



Resources and Governance Scrutiny Committee

Date: Thursday, 11 January 2024

Time: 10.00 am

Venue: Council Chamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

Access to the Public Gallery

Access to the Public Gallery is on Level 3 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. **There is no public access from any other entrance.**

Filming and broadcast of the meeting

Meetings of the Resources and Governance Scrutiny Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Resources and Governance Scrutiny Committee

Councillors - Simcock (Chair), Andrews, Brickell, Connolly, Davies, Evans, Kilpatrick, Kirkpatrick, Lanchbury, Rowles, Stogia and Wheeler

Combined Agenda

1. Urgent Business

To consider any items which the Chair has agreed to have submitted as urgent.

2. Appeals

To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.

3. Interests

To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.

4. Minutes

To approve as a correct record the minutes of the meeting held on 7 December 2023.

7 - 20

5. Increasing Council Tax Premiums on Empty Properties

Report of the Head of Corporate Revenues.

21 - 32

This report provides an overview of and update on new powers provided by legislation to increase the Council Tax on empty properties.

6. Anti-Poverty Budget Options

Report of the Deputy Chief Executive and City Treasurer.

33 - 60

This report identifies the current budgets and support the Council operates in delivering its Anti-Poverty measures, offers options for future Anti-Poverty provision and provides a suggested framework for describing ongoing Anti-Poverty provision and expected outcomes.

7. Changes to Council Tax Support Scheme from April 2024

Report of the Deputy Chief Executive and City Treasurer.

61 - 156

This report proposes changes to the Council's Council Tax Support Scheme in order that the scheme remains fit for purpose in response to cost-of-living challenges and the transition of most working age residents in receipt of welfare benefits onto Universal

Credit.

- 8. Feasibility Study into Ending the Use of Enforcement Agents** 157 - 236
Report of the Deputy Chief Executive and City Treasurer.

This report presents a feasibility study into whether the use of Enforcement Agents (EAs), also known as bailiffs, is an effective or proportionate method of collecting debt.

- 9. Provisional Local Government Finance Settlement 2024/25 and Budget Assumptions** 237 - 248
Report of the Deputy Chief Executive and City Treasurer.

This report updates on the main announcements from the provisional local government finance settlement 2023/24 announced 18 December 2023. There is a focus on the impact on the Council's budget for 2024/25 to 2026/27 and the next steps in the 2024/25 budget setting process.

- 10. Sales, Fees and Charges - Budget 2024/25** 249 - 286
Report of the Deputy Chief Executive and City Treasurer.

This report updates the committee on the current work being undertaken to review all sales fees and charges as part of the 2024/25 budget process to ensure that charges are correct, that the costs of providing the services are being recovered, and identify opportunities for increasing existing budgets in order to support the overall Council 2024/25 budget. This paper outlines £1m of additional income budgets as a result of this exercise to contribute to achieving a balanced budget.

- 11. Overview Report** 287 - 304
Report of the Governance and Scrutiny Support Unit.

This report provides the Committee with details of key decisions that fall within the Committee's remit and an update on actions resulting from the Committee's recommendations. The report also includes the Committee's work programme, which the Committee is asked to amend as appropriate and agree.

- 12. Commercial Activity, Investments and Governance (Part A)** 305 - 314
Report of the Deputy Chief Executive and City Treasurer.

The Council is involved in a wide range of commercial activities, including, but not limited to, provision of loans to third parties, Joint Ventures, investments into a range of initiatives and property transactions. This report provides an overview the governance and assurance activity which take place before, during and post completion of commercial transactions.

This report is accompanied by Part B report, which goes into more detail about the Council's commercial ventures.

13. Exclusion of Press and Public

The officers consider that the following item contains exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Committee is recommended to agree the necessary resolutions excluding the public from the meeting during consideration of this item.

14. Commercial Activity, Investments and Governance (Part B)

315 - 332

Report of the Deputy Chief Executive and City Treasurer.

The Council is involved in a wide range of commercial activities, including, but not limited to, provision of loans to third parties, Joint Ventures, investments into a range of initiatives and property transactions.

This Part B report provides further detail regarding the structure, financing and terms of these arrangements.

Information about the Committee

Scrutiny Committees represent the interests of local people about important issues that affect them. They look at how the decisions, policies and services of the Council and other key public agencies impact on the city and its residents. Scrutiny Committees do not take decisions but can make recommendations to decision-makers about how they are delivering the Manchester Strategy, an agreed vision for a better Manchester that is shared by public agencies across the city.

