaining income that they need to pay towards their bill is called the taper. At present the taper is set at 20%. This means that for every £1 extra a person has above the minimum amount, they are currently expected to pay 20p towards their Council Tax bill.

Under this proposal the taper would increase to 30%, so that a person would be expected to pay 30p for every £1 they had in income above the minimum level.

#### Current scheme example

A couple earn £60 above the minimum income level. If their Council Tax bill was £25 per week they would have to pay £12 per week towards their Council Tax bill and would receive £13 per week in Council Tax Benefit.

#### Proposed scheme

Under the new scheme the couple would need to pay £18 towards their Council Tax bill and would receive £7 Council Tax Support.

### OPTION D: Include Child Benefit as income when working out how much support to pay

Under the current scheme Child Benefit is not included as income when working out an award of Council Tax Benefit. Under this proposal Child Benefit would be taken into account as income.

#### Current scheme example

A couple with 2 children (over 5 years old) receive Council Tax Benefit of £15 per week. They receive £33.70 per week in child benefit and this income is not taken into account when working out their award.

#### Proposed scheme

Under the new scheme the same couple would now receive £10.11 per week in Council Tax Support because their child benefit is now taken into account as income.

### OPTION E: Abolish backdating so all awards are paid based on the date of application

Currently Council Tax Benefit awards can be backdated for up to 6 months if the claimant can show a good reason why they did not claim from an earlier date. Under this proposal all claims would be awarded based on the date of the application only.

### **OPTION F Increase the deductions made for other adults living in a property where someone receives Council Tax Benefit / Support.**

Council Tax Benefit is worked out on the needs of the claimant, partner and dependant children. Other adults (aged 18 or over) living within the household (usually a grown up son or daughter) are expected to contribute towards the Council Tax bill depending on their income. The contribution these other adults are expected to make is deducted from the amount of benefit that the claimant receives.

Under this proposal, the deductions will increase by 20% and a new charge of £4 per week would be made for other adults not in work.

#### **Current scheme example**

A couple live with their 26 year old daughter who earns £400 per week, and their 20 year old son who receives income support.

A deduction of £9.90 per week is taken from the claimant's Council Tax Benefit for their daughter and no deduction is taken for their son.

#### **Proposed scheme**

Under the new scheme the deduction from the claimant's Council Tax Support would increase to £11.88 per week for their daughter and £4 per week for their son. The total deduction is now £15.88 per week.

### **OPTION G: Restrict benefit to a minimum of £5 per week**

Under the current Council Tax Benefit Scheme there is no minimum weekly Council Tax Benefit payment. Under this proposal a minimum award of £5 per week would be introduced. This means that any awards of £4.99 per week or less would not be payable from 1 April 2013.

#### **Current scheme example**

A claimant receives Council Tax Benefit of £2.50 per week.

#### **Proposed scheme**

Under the new scheme the claimant would no longer receive a reduction from their Council Tax bill.

## **CHANGING THE COUNCIL TAX EXEMPTIONS AND DISCOUNTS FOR SECOND HOMES AND EMPTY PROPERTIES**

The proposed Council Tax Support scheme alone does not make up the full shortage in funding. Therefore, in addition to either Proposal 1 or Proposal 2, we want to hear your views on further proposals to change the Council Tax exemptions and the discounts for empty properties and second homes.

### **Remove the Empty Property Exemption for unfurnished properties (25% discount for 6 months)**

Residents can currently receive up to 6 months exemption (with no charge) from Council Tax payments where a property is empty and does not contain furniture. It is proposed to remove this exemption from 1 April 2013 and award a 25% Council Tax discount for up to 6 months. Full Council Tax payments would be due after 6 months.

#### **Current scheme example**

A resident moves out of a property but the property has not yet been sold. There is no Council Tax charge for the first 6 months. After 6 months Council Tax is charged in full.

#### **Proposed scheme**

Under the new scheme the resident would need to pay 75% of their Council Tax bill for the first 6 months. After 6 months Council Tax is charged in full.

### **Reduce the Empty Property Exemption for unfurnished properties (100% discount for 1 month)**

Residents can currently receive up to 6 months exemption (with no charge) for Council Tax payment where a property is empty and does not contain furniture. It is proposed to apply a discount of 100% for 1 month from when the property becomes empty. Full Council Tax payments would be due after 1 month.

### **Remove the current 10% discount for second homes**

Residents who own a second home (which is empty and furnished) in the borough currently receive a 10% discount off their Council Tax bill. It is proposed to remove this discount from 1 April 2013.

#### **Current scheme example**

A resident who owns a second home in the borough receives a 10% discount off their Council Tax bill for the second property.

#### **Proposed scheme**

Under the new scheme the discount would be removed from 1 April 2013 and the resident would need to pay the full Council Tax charge for the second home.

## **MORE INFORMATION ON THE COUNCIL TAX SUPPORT SCHEME:**

### **How is Trafford Council helping people back into work whilst protecting the most vulnerable?**

We want the new Council Tax Support scheme to encourage and support people back into work, whilst reducing the impact on the most vulnerable. We have therefore set out our proposals below on how we aim to achieve this.

### **How will the new scheme encourage and support people back into work?**

Trafford Council is keen that the new Council Tax Support scheme encourages people back into employment if they are seeking a job. This underpins the Government's welfare reform principles, set out below:

- People should get more overall income in work than out of work.
- People should get more overall income from working more and earning more.
- People should be confident that support will be provided whether they are in or out of work, that it will be timely and correct, and that claiming will not be a complicated and frustrating experience.

We propose that the new Council Tax Support scheme should build upon the existing work incentives already available (under the Council Tax Benefit scheme), and include the following additional support:

- 1) Give people receiving Council Tax Support extra financial help towards their Council Tax bill for a limited period of 8 weeks when they start work and stop receiving certain benefits. The current period is 4 weeks.
- 2) Increase the child care disregards by 10%, so that people who work and pay child care can continue to receive Council Tax Support if they are on a low income. The child care disregard is the amount of money that is not counted as income when working out entitlement to benefit. Under this proposal we would disregard child care costs at the rate of £192.50 for 1 child and £330 for 2 or more children.

### **How will the new scheme protect the most vulnerable?**

The Council is committed to protecting the most vulnerable residents where possible and is keen to seek your views on which groups are more likely to be affected by the new Council Tax Support scheme. We have identified some possible groups, but there may be others you wish to add.

Under our draft proposals we are considering introducing some form of protection for people with a disability and families with a child under 5 years old. Residents over pension age are automatically protected. To protect vulnerable residents we could introduce a discretionary fund where residents receiving Council Tax Support could apply for short-term help on a case by case basis.

We want to hear your views on these proposals and how we can best minimise the impact these changes will have on vulnerable groups.

## **WHAT HAPPENS NEXT?**

We will use this information to help decide on the final Council Tax Support Scheme which will be introduced from 1 April 2013. The results from this consultation will be published later this year on our website. The final decision on the scheme will be made by the council, no later than 31 January 2013.

## Appendix 5A Question by question analysis

The following provides an analysis of the responses received (in survey order) to each of the questions. This section examines attitudes to the two overall proposals and looks at which of them people prefer, their stated reasons why, and how much they support or oppose the specific options listed within Proposal 1. A copy of the survey can be found in appendix 4D.

Each sub-section is structured as follows:

### a) A summary of the results

This is brief narrative of the key findings.

### b) The survey results

This sub-section provides a quantitative analysis showing the results from both the representative survey and the consultation survey both separately and as an overall combined figure. However the combined figure should be treated with caution due to the differing profiles of the respondents to the two surveys. These differences are discussed in section 10.13.

### c) The results from other dialogue methods

This sub section is a qualitative analysis based upon dialogue methods such as public meetings, stakeholder forums and organisational responses. All evidence is shown in the appendices and referenced throughout this section, to highlight relevant points.

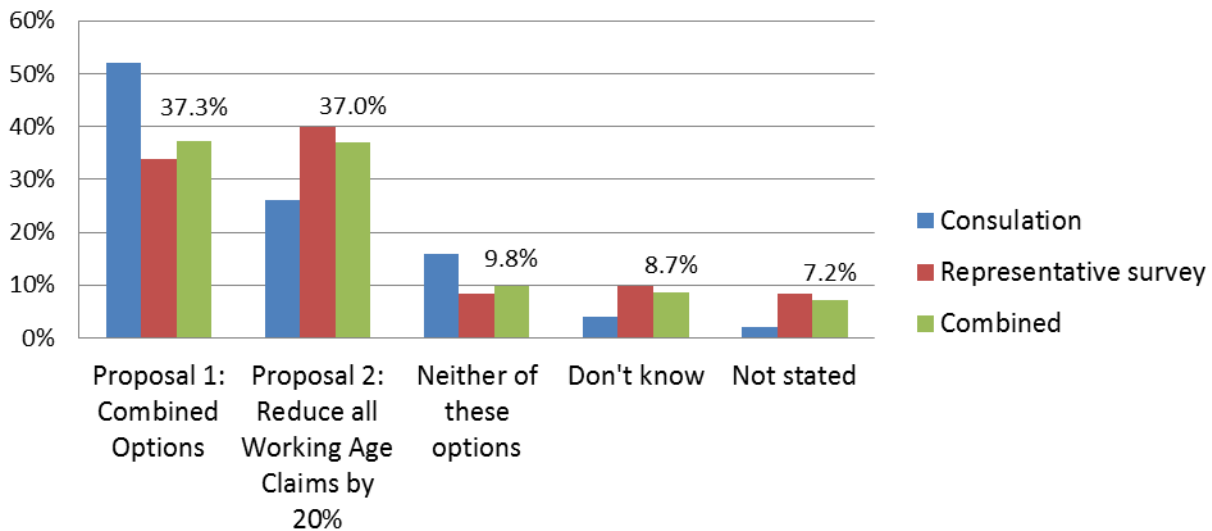
## Question 1: 'Which of the following two schemes do you prefer?'

### A summary of the results

Those who responded to the representative sample survey are more likely to prefer Proposal 2 (40%) than Proposal 1 (34%) and those who responded to the consultation are more likely to prefer Proposal 1 (52%) than Proposal 2 (26%). Overall, the net effect shows that there is marginally more support for Proposal 1. However, all other dialogue methods, including the community meetings and substantial responses all show general support for Proposal 1 (although they may not agree with every option). In fact, many stakeholders were opposed to Proposal 2 in its entirety.



### The survey results (percentage in favour)



### The results from other dialogue methods

All groups who provided a written response were in favour of Proposal 1. However, the level of support for the individual options varied. The most popular option was to restrict support to a Band D property charge and the least popular option was to include child benefit as income. This is also reflected in the survey results as detailed in Tables 15 and 16.

The summaries from the following organisations show the levels of support for the two proposals. The full responses can be found in the appendices (see section 2A).

#### Citizens Advice Trafford

Citizens Advice Trafford (CAT) does not support the benefit cuts, but would prefer Proposal 1 over Proposal 2 as it affects far fewer people. However, it has raised particular concern around option e (abolishing backdating) because a number of people struggle to make a claim in good time, and cite 5 potential consequences, which are detailed in appendix 2D.

#### Trafford Labour Group

Trafford Labour group provided a comprehensive response to the Consultation. In summary the group are opposed to cuts in Council Tax Benefit, especially at a time when other Welfare Benefit changes are taking place, stating that the changes are completely unacceptable.

Trafford Labour group highlighted the main concerns with Proposal 1 as follows:

- *'Minimum cap of £5.00 per week – This cap is too high and will have an adverse impact on claimants.'*
- *'Abolishing backdates: There will always be cases where the claimant has a genuine need for backdated benefit, especially when specific circumstances are out of their control. A discretionary fund for these scenarios does not satisfy the Labour group as some vulnerable residents would "jump through hoops" to get further support.'*

- *'Increase the taper from 20% to 30%. This proposal does not incentivise work and reduces a greater proportion of a claimants earned income. This would reduce a claimant's disposable income.'*
- *'Inclusion of child benefit: This is a concern to the group. This would be devastating for low income families, This could exacerbate child poverty. Trafford Labour Group are very disappointed that this option is being considered.'*

### **Neighbourhood Forums and Partnership Meeting**

The general consensus at these meetings was that Proposal 1 would affect fewer residents and therefore would have a reduced impact on households compared to Proposal 2. However, some residents did feel that Proposal 2 would be easier to administer and easier to understand whilst spreading the cuts evenly.

### **Housing Associations**

The Housing Associations (involved in the Welfare Reform Steering Group) were against Proposal 2 in its entirety and believed it would cause an increase in the level of rent and Council Tax arrears especially at a time when other welfare reform changes are taking place. They were particularly concerned that a 20% reduction would affect many families on the breadline, who currently receive a full rebate due to their circumstances. There was general support for Proposal 1, although concern was raised around increasing the income taper.

### **The Royal British Legion**

The Royal British Legion has urged the Council to continue to disregard (in full) all military compensation payments when calculating Council Tax Support. This includes War Disablement pensions, War Widows Pensions and Armed Forces compensation scheme payments. These payments are intended as compensation for injury, illness or loss as a result of service in the HM Armed Forces.

A response has been provided to The Royal British Legion to advise that the Council will continue to disregard these income types in the Council Tax Support scheme.

### **Imagine, Act and Succeed (Supports people with learning difficulties)**

The organisation supports many of the components of Proposal 1, but does not agree with including Child Benefit as income, abolishing backdating provisions and abolishing Second Adult Rebate. The group are strongly opposed to Proposal 2.

### **A community organisation (which promotes stronger bonds between communities)**

The organisation prefers Proposal 1 over Proposal 2, the main reason being that Proposal 1 will affect fewer people. However it must be noted that although the preference is Proposal 1, the organisation tends to oppose the majority of the options within it.

## Precepting Authorities

A written response from the Precepting Authorities was received prior to the public consultation. This does not go into any detail about the two schemes. See appendix 2B for more information.

## Question 2: 'What are your reasons for your answer to question 1?'

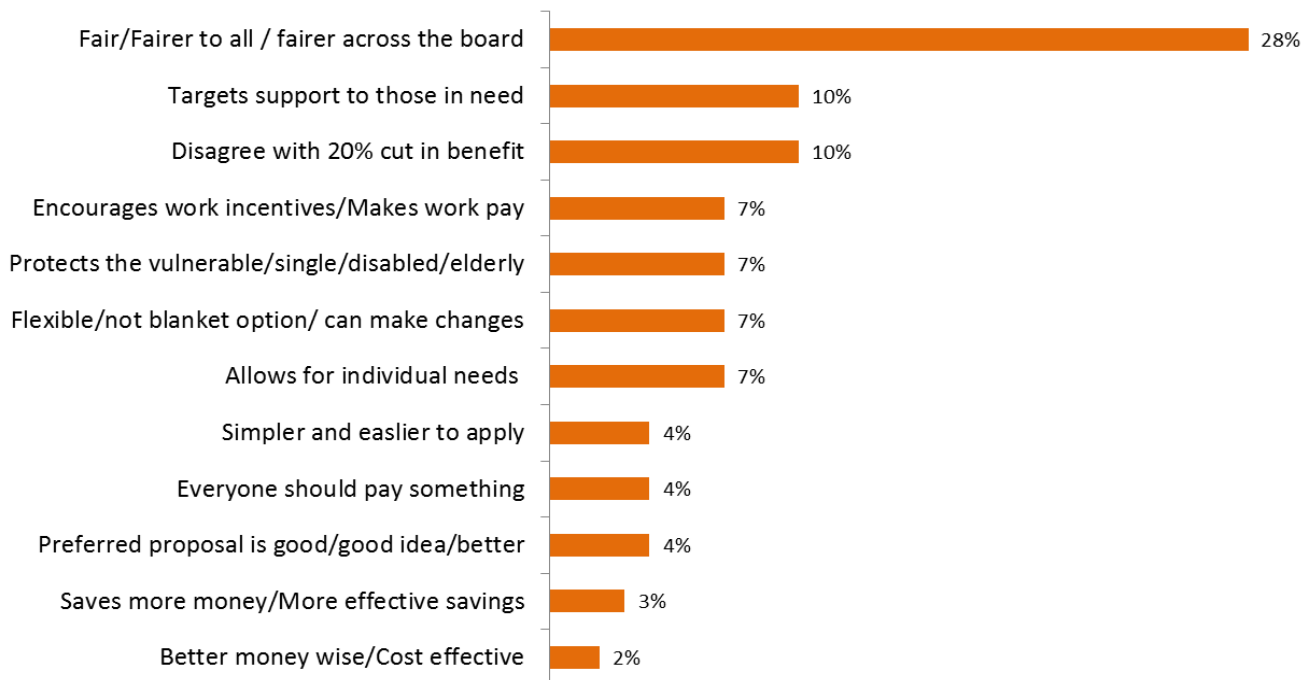
### A summary of the results

Residents who prefer Proposal 1 often stated that this is because the scheme is fairer and targets support to those in need and that they disagree with the 20% reduction (Proposal 2).

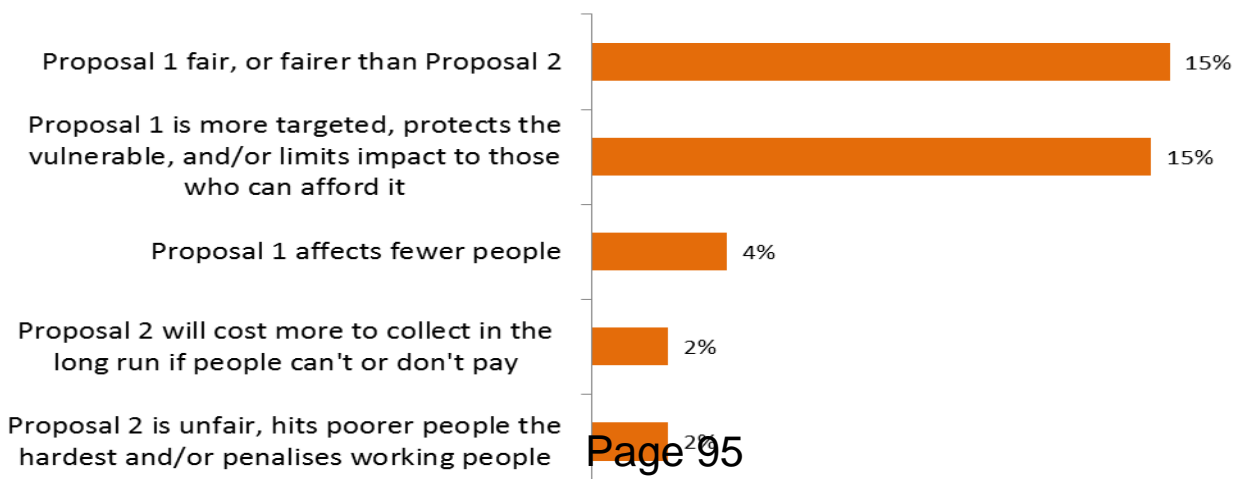
Those who prefer Proposal 2 often stated that it is because the scheme is simpler and easier to apply and saves more money.

### The results from the surveys

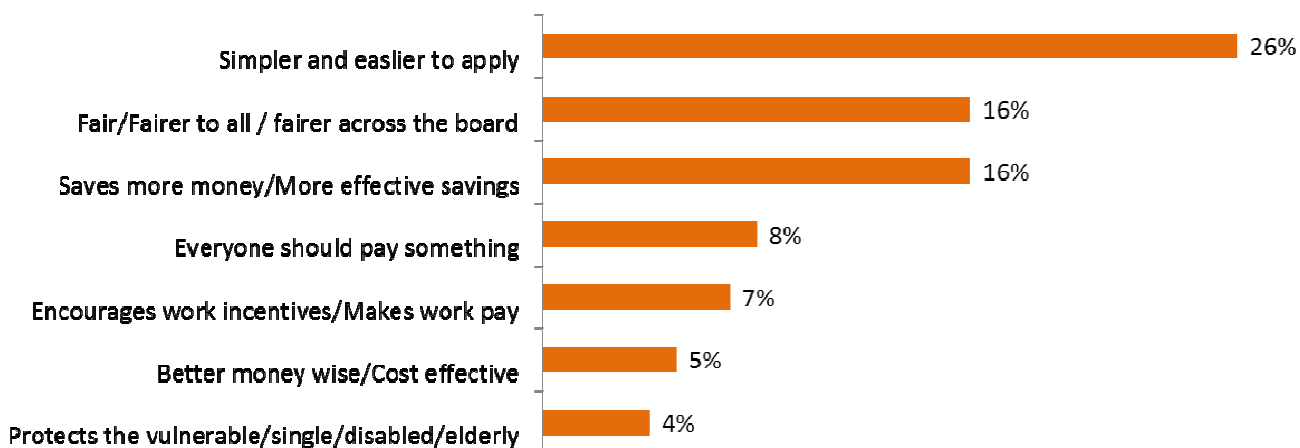
#### Reasons for choosing Proposal 1 (Representative Survey)



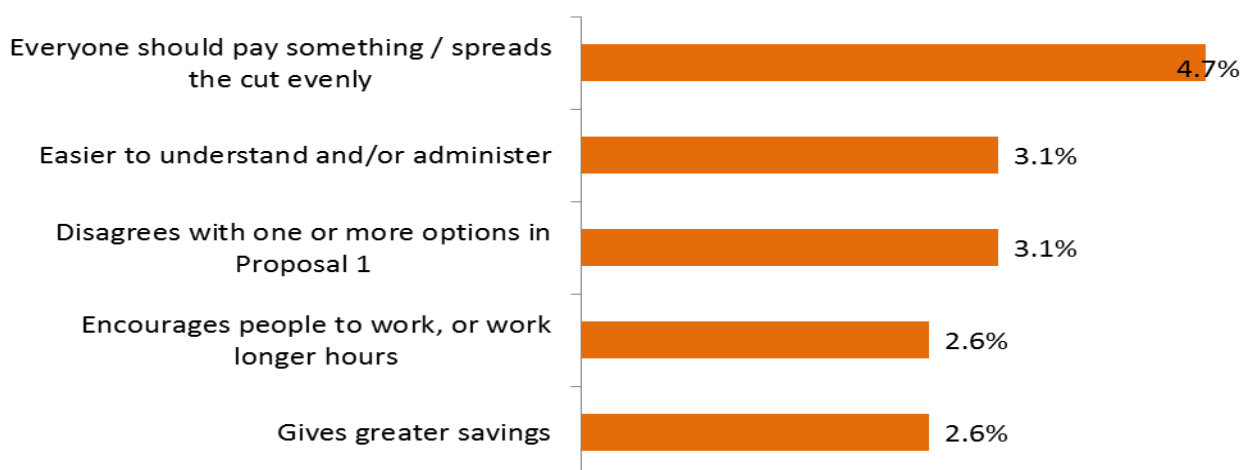
#### Reasons for choosing Proposal 1 (Consultation survey):



### Reasons for choosing Proposal 2 (Representative survey)



### Reasons for choosing Proposal 2 (Consultation survey):



### Question 3: ‘To what extent do you support or oppose each of the following options?’

Note: Options a-g form Proposal 1 and option h forms Proposal 2.

#### A summary of the results

Question 3 on the questionnaire identified the extent to which respondents supported or opposed each of the individual options in the two proposals.

In the representative survey the level of support for the individual options in Proposal 1 ranges from 48% supporting “Child benefit should be treated as income” to 70% supporting “Council Tax Support should be restricted to the charge for a Band D property”.

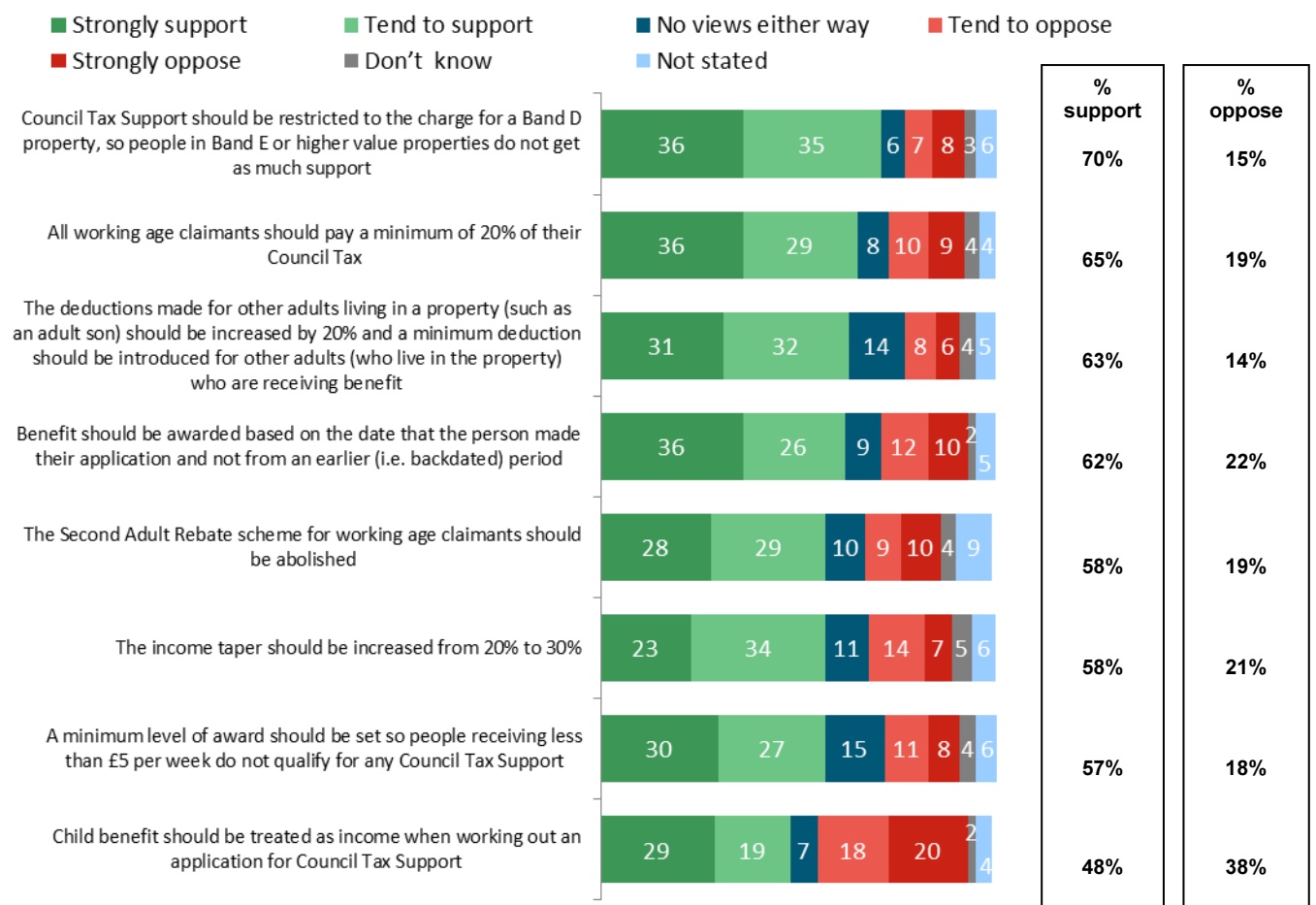
This is fairly consistent with the consultation survey results although the least popular option (in terms of support) was to increase the income taper from 20% to 30%. Again the support for a Band D restriction was high at 74%.

