



STOCKPORT

METROPOLITAN BOROUGH COUNCIL

Date: March 2018

Dear Resident

Council Tax 2018/19

Thank you for your enquiry regarding Council Tax bills for 2018/19. The purpose of this letter is to explain how the Council's budget for 2018/19 is made up, the planned spend for the year and how the Council Tax raised is used to support the funding of this spend.

Council Tax bills for Stockport residents comprise three elements, which are Stockport MBC Services (including the Adult Social Care Precept), the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services). The rates of Council Tax payable for different property bands are detailed in the following table:

Band	Range of values	Proportions	Total
A	£40,000 and under	6/9ths	1,226.63
B	£40,001 to £52,000	7/9ths	1,431.07
C	£52,001 to £68,000	8/9ths	1,635.51
D	£68,001 to £88,000	1	1,839.96
E	£88,001 to £120,000	11/9ths	2,248.84
F	£120,001 to £ 160,000	13/9ths	2,657.72
G	£160,001 to £320,000	15/9ths	3,066.59
H	More than £320,000	2	3,679.92

Planned spend for 2018/19

The following table provides a breakdown of the 2018/19 revenue budget by service.

	2018/19		
	Gross Expenditure £m	Income £m	Net Expenditure £m
Children's and Education Services	262.597	223.134	39.463
Adult Social Care	141.992	52.204	89.788
Public Health	19.697	2.521	17.176
Cultural, Environmental and Planning Services	57.654	5.816	51.838
Housing Benefits and Services	93.674	93.708	(0.034)
Highways, Roads and Transport Services	33.903	4.881	29.022
Central Services / Corporate Costs	17.551	23.794	(6.243)
Cost of Services	627.068	406.058	221.010
Capital Financing Costs			23.077
2016/17 Collection Fund Surplus			(0.915)
2017/18 Collection Fund Deficit			2.073
Net Revenue Budget			245.245

Children and Education Services (including schools) account for most Council spending, making up more than 40% of budgeted gross expenditure. Furthermore, Adult Social Care services gross expenditure costs in excess of £140m, making up more than 29% of budgeted gross expenditure.

The bulk of housing expenditure is on benefit payments totalling around £70m. These are administered by the Council on behalf of the Department for Work and Pensions and are financed entirely from a specific grant rather than from Council Tax.

Culture, Environmental and Planning Services has been allocated more than £57m. This includes funding for waste Collection and disposal costs, street cleansing and grounds maintenance. Other services include the provision of library services, economic development and regeneration schemes, the Stockport Citizens Advice service, museums and arts, development control, environmental health services and trading standards.

Highways, Roads and Transport Services has been allocated more than £33m. This includes funding of the maintenance and repair of the roads throughout Stockport.

Corporate and Capital Financing Costs of £18m fund the cost of the Council's Capital Programme and corporate and statutory services including Coroner's service, Member and Democratic services (including member's allowances) and Revenue Collection (Council Tax and Business Rates).

How the Council's Budget has changed since 2017/18

The Council's net revenue budget for 2018/19 is £245m, which is a net increase of £11m on the previous year. The increase is largely due to demand and demographic pressures within Children and Adults social care services. In addition, there is also budget provision for cost increases as a result of pay and price inflation increases. The budget increases are off-set by service budget reductions. The 2018/19 budget also includes one-off funding of services from reserves to ensure the Council's budget is robust and able to mitigate the impact of increasing costs whilst the transformation to

service delivery models are implemented to move the Council to a model of self-financing and sustainability.

A breakdown of all the main budget adjustments are shown in the table below:

	Net Expenditure £m
2017/18 Net Revenue Budget	234.16
Change to Combined Authority Levy	18.07
Change to Waste Disposal Authority Levy	(18.30)
Adult Social Care Additional Expenditure Pressures	5.09
Adult Social Care Additional Expenditure Pressures - Charging Policy	0.74
Children's Social Care Additional Expenditure Pressures	1.88
Price Inflation / National Living Wage	1.57
Pay inflation	1.77
Pension and Pension Auto-Enrolment	0.73
Public Health Grant Reduction	(0.41)
Use of Improved Better Care Fund	(3.00)
2018/19 Budget Reductions	(7.52)
Other Budget Adjustments	(0.68)
Reduced Capital Financing Costs	0.13
Collection Fund Surplus 2016/17	(0.92)
Collection Fund Deficit 2017/18	2.07
One-off Funding from Reserves:	
Stockport Together Risk Contingency	4.00
Growth and Development	2.10
Cash Limit Budgets Financed by Use of Reserves	3.76
2018/19 Net Revenue Budget	245.24

Council Tax Levels for 2018/19

In relation to services provided by Stockport Council the Council Tax will increase by 4.99% in 2018/19. Of this, 2% is the increase to the 'Adult Social Care Precept' allowed for by Central Government to provide the Council with funding to meet the increasing cost of providing adult social care services to vulnerable residents.

For 2018/19, Council Tax receipts will total over £149m with a 'Band D equivalent' figure of £1,597.71. The Council is also required to collect Council Tax for the Mayoral Police and Crime Commissioner Precept and the Mayoral General Precept (including Fire Services). This results in an overall Council Tax 'Band D equivalent' figure of £1,839.96 representing an increase of £95.94 (5.50%) for the year.

How is Council Tax Calculated?

Council Tax is calculated using the total Council Tax Bill for a Band D property as a baseline. Annual increases for both the General Element and the Adult Social Care Precept which make up the total Council Tax Bill (attributable to the Council) are calculated using the previous year's baseline. This is illustrated in the table below:

	£	% Increase
2017/18 Council Tax Band D Equivalent - General Element	1,450.35	
2017/18 Adult Social Care Precept (A)	71.42	
2017/18 Council Tax Band D Equivalent - Total	1,521.77	
2018/19 Council Tax Increase 2.99% of Total 2017/18 Bill - General Element	45.50	2.99%
2018/19 Council Tax Increase 2% of Total 2017/18 Bill - Adult Social Care Precept (B)	30.44	2%
2018/19 Council Tax Band D Equivalent - Total (attributable to the Council)	1,597.71	
2018/19 Adult Social Care Precept Band D Equivalent (A+B)	101.86	

The Council is also required to collect the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) on behalf of the Greater Manchester Combined Authority. These Precepts are not set by the Council but can result in an increase in Council Tax in addition to the increases attributable to the Council. This is illustrated in the table below:

	£	% Increase
Council Tax Band D Equivalent 2018/19 - Total (attributable to the Council)	1,597.71	4.99%
Mayoral Police and Crime Commissioner Precept	174.30	
Mayoral General Precept (including Fire Services)	67.95	
2018/19 Council Tax Band D Equivalent - Total (includes Mayoral Precepts)	1,839.96	
2017/18 Council Tax Band D Equivalent - Total (includes Police and Fire Precepts)	1,744.02	
Increase in Council Tax Band D Equivalent Between 2017/18 and 2018/19	95.94	5.50%

The 2018/19 total Council Tax Bill for a Band D property in Stockport is £1,839.96. A specified fraction known as the relevant proportion is applied to the Band D Equivalent Total Council Tax Bill to calculate the Council Tax Bill for the other Bands A to H.

The percentages shown on the Council Tax Bill are rounded to one decimal place as required by legislation. Thus the percentage increase attributable to the Council is shown on the Council Tax Bill as 5% (i.e. 3% General Element increase and 2% Adult Social Care Precept increase).

Further details of the Council's budget, including details of the precepts, are available on the Council's website at www.stockport.gov.uk/counciltax.

Yours sincerely

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