The Resources and Governance Scrutiny Committee areas of interest include finances, Council buildings, staffing, corporate and partnership governance as well as Council tax and benefits administration.

The Council wants to consult people as fully as possible before making decisions that affect them. Members of the public do not have a right to speak at meetings but may do so if invited by the Chair. To help facilitate this, the Council encourages anyone who wishes to speak at the meeting to contact the Committee Officer in advance of the meeting by telephone or email, who will then pass on your request to the Chair for consideration. Groups of people will usually be asked to nominate a spokesperson. The Council wants its meetings to be as open as possible but occasionally there will be some confidential business. Brief reasons for confidentiality will be shown on the agenda sheet.

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Smoking is not allowed in Council buildings.

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Further Information

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

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This combined agenda was issued on **Tuesday, 9 January 2024** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 2, Town Hall Extension, Manchester M60 2LA

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Resources and Governance Scrutiny Committee

Minutes of the meeting held on Thursday, 7 December 2023

Present:

Councillor Simcock (Chair) – in the Chair

Councillors Andrews, Brickell, Kilpatrick, Kirkpatrick, Lanchbury, Rowles, Stogia and Wheeler

Also present:

Councillor Rahman, Statutory Deputy Leader

Councillor Akbar, Executive Member for Finance and Resources

Councillor White, Executive Member for Housing and Development

Apologies: Councillors Connolly, Davies and Evans

RGSC/23/66 Interests

Councillors Kilpatrick, Lanchbury and Stogia declared personal interests in item 5 – Annual Property Report.

RGSC/23/67 Minutes

Decision:

That the minutes of the meeting held on 9 November 2023 be approved as a correct record.

RGSC/23/68 Annual Property Report

The committee considered a report of the Deputy Chief Executive and City Treasurer and the Strategic Director (Growth and Development) which provided an update on property activity since the previous update to the committee in September 2022.

Key points and themes within the report included:

- Progress made and initial activity of the Strategic Asset Management Plan (SAMP) including the Asset Review and governance;
- The work of the Council's Development Team and Investment Estate in delivering against the Council's objectives for residential and employment growth;
- A decision not to retender the contract for property management of the Council's investment estate to Jacobs UK Ltd.;
- Significant developments across the city;
- An update on the Council's operational estate, comprised of approximately 350 assets used by the Council to deliver services;
- The work of the Facilities Management service;

- The Zero Carbon Estates Programme;
- The Council's Property Asset Database (CPAD);
- An update on the Our Town Hall project; and
- The use of agency staff.

Some of the key points and queries that arose from the committee's discussions included:

- Welcoming the redevelopment of the Church Street car park, and querying whether the disposal of this meant that the Council would no longer have ownership for this land;
- Highlighting the need for member involvement in the redevelopment of Church Street car park and the importance of retaining the war memorial there;
- If there would be enough car parking in the city centre if the Church Street car park was redeveloped;
- Requesting further information on the Parks Buildings Strategic Group and potential opportunities for buildings in parks;
- The need to understand the implications on the Council's financial position of the return in investment from Manchester Airport;
- Welcoming changing places in parks and the social value work across the property service;
- How much priority was given to maintaining council-owned land;
- What was meant by 'surplus assets';
- How members were involved in the use and purchase of Council-owned land in their wards;
- If the SAMP Board members had the right skills and knowledge in estates management to ensure a maximum return on investments;
- Recognising the Council was awarded Levelling Up funding for Wythenshawe and commending those involved in this;
- Requesting more information on the 1,800 peppercorn leases in the Council's investment portfolio and how these could be viewed on CPAD;
- The vacancy rate amongst council-owned land and properties;
- Whether banks could use surplus space in local libraries across the city;
- Noting that several projects started when interest rates were low, and how viable these schemes were now given the increase in interest rates;
- The quality of early years buildings;
- Whether the Council's website should be amended to reflect that the Town Hall would not reopen in 2024; and
- Why officers were confident in their ability to reduce the requirement for agency staff and to recruit full-time staff.

The Statutory Deputy Leader introduced the report and emphasised the establishment of the SAMP Board, which provided a cohesive and coordinated approach to the Council's estates and developments. He stated that the Council was trying to address issues around climate change and reducing carbon emissions within the corporate estate.

The Executive Member for Housing and Development stated that the report highlighted the extent of development in the city, with particular reference to affordable housing, district centre investment and other regeneration schemes.