Of the other parts of Proposal 1, nearly two in three support “increased deductions for other adults in a property” (63% representative survey respondents and 62% consultation survey respondents) and support the option to abolish backdated claims (option e) (62% representative survey and 66% consultation survey respondents). This is followed by those who support the “abolition of the second adult rebate” (58% representative survey and 57% consultation survey respondents).

Levels of opposition to the individual options are relatively consistent with around one in five opposing each element. The only exception being “treating child benefit as income” which is opposed by 38% of representative survey respondents and 41% of consultation survey respondents.

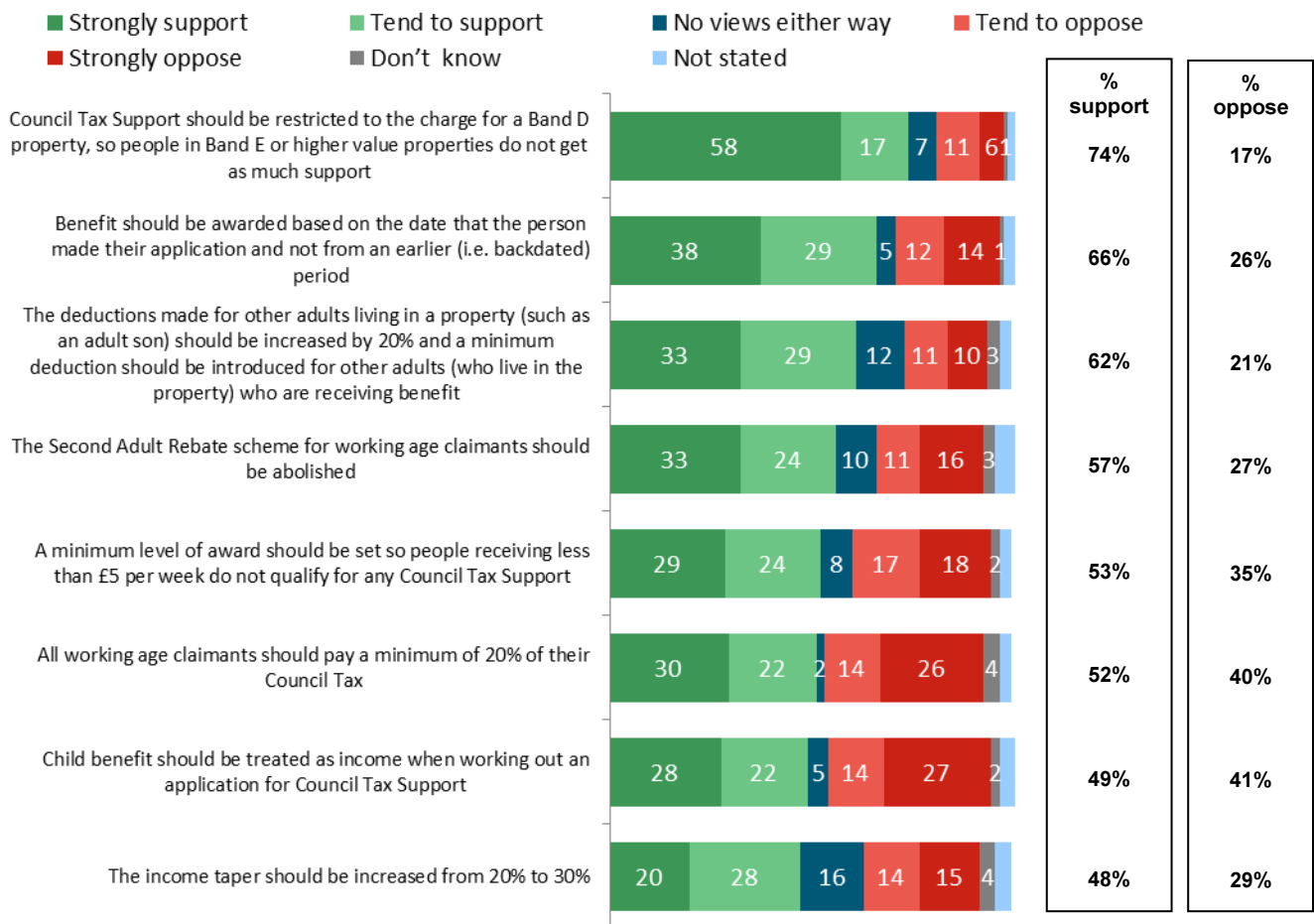
The tables below show the level of support for each of the seven options and the 20% benefit reduction option. These are then explored in further detail one by one.

### Representative Survey results



Based on 807 respondents

## Consultation Survey results

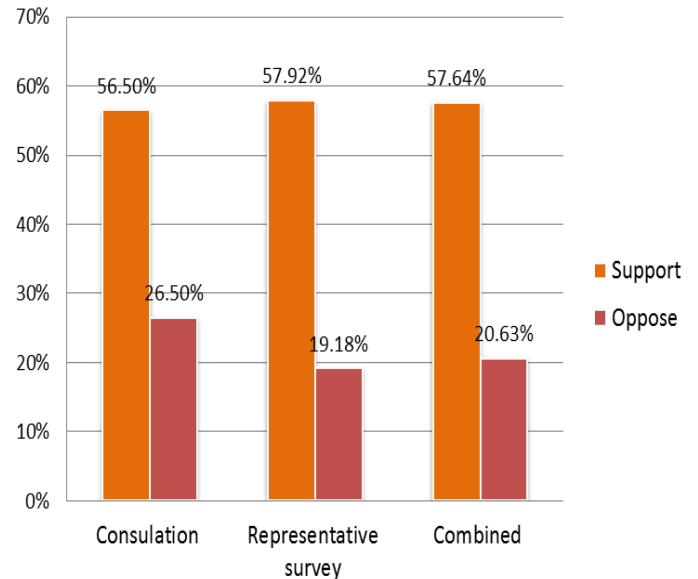
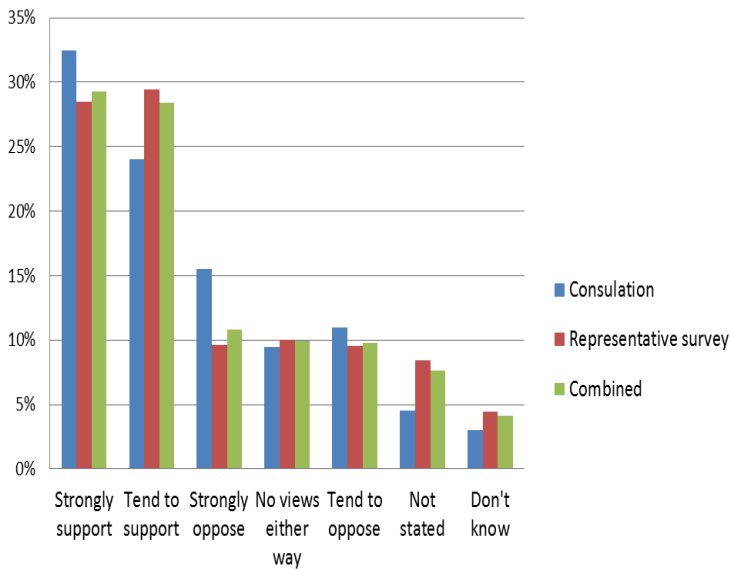


Based on 200 respondents

## The individual options

This section builds upon the previous two tables and provides an in-depth analysis of each option. The tables on the left show the overall results whilst the tables on the right show the 'support versus opposition' for each option. These have also been supplemented with examples of free text responses.

### Option A: Second Adult Rebate



#### overall results

- This option received more support than opposition

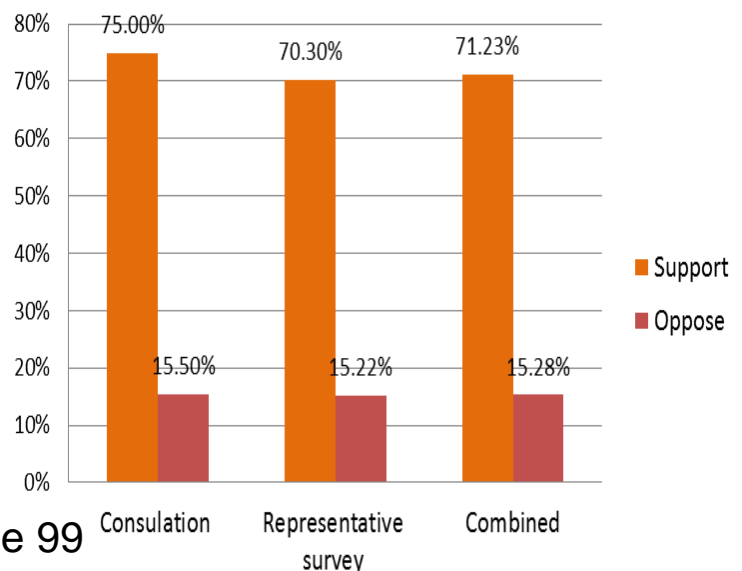
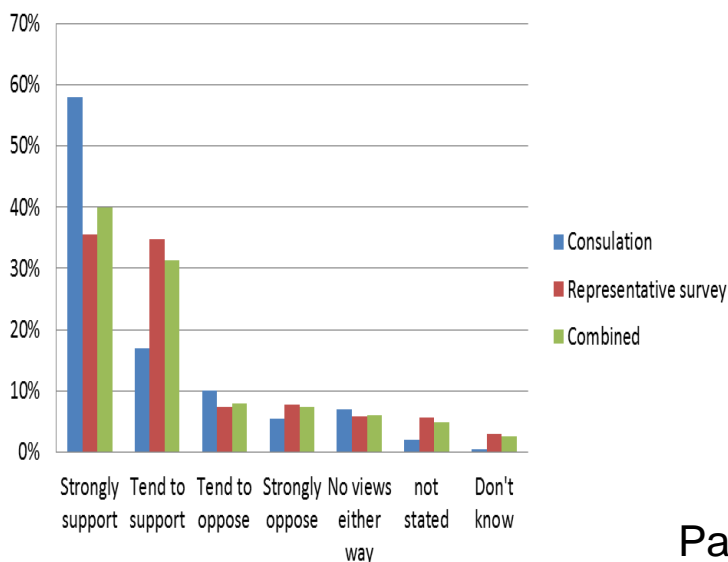
#### Free Text Quotes:

**For:** "Where people who are working or are on benefit and live in the same house as the liable person for Council Tax, they should be contributing to council tax"

**Against:** "I feel it is unfair for a single person, in employment, living with one other adult who is on a low income, to lose the second adult rebate"

#### support vs opposition

### Option B: Restrict Benefit to Band D



Overall results

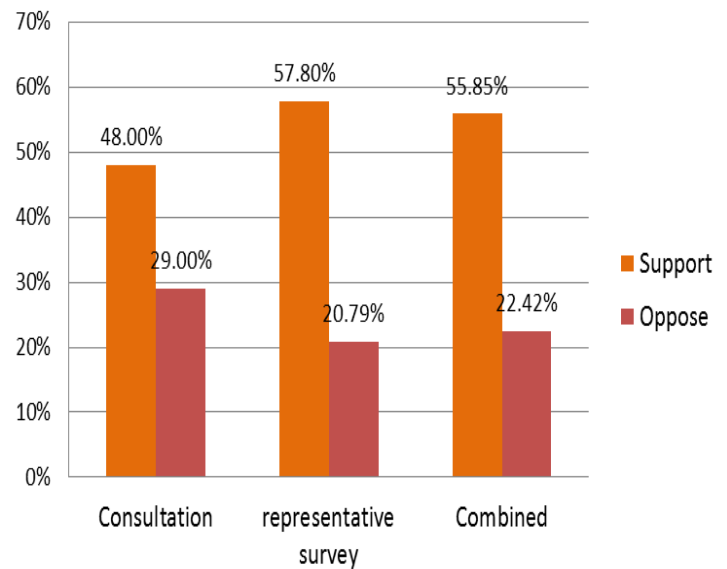
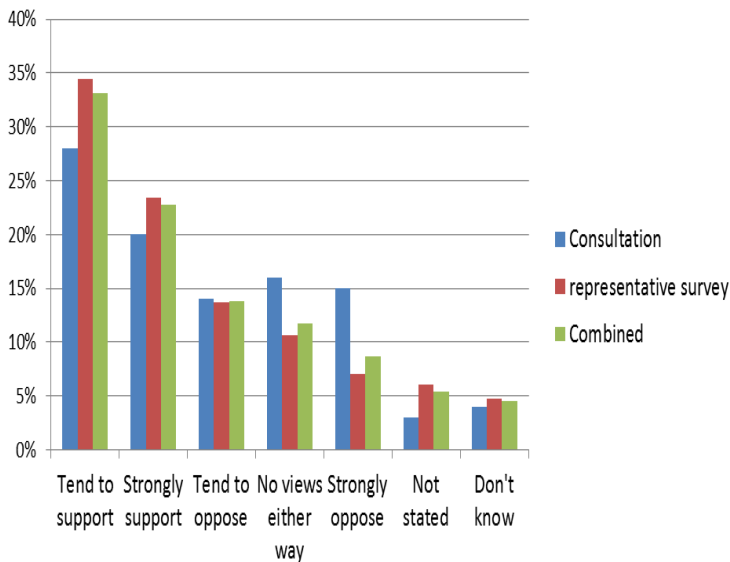
support v opposition

- This option was the most widely supported in both surveys
- Not directly opposed by any organisations

Free Text Quotes:

**For:** "Allowing benefit up to Band D value seems reasonable as those in properties A-D would get full benefit, but there would still be some assistance for those in E upwards."

Option C: Increase the income taper to 30%



overall results

support vs opposition

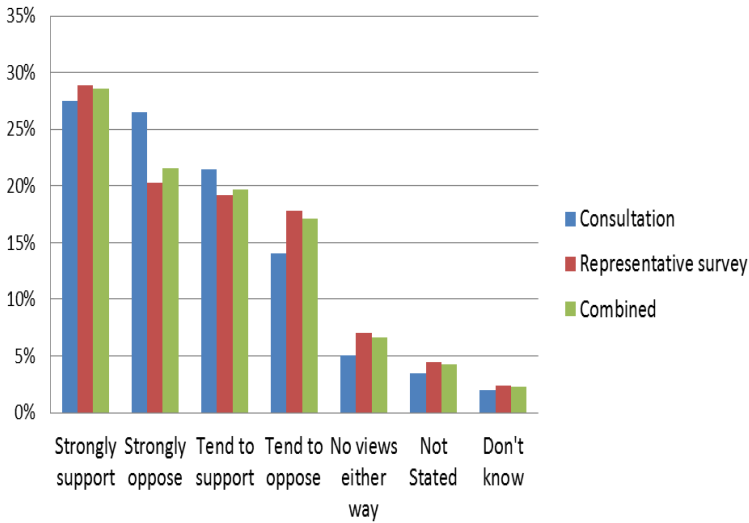
- This option raises concern over work incentives

Free Text Quotes:

**Against:** "Surely a 30% taper reduces work incentives, at least for tenants facing a 65% taper on their Housing Benefit too."



### Option D: Include Child Benefit as income



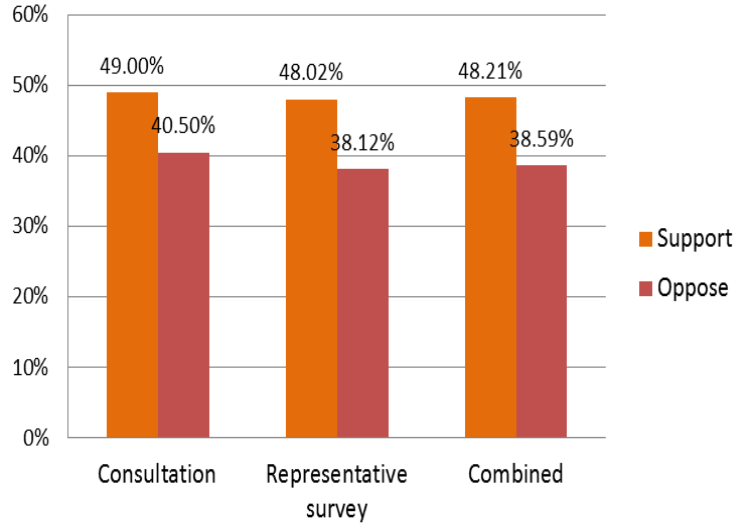
overall results

- This option raised the highest level of opposition throughout the consultation
- There was slightly more support than opposition to the option

#### Free Text Quotes:

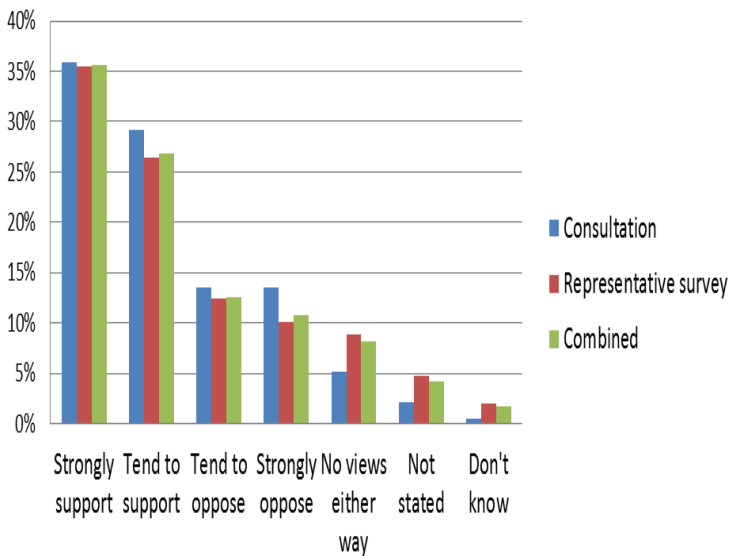
**For:** "All forms of income should be taken into calculations for the amount of benefits."

**Against:** "Child Benefit is surely intended to support the life conditions of children."



support vs opposition

### Option E: Abolish backdating

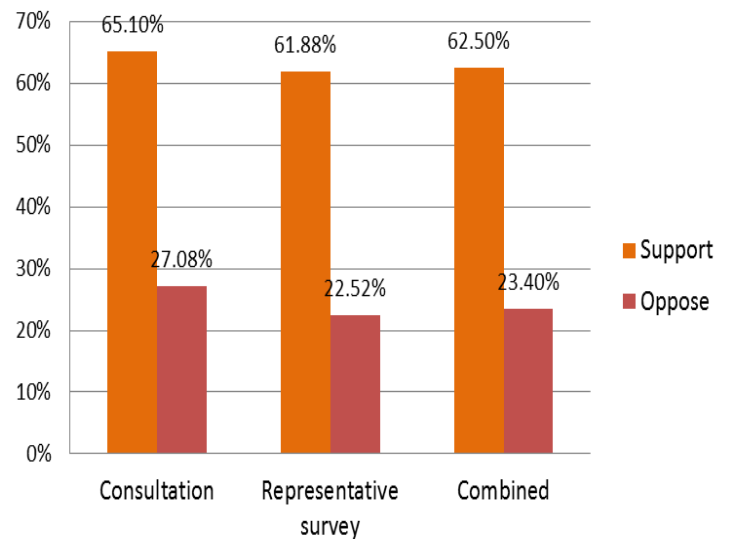


overall results

- This option was opposed by two organisations
- A discretionary fund could help mitigate the impact of this change

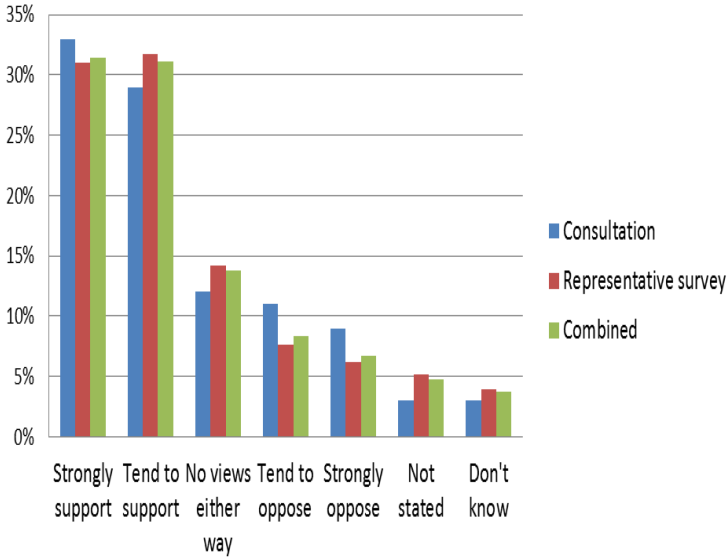
#### Free Text Quotes:

**Against:** "Some people claim belatedly through lack of knowledge."

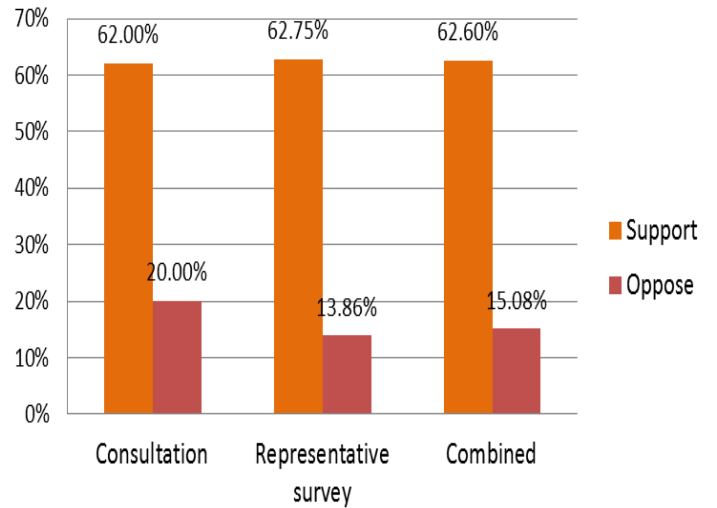


support vs opposition

### Option F: Increase Non-dependant deductions



overall results



support vs opposition

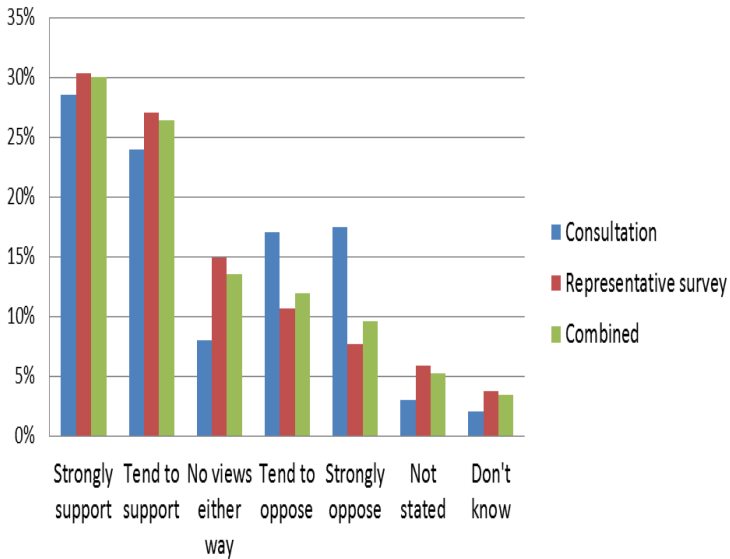
- This option received strong levels of support

#### Free Text Quote:

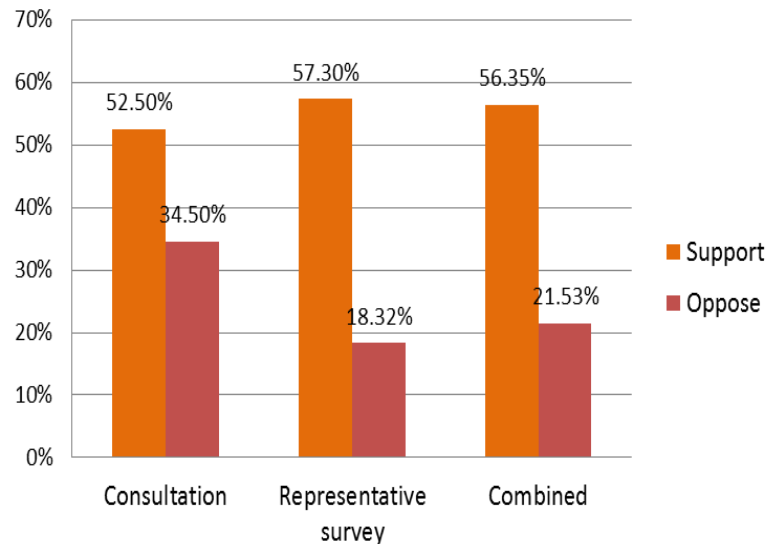
**For:** *“Non dependants should contribute more towards a household to give them a more realistic idea of how expensive it is to run a home for when they leave.”*

**Against:** *“I think 20% increase is too high especially against the rate of inflation”*

### Option G: Introduce a minimum award level of £5 per week



overall results

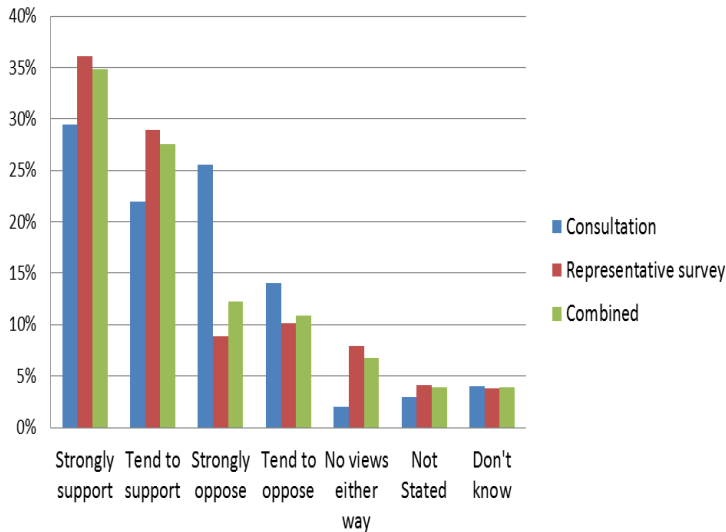


support vs opposition

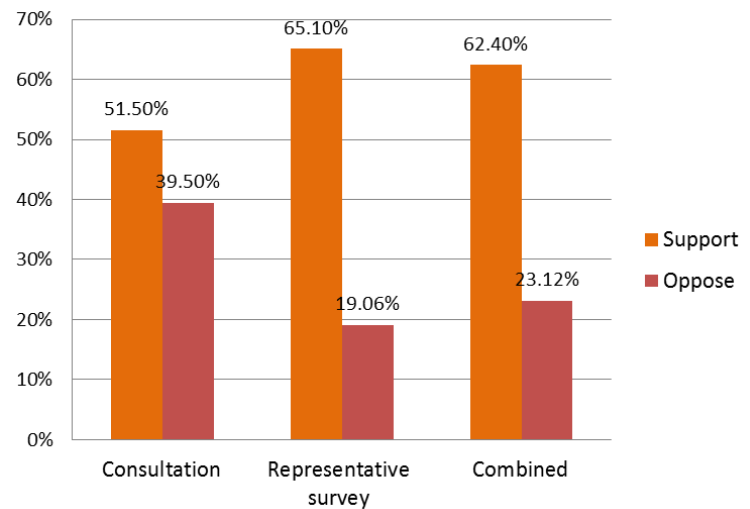
#### Free Text Quotes:

**Against:** *“I do not agree with restricting benefit to amounts of £5.00 per week. When on limited income even £2.50 a week is a help in ensuring that food is on the table.”*

## Option H: Introduce a 20% reduction in benefit (Proposal 2)



overall results



support vs opposition

### Free Text Quotes:

**For:** *"it is fair because it spreads the reduction evenly"*

**Against:** *"I think it is unfair to expect those on the lowest incomes to face the prospect of losing 20% of their council tax benefit when there are ... wealthy people living in Trafford who will remain unaffected."*

## Question 4: 'To what extent do you agree with the proposals to increase the charge for empty properties and second homes?'

