

Council Tax Information

Greater Manchester Combined Authority
March 2018

BOLTON
BURY

MANCHESTER
OLDHAM

ROCHDALE
SALFORD

STOCKPORT
TAMESIDE

TRAFFORD
WIGAN

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Introduction

Each year your council tax bill tells you what you pay for your local council's services, as well as what you contribute to other important Greater Manchester-wide public services, such as the police and fire and rescue service.

These are called "**precepts**" and always appear on your bill. This year, the responsibility for setting these precepts sits with our new Mayor, so they will look slightly different to how they have in previous years.

You can also find this information and supporting reports on our website at:
www.greatermanchester-ca.gov.uk/counciltax

Understanding your bill

On the bill there will be two sections which refer to mayoral precepts. One is for the policing precept, which used to be the responsibility of the Police and Crime Commissioner, in whose name this used to appear on your bill. On your bill, this will be called the “**Mayoral Police and Crime Commissioner Precept**”.

The other is called the “**Mayoral General Precept (including fire service)**”. However, the vast majority of this comprises the costs of the fire service, with a small amount (£6.22 for the year for a Band B property, which is the Greater Manchester average) going to pay for the new mayoral functions.

Funding for the fire service used to be the responsibility for the Greater Manchester Fire and Rescue Authority, which is how this precept has appeared on your bill in previous years.

This leaflet provides all the financial details of these precepts, and compares them to what you paid last year.

We’ve also given details of the costs of transport in Greater Manchester. This doesn’t appear on your bill as it is mostly funded through a levy contribution from the local districts, with a smaller proportion coming from the mayoral precept.

Mayoral Police and Crime Commissioner Precept

The **policing precept** is the amount you contribute to local policing through your council tax bill.