In response to queries regarding Church Street car park, the Assistant Director of Development and Investment Estate explained that a decision on the redevelopment of this site had not yet been made and was subject to an assessment by the SAMP Board but that it was likely to cease being a car park. He explained that a planning brief was being created in consultation with planning officers and noted that heritage was an important assessment factor and that consultation with local members would be undertaken. It was also stated that car parking capacity fell under the remit of the Parking Strategy, which was currently in development and would include a mapping exercise of car parks to understand capacity and utilisation of spaces and to model the impact of redeveloping Church Street car park, which would help to inform the SAMP Board's decision.

The Head of Corporate Estate and Facilities explained that the Parks Buildings Strategic Group was established by the Parks service to ensure that the Council's property function could support the delivery of the Parks Strategy. The estates service provided support in the form of investments, carbon works and occupation agreements, for example.

The Deputy Chief Executive and City Treasurer committed to providing a report on the Council's investment in Manchester Airport under a Part B session and stated that she could not speculate on future dividend income or distributable returns.

The committee was advised that a thorough, long-term piece of work was underway to identify the current conditions of all Council-owned land. Work was also underway with colleagues in Neighbourhoods where a different approach to clearing land was needed and it was anticipated that new arrangements would be in place at the committee's next annual update. The Statutory Deputy Leader stated that the SAMP Board allowed for a more cohesive approach to centralise work with one point of contact responsible for maintaining pieces of land. Members were also informed that the 2024/25 budget proposals included a small amount of investment for reactive works such as addressing flytipping and clearing land to tackle barriers to completing work where land was owned by an organisation other than the Council.

It was clarified that the term 'surplus' was meant in regard to operational requirements and sites which could be reviewed for alternative use.

The Assistant Director of Development and Investment Estate explained that the Estates service had recently been successful in employing staff with new skillsets and a commercial focus in the last 12 months to recognise the wider remit of the service. Specific expertise would be commissioned externally where required but the Assistant Director of Development and Investment Estate remained confident in the skillset and commercial awareness within the service.

In response to a query regarding member involvement in the use and purchase of Council-owned land in their wards, it was explained that there was a two-stage process which involved surveyors identifying assets in consultation with colleagues in Growth and Development to determine an appropriate set of future options for a site, such as redevelopment, reinvestment, or refurbishment. These options were then considered by the SAMP Board to provide more detail and a financial appraisal at which point members would be formally engaged with. The Statutory Deputy Leader also confirmed that three Executive Members were appointed to the SAMP Board and reiterated a commitment to ensuring meaningful and timely consultation with members.

The Statutory Deputy Leader offered to provide a report on peppercorn leases and the Head of Corporate Estate and Facilities endeavoured to write to Councillor Andrews with further information on training and how to access CPAD.

The committee was informed that the vacancy rate of the Council's estate and properties was not reported by square meterage or percentage, although it was acknowledged as being possible. The Head of Corporate Estate and Facilities noted that the SAMP Board was being used to review the vacant property list and to ensure that those assets were being considered for use. Use of space in libraries or community centres was actively encouraged and there was an example of a bank delivering services from a local library in Longsight.

The Head of Corporate Estate and Facilities stated that the Council had recently committed capital funding investment into the early years estate and that the market had changed significantly since 2010 when it had been hoped that the assets would generate a sufficient profit to reinvest in the buildings. He stated that one tranche of capital activity had been delivered this year with significant improvements made and a second phase would take place in 2024.

In response to a question regarding interest rates, the Director of Development explained that the property estate was a long-term portfolio which enabled strategic mapping and weathering of economic cycles. He stated that the Council had been able to bolster the viability and deliverability of some of the schemes listed in the report by leveraging them as investable propositions and by leveraging GAP funding. He explained that many projects were in receipt of Levelling Up funding and were joint schemes with central government agencies such as Homes England. The Devolution Brownfield Housing Grant was also being used in residential developments.

It was also acknowledged that the error on the Council's website with regards to the Town Hall reopening date had been flagged and that this would be amended.

The Head of Corporate Estate and Facilities stated that there had been a recent recruitment drive, noting the success of the Growth and Development team in attracting surveyors, and that further recruitment for surveyors would take place in the New Year.

Decision:

That the report be noted.