### A summary of the results

Residents were asked to provide their views about potential changes to the discounts and exemptions available to those with a second home or empty/unfurnished property in Trafford.

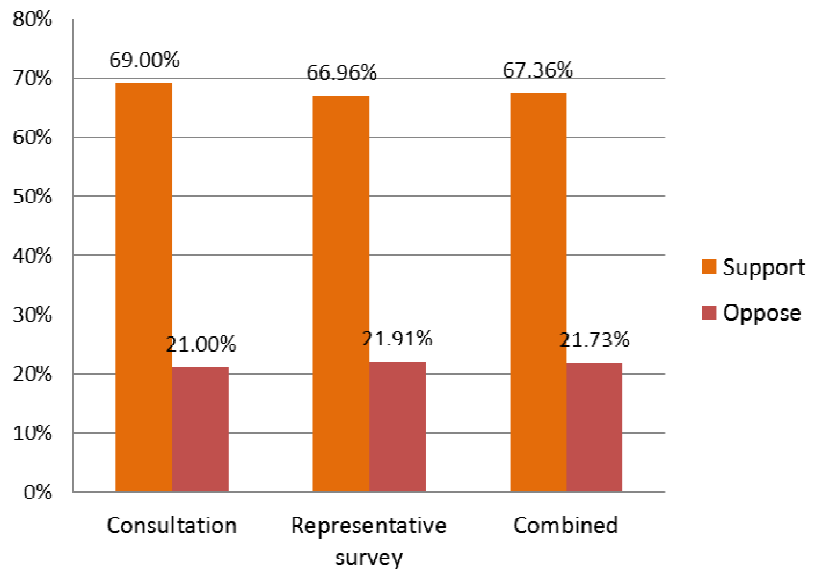
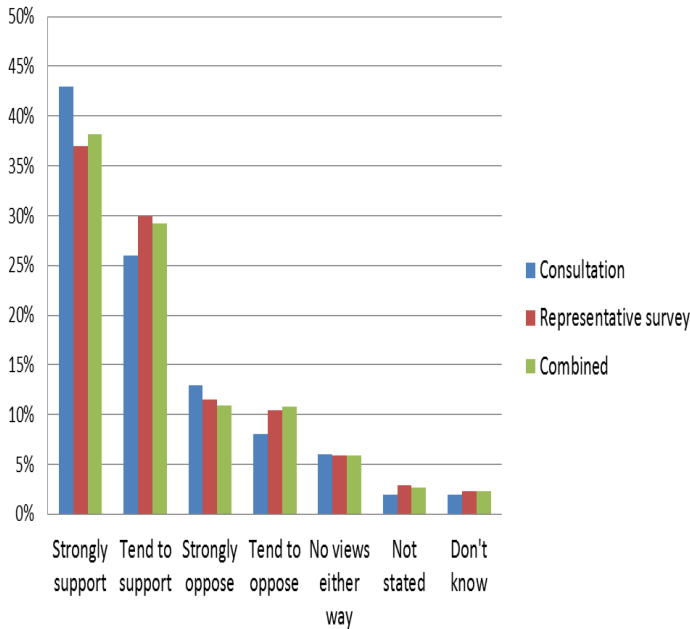
- 76% of respondents for the representative survey and 85% of those who responded to the public consultation support the removal of a 10% discount for those who have a second home in Trafford.
- 60% of respondents to the representative survey and 73% of those who responded to the public consultation support replacing the 100% exemption for residents who have an empty and unfurnished property in Trafford with a 100% discount for 1 month only.
- 67% of respondents to the representative survey and 69% of those who responded to the public consultation support replacing the 100% exemption for residents who have an empty and unfurnished property in Trafford with a 25% discount for 6 month.

Those who responded to the public consultation and prefer Proposal 1 are most likely to support these three changes to Council Tax Discounts. In terms of demographic analysis, men responding to the public consultation are most likely to favour reducing the 100% exemption for residents with an empty or unfurnished property from six months to one month: 78% (59 out of 76 men) say they support the idea.

However, there are significant differences between residents in different strands of the representative sample survey sample. As expected General Council Tax payers and CTB recipients are more likely to support all three of the options than those residents currently receiving an empty property or second homes discount.

**The results from the surveys:**

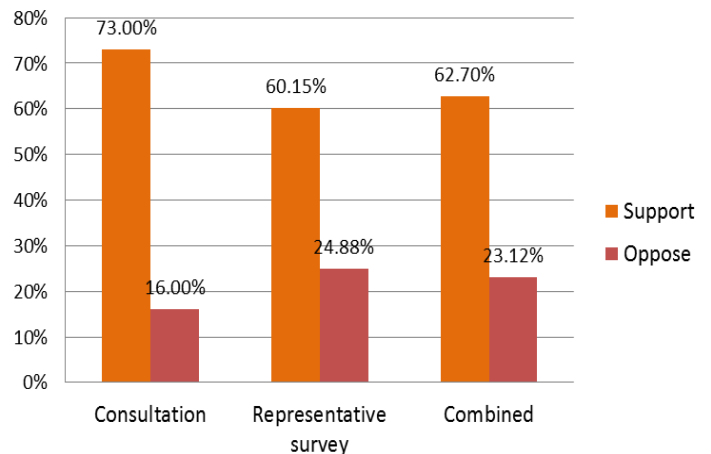
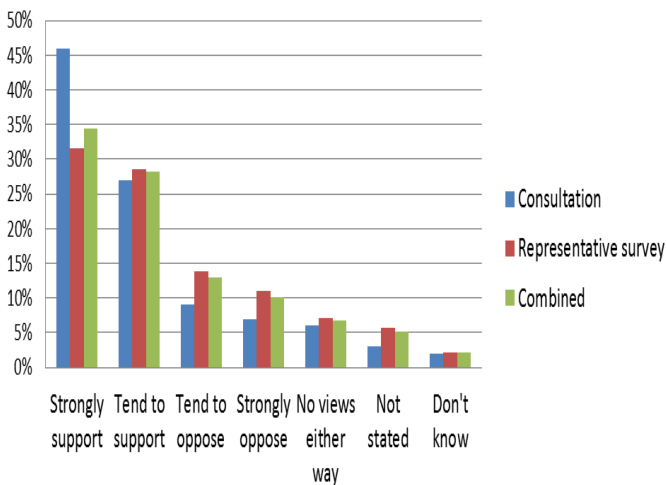
**Option I: Replace the empty property exemption with a 25% discount for 6 months**



*overall results*

*support vs opposition*

**Option I (alternative): Replace the Empty property exemption with a 100% discount for 1 month**



*overall results*

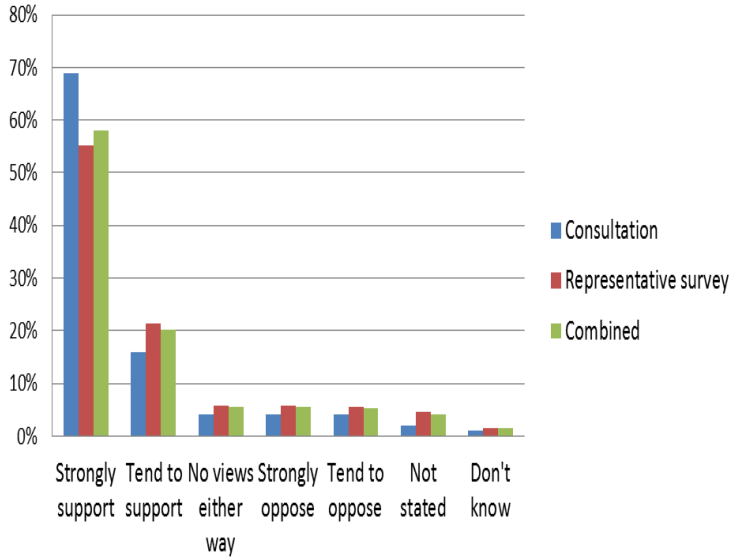
*support vs opposition*

**Free Text Quotes:**

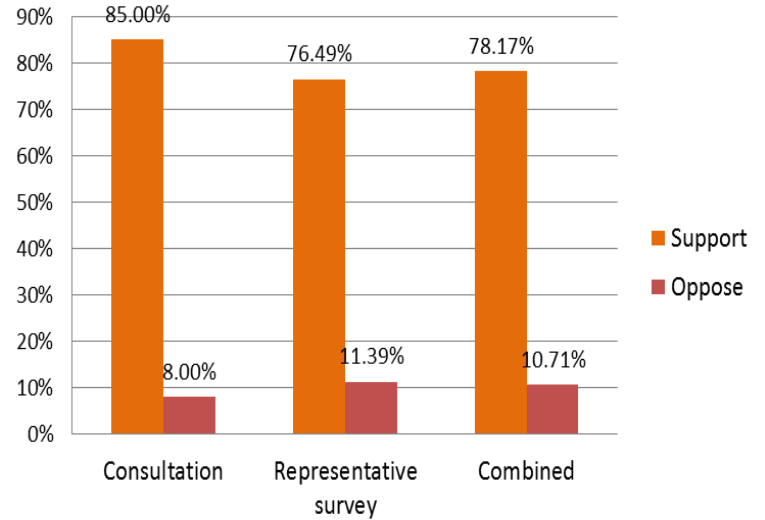
**For:** *"I think the empty homes policy is good as it may encourage some landlords to refurbish and rent them out and therefore creating more housing."*

**Against:** “Property renovation costs a significant amount of money and the 6 month relief is beneficial .... An exemption should be applied for 6 months if the property is undergoing refurbishment or is uninhabitable.”

**Option J: Remove the 10% Second Homes discount**



overall results



support vs opposition

**Free Text Quote:**

**For:** “Make those with second homes etc. pay more. They have the option of selling that second home, where most people are struggling to pay for one home to live in let alone two!”

**The results from other dialogue methods**

The results show that there is a high level of support from all parts of the consultation to abolish the 10% second homes discount. They also show a high level of support to remove the 100% empty and unfurnished empty property discount. However, the results from the representative survey show a higher preference for the 25% over 6 month’s option, while the public consultation survey results show a higher preference for the 100% discount for 1 month. The 1 month option is also preferred by many groups, especially Social landlords who think that the 1 month discount is fairer as it acts as an incentive and reward for turning properties around quickly.

Appendix 4A shows the pros and cons of these two options for consideration. In terms of financial benefits, the 25% option over 6 month generates more income (see section 5.6)

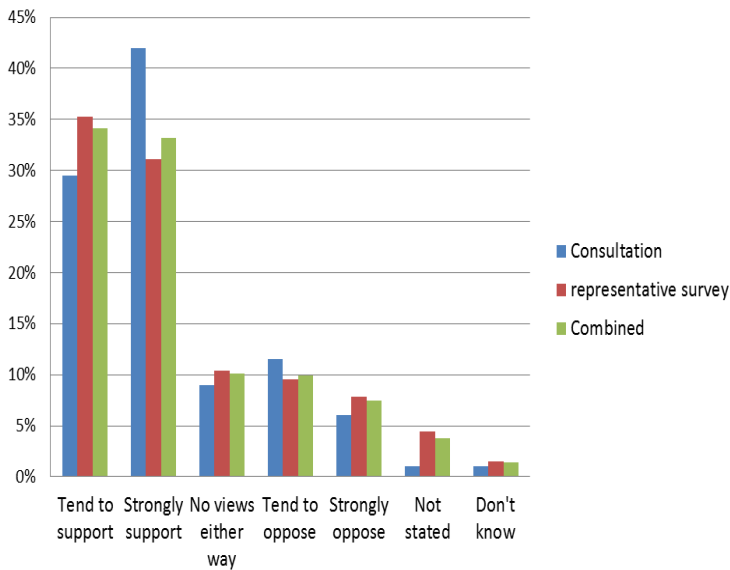
## Question 5: ‘To what extent do you support or oppose each of the following proposals for providing council tax support which helps residents back into employment?’

### A summary of the results

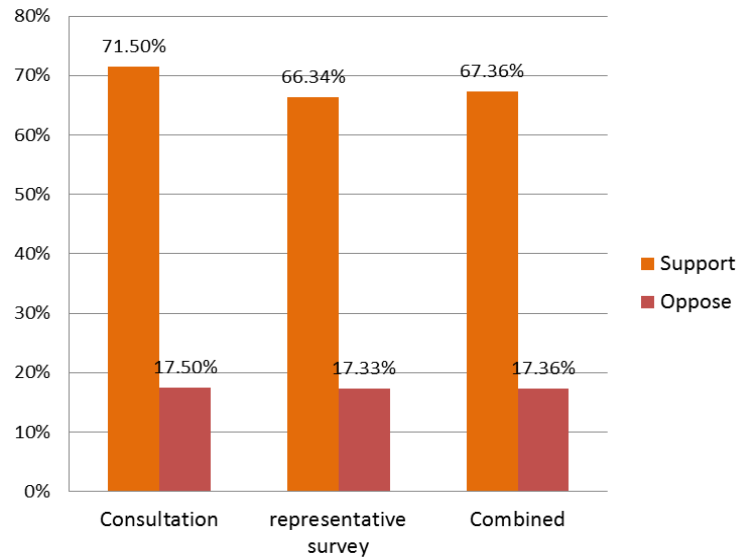
- Residents were asked for their opinions about different ways in which people out of work could be helped back into employment.
- 70% of residents responding to the representative survey and 75% of residents responding to the public consultation support increasing the childcare disregards by 10%, while 66% of residents responding to the representative survey and 72% of residents responding to the public consultation support giving people who receive Council Tax Support extra help for a limited period of eight weeks when they start work.
- While there is a broad approval of both options from all three strands of representative survey respondents, support for the idea of giving people extra support for when they start work is highest amongst CTB recipients: over three-quarters (77%) of this group support the idea of giving people extra support when they start work (vs. 66% overall). There are no significant differences between the different strands with regard to increasing the childcare disregards.
- Support for providing extra support to those who start work is higher amongst those who stated they are not working (72% vs. 66% overall). However, the small base size of those not working means these results are not statistically significant and therefore this difference can only be treated as indicative rather than definitive.
- Those with a disability are significantly more likely to support giving those who receive Council Tax Support extra help when they start work: four in five (81%) favour the idea compared with two in three (65%) of those without a disability.
- Those who state they are opposed to Child Benefit being counted as income at Q3 are more likely to support the proposal of increasing the childcare disregards by 10% – four in five (81%) answer positively compared with 70% of Trafford residents overall and 65% of those who support Child Benefit being counted as income.

## The results from the surveys

### Increase the extended payment from 4 to 8 weeks when a claimant returns to work

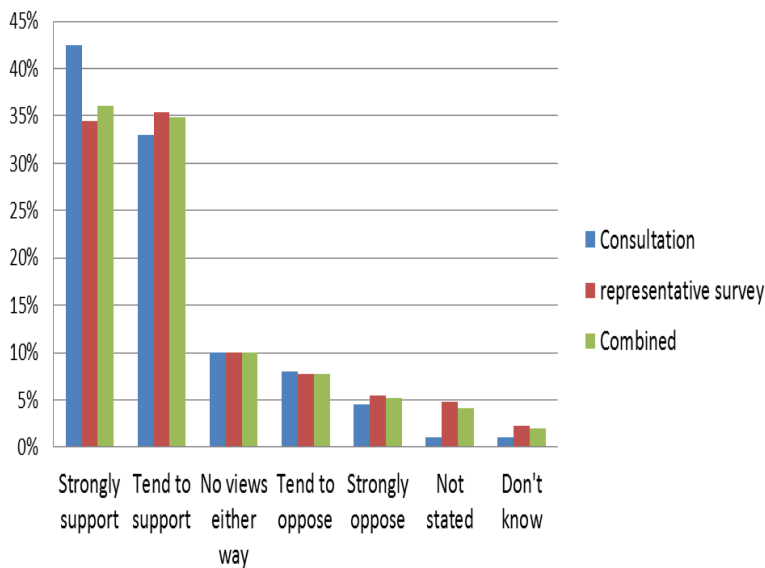


Overall results

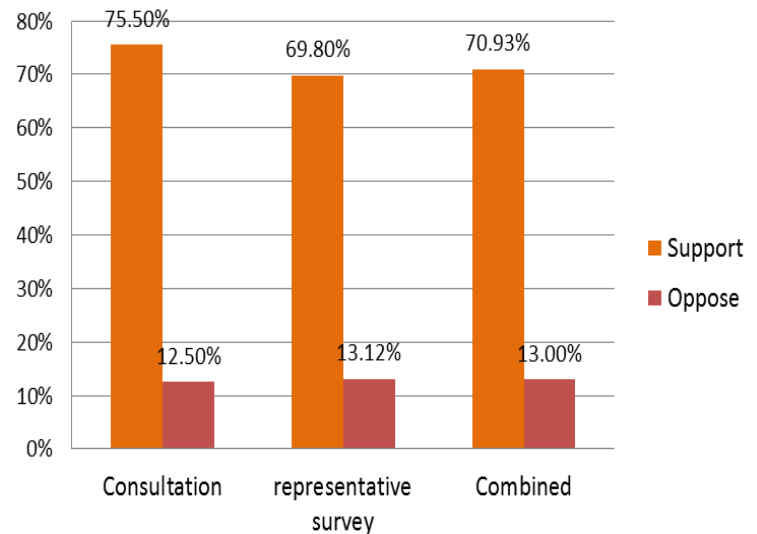


support vs opposition

### Increase the child care disregards by 10%



overall results



support vs opposition

## The results from other dialogue methods

There is strong support to include these work incentives, although there was some criticism that whilst we are proposing to introduce two additional work incentives, we are at the same time increasing the income taper and implementing a £5 minimum threshold (under Proposal 1) which may both act as disincentives to work. See Trafford Labour Group Response (appendix 2C).

## Question 6: 'To what extent do you support or oppose Trafford Council giving some protection from the reduction in council Tax Support to each of the groups below?'

### A summary of the results

Residents were provided with a list of groups which could be considered 'vulnerable residents' and asked whether or not they thought the Council should provide them with protection from the reductions in Council Tax Support under the proposed schemes.

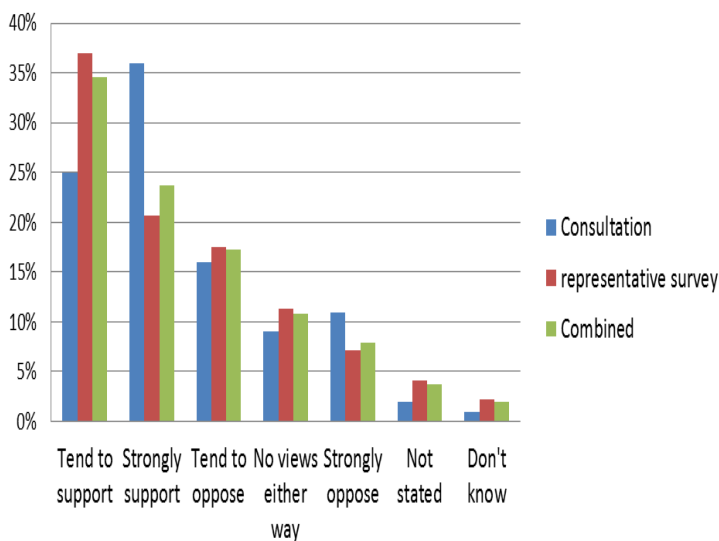
Two in three Trafford residents (67% from the representative survey and 72% from consultation survey) support protecting those receiving the middle or higher rate of Disability Living Allowance from reductions in Council Tax Support. Half of residents (53% from the representative survey & 58% from the consultation survey) think that these protections should be extended to include residents who receive *any* level of Disability Living Allowance.

Around six in ten (58% from the representative survey and 63% from the consultation survey) think these protections should be given to either families with children under 5 who receive benefits or single parent households with children under 5 who receive benefits (60% from the representative survey and 62% from the consultation survey).

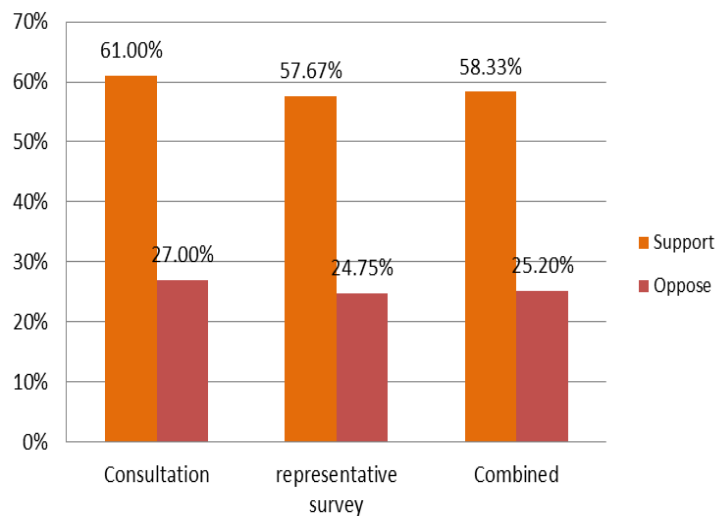
CTB recipients are more likely to think that people receiving any rate of Disability Living Allowance should be given protection by the Council from the reductions in Council Tax Support.

Support for protecting those with children under 5 who receive benefits is higher among those who oppose Child Benefit (for both surveys) being treated as income: 76% of representative survey respondents support the protection of *families* with children under 5 (vs. 58% overall) and 75% support the protection of *single parent households* with children under 5 (vs. 60% overall).