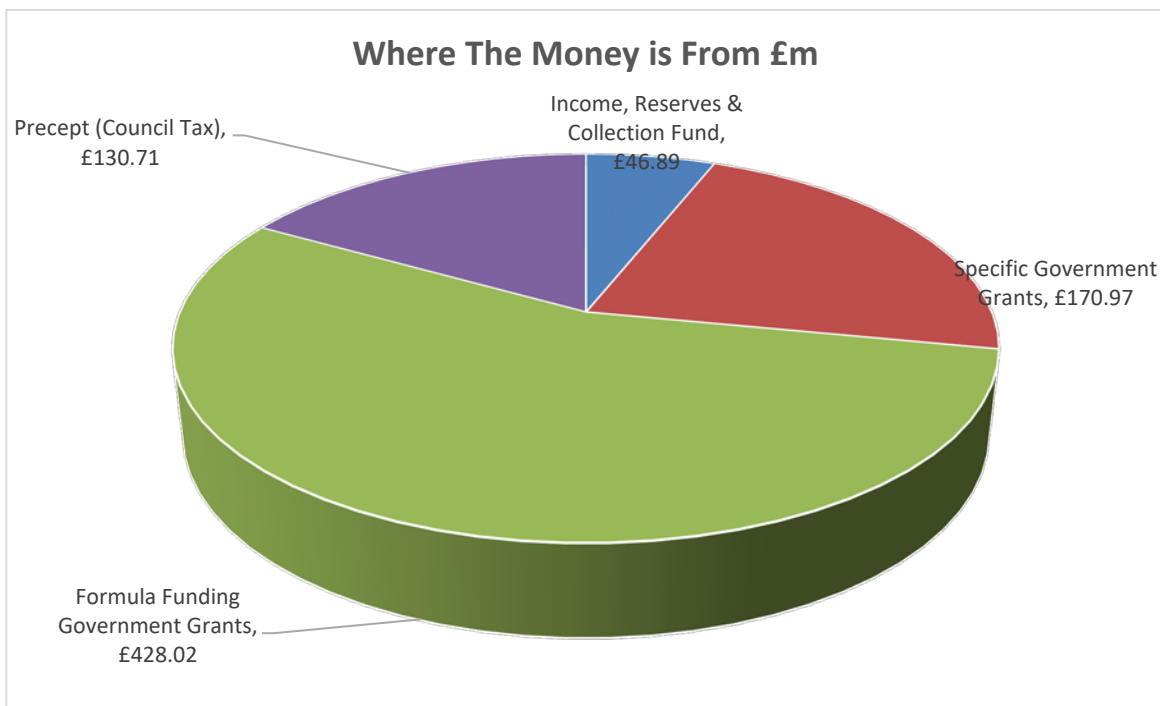
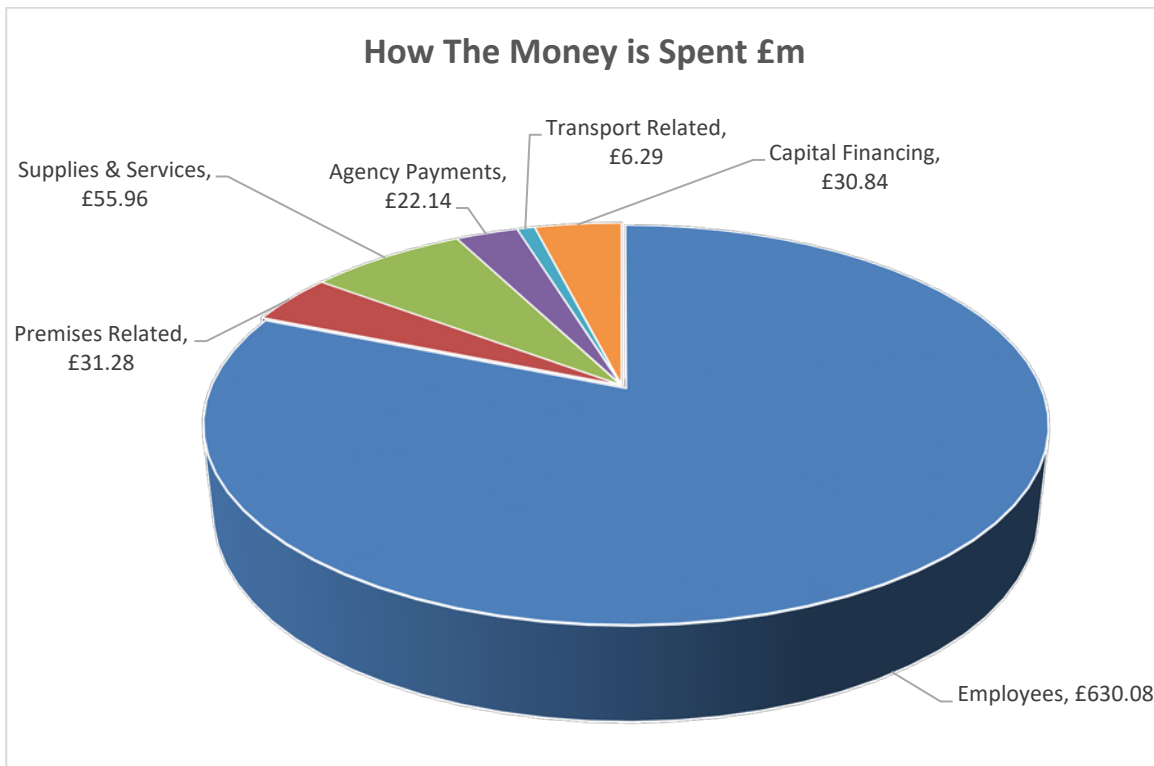
Most of the money for funding police – about 80% - comes from a central Government grant. But the Government has cut this by £250m since 2010, which has seen the loss of 2,000 police officers and 1,000 non-police staff.

For 2018-19, the Mayor has increased the police portion of your council tax bill by £12 per year for a Band D property – equivalent to an extra 23p a week. For a Band A property, the increase will be an extra £11.33 per year, equivalent to 22p a week.

This precept increase will raise £8.8m. The Mayor and Deputy Mayor Bev Hughes have pledged to use this to:

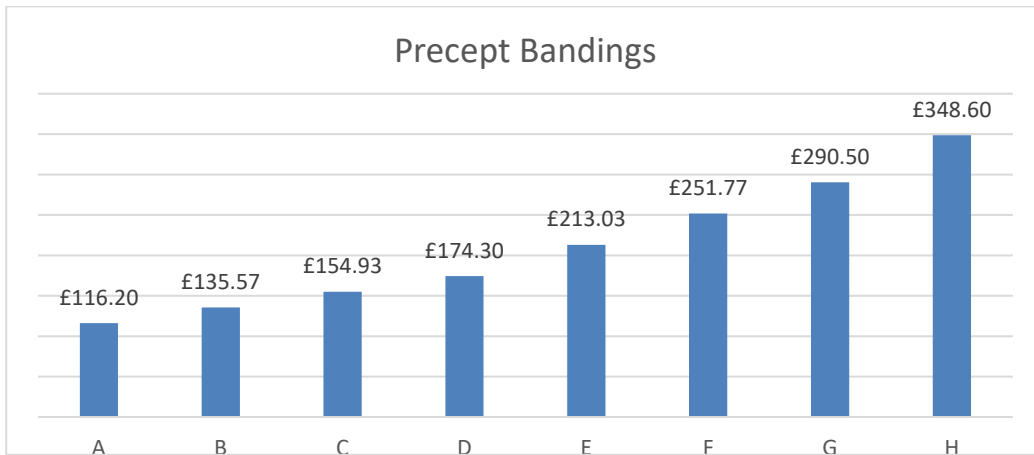
- Recruit at least 50 additional police officers
- Ensure there is a front-line police presence in all Greater Manchester communities
- Guarantee no reduction in PCSO numbers
- Make improvements to the non-emergency 101 service.