RGSC/23/69 Capital Programme - Impact of Recent Market Changes and Budget Process

The committee considered a report of the Deputy Chief Executive and City Treasurer which provided an update on the impact of recent changes in financial and construction markets on the capital programme and an update on the proposed capital budget process for 2024/25. It also highlighted the increased Government and public scrutiny of Council capital programmes and borrowing approaches, following the issuing of several Section 114 notices as a result of poor capital investment decisions.

Key points and themes within the report included:

- Providing an introduction and background to the capital budget update;
- The Council's current balance sheet position, including external debt and capital financing requirement;
- A renewed focus across the local government sector on financial sustainability;
- The current approved Capital Programme and its capacity;
- How the Programme was being financed; and
- The proposed financing and budget approaches.

Some of the key points and queries that arose from the committee's discussions included:

- If the increased scrutiny of local authorities was driven by the publication of Section 114 notices by some local councils;
- The support provided by the Office for Local Government (OFLOG);
- The probability of having to end capital programme projects and how this is monitored;
- How the drawdown of reserves and being cautious would impact the CRF and future capital investment;
- Whether the current forecast for the approved capital programme table would be updated to reflect budget increases for the Town Hall refurbishment and any other programme; and
- The approach to the Minimum Revenue Provision (MRP) and how this would sustain unforeseen increases in borrowing.

The Deputy Chief Executive and City Treasurer introduced the report and highlighted the increased scrutiny of local authorities' borrowing activity and that this would be looked at in more detail following the establishment of OFLOG. She also assured the committee that work was underway on the shape of the capital programme for the

next 5 years and how this would balance investment in infrastructure, external funding and the scope for new investment priorities.

In response to a query from the Chair, the Deputy Chief Executive and City Treasurer stated that the increased scrutiny of local government recognised concerns over the high levels of borrowing and Joint Ventures in some local authorities which did not necessarily have the resources or expertise to correctly manage risk.

The committee was advised that OFLOG was still developing their approach and capacity to provide support, but it would try to encourage a culture of early intervention to identify warning signs and signpost authorities to expertise and support. OFLOG would identify a suite of metrics, such as levels of borrowing, to highlight areas for further discussion.

The Deputy Chief Executive and City Treasurer stated that the Council would only take on new borrowing if it was clear and strategically aligned to a Council priority and an invest-to-save approach was currently being assessed. She provided assurances that none of the capital programme projects would be cancelled currently as all schemes were affordable and officers continued to review the capital programme.

It was stated that the relationship between reserves and borrowing was two-fold, and that the capital financing requirement remained the same irrespective of internal borrowing against reserves. It was recognised that significant additional borrowing was required for programmes such as the Town Hall refurbishment and provision within reserves to cover this had been ensured. The Deputy Chief Executive and City Treasurer acknowledged that additional borrowing would need to result in additional increases in the capital financing budget.

The Deputy Chief Executive and City Treasurer explained that the 2022/23 capital programme was continuously changing and updated on a quarterly basis when new schemes were added. She noted that projections also changed and that the most up-to-date forecast would include the latest approved funding increases.

Members were also informed that the MRP was in lieu of accounting for depreciation or repayment of principle in the same way as the private sector. The Commercial Finance Lead explained that, under the CIPFA Financial Management Code, the Council had to repay debt through revenue budget. He stated that the use of reserves did not impact the capital financing requirement but resulted in the Council incurring extra borrowing costs as this externalised debt which had been previously internalised through using reserves and not keeping these cash backed. He explained that quarterly reviews of the capital and revenue budgets modelled the use of reserves and what this meant for the Council's balance sheet, levels of reserves and required borrowing to assess whether the capital financing budget was sufficient.

The Executive Member for Finance and Resources stated that Manchester was an aspirational and growing city with an important pipeline of schemes in the capital

programme. He recognised that the construction market had experienced inflation at levels which had not been seen in decades and stated that the government under Liz Truss had caused a spike in interest rates, rising mortgage costs and impacted the council's capacity for borrowing.

Decision:

That the report be noted.

RGSC/23/70 Update on the Autumn Statement

The committee considered a report of the Deputy Chief Executive and City Treasurer which highlighted the announcements from the Government's Autumn Statement which have a direct implication for local government funding next year and future years.