### The results from the surveys Protect families with children under 5



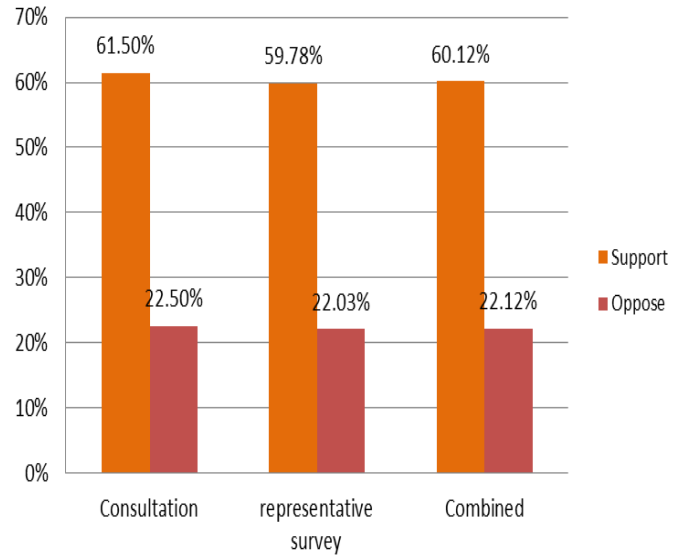
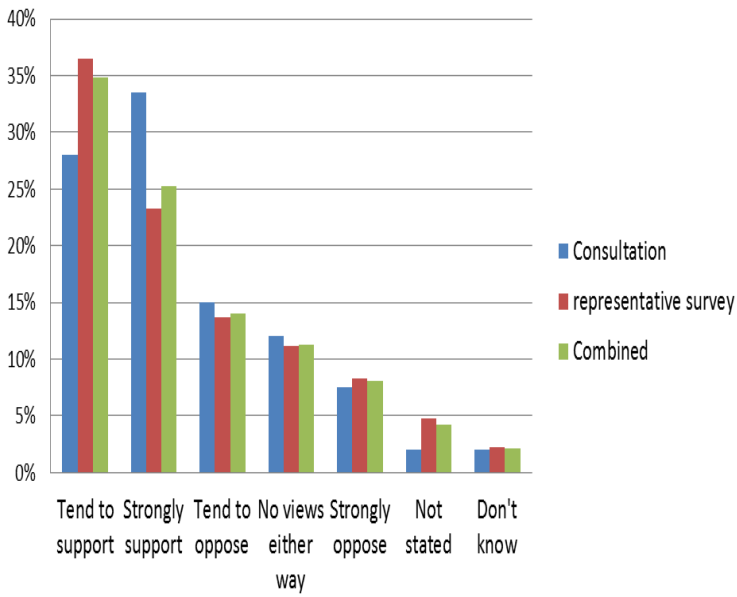
Overall results



support vs opposition



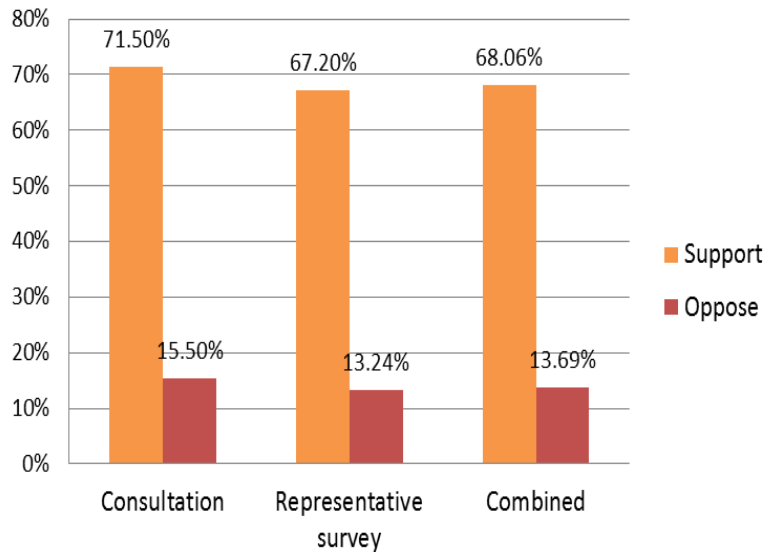
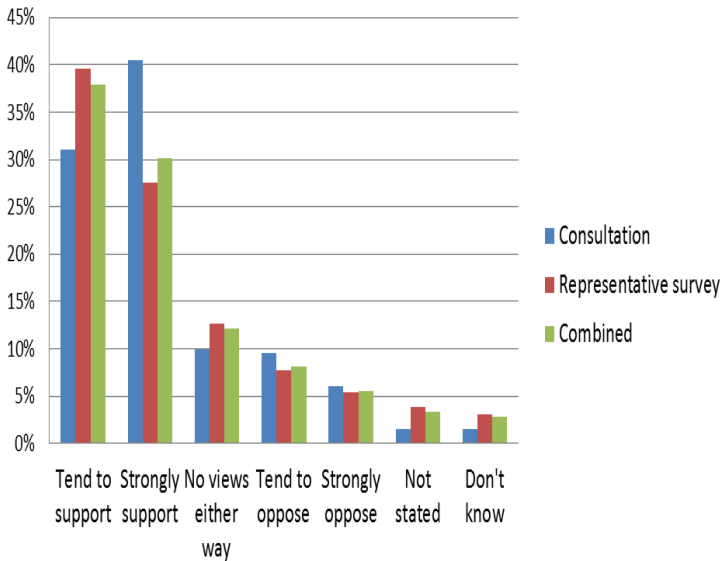
### Protect single parents with children under 5



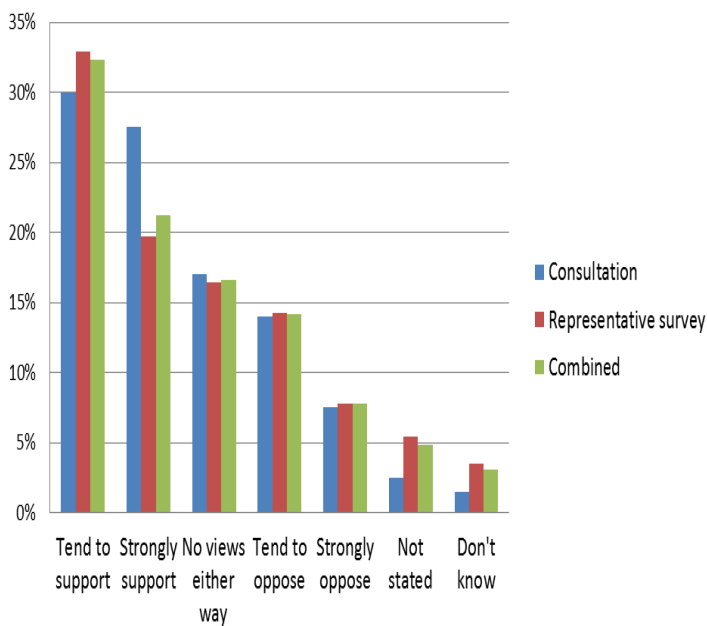
overall results

support vs opposition

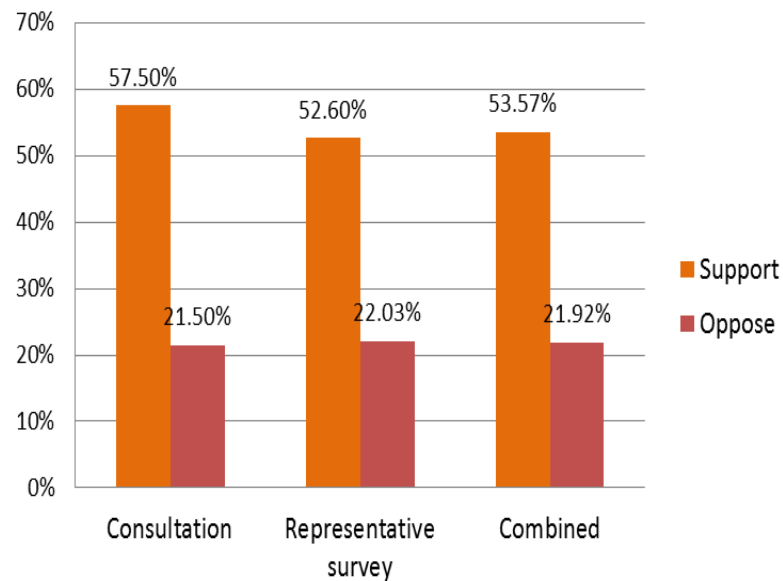
### Protect claimants who receive the middle or the higher rates of DLA



## Protect claimants who receive any level of DLA



overall results



support vs opposition

## The results from other dialogue methods

The Disability and Advisory Group and Trafford Deaf Partnership were particularly interested in the proposals for protecting people on the middle or higher rate of Disability Living Allowance, but believed that these protections did not go far enough. I.E the group felt that this protection should be extended to include those receiving the lower rates of Disability Living Allowance. The extra costs associated with this are approximately £35k.

The group were concerned that when Disability Living Allowance is replaced with the new Personal Independence Payments (PIP) from April 2013 onwards, many people currently receiving DLA will either move to a lower rate or not be entitled at all. Therefore, protecting all rates of DLA will help disabled people in future when the new PIP is phased in.

The group also mentioned including some transitional protection for residents who qualified for protection under DLA, but would not qualify under PIP. A 6 and 12 month period were suggested.

## Question 7: 'Are there any other groups who you feel should receive some protection from the changes in the way Council Tax Support will work in the future in Trafford?'

### A summary of the results

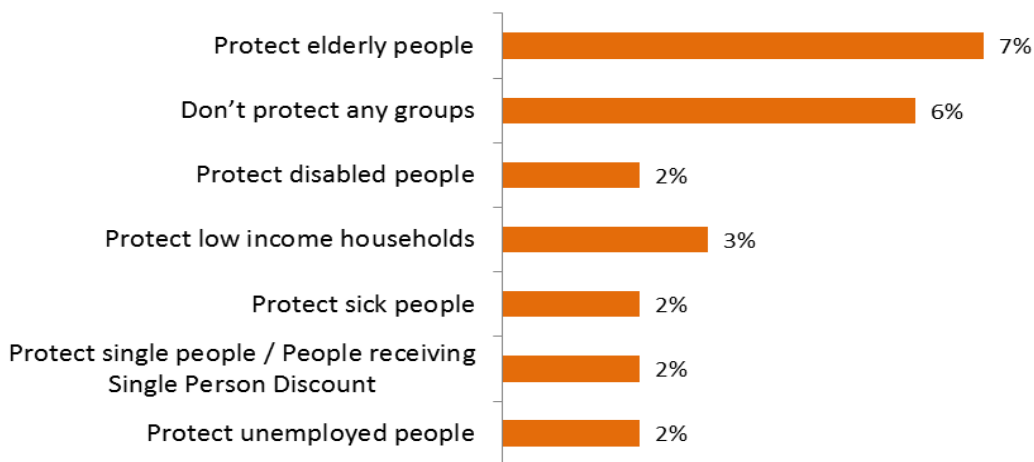
Residents were also given the opportunity to suggest any other groups which they felt needed to be protected from the reductions in Council Tax Support.

- Overall, 6% claimed they did not think anybody should receive protection from the reductions. However, the groups most likely to be spontaneously mentioned by 2% or more are:

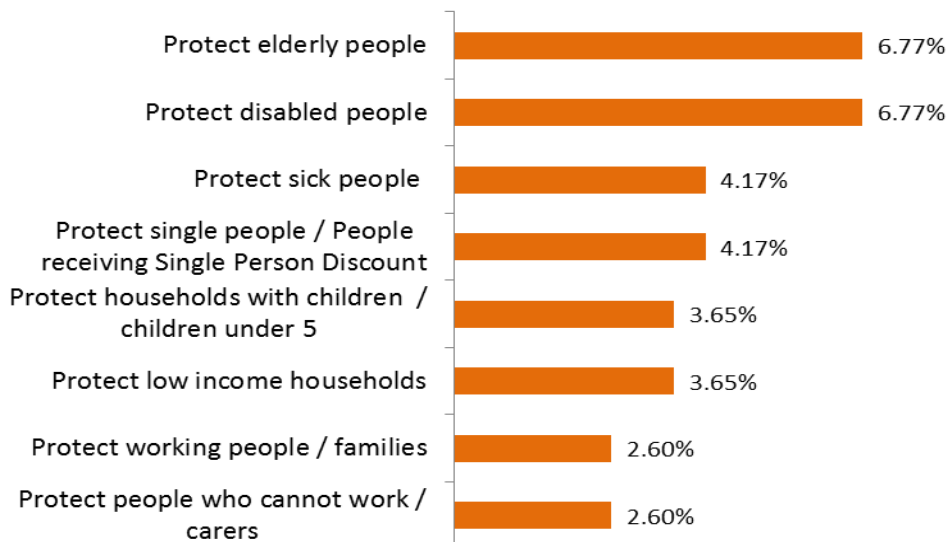
- CTB recipients are more likely to mention that a variety of vulnerable groups need to be protected; for example, almost one in ten (9%) comment on the need to protect people receiving benefits such as Job Seekers Allowance or Disability Living Allowance compared with 1% of empty/unfurnished/second home owners and less than 0.5% of General Council Tax payers.
- There are no significant differences between those who support Proposal 1 and those who support Proposal 2 in terms of defining additional vulnerable groups to be protected from reductions in Council Tax Support.

## The results from the surveys

### Representative Survey free text responses



### Consultation free text responses



## The results from other dialogue methods

The general consensus from the Welfare Reform Steering Group was that single people should receive some form of protection as they are the hardest hit by the other welfare reforms.

### Imagine, Act and Succeed (Supports people with learning difficulties)

The organisation identified the need to protect People in receipt of Severe Disability Allowance or incapacity benefit

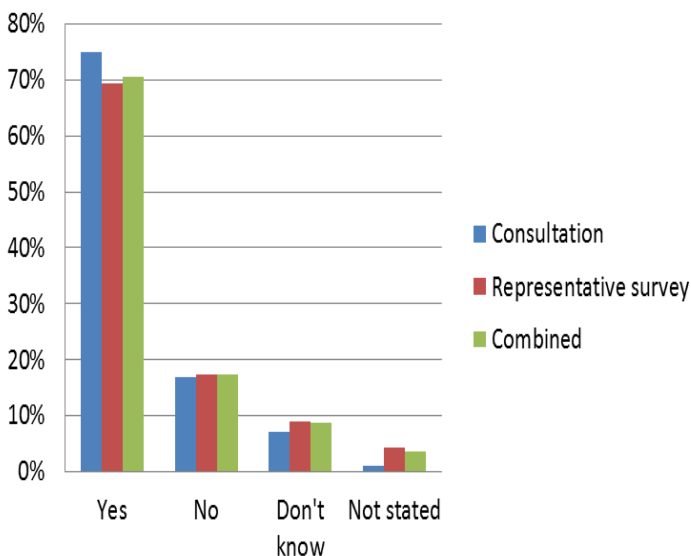
## Question 8: 'Do you think the Council should set up a discretionary fund to help with the change from Council Tax Benefit to Council Tax Support?'

### A summary of the results

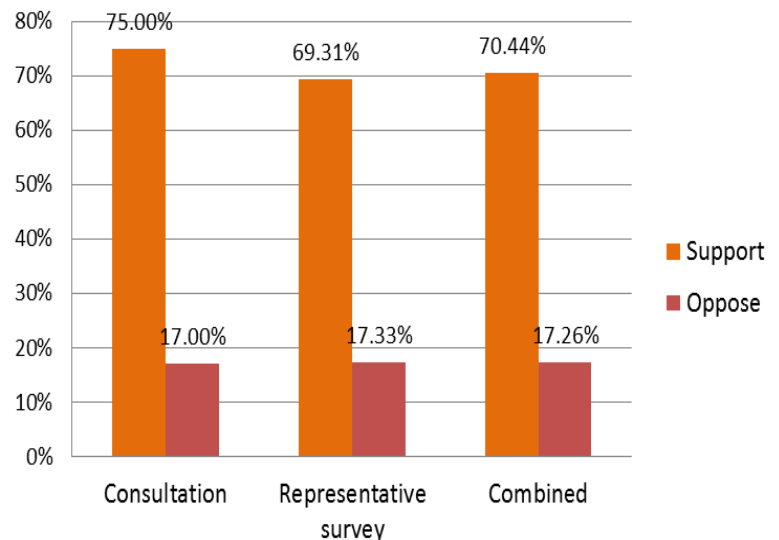
- Residents were asked if they would support the idea of setting up a discretionary fund to allow those who experience severe financial difficulties to apply for additional temporary financial help towards their Council Tax bill on a case by case basis.
- Seven in ten Trafford residents (69%) responding to the representative survey and 75% of residents responding to the Consultation support the idea of establishing a discretionary fund.

### The results from the surveys

#### Should the Council set up a discretionary fund?



overall results



support vs opposition

### **Free text quote:**

**For:** *“A discretionary fund would allow each case to be assessed on its own merits and help given for a set period where it is especially needed.”*

**Against:** *“There should only be a need for the discretionary fund if the measures introduced are too much of a burden on the poorest. It would be better to spend time making sure this doesn't happen.”*

### **The results from other dialogue methods**

All groups supported the idea of setting up a discretionary fund to help deal with individual residents on a case by case basis. Many thought that this would give the council extra flexibility to deal with any initial ‘teething problems and act as a safeguard to residents who do not fall within one of the two protected group categories.

At the neighbourhood forums some concern was raised around the administration cost of such a scheme. This was also raised in some of the community meetings. However, as the fund will sit alongside an already established discretionary fund for Housing Benefit, then the administration costs will be minimal.

Further consultation has taken place with Citizens Advice Trafford who believe a discretionary fund should be prioritised, but not necessarily restricted to those residents who have been directly affected by the Council Tax Support scheme changes. This should encompass residents who no longer qualify for any benefit as a result of the changes.

It's also important to point out that a discretionary fund for the current Council Tax Benefit scheme already exists, through the discretionary Housing payment scheme.

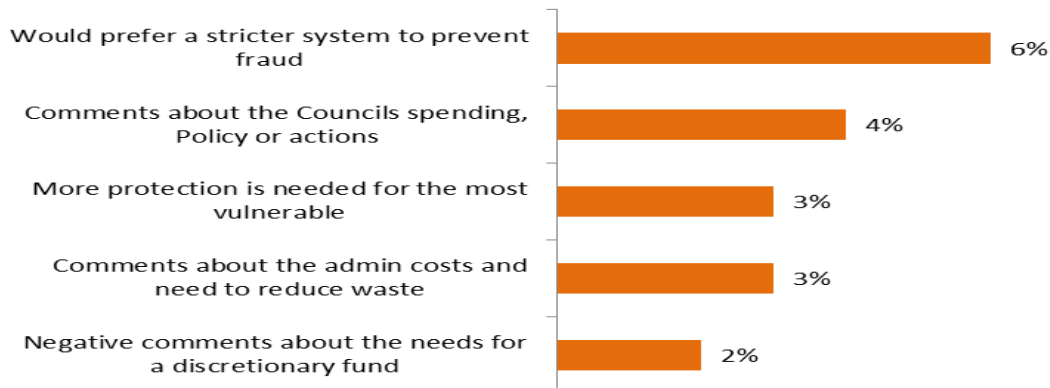
### **Question 9: Do you have any other comments about the proposals set out in this consultation?**

#### **A summary of the results**

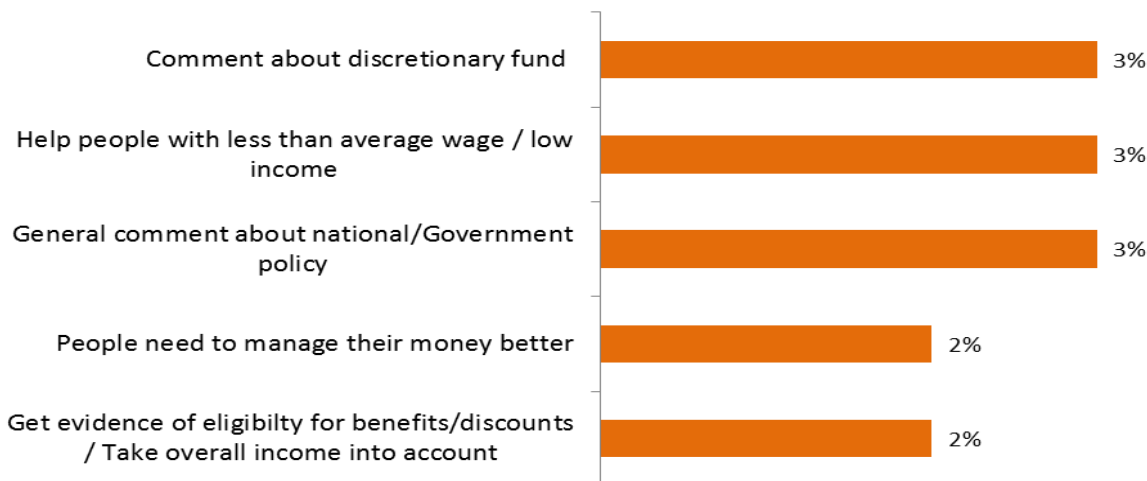
- Residents were given the opportunity to provide any other comments they had about either the representative sample survey or the public consultation process as a whole, the majority chose not to make a comment.
- The spontaneous comments that were made most regularly from the representative sample survey and mentioned by 2% or more are shown in tables 55 and 56.
- CTB recipients are more likely to mention the need to protect vulnerable groups: 8% of this group comment on the need to protect vulnerable groups.

## The results from the surveys

### Any other comments about this consultation (Representative survey free text responses)



### Any other comments about this consultation? (consultation free text responses)



## The results from other dialogue methods

- All groups expressed concern that this consultation is taking place at a time when multiple benefit changes are occurring. The Project team will analyse those customers who could be impacted from Housing Benefit and Council Tax Benefit changes.
- Concern over the complexity of the benefits system and the consultation form, with some groups expressing concern that some vulnerable residents will not understand the consultation or the changes in benefit.
- Positive feedback towards the project team and consultation was received by some residents at neighbourhood forums.
- Citizens Advice Trafford have expressed positive feedback towards the project team who have constantly included partners and stakeholders throughout the consultation period.

- Trafford Labour Group whilst they do not agree with the benefit cuts pay tribute to the work of the staff involved with this project.

## Appendix 6

Due to the size of this document it will be available on the Councils website.

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## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 21 January 2013  
**Report for:** Consideration  
**Report of:** Scrutiny Committee and Health Scrutiny Committee

### Report Title

**OVERVIEW AND SCRUTINY REVIEW OF DRAFT BUDGET PROPOSALS FOR 2013-14**

### Summary

**Following the presentation on 1 November, the Scrutiny pre-meetings held on 12 November and workshops on 20 and 22 November attended by the Executive and their Corporate Directors this report contains recommendations in relation to the affects of budget decisions on services and the organisation.**

### Recommendation(s)

**That the Executive consider and respond to the report and recommendations made.**

Contact person for access to background papers and further information:

Name: Helen Mitchell, Democratic Services Officer

Extension: 1229

Background Papers: None

## **Budget Scrutiny 2013/14**

### **Foreword by the Chair & Vice-Chair of Overview & Scrutiny Core Committee**

Budget Scrutiny 2013/14 has been a challenge for all those involved and Scrutiny would like to thank the Executive, Corporate Management team, Finance officers, Scrutiny Councillors and Co-opted Members for their patience throughout.

We welcome the Executive's decision to consult widely and in a very timely fashion. This has helped the Scrutiny Committees to give more focused consideration to the budget proposals.

Without doubt, the Council is working within a changed financial climate and with this Scrutiny Members understand that the Council is planning to save nearly £34m over the next two years.

All Scrutiny members have noted that the Authority is going through a period of significant organisational change and the need to implement a range of austerity measures such as maximising income, changing ways of working, better procurement, reducing back office staff and collaborating with AGMA authorities which support the Council to make the savings required.

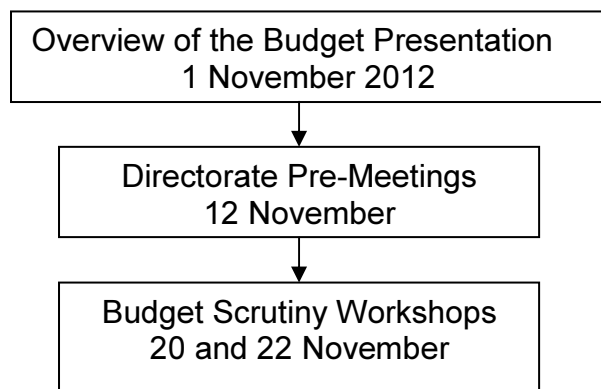
The following report details the observations and recommendations made by Scrutiny Members arising from its review of the budget proposals, and in particular, the workshops held on 20 and 22 November 2012.

**Councillors Brian Shaw, Judith Lloyd, Mike Cordingley and John Lamb  
Chairmen and Vice Chairman, Scrutiny and Health Scrutiny Committees.  
27 November 2012**

## **Background:**

This year the approach to budget scrutiny was amended given the changes to the scrutiny function and the desire to produce tangible outcome focussed recommendations in time to feed into budget consultation timescales.

In previous years, budget scrutiny had been conducted in a way which delivered broad recommendations and requests for information which were not as outcome focussed as they could be. This year provided Scrutiny Members with an ideal opportunity to look at the approach to budget scrutiny afresh; to critically evaluate what had been done in the past and to develop a new approach which would enhance outcome focussed recommendations. Additionally, the revised process gave Scrutiny Members more opportunities to be involved and therefore enhance the Member led approach to budget scrutiny. The refreshed process is highlighted below.



The **overview of the budget presentation**, delivered by the Executive Member for Finance, equipped Members with a detailed understanding of the financial position and the emerging future challenges. The meeting also enabled Members to ask initial questions in order to seek clarification on the draft budget proposals. Additionally, the Topic Group membership was determined at this session as it was the responsibility of these groups to undertake budget scrutiny on a directorate basis.

The purpose of the **directorate pre-meetings** was to further examine the budget paperwork with the support of finance officers. This enabled Members to clarify understanding prior to the budget scrutiny workshops, and, following this clarification, to identify those aspects of the budget which Members wished to review in more detail. This formed the agenda to be taken forward to the workshops. This focused the scrutiny on specific areas of the budget, of particular interest to Members, in order to provide Member led challenge to the Executive's proposals and support the development of targeted and outcome focussed recommendations where appropriate.

As a result of developing a focussed agenda, which shared with the Executive and Corporate Directors in advance of the meetings, the **budget scrutiny workshops** were significantly enhanced as it allowed those present to effectively prepare for Scrutiny Members' questions. This further enhanced the effectiveness of the workshops and supported Members to make informed recommendations.

The remainder of this report covers the service specific recommendations that were made at these workshops on 20 and 22 November.

## Service Specific Recommendations

### Children and Young People's Service

#### Foreword by Topic Group Chairman – Councillor John Holden

"I would like to thank all the Members and officers who participated in this process. The subject is inevitably complex and wide ranging and this was reflected by the depth of questioning and the candid nature of the answers we received. It must be acknowledged that the process is by no means complete and that Scrutiny Members will continue their efforts into the future as the policies develop."

The agenda set by the Topic Group on 12 November included:

1. Strategy of CYPS In Relation to Early Intervention
2. Children's Centres
3. Youth Services
4. Connexions Service
5. Funding of services beyond the statutory minimum
6. Communities and Wellbeing and Children and Young People's Service merger (with Executive Members for Community Health and Wellbeing and Adult Social Care).

Members discussed the above items in detail with the relevant Executive Members and supporting officers, welcoming the opportunity to raise questions and areas for clarification. In the light of these discussions the Topic Group wished to make the following recommendations for the Executive to consider.

As a general issue Members noted the proposed savings across the directorate were very significant, and that, notwithstanding mitigation and targeting measures, the Executive had acknowledged that there would unavoidably be impacts on levels of service provision in some areas. Additionally, a number of the significant budget saving proposals were identified as being subject to consultation, and their detailed impact "on the ground" was therefore not yet known.

A full Scrutiny assessment in these areas was thus, at this stage, impossible, and Members might wish to review detailed impacts as part of ongoing programmed Scrutiny work.