How the money is spent and where the money comes from



How much will you pay?

The amount of council tax you will pay to fund Greater Manchester Police depends on the rateable value of your property – known as your tax band.



Income and expenditure – a comparison

The 2018/19 precept is £128m. A comparison of expenditure and income for 2017/18 and 2018/19 is as follows:

	Original Budget 2017-18 £m	Original Budget 2018-19 £m	Variance £m
Employee Related	499.34	504.45	5.12
Pensions	120.69	125.62	4.93
Premises Related	31.06	31.28	0.23
Supplies & Services	56.08	55.96	(0.12)
Agency Payments	24.00	22.14	(1.86)
Transport Related	6.17	6.29	0.13
Capital Financing	21.02	30.84	9.82
Gross Expenditure	758.35	776.59	18.25
Transfer to/from Reserves	(6.50)	(12.05)	(5.56)
Specific Grants	(167.80)	(170.97)	(3.18)
Income and sponsorship	(35.85)	(34.84)	1.02
Financing Requirement	548.20	558.73	10.53
Formula Funding	(428.02)	(428.02)	0.00
Government Grants			
Collection Fund balance	(2.80)	(2.67)	0.13
Precept (Council Tax Requirement)	117.38	128.04	10.66

Changes in council tax requirements

Change In Council Tax Requirement	
	£m
2017/18 Requirement	117.38
2018/19 Requirement	128.04
Increase in Council Tax Requirement	10.66
Why council tax requirement has increased	
Recruit a minimum 50 additional Police Officers	1.30
Additional capacity to deal with rising numbers and complexity of public protection incidents	0.80
Digital Forensics	1.10
Additional funding to support the policing of particularly serious incidents and crimes	1.10
Mayoral Investment Fund	1.00
Transformation through new target operating model	2.80
Cost of the additional 1% pay award	3.90
Net other changes	-2.84
Contribution to capital projects	1.50
	10.66

Mayoral General Precept (including Fire Services)

On your bill this will appear as the “**Mayoral General Precept (including Fire Services)**”. The vast majority of this goes to **Greater Manchester Fire and Rescue Service**.

The service is funded partly by grants from central Government and partly by council tax paid by the residents of Greater Manchester. It remains one of the lowest-cost and highest performing emergency services in the UK.

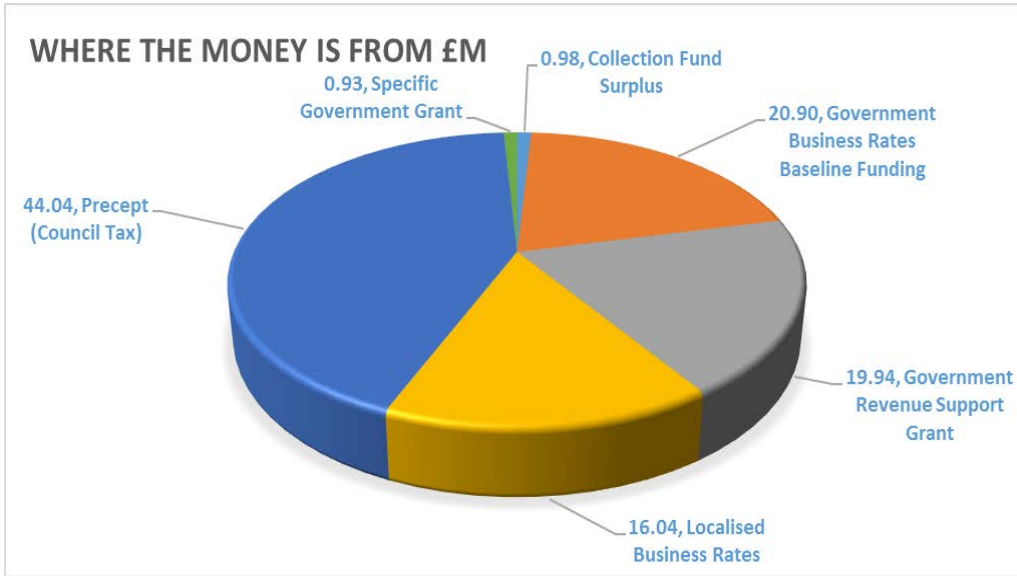
Over the course of the year, for the average Band B property, the fire proportion of the precept is £46.62. To give an idea of how your money is spent, last year, Greater Manchester Fire and Rescue Service:

- Responded to 12,870 fires across Greater Manchester
- Attended 1,328 road traffic collisions
- Attended nearly 6,000 other incidents that required specialist fire service support
- Rescued 1,957 people

For every £1 the service costs to respond to incidents, there is an £18.33 saving in terms of life and property.

In addition to funding the fire service, part of this precept also goes to fund the new mayor, and the functions he is responsible for. Over the course of the year, this is £6.22 for a Band B property, which is the average for Greater Manchester. This mayoral precept funds:

- Transport Strategy including Local Transport Plan development and monitoring
- Administration of Bus Service Operators Grant
- Developing the new plan for jobs and homes for Greater Manchester (known as the Greater Manchester Spatial Framework)
- Mayoral Development Corporations
- Costs of the Mayor’s office
- Grants to District Councils

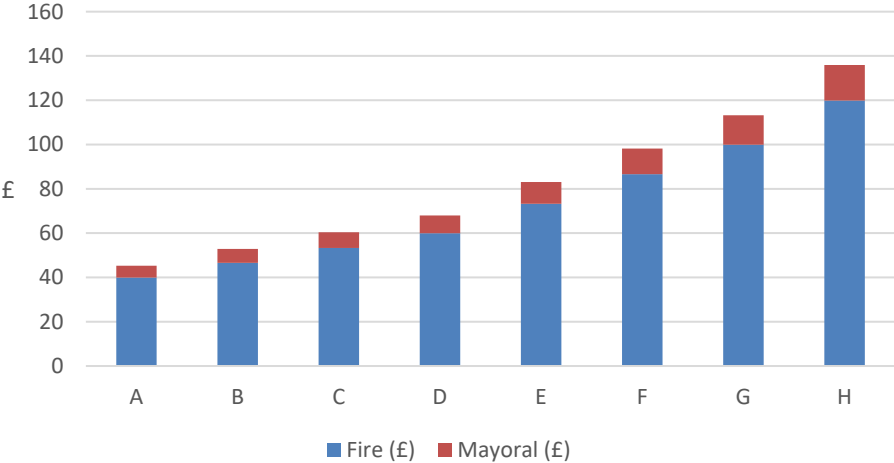


How much will you pay?

The amount of council tax you will pay to fund Greater Manchester General Precept depends on the rateable value of your property- known as your tax band.

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Fire	39.96	46.62	53.28	59.95	73.27	86.59	99.91	119.9
Mayoral	5.33	6.22	7.11	8.00	9.78	11.56	13.33	16.00
Total	45.29	52.84	60.39	67.95	83.05	98.15	113.24	135.90

Precept Bandings



Detailed breakdown of costs

Comparison of Expenditure and Income for 2017/18 and 2018/19

	2017-18 £000s	2018-19 £000s
Gross Expenditure		
Employees	79,270	79,031
Other	58,607	74,048
Total	137,877	153,079
Less Income	-1,412	-6,621
Less Government Grant	-38,443	-40,075
Total	98,022	106,383
Capital Financing Charges	5,600	13,024
Less Interest Received	-30	-30
Total	103,592	119,377
Contribution from Balances	-6,003	-16,559
Budget Requirement	97,589	102,818
Revenue Support Grant	-22,536	-19,938
Baseline Funding	-19,985	-20,900
Localised Business Rates	-10,033	-10,165
S31 Grant	-602	-925
Collection Fund Surplus (-)/ Deficit (+)	-1,077	-975
Council Tax Requirement	43,356	49,915