Key points and themes within the report included:

- The Chancellor of the Exchequer, Jeremy Hunt MP, delivered the Government's Autumn Statement (mini budget) to the House of Commons on 22 November 2023 and this was structured around reducing debt; cutting tax and rewarding hard work; and backing British business;
- The Autumn Statement and main Spring Budget announcements do not provide exact funding updates for Local Government, but provide important indicators as to the outlook for council funding and allow this information to be used to inform the medium-term financial plan and budget process;
- Further detail on the Local Government position was expected in early December when a policy document will be released by the Department for Levelling Up, Housing and Communities (DLUHC), and in late December when the provisional settlement with LA allocations would be published;
- The economic and fiscal forecasts published by the Office for Budget Responsibility alongside the Autumn Statement;
- There would be no increase in the overall funding envelope over the Spending Review period and no additional funding was announced for local authorities beyond the increases already expected;
- Announcements indirectly affecting residents included a rise in National Living Wage; the unfreezing of Local Housing Allowance (LHA); a rise in benefits; protection of the pensions 'triple-lock'; a decrease in the rate of National Insurance; and changes to national insurance for self-employed people;
- The continuation of business rates retention arrangements for Greater Manchester under the Devolution Trailblazer;
- Medium-term implications; and
- The provisional settlement outcome and revised position will be reported to the committee and the Executive in January to consider the longer-term position.

Some of the key points and queries that arose from the committee's discussion included:

- Whether it had been confirmed that the Household Support Fund (HSF) would not continue in 2024/25;
- If HSF funded free school meals and the Holiday Activity Fund scheme, and how these schemes would be funded if HSF ended;
- Noting that the Council received £12.9m in HSF, and querying whether any representations had been made to government to ask that this be continued;
- Noting the rise in National Living Wage in April 2024, and querying whether this increase would be implemented regardless of any other staff pay deal;
- Noting the importance of communicating any changes in Local Housing Allowance and the relevant Universal Credit aspect of housing support;
- The possibility of there being a period where employees would need to receive a pay uplift to meet the Real Living Wage whilst an agreed pay award was being implemented; and
- Most residents in Manchester would not feel the benefit of tax cuts set out in the Autumn Statement due to the freezing of the income tax threshold and the cost-of-living crisis.

The Executive Member for Finance and Resources stated that the Chancellor's Autumn Statement made no reference to local government and failed to recognise the cumulative effect that budget cuts have had on council finances. He stated that the Council was not anticipating an uplift in funding in the next spending review period, but the government had indicated that a robust and resilient Local Government Finance Settlement would be provided in December. He informed the committee that there had been no decision on the continuation of the Household Support Fund (HSF) and that there would be no additional funding for the Homeless Prevention Grant. He also expressed his belief that a change of government was needed.

In response to queries regarding HSF, the Deputy Chief Executive and City Treasurer stated that figures in a previously published document showed that funding would end. However, a parliamentary question was asked after the Autumn Statement about future provision of HSF, and it was stated that this would continue into the next year but it was still being reviewed by government. It was further explained that c. £6.7m of HSF was used to fund free school meals during school holidays and that most of the Holiday Activity Fund was funded separately with a top-up contribution from the Council to enable this to run during half-term holidays as well as the summer holidays. The remainder of HSF funds were used for support payments to residents who were eligible and to carers.

It was clarified that HSF would run to the end of the current financial year and, whilst the loss of this funding could not be mitigated, officers were looking at how best to use all funding.

The Deputy Chief Executive advised that the committee would receive a report in January 2024 on welfare support funding provided by the Council and how this could be best used. A member requested that this report include information on any

changes to Local Housing Allowance rates, whether this would affect the eligibility criteria for Council Tax Support and if it would increase the workload of the Council's Revenue and Benefits Unit.

In response to queries regarding the National Living Wage, the Deputy Chief Executive and City Treasurer explained that employers were obliged to pay the National Minimum Wage and the Council was committed to paying the Real Living Wage, which would be factored into discussions with providers around funding. She stated that these discussions were separate to any pay-negotiating bodies which looked at broader pay settlements across the public sector.

Members were informed that the process of managing local authority pay and the impacts of this were complex and it was difficult to undertake a differential pay award increase. The Executive Member for Finance and Resources echoed members' points but emphasised the need to be thorough in pay negotiations and to come to a mutually agreeable resolution.

The Executive Member for Finance and Resources echoed a comment made that Most residents in Manchester would not feel the benefit of tax cuts set out in the Autumn Statement.

Decision:

That the report be noted.