**Recommendation 1: That the Executive provide Scrutiny Committee with details of any long-term monitoring and evaluation work undertaken in respect of significant budget changes and policy choices in relation to services for children and young people.**

*Members recognised that provision of services to children and young people was necessarily at formative stages of their development, and the impact of these services, or changes to them, were therefore long-term in nature. In the light of the scale of currently proposed changes, Members would welcome assurance that the Executive has in place measures to monitor, assess and evaluate these longer-term impacts, and not solely the year-to-year effects on the revenue budget.*

**Recommendation 2: That the Executive closely monitor the impact and effectiveness of the proposed increase in the use of volunteers to deliver services such as those in Children's Centres and Youth Services.**

*Members noted that the identified mitigation for a range of savings proposals was the increased use of volunteers in place of paid staff input. They also noted that the Executive had acknowledged that, in some cases, the range and level of service provision would be dependent on the extent of the success of this strategy, which was at this stage uncertain. In view of this uncertain impact, Members felt it important that the outcomes of the proposals in this respect be subject to robust review.*

**Recommendation 3: That the financial effect of the proposed transition to a more outreach-based approach be rigorously monitored, given its potential to bring to light previously unforeseen need.**

*Whilst broadly welcoming an increased focus on outreach and the targeting of service provision towards people in particular need, Members noted the possibility that this approach, by its nature, had the potential to reveal an extent and level of needs which had not been previously apparent. In view of the potential budgetary consequences of meeting these unidentified needs, Members were clear that the financial impact, especially during the transitional period, would need to be kept under active monitoring.*

**NOTE: One key issue identified at Scrutiny Pre-Meetings for further enquiry was the proposed merger of the CYPS and CWB Directorates. In view of the explicitly cross-cutting nature of this proposal, the combined CYPS and CWB Topic Groups reviewed this item, and questioned Executive Members and officers representing both Directorates.**

**Recommendation 4: That the Executive provide the merger action plan, and whatever details of proposed structures are currently available for the merged CYPS and CWB Directorates, for consideration by the Scrutiny Committee.**

*Members acknowledged that the scale and implications of the proposed change could not be exhaustively examined in the context of the broader Budget Scrutiny exercise, and that Scrutiny might wish to revisit aspects of this initiative post-implementation. Noting the Executive's assurances that a robust action plan was in place to prepare for the full merger from the start of the 2013/14 Municipal Year, Members wished to have sight of the plan, and any further details of proposed structures and responsibilities under the new arrangements.*

## **Communities and Wellbeing Directorate**

### **Foreword by Topic Group Chairman – Councillor Dylan Butt**

“The framework developed from the initial presentation and the subsequent pre-meeting helped our Topic Group to determine an agenda for further budget scrutiny at the CWB workshop on 22/11/12. The budget scrutiny process allowed for more focussed questions on the specific issues of concern raised by topic group members in order to gain a better understanding of the potential implications of the budget proposals from the executive and officers.”

The agenda set by the Topic Group on 12 November included:

1. Katherine Lowe House
2. Community Meals Service
3. Princess Centre
4. Supporting People
5. Advice and Information Service
6. Public Health Budget

Members discussed the above items in detail with the relevant Executive Members and supporting officers, welcoming the opportunity to raise questions and areas for clarification. In the light of these discussions the Topic Group wished to make the following recommendations for the Executive to consider.

**NOTE: The proposed merger of the CYPS and CWB Directorates was considered jointly by the CYPS and CWB Topic Groups; Recommendation 4 above refers.**

**Recommendation 5: That, in relation to the proposed re-tendering exercises for services such as Supporting People and Public Health, the Executive provide Scrutiny with assurances that tendering models and contract monitoring are robustly designed to protect quality, standards and volume of services specified, and not specifically (DB 26/11) to reduce tender prices.**

*The Topic Group noted that a prominent theme within savings proposals across the Directorate was the securing of efficiencies through re-tendering exercises. Whilst acknowledging that it was possible to secure genuine efficiencies via this route, Members were aware that contract savings could also result from reduced quality, standards or service volumes, which would not represent genuine efficiency. Members wished to be assured that commissioning and procurement approaches, and ongoing monitoring, were sufficiently robust to ensure that quality, standards and volume would be preserved in those areas where savings were envisaged via efficiency, as opposed to via explicit policy choices.*

**Recommendation 6: That the Executive provide for Scrutiny further analysis of the proposed savings within Supporting People, Housing Services (Proposal CWB16), and in particular of the acknowledged “significant reduction in service provision”.**

*In a lengthy discussion, Members noted that this was a broad and complex area of service provision, with savings in excess of £1M proposed over the forthcoming two years. In order to enhance Scrutiny’s understanding of these proposals, the topic group requested a more detailed analysis of the breakdown of the savings figure, and in particular which services would be reduced or discontinued if the proposal were agreed.*

**Recommendation 7: That the Executive give further consideration to the potential impact of proposed savings in Information and Advice Services, particularly in view of the nature of the wider financial climate and envisaged demand increases arising from various aspects of welfare reform proposals.**

*The Topic Group noted that a significant saving was proposed in this area, and that the effect of this could be amplified by reductions in funding to organisations within the voluntary and community sectors. Whilst the Executive indicated that the proposals had resulted from a sector-wide review, it was not clear to Members whether this would have fully accounted for the potential increase in demand arising from the general economic position and the impact of proposed welfare reform. It would accordingly welcome assurances that the review had in fact included likely future demand within its scope, and that the current proposals had a robust basis.*

## **Transformation and Resources Directorate**

### **Foreword by Topic Group Chairman – Councillor Rob Chilton**

“The Transformation & Resources Directorate deals with some of the most vital parts of the Council's function, but, like other directorates, is being challenged to find scope for more efficient and cost-effective ways of working. The Budget Scrutiny session for this Directorate was encouragingly broad in its scope, and I am pleased that the recommendations made reflected a cross-section of Members' concerns in relation to the budget proposals. I look forward to a positive response from the Executive.”

The agenda set by the Topic Group on 12 November included:

1. Transformation Team
2. Partnerships and Performance Team
3. HR Management Review
4. Access Trafford: Contact Centre and Libraries
5. Members' Allowances

Members discussed the above items in detail with the relevant Executive Members and supporting officers, welcoming the opportunity to raise questions and areas for clarification. In the light of these discussions the Topic Group wished to make the following recommendations for the Executive to consider.

#### **Recommendation 8: That the Executive assure itself about the deliverability of savings associated with the HR staffing review.**

*Members were not assured that there was enough mitigating work undertaken nor was there any planned, as far as they were aware, to reduce the risks associated with reducing support for operational managers, particularly during a time of significant organisational change. These risks might include, for example, a potential increase in the number of employment tribunals as a result of a reduction in support/insufficient training.*

#### **Recommendation 9: That the Executive ensure that it has the capacity to identify and deliver transformational change programmes including ensuring that the benefits associated with cross authority working are realised.**

*Members felt that the reduction in Transformation Team capacity might potentially result in opportunities being missed to achieve savings. Members also felt that there was the potential to achieve more savings through joint authority working and innovative approaches to service delivery, and that this area, should be kept under active review.*

#### **Recommendation 10: That whatever the response to the consultation on the future of library provision, the Executive undertake to maximise, wherever possible, availability of IT access in libraries for the Borough's residents.**

*Members acknowledged that libraries are about more than the provision of books and are places where people, and particularly in vulnerable groups, have ready access to IT facilities in order to apply for jobs and other activities. To this end, it is essential that access to such facilities is maximised.*



## **Environment, Transport and Operations Directorate**

### **Foreword by Topic Group Chairman – Councillor John Reilly**

“It is without doubt that these are challenging times. It is equally without doubt that decisions proposed now are scrutinised thoroughly to ensure that our residents continue to receive the highest level of services and value for money that we can provide. I believe my colleagues and I have challenged the Executive in both an objective and apolitical manner, fitting to the role of Scrutiny Members. The new Scrutiny arrangements have afforded Scrutiny Members a far more inclusive and transparent approach to this process, and my thanks go to the Members of Topic Group B, relevant officers and Executive Members for ETO & EGP for their considerable efforts.”

The agenda set by the Topic Group on 12 November included:

1. Parks Maintenance
2. Mersey Valley Partnership
3. Public Protection: Reduction in samples taken and inspections
4. Highways: Review of contracts
5. Maintenance of grass verges
6. Food waste collection
7. Grants to TCLT and Trafford Watersports Centre
8. Street Based Enforcement Team

Members discussed the above items in detail with the relevant Executive Members and supporting officers, welcoming the opportunity to raise questions and areas for clarification. In the light of these discussions the Topic Group wished to make the following recommendations for the Executive to consider.

**Recommendation 11: That the Executive ensure that impact of the savings associated with the dissolution of the Mersey Valley Partnership are fully identified and review whether the proposals are manageable given the time constraints.**

*Members were not assured that there was enough ‘lead in’ time to dissolve and re-establish a body with responsibility to preserve and promote the Mersey Valley and would welcome further assurance regarding transition arrangements in this area.*

**Recommendation 12: That the Executive should ensure that its approach to the collection of food waste and the level of savings expected from the change in approach to its collection is realistic and achievable.**

*In view of the diverse characteristics of parts of the Borough, and experience elsewhere, Members expressed concerns about the perceived standardised approach to food waste collection and were not assured that the level of savings would be achieved in some areas.*

*Members were also concerned about the realism of the proposals as recent DEFRA research had highlighted that recycling in general may have reached its maturity level. However, the projected savings proposals are based around continually increasing recycling levels. Members would like assurance that these projections are realistic and will result in the projected savings.*

**Recommendation 13: That the Executive provide further details on the impact of the new initiative in respect of parks maintenance, in particular, whether differential standards would apply to different parks, or within different areas of parks.**

*Members noted that the long lead in time in respect of delivering this saving was linked to further exploratory work but their queries regarding the aesthetic aspects of parks and consequent impact on park users were not answered to the full satisfaction of Members.*

**Recommendation 14: That Executive provide assurance that the streetscene in Trafford Park will be maintained to ensure that it remains an attractive area to all businesses in the area. They should also ensure that their approach to ensuring this should involve the use of all available methods including, where possible planning and enforcement functions.**

*Members identified the importance of ensuring that businesses continue to feel welcome in Trafford Park and drew attention to area's strategic economic importance. Members requested that extra consideration be given to maintaining verges and road networks as part of the 'partnering' approaches to grounds maintenance.*

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 21 January 2013  
**Report for:** Discussion  
**Report of:** Executive Member for Finance and the Director of Finance

### Report Title

**Local Government Finance Settlement 2013/14 & 2014/15**

### Summary

The provisional finance settlement for local government was announced on 19 December 2012.

Based on the information currently available there is a reduction in government support of £6.7m (6.9%) in 2013/14.

A further reduction of £6.9m in 2014/15 is expected.

A new important feature of the settlement is the creation of a Business Rate Retention (BRR) Scheme. Baseline figures for business rates and funding have been set (provisionally), which will be used to measure how much growth in business rates can be retained locally. In practice the Council can keep 25% of any growth in business rates. On the downside it will have to meet 50% of any reduction, up to a maximum of £2.4m.

### Recommendation(s)

It is recommended that:

1. The provisional settlement be noted and taken into account when formulating final budget proposals;
2. The Leader delegates approval of the NNDR1 form (business rates estimate) to the Director of Finance, in consultation with the Executive Member for Finance.
3. The Leader delegates approval of payment dates for business rates to the GM Fire and Rescue Service and the GM Pool (if agreed) to the Director of Finance.

Contact person for access to background papers and further information:

Name: Ian Duncan  
Extension: 4884

Background Papers: None.

[www.local.communities.gov.uk/finance/1314/settle.htm](http://www.local.communities.gov.uk/finance/1314/settle.htm)

[Signature of Director of Finance appended in hard copy.]

Relationship to Policy Framework/Corporate Priorities	The annual financial settlement has implications across all policy areas.
Financial	There is an estimated £6.7m reduction in government support in 2013/14 which will have a direct impact on the budget to be agreed by the Council in February 2013.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	None arising out of this report
Risk Management Implications	None arising out of this report
Health and Safety Implications	None arising out of this report

## A. National Position

### Background

1. The local government financial settlement was announced on 19 December 2012.
2. The settlement is different to those of recent years as it heralds the first year of the Business Rates Retention (BRR) scheme as the principle form of local government funding. In previous years, the provisional settlement announcement provided local authorities with their expected general revenue allocations for the following financial year. For 2013/14, the provisional settlement provides

authorities with a combination of provisional grant allocations and their respective starting points within the BRR scheme. **An important aspect of the new finance regime is that the business rates element of funding will vary according to the amounts collected by the Council.**

3. The provisional figures are expected to be confirmed in late January/early February 2013 (within the final settlement announcement).
4. At the time of writing this report not all the information has been provided and information on a number of specific grants remains outstanding (due to be announced in January).

### Provisional Funding Allocations

5. The total level of national resources comprising what is known as “**Start-Up Funding**” for 2013/14 is £26.1bn. This comprises the former formula grant allocations based on levels determined at the time of the last comprehensive spending review, together with a number of “rolled-in” grants and also further adjustments to reflect the additional cost of the New Homes Bonus.
6. On a like for like basis the total funding for 2013/14 has reduced by 3.9% compared to 2012/13 with a further 8.6% in 2014/15, including the additional reduction announced for 2014/15 in the recent Autumn Statement.

Table 1: LG Settlement Key Statistics	2012-13 Adjusted £bn	2013-14 £bn	% change	2014-15 £bn	% change
Start Up funding allocation	27.169	26.101	-3.9%	23.856	-8.6%
Financed by:					
- Local Share of Business Rates		10.899	n/a	11.233	+3.1%
- Revenue Support Grant		<u>15.203</u>	n/a	<u>12.624</u>	-17.0%
		<u>26.101</u>		<u>23.856</u>	

7. Under BRR if an authority has an actual business rate yield (see below) equivalent to the Government's baseline assessment then the level of funding available will be the same as the start-up funding. In terms of start-up funding the following table provides a comparison with other AGMA districts:

Table 2: Start Up Funding

	Start-up funding 2013/14			Start-up funding 2014/15		
	£m	% change	£ per head	£m	% change	£ per head
<b>National</b>	26,101.000	- 3.9%	492.39	23,856.000	-8.6%	450.31
<b>AGMA:-</b>						
Bolton	149.044	-3.6%	559.83	135.479	-9.1%	508.88
Bury	78.742	-5.1%	429.67	71.678	-9.0%	391.13
Manchester	390.915	-2.9%	778.18	354.038	-9.4%	704.77
Oldham	141.683	-3.1%	642.28	128.519	-9.3%	582.60
Rochdale	134.173	-4.1%	655.72	122.126	-9.0%	596.85
Salford	158.828	-2.8%	690.19	144.193	-9.2%	626.59
Stockport	104.779	-5.0%	368.47	95.438	-8.9%	335.62
Tameside	123.109	-3.5%	566.73	111.789	-9.2%	514.62
Trafford	79.637	-5.8%	364.96	72.572	-8.9%	332.59
Wigan	154.369	-4.0%	499.61	140.152	-9.2%	453.60
<b>AGMA average</b>	<b>151.528</b>	<b>-3.6%</b>	<b>574.85</b>	<b>137.598</b>	<b>-9.2%</b>	<b>522.01</b>

8. As in previous grant settlements the Government will use damping arrangements to give protection to authorities from excessive losses in formula funding. These are in four bands according to how dependent each authority is on government funding. For education/social service authorities there will be a 2% difference for each band; the most dependent authorities will not suffer a reduction greater than 2.7% whilst the least dependent will not suffer by more than 8.7%. Trafford is in band 3, which has a -6.7% floor which means we do not qualify for damping assistance.
9. All damping costs are paid for by scaling back grants from all other authorities. Trafford's figures in the above table are after the deduction of a damping contribution of £165k.

### **Spending Power**

10. In announcing the grant settlement the Government has used the terminology *spending power* as its broad measure to assess the impact of the settlement and it includes:-

- Council Tax
- Start-up funding assessment
- Specific Grants (still to be advised at an individual authority level)
- NHS funding

However it is not a comprehensive statement of the settlement.

11. Nationally the settlement, in *spending power* terms, represents a reduction of 1.7% compared to 2012/13, with no authority facing a reduction greater than 8.8%. A small number of authorities will receive an Efficiency Support Grant in order to limit their reductions to the 8.8%. The table below shows an analysis of spending power changes at a national and AGMA level:

Table 3: Spending Power	Adjusted 2012-13 Spending Power	2013-14 Spending Power	2013-14 Spending Power Per Dwelling	Change		2014-15 Change
	£m	£m	(£ per dwelling)	£m	(%)	(%)
<b>National</b>	<b>52,839.214</b>	<b>51,915.824</b>	<b>2,239.84</b>	<b>(923.391)</b>	<b>-1.7%</b>	<b>-3.8%</b>
<b>AGMA:-</b>						
Bolton	263.852	259.149	2,122.34	(4.704)	-1.8%	-4.9%
Bury	163.189	159.218	1,947.39	(3.970)	-2.4%	-4.0%
Manchester	560.989	550.721	2,501.57	(10.267)	-1.8%	-6.5%
Oldham	236.989	232.389	2,470.90	(4.600)	-1.9%	-5.6%
Rochdale	225.132	219.889	2,411.70	(5.242)	-2.3%	-5.1%
Salford	267.965	265.299	2,406.34	(2.666)	-1.0%	-4.7%
Stockport	254.068	248.336	1,968.70	(5.732)	-2.3%	-3.5%
Tameside	212.432	208.925	2,093.00	(3.506)	-1.7%	-4.9%
Trafford	178.893	173.961	1,794.95	(4.931)	-2.8%	-3.7%
Wigan	283.388	277.257	1,973.07	(6.131)	-2.2%	-4.9%
<b>AGMA Average</b>	<b>264.690</b>	<b>259.514</b>	<b>2,193.90</b>	<b>(5.175)</b>	<b>-2.0%</b>	<b>-5.0%</b>

12. Trafford's *spending power* per dwelling is the lowest in AGMA at £1,795 and is 18% lower than the national average. It has the largest reduction in *spending power* in 2013-14 of all metropolitan, unitary and London councils (alongside Brighton & Hove and Kensington & Chelsea).

13. The *spending power* figures for 2014/15 show that Trafford fares better than average. Government grants are reducing by a similar percentage for all authorities but as Trafford is less reliant on grants to finance its spending, the overall reduction in its budget is less than average.

### **Business Rate Retention Baselines**

14. The Government announced an estimate of the national total amount of business rates for 2013/14 of £21.797bn. The national total is from the local list of £26.3bn with deductions for:

- Reliefs, transitional arrangements and enterprise zones - £2.4bn.
- A calibration adjustment to allow for the difference between forecast and outturn figures; this is based on historic figures - £1.3bn.
- Expected reduction in yield due to appeals - £0.6bn.
- Costs of collection and losses on collection, etc - £0.2bn.

15. These adjustments are made at the national level – with the implicit assumption that the effect is the same in all authorities.

16. Further works needs to be undertaken here to fully understand the Government's estimate of the baseline position and to ensure that full allowance has been made for the cost of discretionary and small business rate reliefs.

17. The £21.797bn is split 50:50 to determine the local and central shares. The local share of £10.899bn is the assumed contribution to the funding settlement (see table 1 above); the actual local share is calculated at the end of the financial year and local government will share in the risk and reward of variations, subject to rules on tariffs and the operation of a safety net. The central share is used by the Government to help finance grants, principally revenue support grant, paid to local authorities.

### **B. LOCAL POSITION 2013/14**

18. From the information available, and comparing on as best a like-for-like basis as can be determined, it is estimated that Trafford will have a reduction of £7.8m or 8.6% in main funding. There have been few specific grant announcements, however, the significant Health & Social Care Grant has been declared and shows an increase in funding of £(0.9)m. The current known position is therefore an overall reduction of £6.7m or 6.9% (more detail in Appendix 1):



Table 4: estimated change in Funding	2012/13 Actual (£m)	Provisional Settlement 2013/14 (£m)	Change (£m)	Change (%)
Main Funding	(80.4)	(73.7)	-6.7	-8.4%
Benefit Subsidy/Grant	(11.2)	(10.1)	-1.1	-10.0%
<b>Sub-Total</b>	<b>(91.6)</b>	<b>(83.8)</b>	<b>-7.8</b>	<b>-8.6%</b>
Social Care grant	(2.5)	(3.4)	+0.9	+36.6%
Housing and Council Tax Benefit reform	(1.6)	(1.4)	-0.2	-8.1%
New Homes Bonus	(1.0)	(1.3)	+0.3	+40.9%
<b>Total known Funding (02/01/13)</b>	<b>(96.7)</b>	<b>(89.9)</b>	<b>-6.7</b>	<b>-6.9%</b>

19. The significant items that explain the change of £7.8m in main funding are:

- A £3.1m reduction is due to a combination of austerity reduction in the control total, as well as systemic and/or methodology and/or data changes
- Early Intervention grant being transferred to Schools/DSG; the movement in funding is £2.5m whereas the movement in expenditure responsibility is only £(0.5)m
- An estimated loss of £1.7m due to the changing in funding arrangements for LEA central functions. An amount of £5.1m has been removed from Trafford's funding to support a new grant payable to Academies and LEA's on a per pupil basis, and in return we are estimating that the Council's grant in 2013/14 will be £(3.4)m
- There has been a £(0.1)m improvement in funding due, we suspect, to an inflationary increase in Learning Disability & Health Reform Grant that has now been rolled into main funding.
- 10% loss between Council Tax Benefit subsidy and Council Tax Support grant of £1.1m as a consequence of the new arrangements which has been known for some time.

20. The above excludes the effects of the Council Tax Freeze grants; the 2012/13 grant of £2.2m which lasts for one year only, and the estimated £(0.8)m available for 2013/14 (if chosen).

21. With regard to the new business rate retention scheme, a baseline for all authorities has been set. For Trafford we are assumed to need 0.315% of the national local share (after adjustment of Greater London transport), which is £31.815m. However, we are assumed to generate 0.695% of the total local

share i.e. £75.817m and therefore we will pay a tariff. The application of the local share of Trafford business rates is shown below:

Table 5: Application of Trafford's local share of business rates	£m
A: Payment to GM Fire & Rescue Services (2%)	1.516
B: Amount retained by Trafford as its baseline funding need (0.315% of national total, after GLT).	31.815
C: Tariff payable to Government (to pay to top-up authorities). Calculated as D – (A+B)	42.486
D: Assessed baseline level of business rates (0.696% of national total for local share)	75.817

22. To make a contribution of £75.817m to the assumed national local share then Trafford's actual rates need to be £151.6m (to pay the 50% central share and 50% local share). An estimate of expected business rate yield in Trafford is currently being assessed based on the current level of rateable values on the local list and taking into account the expected cost of mandatory/discretionary reliefs, cost of collection and an estimate of the impact of appeals. This is a volatile area and to a large extent is out of the control of the Council. The Council has to make a submission to DCLG on what it estimates its expected 2013/14 position to be on form NNDR1. A provisional estimate has to be submitted by 7 January and the Council has to agree the final form by the end of January. It is recommended this is delegated to the Director of Finance, in consultation with the Executive Member of Finance. Also the date of payments of business rates to the GM Fire and Rescue and the GM Pool (in the event this arrangement proceeds) have to be agreed; it is recommended this is delegated to the Director of Finance.
23. If actual business rates at the end of the financial year vary from the set baselines then the following will apply:
- 50% will be paid to / received from the central share;
  - A levy of 50% of growth in the local share will be payable i.e. Trafford will retain 25% of the total growth in business rates;
  - A safety net payment from central government will be received if losses are more than 92.5% of our funding baseline. This means that Trafford would be responsible for up to £2.4m loss in the local share (i.e. total

loss in business rates would have to exceed £4.8m before the safety net comes into operation).

### C. Local Position 2014/15

24. On a like-for-like basis **as can be determined at present**, it is estimated that Trafford will have a reduction of £6.9m or 8.2% in start-up funding. This reflects the austerity reduction anticipated from the comprehensive spending review and the further reduction of 2% announced in the recent Autumn statement:

<b>Table 5: estimated funding 2014/15</b>	<b>2013/14 Provisional Settlement (£m)</b>	<b>2014/15 Provisional Settlement (£m)</b>	<b>Change (£m)</b>	<b>Change %</b>
<b>Start-Up Funding</b>	<b>(79.6)</b>	<b>(72.6)</b>	<b>7.1</b>	<b>-8.9%</b>
Unused New Homes Bonus top-slice returned	(0.3)	(0.5)	(0.2)	+55.9%
LEA Central Functions grant (not announced)	(3.4)	(3.4)		
Less EIG Expenditure transfer to Schools (to be confirmed)	(0.5)	(0.5)		
<b>Adjusted Start Up Funding</b>	<b>(83.8)</b>	<b>(76.9)</b>	<b>6.9</b>	<b>-8.2%</b>

25. Comparisons with AGMA are shown in tables 2 and 3.

## Initial Analysis of Local Government Finance Settlement for Trafford Council (as at 2 January 2013)

	2012/13 Actual (£000's)	Provisional Settlement for 2013/14 (£000's)	Change (£000's)	Change (%)
<b>Formula Grant / Start-Up Funding</b>				
Formula Grant	(65,799)	(62,485)	-3,314	-5.0%
Council Tax Subsidy / Support grant	(11,184)	(10,066)	-1,118	-10.0%
Learning Disability & Health Reform Grant	(5,097)	(5,225)	+128	+2.5%
Early Intervention Grant	(9,288)	(6,767)	-2,521	-27.1%
Local Flood	(142)	(117)	-25	-17.6%
Homelessness	(113)	(94)	-19	-16.8%
LEA central functions top slice		5,117	-5,117	
<b>Start-Up Funding</b>	<b>(91,623)</b>	<b>(79,637)</b>	<b>-11,986</b>	<b>-13.1%</b>
Adjustments to enable comparison:				
Unused New Homes Bonus top-slice returned		(295)	+295	
LEA Central Functions grant (not announced)		(3,385)	+3,385	
Less EIG Expenditure transfer to Schools		(469)	+469	
<b>Adjusted Start Up Funding for comparison purposes</b>	<b>(91,623)</b>	<b>(83,786)</b>	<b>-7,837</b>	<b>-8.6%</b>
Add known specific grants:				
Social Care / Health Grant	(2,478)	(3,385)	+907	+36.6%
Local Flood		(25)	+25	
Housing and Council Tax Benefit reform	(1,568)	(1,441)	-127	-8.1%
New Homes Bonus	(955)	(1,346)	+391	+40.9%
	<b>(96,624)</b>	<b>(89,983)</b>	<b>-6,641</b>	<b>-6.9%</b>

Note - Excludes Council Tax Freeze Grant for 2013/14

## TRAFFORD COUNCIL

**Report to: Executive**

**Date: 21 January 2013**

**Report for: Information**

**Report of: The Executive Member for Finance and the Director of Finance**

**Report Title:**

Revenue Budget Monitoring 2012/13 – Period 8 (April 2012 to November 2012 inclusive).

**Summary:**

At month eight, the projected revenue outturn is £154.795m compared to the budget of £155.395m (summary tables by Directorate & Portfolio at paragraph 1). The favourable variance of £(0.600)m, or (0.4)%, is a minor improvement of £(0.006)m on the previously reported position.

This period's forecast includes a favourable movement relating to additional savings identified across the CYPS Directorate of £(0.143)m offset by an increase in Children's Social Care placements of £0.160m.

<b>Activity</b>	<b>Forecast £m</b>	<b>Movement £m</b>
Social Services clients & need	1.1	0.4
Suppressed income	0.2	-
Street lighting electricity costs	0.2	-
Vacancy & running cost management	(1.4)	(0.4)
Treasury Management	(0.4)	-
New grant & rephased projects	(0.3)	-
<b>Forecasted outturn</b>	<b>(0.6)</b>	<b>0.0</b>

In addition to the above:

There is an overspend position in the Learning Disabilities Pool of £0.878m, the same as previously reported (see Annex 2, Section 4).