Why the Budget Requirement Has Increased

	2018-19
	£'000
Mayoral Precept	6,611
Inflation	1,560
Efficiencies	-1,140
Unavoidable Cost Pressures	1,330
Change in Capital Financing	7,424
Change in Interest on Balances	0
Change in Use of Balances	-10,556
Total increase in Budget Requirement	5,229
Decrease in Funding	1,382
Total Increase in Council Tax Requirement	6,611
Why the Council Tax Requirement has Increased	
Council tax requirement 2017/18	43,356
Mayoral Precept	6,611
taxbase increase of properties	
Band D properties increase of :	683
£1 Reduction	-735
	<u>49,915</u>

Mayoral expenditure breakdown

	Cost £'000
Transport, Policy and Strategy	3,900
Spatial Development Strategy	643
Cost of Administering Grants to Bus Operators	50
Direct Mayoral and Support Costs	732
Other Mayoral priorities	1,286
TOTAL	6,611

Business rates funding

Most of the funding for Greater Manchester Combined Authority comes from local district contributions. However, Greater Manchester has been participating on some pilot schemes around the retention of business rates revenues. Business rates are collected locally, but are sent to central Government.

By keeping some of the revenue raised, Greater Manchester Combined Authority has been able to invest this additional revenue in the following areas:

	Investment amount £000
GM health devolution	600
MIDAS	200
Marketing Manchester	350
GM Cultural and Social Impact Fund	200
GM Productivity Programme	2,236
GM Digital Strategy	200
GM Age-friendly activity	100
Youth Combined Authority	50
TOTAL	3,936

Transport information

Investing in Greater Manchester transport 2018/2019

Transport is an important part of life for everyone in Greater Manchester. It connects people with jobs, education and their families; it gets customers and suppliers to businesses and it connects people with important public services.

The following information gives an overview of how revenue funding will be spent on transport over the next 12 months.

Who will manage transport and the revenue funding?

Transport for Greater Manchester (TfGM) is the organisation that delivers the Greater Manchester Combined Authority's (GMCA) transport policies. It coordinates transport networks across the region and owns the UK's largest light rail network, Metrolink. The network, which sees more than 40 million passenger journeys each year, is operated on TfGM's behalf by KeolisAmey Metrolink.

TfGM also builds and manages bus stations and transport interchanges, however, train services, and the majority of bus services, are operated by commercial operators. TfGM provides travel planning and timetable information to passengers and promotes walking and cycling as safe and healthy commuting options.

As well as coordinating public transport, TfGM works closely with Highways England and the ten Greater Manchester councils that are responsible for local road networks.

TfGM is committed to making travel easier by delivering, coordinating and maintaining an integrated transport network for the people and businesses of Greater Manchester, working alongside the bus, tram and train operators who run the services.

Funding

GMCA/TfGM receives the following revenue funding to provide for its expenditure. The table below shows the figures for the last financial year (2017/18) and the forthcoming one (2018/19):

	2017/18 Budget £m	2018/19 Budget Total	Variance £million
Resources			
Total Levy	103.87	279.20	175.33
Special Rail Grant	1.86	1.86	-
Metrolink Funding from Revenue / Reserves	8.73	9.88	1.15
Funding from/(to) reserves	134.55	(70.60)	(205.15)
Mayoral General Budget	-	3.95	3.95
Earnback Revenue Grant/Reserves	-	13.50	13.50
Other Grants	10.50	16.51	6.01
Total Revenue	250.78	244.42	(6.36)

*Total Levy in 2017/18 was net of an adjustment of £91.3 million, largely in relation to the reduction of the Transport Levy on a one off basis to provide the necessary financial capacity to facilitate savings in the GM Waste contract.

Please note all figures are rounded.

Total Levy

GMCA/TfGM receives funding from several areas. The largest part comes from a levy on the ten Greater Manchester local authorities via council tax. In total, this accounts for £279.20 million in 2018/19. The total levy in 2018/19 includes a one off adjustment of £87.98 million in relation to a return from districts of transport reserves which were refunded to them in 2017/18.

There is also a reduction of £3.95 million in relation to costs now to be met from the Mayoral General budget.

GMCA has budgeted to spend £244.42 million in total in 2018/19 on transport activities.

Special rail grant

The Department for Transport (DfT) provides a rail grant to TfGM which contributes towards the costs that TfGM incurs on rail activities. This is budgeted to be £1.9 million in 2018/19.

Funding from reserves

As noted above, £87.98 million will be returned to transport reserves in relation to a refund from districts of transport reserves which were refunded to them in 2017/18. In addition, financial reserves and contributions from third parties will provide a further £17.4 million, including a contribution from Metrolink net revenues of £9.88 million.