RGSC/23/71 Housing Revenue Account 2024/25 to 2026/27

The committee considered a report of the Deputy Chief Executive and City Treasurer, the Strategic Director (Neighbourhoods) and the Strategic Director (Growth and Development) which presented an update on the proposed Housing Revenue Account (HRA) budget for 2024/25 and set out the key assumptions being used in developing the next year's budget and the outlook for the 30-year HRA business plan in light of the budget proposals.

Key points and themes within the report included:

- The proposed rent increase for 2024/25 was 7.7%;
- The current budget position for the HRA as at period 6, with a forecasted overspend of £2.879m;
- The current budget assumptions for 2023/24, including rental income;
- There was no indication in the government's recent Autumn Statement that a rent cap would be applied as it had for 2023/24;
- Management of housing stock and property numbers;
- Other income and Private Finance Initiative (PFI) schemes;
- Communal heating and a proposal to increase the tariffs to residents in line with the price cap as set by Ofgem from 1 January 2024 which would be reviewed in April 2024 when the next price cap announcement was due;

- Debt financing and borrowing costs;
- Capital investment;
- The overall reserves position forecast; and
- Recognising the difficulties faced by tenants in light of the current cost of living crisis, whilst seeking to balance the need to have a balanced HRA business plan.

Some of the key points and queries that arose from the committee's discussions included:

- If consideration had been given to lengthening the business plan to 35 or 40 years, as a result of increased interest rates;
- Whether a rent increase cap would be implemented for 2024/25 as it had been for the current year and, if so, how this would affect the HRA budget;
- Whether planning changes announced in the Autumn Statement would impact retrofitting and the installation of heat pumps;
- Challenges with access to properties and how this affected the project repairs percentage;
- How future risk and changes, such as in fire safety measures, were factored into the business plan;
- The assessment undertaken in the decision not to bring the housing repairs contact in-house;
- Welcoming the reduction in the number of void properties;
- The cap on the number of properties the Council could purchase;
- If Private Finance Initiative (PFI) housing stock was subject to Right-to-Buy, and whether this was excluded from current assumptions of the Council's future housing stock;
- Whether there would be any communication with residents in communal heating schemes about proposed increases to tariffs in line with the price cap as set by Ofgem from 1st January 2024;
- Whether any consideration had been given to moving to individual heating schemes, as opposed to communal schemes, to give residents more control over their usage and bills; and
- If there were any issues with non-payment of communal heating charges.

The Executive Member for Housing and Development introduced the item and explained that the HRA was a ringfenced account for the Council's housing services and the report outlined the long-term 30-year business plan and the immediate budget and rent-setting decisions. He stated that there was an ongoing commitment to housing retrofit, fire safety, tackling damp and mould and capital investment to improve housing stock across the city.

In response to queries, the Head of Finance (Corporate Core and Strategic Development) explained that the business plan was a rolling plan with the 30-year timeframe set as part of the financing, but it did look beyond 30 years in reality.

The Director of Housing Services advised that the government would consult on rent policy from 2025 and changes to the current arrangements were not expected before then. He also acknowledged challenges with gaining access to properties to undertake necessary repairs and this differed between schemes and jobs but that this impacted around 10-15% of repairs. He also advised that there were different powers for repairs relating to health and safety and gas. Members were informed that this was a key feature of resident bulletins and the Executive Member for Housing and Development stated that the Housing Advisory Board had recently discussed this. He noted that the Council's responsibility was to communicate appropriately and in a coherent way to engage with residents on the importance of providing access where necessary.

In response to a query regarding heat pumps, the Executive Member for Housing and Development explained that the recently announced changes to planning policy would provide a greater degree of flexibility regarding where air source heat pumps were sited. He noted that there was a wider issue around opportunities to work with residents to transition homes to more efficient heat sources.

The Head of Finance (Corporate Core and Strategic Development) stated that the business plan included long-term assumptions and that there was a programme of short- and medium-term assumptions. He advised that there was a projected estimate of £23m which covered the business plan for certain amount of time, but work was ongoing in Housing Services to commission an asset management plan to provide condition surveys and would help to create an estimate of cost requirements for the future and whether the projected £23m was sufficient.

The Director of Housing Services explained that the Major Contracts Oversight Board would consider the delivery model assessment for the Council's housing repairs and maintenance contract in December. This assessed the current market and opportunities to recommission, but the Director of Housing Services acknowledged a motion passed previously by the Council to insource contracts.