The combined effect of the underspending position and in-year commitments, will reduce Directorates' service reserves from £(2.6)m to £(1.7)m. Some Directorates will have a combined debit balance on their service reserve of £0.2m, which will be expected to be addressed by in-year or future years' savings.

The forecast level of General Reserve, after the known commitments in 2012/13, shows a positive position, being £(1.7)m above the agreed minimum level of £(6.0)m.

The forecasted Council Tax surplus as at 31 March 2013 is estimated to be £(0.305)m, and 99.9% of the planned Transformation savings of £12.2m are on target to be delivered.

**Recommendation(s)**

**It is recommended that:**

- a) the latest forecast and planned actions be noted and agreed.

**Contact person for access to background papers and further information:**

Head of Financial Management                      Extension: 4302

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be contained within available resources in 2012/13.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health and Safety Implications	Not applicable

Finance Officer Clearance ..... ID

Legal Officer Clearance ..... MJ

Director of Finance Signature [Appended in hard copy.]

## Budget Monitoring - Financial Results

1. Based on the budget monitoring for the first 8 months of the year, the overall forecast for the year is for an underspend of £(0.600)m, (0.4)%. Included within this total is a net service underspend of £(0.081)m, and underspends in Council-Wide budgets of £(0.519)m or (2.0)% of the relevant budget. The details of service variances can be found in Annexes 1 to 5, and for Council-Wide, Annex 6.

<b>Table 1: Budget Monitoring results by Directorate</b>	<b>Year end Forecast (£000's)</b>	<b>Percent -age %</b>	<b>Period Movement £(000's)</b>	<b>Annex</b>
Children & Young People	56	0.2%	21	1
Communities & Wellbeing	333	0.7%	20	2
Environment, Transport & Operations	55	0.2%	-	3
Economic Growth & Prosperity	30	0.9%	(10)	4
Transformation & Resources	(555)	(2.8)%	(37)	5
<b>Total Service Variances</b>	<b>(81)</b>	<b>(0.1)%</b>	<b>(6)</b>	
Council-wide budgets	(519)	(2.0)%	-	6
<b>Estimated outturn variance (period 8)</b>	<b>(600)</b>	<b>(0.4)%</b>	<b>(6)</b>	

<b>Table 2: Budget Monitoring results by Executive Portfolio Holder</b>	<b>Year end Forecast (£000's)</b>	<b>Percent-age %</b>	<b>Period Movement £(000's)</b>
Supporting Children & Families	96	0.4%	21
Education	(40)	(1.3)%	-
Adult Care, Health & Wellbeing	333	0.7%	20
Highways & Environmental	(20)	(0.1)%	-
Safe, Strong Communities	75	3.0%	-
Economic Growth & Prosperity	30	0.9%	(10)
Transformation & Resources	(459)	(2.9)%	(88)
Finance	(615)	(2.1)%	51
<b>Estimated outturn variance (period 8)</b>	<b>(600)</b>	<b>(0.4)%</b>	<b>(6)</b>

### Key Month on Month Variations

2. The key variances contributing to the period movement of a favourable £(0.006)m are:
  - a) £0.160m – increased number of placements in Children's Social Care;
  - b) £(0.143)m – a savings target, previously reported as a pressure in the Commissioning & MARAS service, has now been met by savings identified across the CYPS Directorate as a whole;
  - c) Other minor net movements across all services of £(0.023)m.

## MTFP Savings and increased income

3. The Budget included for £(12.2)m of savings and increased income and it is currently forecast that 99.9% of these will be achieved . Further details of the achievements against the savings target for each Directorate are shown in Annexes 1 to 6 below.

## Council Tax

4. The surplus on the Collection Fund relating to the Council at 31 March 2012 was £(0.294)m of which £0.200m is planned to support the 2012/13 budget. Pro-active management of the Council Tax base and the award of discounts and exemptions is estimated to generate an in-year surplus of £(0.481)m. After adjusting for backdated valuation office changes of £0.270m the estimated closing balance at 31 March 2013 will be £(0.305)m. Any available surplus will be available to support the 2013/14 budget.

## Reserves

5. The table below shows the forecast balance on the General Reserve at 31 March 2013. This shows a positive position in that the reserve is £(1.7)m above the agreed minimum level of £(6.0)m:

<b>Table 4: General Reserve Movements</b>	<b>(£000's)</b>	<b>(£000's)</b>
<b>Balance brought forward 1 April 2012</b>		<b>(9,802)</b>
<b>General base budget support 2012-13:</b>		
- Approved by Council February 2012		994
<b>Planned in-year transactions 2012-13:</b>		
- Reversal of PCT support in 2011/12 for LD Pool	(400)	
- Planned use for one-off projects in 2012/13	1,640	
- Apprenticeship programme (second year)	50	
- Maximising Community Infrastructure Levy	140	
- Payment Card Industry Data Security Standards (PCIDSS)	40	
- Pathology & Mortuary contract transition	22	
- Biomass Appeal expenditure (Executive 30 July 2012)	120	1,612
Council-wide budgets underspend (forecast)		(519)
<b>Forecast balance 31 March 2013</b>		<b>(7,715)</b>



6. There are also a number of potential claims or commitments against the General Reserve balance not included in the above table, such as the overspend position of some Directorates, the overspend on the LD Pooled Fund (see Annex 2 Section 4) and the potential need to invest in order to achieve future savings to help towards future budgets.
7. Service balances brought forward from 2011/12 were a net £(2.6)m. After planned movements, and the estimated outturn for the year, there is a projected net surplus of £(1.710)m to be carried forward to 2013/14 (Table 5).

	<b>B/f April 2012 (£000's)</b>	<b>Forecast Movement in-year (£000's)</b>	<b>Forecast Balance (£000's)</b>
<b>Table 5: Service balances</b>			
Children & Young People	(1,210)	415	(795)
Communities & Wellbeing	(135)	333	198
Environment, Transport & Operations	(200)	200	-
Economic Growth & Prosperity	(79)	109	30
Transformation & Resources	(1,009)	(134)	(1,143)
<b>Total All Services (Surplus)/Deficit</b>	<b>(2,633)</b>	<b>923</b>	<b>(1,710)</b>

### Recommendations

8. It is recommended that:
  - (a) the latest forecast and planned actions be noted and agreed.

## TRAFFORD MBC

Report to: CYP – Directorate Management Team  
Date: 20<sup>th</sup> December 2012  
Report for: Information  
Report author: Finance Manager for CYPS

Report Title

<b>Revenue Budget Monitoring 2012/13 – Period 8 (April 2012 to November 2012 inclusive)</b>
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**1. Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £25.576m, net of the Dedicated Schools Grant (DSG) which totals £128m. The outturn forecast is £25.632m which is £0.056m over the approved budget. This is an adverse movement of £0.021m compared to last month.
- 1.2 Appendix 1 details by both department and variance area the projected outturn as compared to the approved revenue budget. The main outturn variances are:
- A projected overspend within the Children's Social Care service of £392k comprising of staffing budgets £118k, placement budgets £477k, additional Intensive Fostering grant income £(187)k and other minor variations totalling £(16)k. These variances include budgets for Children with Complex and Additional Needs.
  - Education Early Years services £(412)k underspend, as a result of delays in staff appointments in Children's Centre's and savings on specific projects.
  - Youth Offending Service; a projected saving of £(45)k mainly in relation to remand placements.

**2. Service carry-forward reserve**

- 2.1 At the beginning of April 2012 the Directorate had accumulated balances of £(1.210)m carried forward from the previous financial year's underspend. The Directorate plans to use these balances to support the general revenue budget. The table below shows the movements in the reserve this year:

<b>Table 1: Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Balance brought forward 1 April 2012	(1,210)
Specific expenditure assigned against the reserve re: invest to save	200
Specific expenditure delayed in 2011/12 and committed from 2012/13	159
P8 Forecast Outturn	56
<b>Projected Balance at 31 March 2013</b>	<b>(795)</b>

2.2 Any use of the reserve will be managed to ensure that it has a positive impact on the following year's budget e.g. invest to save initiatives.

### **3 MTFP Savings and increased income**

3.1 The Budget included £(12.2)m of savings and increased income, of which £(2.550)m relates to the CYPs Directorate. The table below summarises the current forecast of this savings target:

	<b>Budget target (£000's)</b>	<b>End of Year Forecast (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	0	0	0
Transformation savings	(1,660)	(1,660)	0
Other savings	(890)	(890)	0
<b>Total</b>	<b>(2,550)</b>	<b>(2,550)</b>	<b>0</b>

3.2 The Transformation savings of £(1.660)m are monitored closely by the Transformation Board and are reported on separately.

3.3 It is currently forecast that the remaining £(0.890)m savings target will be delivered. At present, there are no risks which could affect the forecast.

### **4 Management Action to control expenditure and achieve a balanced budget**

4.1 The budget will be monitored and managed to ensure that pressures will be managed effectively. This involves a continuous review of all placements to ensure the most effective provision is provided.

### **5 Performance Progress**

5.1 The Ofsted 2011 Assessment of Children's Services within Trafford rated us as 'Performs Excellently' the highest grading available. This maintains the position that was achieved in 2010. The rating takes into account the totality of services for children in Trafford bringing together external scrutiny and performance measures for social care, health and educational services.

5.2 April 2010 Ofsted/CQC Inspection of safeguarding and Looked after Children's Services. Of 33 grades awarded 29 were good, 1 outstanding and 3 adequate. The inspection highlighted the effectiveness of the multi-agency service, the quality of support provided for children, young people and families, ambitious,

effective, committed leadership and management and good involvement and engagement with young people and partners. Overall our services were judged as good with good capacity to improve. An unannounced inspection of referral and assessment services in April 2011 provided positive assurance with 12 strengths, only 3 areas for development and no areas for priority action.

5.3 An important objective in CYPS is to continue to improve educational outcomes as, in our increasingly knowledge based society, this provides young people with the best chance of taking up the wide range of further and higher education, and employment opportunities available. Based on the results in summer 2011,

- at age 11 the performance of Trafford pupils is ranked 2<sup>nd</sup> nationally and 1<sup>st</sup> in the North West for achievement of Level 4 or above in English and Mathematics;
- At 16, 69.7% of pupils in Trafford achieved 5 x A\* - C grades at GCSE including English and Mathematics. Trafford is ranked 5<sup>th</sup> nationally and 1<sup>st</sup> in the North West;
- At A level, Trafford is ranked 3<sup>rd</sup> nationally and 1<sup>st</sup> in the North West from average point score with 37.5% of grades achieved at A\* - A, 62.9% A\* - B and 99.1% A\* - E.
- Initial local analysis of invalidated data for summer 2012 results indicates that Trafford has once again maintained the high standards set in previous years. Performing higher than the national average for A\* grades, and achieving over 9 percentage points higher for the percentage of A\* and A grades should see Trafford taking its usual place amongst the strongest performing authorities in the country.
- The invalidated 2012 GCSE results are once again Trafford's best ever with pupils improving on last year's performance of 5 or more A\* - C grades, 5 or more A\* - C grades including English and Maths, 5 or more A\* - G grades and 1 or more A\* - G grades suggesting that Trafford will continue to be amongst the top performing Local Authorities in the country. This is against a backdrop of plateauing of pass rates nationally.

Based on data shared by all 10 of the Greater Manchester LAs, Trafford once again is top.

5.4 Trafford's DSG rate per pupil is relatively low compared to authorities nationally but Trafford does delegate 91.4% of the gross DSG to schools. This is the highest percentage amongst Trafford's statistical neighbours.

## Appendix 1

### Period 8 Forecasted Outturn revenue expenditure and income variances and movements from Period 7 monitoring report

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Ref
<b>Supporting Children &amp; Families Portfolio</b>						
Children's Social Services	14,705	15,072	367	233	134	CYPS 3
Children with Complex & Additional Needs	2,206	2,231	25	17	8	CYPS 3
Support Services to CYP	6,953	7,094	141	145	(4)	CYPS 8
Commissioning & Multi Agency Referral & Assessment Service (MARAS)	3,128	3,108	(20)	123	(143)	CYPS 5
Youth Offending Service	744	699	(45)	(44)	(1)	CYPS 6
Children's Centres	3,948	3,576	(372)	(399)	27	CYPS 7
Early Intervention Grant	(9,288)	(9,288)	0	0	0	
<b>Sub-total</b>	<b>22,396</b>	<b>22,492</b>	<b>96</b>	<b>75</b>	<b>21</b>	
<b>Education Portfolio</b>						
Dedicated Schools Grant	0	(264)	(264)	(61)	(203)	CYPS1,2
Transfer to Dedicated Schools Grant Reserve	0	264	264	61	203	
Education Early Years' Service	2,236	2,196	(40)	(40)	0	CYPS 4
Connexions Service	944	944	0	0	0	
<b>Sub-total</b>	<b>3,180</b>	<b>3,140</b>	<b>(40)</b>	<b>(40)</b>	<b>0</b>	
<b>Total</b>	<b>25,576</b>	<b>25,632</b>	<b>56</b>	<b>35</b>	<b>21</b>	

Business Reason / Area (Subjective analysis)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Ref
<b>DSG Reserve B/Fwd.</b>	<b>(171)</b>	<b>(171)</b>	<b>0</b>	
Increase in DSG Income	(30)	(30)	0	CYPS1
School In Year Adjustments	(200)	0	(200)	CYPS2
Redundancies	(84)	0	(84)	CYPS2
SEN Delegation	50	(31)	81	CYPS2
<b>DSG projected Underspend</b>	<b>(435)</b>	<b>(232)</b>	<b>(203)</b>	
<b>Transfer to DSG Reserve</b>	<b>435</b>	<b>232</b>	<b>203</b>	

Business Reason / Area (Subjective analysis)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Ref
<b>Non DSG</b>				
Social Care staffing pressures due to cover arrangements	118	118	0	CYPS 3
Additional Grant Funding	(187)	(187)	0	CYPS 3
Placements Budget	477	317	160	CYPS 3,6
Sale West Development Centre	60	60	0	CYPS 8
Delays in appointments of staff	(255)	(255)	0	CYPS 7
Savings in Children's Centre Projects	(102)	(102)	0	CYPS 7
Serious Case Review	20	20	0	CYPS 5
Other staffing variances	(5)	(5)	0	CYPS 4,5
Other minor variances	(70)	69	(139)	CYPS 3,4,5,7,8
<b>Total Net Underspend Non DSG</b>	<b>56</b>	<b>35</b>	<b>21</b>	

## **NOTES ON PROJECTED VARIANCES**

### **Variations within the DSG.**

#### **CYPS1 – Increase in DSG £(30)k (favourable)**

The Council was made aware of the final DSG allocation for 2012/13 on 26<sup>th</sup> June 2012. The pupil numbers being funded are 7 higher than originally anticipated.

#### **CYPS2 – Other Variations £(234)k (favourable)**

The position on DSG budgets has become more accurate following the October census. Demand on central DSG budgets is less than the budgetary position and would suggest an underspend of £(234)k.

#### **– DSG Reserve b/fwd.**

The overall projected variations of £(264)k will increase the DSG reserve brought forward balance of £(171)k, making a net projected underspend of £(435)k at 31<sup>st</sup> March 2013. This underspend will be carried forward to 2013/14.

### **Non-DSG Variations.**

#### **CYPS3 – Children’s Social Care £392k (adverse) (Includes Children with Complex & Additional Needs)**

The projected overspend of £392k comprises of placement costs £477k, staffing budgets £118k, minor variations £(16)k and additional grant income of £(187)k relating to Intensive Fostering. The main movement since last month relates to an increase in placement costs of £160k.

#### **CYPS4 – Early Years £(40)k (favourable)**

This saving is mainly as a result of staff posts being held vacant through the year £(36)k, and additional training income received £(4)k.

#### **CYPS5 – Commissioning & MARAS £(20)k (favourable)**

The movement of £(143)k from last month is mainly as a result of a £(150)k directorate savings target now being met across all services. In the previous month this was shown as a budget pressure but this is now fully financed within the total reported variance.

#### **CYPS6 – Youth Offending Service £(45)k (favourable)**

This underspend relates to a projected saving on remand placements.

#### **CYPS7 – Children’s Centres £(372)k (favourable)**

A full review of the Children’s Centre service has been carried out and the savings found are as a result of delays in appointing staff to vacant posts totalling £(255)k, a planned saving of £(102)k on specific commissioned projects and other minor variations across the service totalling £(15)k.

#### **CYPS8 – Support Services to CYP £141k (adverse)**

The period movement in Support Services of £107k is mainly due to a projected shortfall in income at Sale West Development Centre, £60k. This is as a result of new projections based on expected schools usage of the centre in this academic year and reflects schools having fewer resources to spend on training, etc. A business plan is currently being drawn up which will bring forward options to resolve this shortfall and on-going viability. Other movements within this area are also as a result of a reduction in schools income to other support services such as Advisory & Inspection, Governor and Business Support, £47k.

## TRAFFORD MBC

**Report to:** C&WB Directorate Management Team  
**Date:** 20 December 2012  
**Report for:** Discussion  
**Report author:** C&WB Finance Manager

**Report Title**

**Revenue Budget Monitoring 2012/13 – Period 8**  
**(April 2012 to November 2012 inclusive)**

**1. Outturn Forecast**

- 1.1 The approved revenue budget for the year is £49.127m. The projected outturn is £49.460m which is £0.333m over the approved budget, a net £0.020m adverse movement since October's forecast which is due to minor variances across the Directorate. Appendix 1 details, by department and variance area, the projected outturn as compared to the approved revenue budget.
- 1.2 Demand for services above budgeted levels especially in residential and home care was a major concern in 2011/12; indications are that this trend has continued in 2012/13. Robust management action is in place and focused on containing demand and cost which is vital as the December to January period is historically the time of peak demand.
- 1.3 Section 4 below discusses the situation in the Learning Disabilities Pooled Fund and lists management action to address this which has reduced the forecasted end of year position to £0.878m. Action is planned into following years such that the LD Pool will be brought back into balance within two years.

**2 MTFP Savings and increased income**

- 2.1 The Budget included for £(12.2)m of savings and increased income, of which £(4.978)m related to this directorate. All budget options put forward for delivery in 2012/13 are expected to achieve their targets by the year end. The Learning Disabilities Supported Living: New Models of Service option is expected to achieve an additional £(0.014)m. The table below summarises the current forecast of this savings target:



	<b>Budget target (£000's)</b>	<b>End of Year Forecast (£000's)</b>	<b>Variance (£000's)</b>
Transformation savings	(3,706)	(3,720)	(14)
Other business changes	(1,272)	(1,272)	0
<b>Total</b>	<b>(4,978)</b>	<b>(4,992)</b>	<b>(14)</b>

### 3 Service carry-forward reserve

- 3.1 At the beginning of April 2012 the Communities and Wellbeing Directorate had accumulated balances of £(0.135)m carried forward from previous financial years underspends.
- 3.2 The remaining carry-forward balance at the end of the year after taking into account the outturn position is:

<b>Table 1: Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Balance brought forward 1 April 2012	(135)
P8 Forecast outturn	333
<b>Balance carried forward at 31 March 2013</b>	<b>198</b>

- 3.3 In addition to the above there will be a carry forward balance on the Learning Disabilities Pooled Fund, currently forecasted at £0.878m, matched by a specific management action plan to reduce this to £nil over a two year period or sooner.

### 4 Learning Disabilities Pooled Fund

- 4.1 Trafford has operated a pooled fund for Learning Disability Services in conjunction with Trafford Primary Care Trust (PCT) since 1 April 2003. Over the last few years the LD Pooled fund has moved from an underspending position to an overspending position. A plan to reduce the pressure in the fund has been produced and agreed by the Directorate's management team. The focus will be on delivering efficiencies, in the sum of £(1.779)m in-year:
- Block contracts – a programme to retender (£0.404m);
  - Continuing Health Care funding (£0.404m);
  - Residential services – development of existing service (£0.356m);
  - Additional PCT contribution, subject to agreement, (£0.287m);
  - Housing and void management agreements (£0.256m);
  - Maximising use of new Respite services (£0.072m).

- 4.2 The above reflects the current position, however, it is hoped that there will be further additions to the plan which will provide further savings and/or earlier delivery to reduce the adverse balance sooner. The current plan is forecasted to bring the LD Pool into balance within two years.

## **5 Management Action**

- 5.1 The Adult Social Care budget is a volatile demand led service and any increase in demand above that estimated for will cause budget pressures. The Directorate has built on and strengthened the current robust budget management process and introduced the following actions:

- A strategy to manage and reduce the pressure in the Learning Disability Pooled budget has been agreed,
- A prioritised rolling programme of case reviews across all service user disciplines to ensure consistency and fairness of treatment in the allocation of resources, these reviews are operating within existing national and council assessment polices;
- All service provider requests for increases in existing home care packages are received and responded to by the Commissioning Section;
- All increases in home care packages are “signed off” by the Resource Panel and overseen by the Review Team;
- Service users have the opportunity to be assessed with the ‘Just Checking’ Telecare prior to their final care package being agreed;
- Robust resource panel process for approving residential placements, including an updated legal advice framework;
- A prioritised programme of reviews of Continuing Health Care (CHC) funded Older Peoples service residential placements to ensure consistency and fairness of treatment in the allocation of resources between the Council and the NHS;
- A programme of introducing the use of pre-paid cards for direct payments delivering efficiencies in the allocation of resources and recycling of unspent funds.

## **6. Performance progress**

- 6.1 In July 2012, the Government published the white paper ‘Caring for our future: reforming care and support’. The two core principals of this report are:

- that we should do everything we can – as individuals, as communities and as a Government – to prevent, postpone and minimise people’s need for formal care and support. The system should be built around the simple notion of promoting people’s independence and wellbeing;
- that people should be in control of their own care and support. Things like personal budgets and direct payments, backed by clear, comparable information and advice, will empower individuals and their carers to make the choices that are right for them.

In 2012/13 the Directorate's vision is for services that are innovative, flexible and focused on the needs of the individual, their carers and families enabling people to have more choice and control over the support they receive and provide quality services that encourage people to lead healthy lives. The three key approaches to the future are:

- **Personalisation:** we have already developed the use of personal budgets. This means people can have more choice and control over the support they receive. We intend to extend this further, in order to have as many people as possible with their own personal budgets;
- **Promoting independence:** we are committed to working with people to support them to be as independent as possible. We have developed reablement services, short term support to help people maintain or increase their independence. We continue to promote the use of telecare to help people remain in their own home. We are also continuing to develop the range of support we offer people with very complex needs. Promoting independence continues to be a key part of the support people receive;
- **Integration:** We are committed to creating integrated health and social care across Trafford. By continuing to work with local health services we can provide a more effective, efficient way of meeting needs, creating innovative services to support people to live independently in their community.

As a result, the Directorate has developed a range of targeted Performance Indicators linked to Directorate's local business model to ensure value for money. Some of those measures include:

- % of eligible service users / carers to receive Personal Budgets in year (ASCOF 1Ci - Local);
- % of people receiving no on-going service following reablement intervention;
- Percentage of clients who have received a review;
- Proportion of adults with learning disabilities in employment (ASCOF 1E);
- Social Care related Quality of Life (composite user experience measure ASCOF 1A) – Survey.

### Period 8 Projected Outturn revenue expenditure and income variances, and movements from Period 7 monitoring report

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 – P8 movement (£000's)	Ref
<b>Adult Care, Health &amp; Wellbeing Portfolio</b>						
Older People	22,750	22,846	96	100	(4)	C&W1
Physical Disabilities	3,249	3,416	167	169	(2)	C&W2
Equipment & Adaptations	1,084	1,091	7	7	0	C&W3
Mental Health	3,426	3,454	28	22	6	C&W4
Other Adult Services	959	972	13	13	0	C&W5
Support Services	940	964	24	4	20	C&W6
Adaptations	(69)	(69)	0	0	0	
Housing Services	2,661	2,661	0	0	0	
Drugs and Alcohol Service	326	326	0	0	0	
Equalities & Diversity	134	132	(2)	(2)	0	C&W7
<b>Total</b>	<b>35,460</b>	<b>35,793</b>	<b>333</b>	<b>313</b>	<b>20</b>	

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P8 Outturn variance (£000's)	P7 – P8 movement (£000's)	Ref
Learning Disabilities Pool	13,667	14,545	878	878	0	C&W8
<b>Total</b>	<b>13,667</b>	<b>14,545</b>	<b>878</b>	<b>878</b>	<b>0</b>	

<b>Adult Care, Health &amp; Wellbeing Portfolio</b>	<b>P8 Outturn variance (£000's)</b>	<b>P7 Outturn variance (£000's)</b>	<b>P7 – P8 movement (£000's)</b>	<b>Ref</b>
<b>Older People</b>				
Care management/assessment	(294)	(260)	(34)	C&W1
Residential and nursing care	441	397	44	C&W1
Home Care	121	132	(11)	C&W1
Day Care	(333)	(344)	11	C&W1
Direct Payments	161	175	(14)	C&W1
<b>Physical Disabilities</b>				
Care management/assessment	14	11	3	C&W2
Residential and nursing care	57	59	(2)	C&W2
Home Care	49	38	11	C&W2
Day Care	(5)	(5)	0	C&W2
Direct Payments	52	66	(14)	C&W2
<b>Equipment &amp; Adaptations</b>				
Lift repairs & maintenance	7	7	0	C&W3
<b>Mental Health</b>				
Care management/assessment	(31)	(37)	6	C&W4
Residential and nursing care	13	13	0	C&W4
Home Care	20	19	1	C&W4
Direct Payments	26	27	(1)	C&W4
<b>Other Adult Services</b>				
Other Services	13	13	0	C&W5
<b>Support Services</b>				
Social Worker clerical support	4	4	0	C&W6
Financial Services	20	0	20	C&W6
<b>Equalities &amp; Diversity</b>				
Equalities Team	(2)	(2)	0	C&W7
<b>Total</b>	<b>333</b>	<b>313</b>	<b>20</b>	

<b>Learning Disabilities Pool</b>	<b>P8 Outturn variance (£000's)</b>	<b>P7 Outturn variance (£000's)</b>	<b>P7– P8 movement (£000's)</b>	<b>Ref</b>
Care management/assessment	(7)	15	(22)	C&W8
Residential and nursing care	(59)	(63)	4	C&W8
Home Care	798	766	32	C&W8
Day Care	41	54	(13)	C&W8
Direct Payments	105	106	(1)	C&W8
<b>Total</b>	<b>878</b>	<b>878</b>	<b>0</b>	

## NOTES ON VARIANCES AND PERIOD MOVEMENTS

### Adult Care, Health & Wellbeing Portfolio £333k adverse

#### **C&W1 – Older People - £96k adverse**

- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £390k adverse**

Two of the four key service provision budgets are showing increased demand. Residential care is 13 service users higher than budgeted and homecare is 9 service users higher than budgeted.