GMCA has approved the use of £6 million of reserves in 2018/19 to fund activities in relation to bus reform and developing the proposition of rail station partnerships.

The balance is supporting further investment in transport activities, including through the Greater Manchester Transport Fund.

Mayoral General Budget

In 2018/19 certain costs which have previously been funded from the Transport Levy are now a Mayoral function and will need to be funded by a Mayoral Precept or Statutory Charge. This includes, in particular, the costs associated with developing, updating and delivering the Local Transport plan. The costs, which are budgeted to be £3.9 million in 2018/19, are to be funded from the Mayoral General budget in 2018/19 and there is a corresponding reduction in the Transport Levy.

Earnback Revenue Grant/Reserves

In accordance with the Bus Services Act 2017, the GMCA has instructed TfGM to carry out an assessment of a proposed franchising scheme. The costs of these activities in 2018/19 are forecast to be c£11.5 million. The Mayor has agreed to this cost being met from Earnback monies.

In addition in October 2017 GMCA approved the introduction of an extension to the Local Concessionary Scheme to allow women in Greater Manchester born between October 1953 and November 1954 to participate in the scheme. This will be introduced in April 2018 and the cost in 2018/19, which will be funded from Earnback Revenue, is estimated to be up to c£2.0 million, with overall estimated costs of £2.8 million.

Other grants

GMCA and TfGM have been successful in securing capital and revenue funding from a number of sources. A total of £16.51 million of this revenue funding is budgeted to be spent in 2018/19.

How will the money be spent in 2018/2019?

This table below shows the figures for the last financial year (2017/2018) and the following one (2018/2019):

	2017/18 Budget £m	2018/19 Budget Total	Variance £million
Call on Resources			
Concessionary Support	65.72	67.18	1.46
Supported Services	27.11	27.11	-
Accessible Transport	4.91	4.61	(0.30)
Operational costs (including funded from reserves and grants)	61.11	60.45	(0.66)
Financing	91.93	85.07	(6.86)
Total Expenditure	250.78	244.42	(6.36)

Please note all figures are rounded.

Concessionary support

TfGM funds the cost of concessionary fares including the English National Concessionary Travel Scheme and Local Concession schemes.

GMCA has approved the introduction of an extension to Local Concessionary Scheme to allow women in Greater Manchester born between October 1953 and November 1954 to participate in the scheme. The cost in 2018/19 is estimated to be up to c£2.0 million.

Supported services

Buses are vital to the region's economy and society. More people travel in Greater Manchester by bus than by all other means of public transport put together, with around 196.5 million passenger journeys taking place by bus last year (October 2016 - September 2017).

Under the current system, the majority of Greater Manchester's bus services are run by private companies. These operators are free to decide routes, timetables, and set fare levels.

TfGM financially supports around 20 per cent of Greater Manchester's bus services, which run at times of day and in areas where there is a social need. £27.1 million is budgeted to pay for these services.

Rail

TfGM also receives a Rail Administration grant of £1.5 which is used to contribute to the costs of implementing policies to ensure that local rail services meet local travel needs. These activities include:

- Passenger information services during multimodal events and disruption
- Facilities management and improvement planning at specific stations
- Cross-city station links, such as the free to use Metroshuttle service
- Project development and delivery
- Service development and investment planning with Rail North & Transport for the North

Accessible transport

TfGM funds Ring and Ride – a door-to-door accessible transport service for people who find it difficult to use ordinary public transport.

TfGM also provides travel vouchers for those not able to use ordinary buses, trains or Metrolink and who have serious walking difficulties or are registered blind. They can be used to pay for taxis, private hire vehicles and for travel on accessible bus services such as Ring and Ride and community transport.

Operational costs

For 2018/19 the amount of money spent on operations is budgeted to be £60.45 million – 25 per cent of total expenditure. This covers the costs of:

- Bus station operations
- Travelshops
- Safety and security
- Bus shelters
- Traffic signals, maintenance and operation
- Passenger information
- Consultation, diversity and social inclusion
- Support costs

Included within these costs is the expenditure that TfGM is incurring on Devolution related activities and on scheme development and feasibility work on known GMCA priorities. TfGM is continuing to incur significant revenue costs to support scheme development/feasibility work on known GMCA priorities, including the development of potential public transport solutions that will support the city region's growth agenda; the development of a second Transport Fund; and to support the development of the Greater Manchester Spatial Framework.