In response to a question regarding the cap on the number of properties the Council could purchase, the Head of Finance (Corporate Core and Strategic Development) informed members that this was introduced in the 2022/23 financial year and aimed to encourage increased supply within the housing market through new building as opposed to acquiring existing homes. He stated that the cap would be phased in over a number of years and amounted to 50% of the Council's capital receipts for properties sold under Right-to-Buy in 2022/23 and would reduce to 30% over time.

The Executive Member for Housing and Development highlighted that the HRA 30-year business plan was predicated on the ability for housing stock to grow. He expressed his vision to bolster the HRA through increased Council-owned housing stock and cited developments in Collyhurst and Silk Street as examples of this.

The Executive Member for Housing and Development also confirmed that Right-to-Buy did apply to PFI properties.

Regarding questions around communal heating schemes, the Executive Member for Housing and Development reiterated a member's comment on the importance of communicating any tariff changes. He noted that around 2000 tenants were part of a communal heating scheme and stated that any communications would signpost any resident who might struggle financially as a result of the increase to the Community Living Fund. This Fund amounted to £1m this year and it was hoped that this would be repeated in 2024/25 to support those most in need.

The Executive Member for Housing and Development stated that individual heating schemes was being reviewed through capital funding to ensure that the Council's housing stock was energy efficient and had appropriate heating arrangements. He reiterated work to implement ground source heat pumps and other measures across Council housing in the city.

In concluding the item, the Executive Member for Housing and Development welcomed the committee's comments and advised that rent-setting for Council-owned properties would be included in the budget process in February 2024.

Decision:

That the report be noted.

RGSC/23/72 Setting of the Council Tax Base and Business Rates Shares for Budget Setting Purposes

The committee considered a report of the Deputy Chief Executive and City Treasurer which advised on the methodology of calculating the council tax base and business rates income for budget setting purposes for 2024/25 and detailed the timing of related payments and the decision on business rates pool membership.

Key points and themes within the report included:

- The Council has a statutory duty to agree the 2023/24 estimated council tax surplus or deficit by 15 January 2024; set the 2024/25 council tax base by the 31 January 2024; agree the 2023/24 estimated business rates surplus or deficit by 31 January 2024; and set the 2024/25 business rates base by the 31 January 2024;
- The calculation of the council tax base is the number of dwellings within the Council's boundary presented as 'Band D equivalent';
- Under the Levelling Up and Regeneration Bill, from 1 April 2024 authorities can apply a 100% premium on unoccupied, empty and unfurnished properties after one year. This will be included in the 2024/25 tax base calculation and is estimated to generate an additional £0.8m;
- Retained business rates income remains protected and all Greater Manchester authorities, under the 100% Trailblazer Deal, are guaranteed 97.0% of their baseline funding level; and

- Requesting that the Chair of Resources and Governance Scrutiny Committee approves the exemption of various related Key Decisions from the call-in process.

Decision:

That the committee

1. notes that the Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Finance and Resources, has delegated powers to:
 - agree the estimated council tax surplus or deficit for 2023/24;
 - set the 2024/25 council tax base for tax setting purposes in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2013;
 - agree the estimated business rates surplus or deficit for 2023/24;
 - calculate the 2024/25 business rates income for budget setting purposes in accordance with the Non-Domestic Rating (Rates Retention) Regulations;
 - determine whether the Council should be part of a business rate pooling arrangements with other Greater Manchester local authorities in 2024/25;
 - set the dates of precept payments to the Greater Manchester Combined Authority in 2024/25.
2. notes that the Chair of the Resources and Governance Scrutiny Committee will be requested to exempt various key decisions from the call-in procedure.

RGSC/23/73 Overview Report

The committee received a report of the Governance and Scrutiny Support Unit which provided details of key decisions that fell within the Committee's remit and items for information previously requested by the Committee. The report also included the Committee's work programme, which the Committee was asked to amend as appropriate and agree.

A query was raised regarding an outstanding recommendation that a more substantial report on Major Contracts be provided at the next update and that this included an appendix with more detailed information on each major contract and whether insourcing would be viable. Officers endeavoured to bring a report on this in March 2024.

Decision:

That

1. the report be noted, and

2. the work programme agreed with an update report on major contracts considered by the committee in March 2024.

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 11 January 2024
Executive – 17 January 2024

Subject: Increasing Council Tax Premiums on empty properties

Report of: Head of Corporate Revenues

Summary

In February 2023 the Resources and Governance Scrutiny Committee reviewed new powers provided by legislation going through parliament at the time to increase the Council Tax on empty properties:

- Empty, unfurnished properties would pay the 100% long term empty premium after one year instead of two years.
- Empty, furnished properties would pay up to a 100% premium from the date that they became empty.