- **Care Management and Assessment - £(294)k favourable**

Managed vacancies in the Screening, Assessment and Community Mental Health Teams.

#### **C&W2 – Physical Disabilities - £167k adverse**

- **Residential and Nursing Care/Home Care/Direct Payments - £153k adverse**

Two of the three key service provision budgets are showing increased demand. The demand for residential care is one service user higher than budgeted, one service user for home care and one for direct payments.

#### **C&W3 – Equipment & Adaptations - £7k adverse**

- **Lift Repairs & Maintenance - £(19)k favourable**

The new contract for repair call out is projected to deliver efficiencies that will offset the increased number of call outs.

- **Equipment - £26k adverse**

Equipment issued at the One Stop Resource Centre was higher than budgeted for in period 8.

#### **C&W4 – Mental Health - £28k adverse**

- **Care Management and Assessment £(31)k favourable**

Underspend due to vacancy management in the Community Mental Health Team.

- **Residential and Nursing Care/Home Care/Direct Payments £59k adverse**

There are two residential service users higher than budgeted.

#### **C&W5 – Other Adult Services - £13k adverse**

- Due to additional costs incurred as part of the set-up of the Healthwatch service.

#### **C&W6 Support Services - £24k adverse**

- **Clerical Support £4k adverse**

Adverse movement in other running costs and extension of software license for existing IT financial assessments system which will be replaced by a new adult social care IT package.

- **Financial Services £20k adverse**  
Adverse movement due to additional costs incurred in dealing with clients finances.

**C&W7 Equalities & Diversity - £(2)k favourable**

- **Equalities Team £(2)k favourable**  
Managed efficiencies in the Equalities Team's translation fees budget.

**C&W8– Learning Disabilities Pooled - £878k adverse**

**Cost of care packages - £885k adverse**

Long term care packages, are running at higher than budgeted levels due to additional service users and higher cost of care than planned for:

- Residential, additional 7 service users, total additional costs £369k;
- Homecare, additional 10 service users, total additional costs £633k;
- Day Care, additional 5 service users, total additional costs £87k;
- and Direct Payments, additional 8 service users, total additional costs £275k, to be off-set by year end recovery of unused contingency estimated at £(479)k.

**Care Management/Assessment £(7)k favourable**

Managed efficiencies in the Assessment Team.

## TRAFFORD MBC

Report to: ETO Directorate Management Team  
 Date: 12 December 2012  
 Report for: Discussion  
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2012/13 – Period 8 (April to November 2012)
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**1. Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £32.266m. The forecast outturn is £32.321m, which is £0.055m above the approved budget, and is unchanged from the last report. This overspend is fully mitigated from available balances carried forward from previous financial years.
- 1.2 The forecast outturn includes management action of £(0.182)m to contain projected overspends within the overall Directorate budget for the year. Management action has already achieved savings of £(0.354)k since first initiated in period 4, including an increase of £(0.010)k this month. This has been offset by additional adverse variances identified of £0.132k, including £0.010m this month. The management action implemented and planned is described in section 3, with details of all variances included in Appendix 1.
- 1.3 In addition to the above, there is also £0.020m relating to the Biomass Public Inquiry, which the Executive have previously approved from the General Reserve.

**2. Explanation of Variance and Movements**

- 2.1 The forecast outturn for the year is an overspend of £0.055m, which is fully covered by balances from prior years, and is unchanged.
- 2.2 This includes adverse variances of £0.519m where medium to long term action plans are underway, as reported previously:
- Street lighting energy costs £0.241m;
  - Car park income shortfall £0.041m;
  - Open Space reserve funding shortfall £0.058m;
  - Commercial Waste income shortfall £0.030m;
  - Planning fee regulation changes income shortfall £0.050m;
  - Crime and Disorder income shortfall – fixed penalty notices £0.086m, partly mitigated by staff vacancies £(0.012)m;
  - Sale Watersports Centre/Deckers contract saving £0.025m.



2.3 Management action already implemented and other variances give a forecast underspend of £(0.282)m to part mitigate the above pressures this year. There are small favourable and adverse movements this month which are offsetting each other, so no change overall:

- Highways and Transportation – additional fee income of £(0.160)m. Management action to reduce running costs is predicted to save £(0.032)m, an increase of £(0.010)m this month;
- School Crossing Patrols – underspend of £(0.040)m relating to slippage in the filling of supervisory and operational staff vacancies;
- Car parking rates bills are £(0.010)m less than budgeted due to the effect of last year's rate revaluations;
- Groundforce – supplies, services and overtime costs £0.010m above budget;
- Bereavement Services income is expected to be £(0.010)m above budget;
- Sustainability & Greenspace – underspend of £(0.033)m from a vacant post plus management action to control running costs, an adverse movement of £0.010m this month;
- Waste management – underspend of £(0.050)m due to management action on contract and other running costs.
- Public Protection:
  - £0.056m shortfall in licences fee income;
  - Management action of £(0.034)m from delays in filling;
  - Shortfall in pest control income £0.025m;
  - One-off ICT costs of £0.020m as part of the project to amalgamate business systems and, hence, deliver ongoing efficiency savings.
- Culture & Sport:
  - Sport and leisure projected running cost underspend £(0.014)m;
  - Sale Waterside Arts Centre income is expected to exceed budget target by £(0.010)m for the year.

2.4 The Directorate has a future action plan of £(0.182)m to mitigate the remaining adverse variance (see paragraph 3 below), plus will utilise the remaining £(0.055)m of accumulated balances from previous years to bring the outturn in line with the approved budget. The amount of future management action will be reviewed and updated as the savings are achieved and/or new issues arise each month.

### **3. Management Action Plan 2012/13**

3.1 Many of the adverse variances above have continued from 2011/12 and management action is hence already underway to mitigate the impact on the future budget and potential further cost pressures. Proactive management action has and will be taken throughout the year to contain all budget pressures within the approved budget as follows:

- Only necessary spending on supplies and services to be approved;

- Reduced use and greater control of overtime;
- Monitoring and evaluation of existing and potential new income streams;
- Analysis of rechargeable work for both revenue and capital schemes;
- Ongoing business reconstruction work in ETO to identify other savings and efficiency options that may be brought forward to assist in the delivery of services within current and future budgets.

3.2 Performance against these actions is monitored alongside the existing Directorate budget, including feeding back opportunities to mitigate pressures and/or deliver savings through the Medium Term Financial Plan.

#### 4. Reserves

4.1 At the end of 2011/12 the Directorate had a surplus on accumulated balances of £(0.200)m, which has been carried forward to 2012/13.

<b>Utilisation of Carry forward Reserve 2012/13</b>	<b>(£000's)</b>
Surplus balance brought forward at 1 April 2012	(200)
Committed in 2012/13	145
Period 8 adverse variances with medium/long term action plans	519
Period 8 underlying projected underspend	(282)
Forecast effect of management action plan	(182)
<b>Deficit Balance after outturn/commitments</b>	<b>Nil</b>

4.2 The 2011/12 outturn report included commitments relating to car parking £0.105m and traded services £0.040m which are funded from the £(0.200)m surplus balance carried forward. The remaining reserve balance of £(0.055)m plus the implemented and planned management actions leaves a forecast balance of nil at the end of the financial year.

4.3 There are also additional costs of £0.020m relating to air quality monitoring as part of the Biomass Public Inquiry which the Executive have previously approved from the General Reserve.

#### 5. Savings

5.1 The Council Budget included for £(12.2)m of savings and increased income, of which £(1.734)m related to ETO Directorate. The table below summarises the current forecast of this savings target, which is unchanged from last month:

	<b>Budget target (£000's)</b>	<b>Outturn (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(132)	(82)	50
Transformation savings	(1,084)	(1,084)	0
Other savings	(518)	(493)	25
Mitigating action across ETO	0	(75)	(75)
<b>Total</b>	<b>(1,734)</b>	<b>(1,734)</b>	<b>0</b>

5.2 There are £0.075m planned savings which have not delivered some or all of their entire target. These are listed below and one-off mitigation has been identified in 2012/13 while medium to long term management action plans are developed:

- ETO 21 – “*Changes in the law will allow the Council to charge for the reasonable cost of processing planning applications*” **£0.050m**. This income will not be achieved as the expected changes in national regulations for the setting of planning fees have been delayed based on recent ministerial announcements.
- CWB 19 – “*Review of sport and leisure contracts (Deckers; Sale Watersports Centre and Trafford Community Leisure Trust)*” **£0.075m**. The saving includes **£0.025m** from the Sale Watersports Centre/Deckers contract which will not be achieved.

## 6. Recommendations

6.1 It is recommended that:

- The net forecast overspend for 2012/13 of £0.055m be noted;
- Management action and use of balances to fully mitigate forecast overspends in 2012/13 be noted.

**Period 8 Forecast revenue expenditure and income variances, and movements from Period 7 monitoring report.**

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P8 Forecast Outturn (£000's)</b>	<b>P8 Outturn Variance (£000's)</b>	<b>P7 Outturn Variance (£000's)</b>	<b>P7 – P8 Movement (£000's)</b>	<b>Ref</b>
<b>Highways &amp; Environment Portfolio</b>						
Highway and Network Management, incl. Traffic & Transportation	5,231	5,280	49	59	(10)	ETO 1
School Crossing Patrols	503	463	(40)	(40)	0	ETO 2
Parking Services	(543)	(512)	31	31	0	ETO 3
Groundforce	4,799	4,867	68	68	0	ETO 4
Bereavement Services	(911)	(921)	(10)	(10)	0	ETO 5
Sustainability & Greenspace	487	454	(33)	(43)	10	ETO 6
Waste Management (incl. WDA levy)	18,763	18,743	(20)	(20)	0	ETO 7
Public Protection	1,206	1,323	117	117	0	ETO 8
Directorate Strategy & Business Support	582	582	0	0	0	
<b>Sub-total</b>	<b>30,117</b>	<b>30,279</b>	<b>162</b>	<b>162</b>	<b>0</b>	
<b>Safe &amp; Strong Communities Portfolio</b>						
Crime and Disorder	289	363	74	74	0	ETO 9
Culture and Sport	2,189	2,190	1	1	0	ETO10
<b>Sub-total</b>	<b>2,478</b>	<b>2,553</b>	<b>75</b>	<b>75</b>	<b>0</b>	
<b>Operational Services for Education</b>	<b>(329)</b>	<b>(329)</b>	<b>0</b>	<b>0</b>		
<b>Future Management Action Plan</b>	<b>0</b>	<b>(182)</b>	<b>(182)</b>	<b>(182)</b>	<b>0</b>	ETO11
<b>Total Forecast Period 8</b>	<b>32,266</b>	<b>32,321</b>	<b>55</b>	<b>55</b>	<b>0</b>	

<b>ETO Business Reason / Area (Subjective analysis)</b>	<b>P8 Outturn Variance (£000's)</b>	<b>P7 Outturn Variance (£000's)</b>	<b>P7 – P8 Movement (£000's)</b>	<b>Ref</b>
<b>Highway and Network Management, incl. Traffic &amp; Transportation</b>				
Fee income	(160)	(160)	0	
Street lighting energy costs	241	241	0	
Supplies and services costs	(32)	(22)	(10)	
<b>Sub-total</b>	<b>49</b>	<b>59</b>	<b>(10)</b>	ETO 1
<b>School Crossing Patrols - vacancies</b>	<b>(40)</b>	<b>(40)</b>	<b>0</b>	ETO 2
<b>Parking Services</b>				
Car Parking income shortfall	146	146	0	
Car Parking business rates refund (c/f from 2011/12)	(105)	(105)	0	
Current year business rates	(10)	(10)	0	
<b>Sub-total</b>	<b>31</b>	<b>31</b>	<b>0</b>	ETO 3
<b>Groundforce</b>				
Supplies, services, overtime costs – slippage in reorganisation	10	10	0	
Open space reserve commitments – funding shortfall	58	58	0	
<b>Sub-total</b>	<b>68</b>	<b>68</b>	<b>0</b>	ETO 4
<b>Bereavement Services</b>				
Projected Income above budgeted	(10)	(10)	0	ETO 5
<b>Sustainability and Greenspace – vacancy, supplies &amp; services</b>	<b>(33)</b>	<b>(43)</b>	<b>10</b>	ETO 6
<b>Waste Management</b>				
Commercial Waste income shortfall	30	30	0	
Contract and running costs	(50)	(50)	0	
<b>Sub-total</b>	<b>(20)</b>	<b>(20)</b>	<b>0</b>	ETO 7

<b>ETO Business Reason / Area (Subjective analysis)</b>	<b>P8 Outturn Variance (£000's)</b>	<b>P7 Outturn Variance (£000's)</b>	<b>P7 – P8 Movement (£000's)</b>	<b>Ref</b>
<b>Public Protection</b>				
Planning fee income – savings shortfall	50	50	0	
Licensing income shortfall	56	56	0	
Pest Control income shortfall	25	25	0	
ICT one-off costs	20	20	0	
Mitigating Action – delay filling vacancies	(34)	(34)	0	
<b>Sub-total</b>	<b>117</b>	<b>117</b>	<b>0</b>	ETO 8
<b>Crime and Disorder</b>				
Income shortfall – penalty notices	86	86	0	
Staff vacancies	(12)	(12)	0	
<b>Sub-total</b>	<b>74</b>	<b>74</b>	<b>0</b>	ETO 9
<b>Culture and Sport</b>				
Contract saving shortfall	25	25	0	
Sport and Leisure running costs	(14)	(14)	0	
Sale Waterside Arts Centre income	(10)	(10)	0	
<b>Sub-total</b>	<b>1</b>	<b>1</b>	<b>0</b>	ETO10
<b>Directorate Strategy &amp; Business Support</b>				
Supplies and services	0	0	0	
<b>Future Management Action across ETO</b>				
Additional income	(90)	(90)	0	
Accelerated Savings	(24)	(24)	0	
Controls over running costs	(68)	(68)	0	
<b>Sub-total</b>	<b>(182)</b>	<b>(182)</b>	<b>0</b>	ETO11
<b>Total Forecast Period 8</b>	<b>55</b>	<b>55</b>	<b>0</b>	

## NOTES ON FORECAST OUTTURN VARIANCES (PERIOD 8)

### **ETO 1 – Highways & Network Management - £0.049m (adverse)**

Fee income in Highways and Transportation is £(0.160)m more than expected compared to the budget. This includes fees which can be capitalised due to the continual review of revenue and capital projects throughout the year. Income from outdoor media site advertising also continues to exceed expectations, following on from 2011/12.

Street lighting energy costs exceed budget by £0.241m as a result of external market conditions. This includes £0.050m relating to industry changes in calculating energy usage, plus the ongoing cumulative effect of inflationary increases in prices from 2011/12, and forecast for 2012/13 based on the latest contract and usage volumes.

A review of street lighting is well-developed with a number of options being considered to reduce energy and maintenance costs over the medium to long term. This will likely require capital investment and the timing and nature of this investment will be critical in terms of taking the most efficient advantage of new technologies. This will be taken forward in the Medium Term Financial Plan.

Management action in controlling running costs is projected to produce an underspend of £(0.032)m by year end, a favourable movement of £(0.010)m this month.

### **ETO 2 – School Crossing Patrols – £(0.040)m (favourable)**

There is a forecast underspend on staffing of £(0.040)m due to difficulties in the filling of vacancies, which has continued from 2011/12. Successful recruitment days have been held in recent months and adverts placed to fill vacant positions.

### **ETO 3 – Parking Services – £0.031m (adverse)**

There is an overall shortfall in parking income of £0.146m due to economic conditions affecting the number and length of visits. This has been partly mitigated through the use of £(0.105)m of business rate refunds carried forward in the ETO reserve from 2011/12, giving a net shortfall of £0.041m as reported previously.

Car parking is also under review, alongside a Council-wide review of all enforcement activity, with a view to providing a sustainable solution from 2013/14. This will be taken forward in the Medium Term Financial Plan.

Business rates are £(0.010)m less than expected as rate revaluations agreed in 2011/12 are reflected in the current year bills.

### **ETO 4 – Groundforce - £0.068m (adverse)**

Supplies, services and overtime costs are forecast to be £0.010m above budget due to slippage in staff re-organisations, plus fuel and material cost increases.

There is a budget commitment of £0.106m funded from the Open Space reserve. This reserve only had £(0.048)m remaining at the start of year and an exit strategy is being formulated over the medium term to bring activity in line with available funding.

### **ETO 5 – Bereavement Services £(0.010)m (favourable)**

Projected income levels for the year are expected to exceed the budget by £(0.010)m.

**ETO 6 – Sustainability and Greenspace £(0.033)m (favourable)**

Management action to control running costs, plus a vacant post, has resulted in a projected underspend of £(0.033)m. This is an adverse movement of £0.010m from last month based on latest information.

**ETO 7 – Waste Management – £(0.020)m (favourable)**

Commercial waste income is £0.030m less than budgeted. The cost of disposing of commercial waste through the GM Waste Disposal Authority has made this service increasingly uncompetitive with private sector providers, and is leading to an ongoing loss of business. A review of this service is underway, with options also being evaluated when the waste collection contract is re-tendered in 2014. This will be taken forward in the Medium Term Financial Plan.

Management action to control contract and general running costs has resulted in a projected underspend of £(0.050)m. This includes the effect of the lower than expected Retail Price Index in September (2.6%), on which contract payments for the remainder of the year are based.

**ETO 8 – Public Protection - £0.117m (adverse)**

Planning fee regulation changes - income shortfall £0.050m: this budget saving will not be achieved as the expected national changes in planning regulations have now been delayed indefinitely based on recent ministerial announcements. This will be taken forward in the Medium Term Financial Plan.

There is a projected shortfall in licence fee income of £0.056m resulting from a reduction in applications and also due to delays in implementing staff re-organisations.

Pest control income from domestic and commercial properties is expected to be £0.025m less than budgeted. This is due to the weather conditions over the summer and autumn.

One-off ICT costs of £0.020m related to the project to amalgamate business systems and, hence, deliver a sustainable efficiency saving from 2013/14.

These shortfalls are partly mitigated through management action to delay filling vacancies and controlling running costs of £(0.034)m.

**ETO 9 – Crime and Disorder £0.074m (adverse)**

There is a £0.086m shortfall in income from fixed penalty notices, partly mitigated in-year by £(0.012)m of staffing underspend. The income targets and operational model of this service is included in the Council-wide enforcement review alongside Parking Services, as mentioned in ETO 3 above.

**ETO 10 – Sport and Leisure £0.001m (adverse)**

The budget includes a £0.025m saving from the contract with Sale Watersports Centre/Deckers, based on discussions with the provider during 2011 and early 2012. This saving will not be realised this financial year.

Management action to control running costs in Sport and Leisure are expected to produce an underspend on £(0.014)k.

Projections of income at Sale Waterside Arts Centre show that the budget target is expected to be exceeded by £(0.010)m.



**ETO 11 – Future Management Action Plan across ETO £(0.182)m (favourable)**

The Directorate has agreed a range of remaining measures to bring the forecast overspend in period 3 in line with the approved budget (see section 3). These measures have delivered £(0.354)m since first initiated in period 4, including £(0.010)m this month. This has been offset by additional adverse variances identified of £0.132m, with £0.010m this month.

Savings from management action will be reflected in the individual service projections as they are delivered and the future savings plan updated each month. The requirement for future planned action is unchanged this month, which is after taking account of the small adverse variance identified since the last report.

## TRAFFORD MBC

Report to: EGP Directorate Management Team  
 Date: 12 December 2012  
 Report for: Discussion  
 Report author: EGP/ETO Finance Manager

Report Title

**Revenue Budget Monitoring 2012/13 – Period 8 (April to November 2012)**

**1. Outturn Forecast**

- 1.1 The current approved revenue budget for the year is £3.307m. The forecast outturn is £3.337m, which is £0.030m above the approved budget. There is a favourable movement of £(0.010)m this month due to staff vacancies following the senior management restructure of the Directorate.
- 1.2 There are still underlying pressures on the Directorate budget due to adverse external influences on budgeted levels of income relating to investment properties and planning application fees (see paragraph 2 below). These are also being taken forward in the Medium Term Financial Plan.
- 1.3 In addition to the above, there is also £0.100m relating to the Biomass appeal, which the Executive have approved to be funded from the General Reserve.

**2. Explanation of Variance**

- 2.1 The projected variances at period 8 and movements from period 7 are summarised as follows, with more detail at Appendix 1:
  - Shortfall in investment property income £0.197m due to the on-going adverse effect of the economy primarily on town centre rents, unchanged from the last report;
  - The determination of the rent review of the Sale Tesco store was confirmed by the arbitrators in August, and income of £(0.134)m was receivable as a one-off, backdated to October 2009 with fees payable to the arbitrators of £0.009m – as reported previously.
  - Confirmation of the final 2011/12 rental income from Stretford Arndale by the agents of the owners was received in August, at £(0.077)m higher than had been anticipated.
  - Minor variances in Asset Management running costs are £(0.010)m, which is unchanged.
  - Planning Application fees income shortfall of £0.052m, which is unchanged, and includes for the 15% increase in planning fees effective from 22 November 2012 reported previously.

- Fee income from housing improvement capital schemes is expected to be £0.018m less than budget due to a reduced volume of property sales, and is unchanged.
- Other favourable variances of £(0.025)m from staffing vacancies and running costs. This is an increase of £(0.010)m from last month due to staff vacancies following the senior management restructure of the Directorate.

2.2 The adverse variances relating to property income have continued from 2011/12, and the Directorate was able to fully mitigate this pressure last year from a variety of cost reduction and income generating measures. This mitigating action will continue into 2012/13, with new opportunities also explored and implemented to bring the overall forecast overspend for the Directorate in line with the approved budget. Planning income will also continue to be monitored on a weekly basis.

### 3. Reserves

3.1 At the end of 2011/12 the Directorate had (£0.079)m from previous years which is already fully committed on rephased projects, per the 2011/12 outturn report. There is a forecast deficit balance of £0.030m at the end of this financial year.

Utilisation of Carry forward Reserve 2012/13	(£000's)
Surplus balance brought forward at 1 April 2012	(79)
Rephased projects committed from 2011/12	79
Period 8 adverse variance	30
<b>Deficit Balance after outturn/commitments</b>	<b>30</b>

3.2 There are also estimated additional costs of £0.100m relating to the Biomass Public Inquiry which the Executive has approved to be funded from the General Reserve.

### 4. Savings

4.1 The Council Budget included for £(12.2)m of savings and increased income, of which £(0.591)m related to EGP Directorate. The table below summarises the current forecast of this savings target:

	Budget target (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(111)	(59)	52
Transformation savings	(120)	(120)	0
Other savings	(360)	(360)	0
Mitigating one-off savings	0	(32)	(32)
<b>Total</b>	<b>(591)</b>	<b>(561)</b>	<b>20</b>

4.2 There is £0.052m of planned savings which have not delivered some of their target. This is listed below. The shortfall has been partly mitigated by one-off savings achieved across the EGP budget of £(0.032)m.

- EGP 12 & 13 – “Additional income from locally determined application fees” **£0.111m**. This income will not be achieved in full due to indefinite delays in changes in regulations for the setting of planning fees. The adverse variance is part mitigated by £(0.020)m to reflect the implementation of a

national 15% increase in fees from 22 November 2012. The full year effect of the 15% increase will mitigate the saving in full from 2013/14. The current year shortfall is further mitigated by an additional £(0.010)m forecast from pre-application fees introduced in July this year. In-year performance to date is also above expectations by £(0.029)m, as previously reported. The overall savings shortfall is unchanged from the previous report.

## **5. Recommendations**

5.1 It is recommended that:

- The forecast overspend for 2012/13 due to external pressures of £0.030m be noted.

**Period 8 Forecast revenue expenditure and income variances, and movements from Period 7 monitoring report.**

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

<b>Budget Book Format (Objective analysis)</b>	<b>Full Year Budget (£000's)</b>	<b>P8 Forecast Outturn (£000's)</b>	<b>P8 Outturn Variance (£000's)</b>	<b>P7 Outturn Variance (£000's)</b>	<b>P7 – P8 Movement (£000's)</b>	<b>Ref</b>
<b>Economic Growth &amp; Prosperity Portfolio</b>						
Asset Management	1,074	1,059	(15)	(15)	0	EGP1
Planning & Building Control	173	200	27	27	0	EGP2
Strategic Planning & Development	659	684	25	25	0	EGP2
Economic Development and Regeneration	603	593	(10)	0	(10)	
Housing Strategy	613	623	10	10	0	EGP3
Directorate Strategy & Business Support	185	178	(7)	(7)	0	
<b>Total Forecast Period 8</b>	<b>3,307</b>	<b>3,337</b>	<b>30</b>	<b>40</b>	<b>(10)</b>	

EGP	P8	P7	P7 – P8	
Business Reason / Area (Subjective analysis)	Outturn Variance (£000's)	Outturn Variance (£000's)	Movement (£000's)	Ref
<b>Asset Management</b>				
Investment Property Rental Income:				
- Stretford Arndale - shortfall	65	65	0	
- Stretford Arndale – backdated re 2011/12	(77)	(77)	0	
- Sale Tesco – backdated rent review	(125)	(125)	0	
- Stamford Centre - shortfall	35	35	0	
- Airport - shortfall	25	25	0	
- Market Street - shortfall	29	29	0	
- Other properties - shortfall	43	43	0	
Surplus property costs	10	10	0	
Minor running cost savings – Facilities Mgt.	(20)	(20)	0	
<b>Sub-total</b>	<b>(15)</b>	<b>(15)</b>	<b>0</b>	EGP1
<b>Planning &amp; Building Control</b>				
Delay in implementing new planning regulations	27	27	0	EGP2
<b>Strategic Planning &amp; Development</b>				
Delay in implementing new planning regulations	25	25	0	EGP2
<b>Economic Development and Regeneration</b>				
Staffing vacancies	(10)	0	(10)	
<b>Housing Strategy</b>				
Housing improvements capital fee income	18	18	0	EGP3
Minor running cost savings	(8)	(8)	0	
<b>Directorate Strategy &amp; Business Support</b>				
Staffing vacancies	(7)	(7)	0	
<b>Total Forecast Period 8</b>	<b>30</b>	<b>40</b>	<b>(10)</b>	

## NOTES ON FORECAST OUTTURN VARIANCES (PERIOD 8)

### **EGP 1 – Asset Management – Investment properties - £(0.015)m (favourable)**

This includes backdated income above expectations of £(0.077)m relating to Stretford Arndale and £(0.134)m from Sale Tesco, as reported in period 5.

For Stretford Arndale, the Agents for the owners have managed to make a number of short term lettings to ensure the number of vacant units is minimised and this has held up gross rental income despite rent reductions on the bigger units of around 40% upon lease renewals. The year-end rental payment notified during August is hence £(0.077)m higher than the £(0.055)m expected.

However, there has still been a decline in gross rent of 12% over the whole Mall in the last 2 years and the previously reported underlying pressure of £0.065m is unchanged going forward. This is due to assumptions regarding leases expiring in the Mall and a continuing difficult retail economy, and includes for the effects of the continuing volatile nature of the retail sector and the opening of a new retail store in the area in 2013.

The situation will continue to be monitored as information is received from the managing agents and further updates provided.

The determination of the rent review of the Sale Tesco store was also confirmed by the arbitrators in August, and income of £(0.134)m is receivable above expectations. This is a one-off amount backdated to October 2009. Fees of £0.009m to the arbitrators reduce the favourable variance accordingly.

The effect of the economy is adversely affecting other rents across the property portfolio, including Stamford Centre £0.035m, Market Street £0.029m, Airport £0.025m and others £0.043m. This will be taken forward in the Medium Term Financial Plan.

There are a number of minor running cost underspends of £(0.020)m across Facilities Management and this projection remains unchanged.

### **EGP 2 – Planning application fees – income shortfall £0.052m (adverse)**

The approved 2012/13 budget included additional income of £(0.111)m across the Directorate based on proposed national changes to planning regulations. These changes have been delayed indefinitely which puts the whole amount of saving at risk. Recent ministerial announcements have taken this into account, with the implementation of a national increase of 15% to bring fees in line with current prices, effective from 22 November 2012. This is earlier than previously anticipated and will help mitigate the current-year shortfall by a £(0.020)m, and will fully mitigate the shortfall in 2013/14.

Monitoring of planning fee income has shown that performance for the year to date has been higher than expected by £(0.029)m, as reported previously. Pre application fees were introduced in July this year for which £(0.010)m is also reported.

Planning and building control fees will continue to be monitored on a weekly basis throughout the year.

### **EGP3 – Housing Strategy – Housing Improvement fee income £0.018m (adverse)**

Fee income is received from housing improvement work undertaken from the reinvestment of sale income through the capital programme. A reduction in the number of sales has reduced expected fee income compared to budget.

## TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team  
 Date: 20 December 2012  
 Report for: Discussion  
 Report author: Finance Manager

<b>Revenue Budget Monitoring 2012/13 – Period 8          (April 2012 – November 2012 inclusive)</b>
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## 1. Outturn Forecast

- 1.1 The current approved revenue budget for the year is £19.735m. The outturn forecast is £19.180m which is £(0.555)m below approved budget. This is a (0.037)m favourable variance since last month.
- 1.2 The net favourable movement in the month is a result of:

**£(55)k** favourable; vacancies due to staff structures reviews and 2013-14 budget proposals.

**£14k** adverse; expected income from Proceeds of Crime has resulted in slippage into 2013-14.

**£11k** adverse; New customer income streams generated by the CCTV/Control Room service seem likely to fall short of anticipated levels.

**£(7)k** favourable; net minor movements in running costs and income.

## 2. MTFP Savings and increased income

- 2.1 The council's overall budget includes £(12.161)m of savings and increased income, of which £(2.027)m relates to T&R. The table below summarises the current forecast of this savings target:



	<b>Budget target (£000's)</b>	<b>End of Year Forecast (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	(146)	(146)	0
Transformation savings*	(560)	(520)	50
Financial Management review	(368)	(368)	0
ICT review	(120)	(120)	0
Reduction in ICT contracts	(214)	(214)	0
Reduction in specialist training	(100)	(100)	0
Reduce Community Action Pots	(150)	(150)	0
Reduction in various goods & services	(172)	(172)	0
Other savings	(197)	(237)	(50)
<b>Total</b>	<b>(2,027)</b>	<b>(2,027)</b>	<b>0</b>

\* Transformation savings have an additional governance arrangement and are monitored in greater detail monthly by the Transformation Board.

- 2.2 The CCTV budgeted increased income of £60k in 2012/13 will only be partly achieved in-year leaving a £50k shortfall. The shortfall will be obviated by other savings across T&R which have already been identified.

### 3. Service carry-forward reserve

- 3.1 The Directorate has accumulated balances of £(1.009)m brought forward from 2011/12. Over the year the surplus balance will be used to ensure that the Directorate can meet and sustain the challenges of the future, particularly ensuring support for the Transformation Programme:

<b>Table 1: Utilisation of Carry Forward Reserve 2012/13</b>	<b>£000's</b>
Balance b/f 1 April 2012	(1,009)
<b>Planned use in 2012/13:</b>	
EDRM and Storage Support	115
Library Management System	102
Local Support scheme for Council Tax	90
Transformation support	79
E-Readers, Postal Identifiers, CCTV Marketing	20
Disaster Recovery Contact Centre	15
P8 Forecasted Outturn	(555)
<b>Remaining Balance at 31 March 2013</b>	<b>(1,143)</b>

<b>Corporate Priority</b>	<b>Low Council Tax &amp; Value for Money</b>
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To ensure that the Council can demonstrate it provides efficient effective and economical, value for money services to the people of Trafford, by undertaking the following actions:

- Deliver the Council's Transformation Programme;
- Continue to provide effective use of resources;
- Continue to manage the reputation of the Council and the borough as a whole.

Key Performance Measure	Outturn 2011/12	Performance Status & Direction of Travel							
		August		September (Q2)		October		November	
		Current	Target	Current	Target	Current	Target	Current	Target

**Deliver the Council's Transformation Programme**

Reduce the level of sickness absence (council-wide excluding schools) (Days) (BV12i)	9.93	6.88	9	10	9	9.99	9	10.01	9
	R	G	G	↓	R	↑	R	↓	R

Across the Council, the projected average number of days lost to sickness absence for 2012/13 is currently 10.01 days. This is against a corporate target of 9 days per annum, per person, which indicates a projected overall negative variance in target of 1.01 days per person. For the same period last year, the number of days lost was running at 9.48 days per person, which shows a dip in performance of an average of 0.53 days per person. Whilst the Council-wide trend has indicated a slow level of improvement since July 2012, the figure has now stabilised and further work will be required across hotspot areas if the Council is to achieve its target of 9 days by the end of the financial year.

HR and management continue to work together to robustly manage the top 50 long-term absence cases across the Council, to ensure that these are being managed in an effective and consistent manner. In addition, work is now underway to analyse more short term, persistent absences with a view to developing local action plans across hotspot service areas to improve levels of attendance.

Targeted support interventions, such as training and one-to-one coaching sessions with managers continue across the organisation and at a strategic level, absence cases continue to be challenged via the Member Challenge process.

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Minimum reserve level (LCT 15)	£9.21m G	<b>£7.584m</b> ↑	£6m G	<b>£7.679m</b> ↑	£6m G	<b>£7.715m</b> ↑	£6m G	<b>£7.715m</b> ↔	£6m G
Achieving a higher investment rate than the national average (7 day cash LIBID) (LCT 20)	0.55% G	<b>0.54%</b> ↓	0.1% G	<b>0.54%</b> ↔	0.1% G	<b>0.53%</b> ↓	0.1% G	<b>0.52%</b> ↓	0.1% G
Delivery of efficiency and other savings (NI179)	£21.3m G			<b>£12.18m</b> ↑	£12.16m G				
<b>Continue to provide effective use of resources</b>									
Land Sales Programme (FM 10)	<b>£5.5m</b> R			<b>£1.85m</b> ↑	£1.5m G				
<b>Continue to manage the reputation of the Council and the borough as a whole</b>									
% collected for year - council tax (BV 9)	97.82% G	<b>49.93%</b> ↑	49.78% G	<b>59.33%</b> ↑	59.1% G	<b>68.89%</b> ↓	68.48% G	<b>78.04%</b> ↑	77.85% G
% collected for year - business rates (BV 10)	97.4% A	<b>49.34%</b> ↑	49.78% A	<b>59.13%</b> ↑	59.56% A	<b>68.8%</b> ↑	68.9% A	<b>78.19%</b> ↑	77.82% G
Average days to recover external debts (LCT 02)	<b>85</b> R	<b>65</b> ↔	<b>56</b> R	<b>55</b> ↑	56 G	<b>62</b> ↓	56 A	<b>47</b> ↑	56 G
Increase the % of all calls that will be answered within 20 seconds (LCT09)	81% G	<b>88%</b> ↑	80% G	<b>86%</b> ↓	80% G	<b>92%</b> ↑	80% G	<b>92%</b> ↔	80% G
Reduce the % of lost calls to the Access Trafford contact centre	6% G	<b>2%</b> ↓	5% G	<b>2%</b> ↓	5% G	<b>2%</b> ↓	5% G	<b>1%</b> ↓	5% G

(LCT 10)	G	↑	G	↔	G	↔	G	↑	G
Percentage of Housing Benefit Overpayments collected (LCT 16)	63.1%	<b>67.61%</b>	70%	<b>68.98%</b>	70%	<b>71.09%</b>	70%	<b>69.76%</b>	70%
	A	↑	A	↑	A	↑	G	↓	A
<p>Our performance in each of the last 5 months has exceeded our 70% target. Cumulative performance is marginally behind for November.</p> <p>The level of overpayments raised has a direct effect on the collection rate. Many of the benefit overpayments can be for large amounts (£000s) and take a long time to collect. If for example the debtor is still on benefit, the standard deduction rate is £10.65 per week.</p> <p>The actual amount of debt raised has increased by approx. £50k in October and November in comparison to previous months.</p> <p>The 70% in year collection target remains very challenging. We have a full recovery program planned for the current financial year which will help us to achieve this.</p>									
to actively investigate allegations of benefit fraud and ensure where suitable that sanctions and/or prosecutions are enforced (LCT 17)	79			<b>35</b>	37.5				
	G			↑	A				
Conduct and conclude investigations into alleged benefit fraud that identify more serious abuses (i.e. high yield) of the benefits system (total overpayments £) (LCT 18)	£619,052			<b>£269,798</b>	£300k				
	G			↓	R				
Average time to process Housing /Council Tax Benefit new claims and change events (Days) (NI 181)	7.16	<b>6.89</b>	7.5	<b>6.87</b>	7.5	<b>6.9</b>	7.5	<b>6.99</b>	7.5
	G	↑	G	↑	G	↓	G	↓	G

## Appendix 1

### Period 8 Forecast Outturn revenue expenditure and income variances, and movements from Period 7 monitoring report

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Note ref
<b>Transformation and Resources Portfolio</b>						
Legal & Democratic	1,943	1,999	56	71	(15)	T&R1, 3, 6
Communications & Customer Services	7,598	7,357	(241)	(209)	(32)	T&R1, 3, 6
Partnerships & Performance	2,960	2,979	19	58	(39)	T&R1
Strategic Human Resources	3,023	2,898	(125)	(131)	6	T&R1, 3, 6
Corporate Leadership and Support	401	233	(168)	(160)	(8)	T&R2
<b>sub-total</b>	<b>15,925</b>	<b>15,466</b>	<b>(459)</b>	<b>(371)</b>	<b>(88)</b>	
<b>Finance Portfolio</b>						
Finance Services	3,810	3,714	(96)	(147)	51	T&R1, 3
<b>sub-total</b>	<b>3,810</b>	<b>3,714</b>	<b>(96)</b>	<b>(147)</b>	<b>51</b>	
<b>Total</b>	<b>19,735</b>	<b>19,180</b>	<b>(555)</b>	<b>(518)</b>	<b>(37)</b>	

<b>Business Reason / Area (Subjective analysis)</b>	<b>P8 Outturn variance (£000's)</b>	<b>P7 Outturn variance (£000's)</b>	<b>P7 to P8 movement (£000's)</b>	<b>Note ref</b>
Management of vacancies	(615)	(560)	(55)	T&R1, 2
Running costs	53	46	7	T&R3
CCTV – Projected shortfall in income	92	81	11	T&R4
Proceeds of Crime income	173	159	14	T&R5
Other Income	(258)	(244)	(14)	T&R6
<b>Total</b>	<b>(555)</b>	<b>(518)</b>	<b>(37)</b>	

## **NOTES ON PROJECTED VARIANCES**

### **T&R1**

There are a number of posts being held vacant whilst staffing structures are being reviewed, particularly within the ICT service, and as a consequence of future budget savings proposals.

### **T&R2**

The timing in appointing a new Corporate Director is expected to result in a £(157)k favourable variance on salary costs.

### **T&R3**

Minor variances in running costs across the Directorate include ICT contracts, legal fees, HR software and contracts costs.

### **T&R4**

Operational issues have delayed the development and marketing of the new CCTV Control Room products. It is forecast that £50k of the new anticipated income stream of £60k will not be achieved until 2013/2014.

### **T&R5**

The expected receipt date for a Proceeds of Crime case has been reviewed and £14K of income will now not be received until 2013-14.

### **T&R6**

Management action has generated increased income from;

- Activity with education sector e.g. schools, £(107)k
- A legal services arrangement with the Probation Service, £(41)k
- Collaborative ICT income, £(18)k
- Libraries fees and charges income £(35)k
- Land Charges income £(25)k
- Other minor income variations across the Directorate £(32)k

## TRAFFORD MBC

Report to: Director of Finance  
 Date: 19 December 2012  
 Report for: Information  
 Report author: Head of Financial Management

Report Title

**Revenue Budget Monitoring 2012/13 – Period 8 - Council-Wide Budgets  
 (April 2012 to November 2012 inclusive)**

**1 Outturn Forecast**

1.1 The current approved revenue budget for the year is £25.384m. The outturn forecast is £24.865m, which is £(0.519)m under the budget, the same as last month.

1.2 Appendix 1 details by variance area the projected outturn as compared to the approved revenue budget, with the main variances being;

Treasury Management – savings in debt interest repayments £(0.335)m and increased investment interest £(0.095)m;

External audit fees £(0.106)m, relating mainly to a reduction in the standard audit fee ;

Three Right-To-Buy sales of ex-Council Houses, £(0.030)m;

AGMA projects re-prioritised, resulting in additional costs to the Council, £0.047m.

**2 MTFP Savings and increased income**

2.1 The Council-wide budget includes a saving target of £(0.231)m from the overall Council budget of £(12.2)m for savings and increased income. The table below summarises the current forecast of this savings target:

	<b>Budget target (£000's)</b>	<b>End of Year Forecast (£000's)</b>	<b>Variance (£000's)</b>
Increased and new income	0	0	0
Transformation savings	0	0	0
Other savings	(231)	(231)	0
<b>Total</b>	<b>(231)</b>	<b>(231)</b>	<b>0</b>

All budget options put forward for delivery in 2012/13 are expected to achieve their targets by the year end.

**3 Service carry-forward reserve and Recommendations**

3.1 The underspend within Council-wide budgets is transferred to the General Reserve, as detailed in the summary report.

### Period 8 Forecast Outturn revenue expenditure and income variances, and movements from Period 7 monitoring report

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Ref
<b>Finance Portfolio</b>						
Precepts, Levies & Subscriptions	16,536	16,583	47	47		C-W3
Provisions (bad debts, pensions, property rates)	1,745	1,745				
Treasury Management	9,051	8,621	(430)	(430)		C-W1
Insurance	647	647				
Members Expenses	942	942				
Grants	(3,627)	(3,627)				
Other Centrally held budgets	90	(46)	(136)	(136)		C-W2
<b>Total</b>	<b>25,384</b>	<b>24,865</b>	<b>(519)</b>	<b>(519)</b>	<b>(0)</b>	



<b>Business Reason / Area (Subjective analysis)</b>	<b>P8 Outturn variance (£000's)</b>	<b>P7 Outturn variance (£000's)</b>	<b>P7 to P8 movement (£000's)</b>	<b>Ref</b>
Treasury Management:				
- Investment Income	(93)	(93)		C-W1
- Debt Management cost savings	(337)	(337)		C-W1
Other Centrally held budgets				
- External audit fees	(106)	(106)		C-W2
- Right-To-Buy sales	(30)	(30)		C-W2
Precepts, Levies & Subscriptions				
- AGMA Budgets	47	47		C-W3
<b>Total</b>	<b>(519)</b>	<b>(519)</b>	<b>(0)</b>	

## NOTES ON PROJECTED VARIANCES

### **C-W1 – Treasury Management - £(0.430)m (favourable), a movement of £(0.095)m since the last report.**

A rephasing of schemes within the Council's Capital Investment Programme, funded by prudential borrowing, was incurred in the final quarter of 2011/12. This will result in a one-off reduction in the amount the Council has to set aside in order to repay debt in 2012/13, £(0.021)m.

In response to the continuing uncertainty of the worldwide economic climate, counterparty security and borrowing rates being considerably higher than investment rates, the new long term borrowing planned to be taken later in the year, will not be taken thereby generating a saving of £(0.314)m in interest payable. This course of action has been undertaken in accordance with advice obtained from the Council's external treasury management consultants.

£(0.095)m relating to a better rate of interest on investments in the first 6 months of the year compared to budget, £(0.020)m as well as additional investment interest earned due to new capital monies (Primary School grant and Section 106 agreement) being received ahead of the capital expenditure being incurred, £(0.075)m.

### **C-W2 – Other Centrally held budgets - £(0.136)m favourable**

The Audit Commission fees for 2012/13 have substantially reduced, in particular relating to the standard audit fee, £(0.106)m, due in part to the Council's good quality financial management. There has also been three Right-To-Buy sales of ex-Council Houses by Trafford Housing Trust, which are not budgeted for, generating income of £(0.030)m to the Council.

### **C-W3 – Precepts, Levies & Subscriptions - £0.047m adverse**

A number of projects have been re-prioritised by AGMA in 2012/13 and budgets have been re-aligned accordingly. This includes new and revised projects being funded from savings elsewhere within AGMA budgets. However, the total amount now due to Lead authorities is higher than expected, £0.047m.

### DECISIONS MADE BY THE GREATER MANCHESTER COMBINED AUTHORITY MEETING HELD ON 30<sup>th</sup> NOVEMBER 2012 AT MANCHESTER CITY COUNCIL

Decisions published on 5<sup>th</sup> December 2012 and will come into force from 4:00pm on the 12<sup>th</sup> December 2012, subject to call-in, except for any urgent decisions.

The process for call in of decisions is set out as an Appendix to this note, extracted from the Greater Manchester Combined Authority (GMCA) Constitution. The address for the purposes of the schedule is that of the GMCA Secretary, c/o Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA; or by contacting [k.bond@agma.gov.uk](mailto:k.bond@agma.gov.uk)

The reports detailed in this note can be accessed at the AGMA website via the following link: - <http://www.agma.gov.uk/calendar/index.html>. Any report not available on the web site will be available for Scrutiny Pool members from the GMCA Secretary on request, on a private and confidential basis.

#### **1. POST 2013 EU FUNDING (agenda item 5)**

The Combined Authority received a report from Sir Howard Bernstein, Chief Executive Manchester City Council updating members on the most recent developments with preparations for Post 2013 EU funding and a suggested Greater Manchester approach to achieve delegation over EU funding post 2013 and the emerging priorities for a Post 2013 GM EU Programme.  
The Combined Authority AGREED:

1. to note the progress made to date and agree GM's approach to achieving delegation over EU funding post 2013;
2. the emerging priorities for a Post 2013 GM EU Programme;
3. to note that at some point GM will need to engage with Government on detailed issues of delegation;
4. to note the work to influence other EU strategies, including the Atlantic Strategy;
5. the issues listed in the report for consideration over the coming months; and
6. to receive further updates on Post 2013 EU funding as the picture develops during 2013;

#### **2. THE DUTY TO CO-OPERATE ON STRATEGIC PLANNING AND INFRASTRUCTURE MATTERS (agenda item 6)**

The Combined Authority received a report from Eamonn Boylan, Chief Executive Stockport MBC outlining the main provisions of the 'duty to co-operate' introduced through the Localism Act 2011 and the National Planning Policy Framework 2012 and the issues that are starting to emerge.  
The Combined Authority AGREED:

1. that the strategic issues on which we wish to co-operate at this stage are:
  - the scale and distribution of housing and employment
  - critical infrastructure to support growth
  - action to support town centres and regional centre.

2. that the process detailed in section 4 of the report is adopted for an interim period of 6 months to ensure that individually and collectively we can demonstrate that districts have had regard to the priorities of the LEP and LNP; and
3. to formalise the way we work to ensure compliance with the requirements of the new planning system as detailed in section 5 of the report.

## **JOINT GMCA & AGMA EXECUTIVE BOARD MATTERS**

### **3. REVENUE BUDGET UPDATE 2012/13 (agenda item 10)**

The Combined Authority received a report from Richard Paver, Treasurer to AGMA and the GMCA updating members on the AGMA forecast revenue outturn position 2012/13, including resource requirements for Greater Manchester priorities and AGREED to:

1. note the current AGMA revenue outturn forecast for 2012/13 including the funding of priorities which is now projecting a balanced budget;
2. approve the additional funding requirements for AGMA priorities in 2012/13 as identified in the report and described in paragraph 2.1 to 2.3 of the report;
3. to approve the utilisation of AGMA resources as described in paragraph 2.4 and 2.5 of the report;
4. to approve the use of non-transport related underspend from the Greater Manchester Combined Authority in 2012/13 to meet an element of the priority costs within the 2012/13 AGMA budget as described in paragraph 2.5 of the report; and
5. to approve the utilisation of the Growing Places Fund grant should the underspend within GMCA non-transport budget prove insufficient to meet the AGMA requirement.

### **4. GREEN DEAL BUSINESS CASE (agenda item 11)**

The Combined Authority received a report from Charlie Parker, Chief Executive Oldham Council presenting the GM Green Deal business case and for approval to the set up of a GM Green Deal & ECO delivery partnership.

The Combined Authority AGREED:

1. to approve the creation of a GM Green Deal & ECO Delivery Partnership as set out in the business case, with the lead Authority to be determined;
2. to approve up to £1.29m revenue funding for procurement and start-up costs which will be met from within AGMA/CA resources, with the £305k for 2012/13 being met from an in-year allocation from available AGMA resources and to require the AGMA/ CA Treasurer to ensure that the remaining £985K is identified and included in the AGMA/CA budgets for 2013/14;
3. to move immediately into the procurement stage of the project;
4. that a joint Manchester CC /Salford CC team procures a panel of Green Deal accredited private sector delivery partners, to whom all other Green Deal Provider roles and responsibilities including accessing ECO funding would be outsourced;
5. to work with GM Local Authorities to draw up Green Deal plans across GM to align with other priority spatial programmes and policies;

6. to note the estimated £17m capital funding requirement required to act as a junior debt layer in the Green Deal Finance Company to facilitate the draw down of up to £68m of Green Deal loans and requests that the final detail and funding arrangements be reported back to the AGMA/GMCA when the final results of the procurement exercise are known in 2013/14 and the business case has been subject to due diligence; and
7. that the outcome of the procurement process be reported back to GMCA/AGMA so that the Business Plan can be re-validated alongside an updated analysis of risks and strategies for managing these, in the light of actual market-based proposals.

**5. BUILDING SCALE RENEWABLE HEATING PROJECT (NEDO PROJECT)**

The Combined Authority received a report of Mark Atherton, Greater Manchester Environment Director, providing an overview of activity being carried out to secure overseas investment for a programme of work to trial building scale renewable heat and smart grid technologies in Greater Manchester. The initiation of the first phase of this work requires the signing of a Letter of Intent between Greater Manchester, DECC, BIS and NEDO.

The Combined Authority AGREED to delegate the signing of the Letter of Intent to the Chair of AGMA /GMCA Lord Peter Smith.

## EXTRACT FROM THE GMCA CONSTITUTION

### **PART 5B - SCRUTINY ARRANGEMENTS FOR GMCA, TFGMC AND TFGM**

#### **5. Call in of decisions**

##### **5.1 Call in of decisions of GMCA and TfGMC**

- (a) Members of the Scrutiny Pool appointed under this Protocol will have the power to call in:-
  - (i) any decision of the GMCA;
  - (ii) any major or strategic decision of the TfGMC which is taken by the TfGMC in accordance with the delegations set out in Part 3 Section B II of this Constitution.

##### **5.2 Publication of Notice of Decisions**

- (a) When:-
  - (i) a decision is made by the GMCA; or
  - (ii) a major or strategic decision is made by the TfGMC in accordance with the delegations set out in Part 3, Section B II of this Constitution;

the decision shall be published, including where possible by electronic means, and shall be available normally within 2 days of being made. It shall be the responsibility of the Secretary to send electronic copies of the records of all such decisions to all members of the Scrutiny Pool within the same timescale.

- (b) The notices referred to at subparagraph 5.2(a) above will bear the date on which they are published and will specify that the decision will come into force, and may then be implemented, as from 4.00 pm on the fifth day after the day on which the decision was published, unless 5 members of the Scrutiny Pool object to it and call it in.

# **ASSOCIATION OF GREATER MANCHESTER AUTHORITIES**

## **DECISIONS MADE BY THE AGMA EXECUTIVE BOARD AT MEETING HELD ON 30<sup>th</sup> NOVEMBER 2012 AT MANCHESTER CITY COUNCIL**

**Decisions published on 5<sup>th</sup> December 2012 and will come into force from 4:00pm  
on the 12<sup>th</sup> December 2012, subject to call-in, except for any urgent decisions.**

The process for call in of decisions is set out as an Appendix to this note, extracted from AGMA's constitution. The address for the purposes of the schedule is that of the AGMA Secretary, c/o GMIST, Manchester City Council, P.O. Box 532, Town Hall, Manchester, M60 2LA; or by contacting: [k.bond@agma.gov.uk](mailto:k.bond@agma.gov.uk)

The reports detailed in this note can be accessed at the AGMA website via the following link:- <http://www.agma.gov.uk/calendar/index.html>. Any report not available on the web site will be available for Scrutiny Pool members from the GMCA Secretary on request, on a private and confidential basis.

### **1. GREATER MANCHESTER METROPOLITAN DEBT ADMINISTRATION FUND (agenda item 5)**

The AGMA Executive Board received a report of Steve Pleasant, Chief Executive Tameside MBC presenting the Fund's estimated rates of interest for 2012/13 and 2013/14 together with the borrowing strategy to be employed.

The Executive Board AGREED to note the report

## **EXTRACT FROM THE GMCA CONSTITUTION**

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