The [Levelling up and Regeneration Act 2023](#) that granted these powers was delayed and eventually passed in October 2023, meaning the Council can now adopt the powers. The increased premium for empty unfurnished properties can be introduced from 1 April 2024. The 100% premium on empty, furnished properties can be introduced from 1 April 2025.

Recommendations

The Resources and Governance Scrutiny Committee is requested to consider and comment upon the contents of the report.

The Executive is requested to confirm that the Council will adopt the new powers allowed by the Levelling up and Regeneration Act 2023 to:

- Charge the long-term empty premium after one year instead of two years from 1 April 2024.
 - Charge a 100% premium on empty furnished properties, subject to any future guidance or regulations from Central Government from 1 April 2025.
-

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	None
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Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	The recommendations are for changes to existing powers allowed by new legislation. Charging an additional amount of Council Tax comes into effect due to the ownership of an empty property, rather than by membership of any protected or disadvantaged groups.
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Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	n/a
A highly skilled city: world class and home grown talent sustaining the city's economic success	n/a
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Increased revenue from empty properties will help the Council fund essential services that local communities depend on.
A liveable and low carbon city: a destination of choice to live, visit, work	The changes to Council Tax discounts and will have an impact on the city's property market, as by charging for empty homes and premiums for long term empties it is aimed that properties will be let and occupied more promptly.
A connected city: world class infrastructure and connectivity to drive growth	n/a

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Adopting the recommendations of the report will:

Based on current figures and assuming there are no changes to the numbers of empty properties and the periods they have been empty, the two proposed changes could bring in increased Council Tax revenue as follows:

- Charging the Long-Term Empty premium after one year instead of two – estimated at up to £1.1 million, of which £0.8m would accrue to the City Council (excluding precepts). This figure may reduce as owners are encouraged to bring these properties back on to the market for rent or sale,

but any reduction may be offset by an increase in the New Homes Bonus paid by central government subject to the grant's continuation in the next Parliament's Spending Review.

- Introducing a 100% premium on empty, furnished properties (including second homes). – estimated at up to £7.2 million.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

Report to Resources and Governance Scrutiny Committee, 7 February 2023 and Executive, 15 February 2023.

1. Introduction

- 1.1 This report reminds the Committee of the decision taken in February 2023 to adopt new powers made available in the [Levelling up and Regeneration Act 2023](#). These allow the Council to charge up to a 100% premium on top of normal Council Tax in two areas:
- Properties that have been empty and unfurnished for one year (previously this was applied after two years).
 - Properties that are empty and furnished as soon as they become empty (these can be second homes or rental properties between lettings).
- 1.2 The legislation comes into force from 1 April 2024 in respect of charging the Long-Term Empty Premium after one year, but the additional premium cannot be added to the Council Tax on empty, furnished properties until 1 April 2025 due to the required minimum 12 month notice period from the date of Royal Assent, as set out in the act.

2. Background

- 2.1 From April 2013, the Council has been allowed to charge an additional premium on homes that have been empty and unfurnished for more than two years. Initially the premium was 50%, but in 2019, after further legislation, the current regime was introduced where the Council charges a 100% premium after two years, a 200% premium after five years and a 300% premium after ten years.
- 2.2 Also from April 2013, the Council removed the 50% open ended discount on empty, furnished properties, replacing it with a one month, 100% discount to allow landlords time to do necessary repairs between tenancies. This was removed by the Council in 2019, meaning no discount is available to owners of empty, furnished properties.
- 2.3 The focus and rationale behind these changes is to encourage owners to bring properties back into use more quickly to address housing shortages that have been well reported.

3. New powers granted under the Levelling up and Regeneration Act 2023

- 3.1 The Act allows Councils to charge the long-term empty premium of up to 100% after one year instead of the current two-year timespan, from 1 April 2024. It also allows the Council to charge a premium of up to 100% on empty, furnished properties from April 2025, including second homes. The regulations are included as appendix 1.
- 3.2 Consultation was carried out on these proposals as part of the budget consultation exercise for the 2023 budget:

- 66.3% of respondents strongly agreed or agreed that the Council should make the additional charge on empty, unfurnished properties. 23.8% disagreed or strongly disagreed.
- 50.5% of respondents strongly agreed or agreed that the Council should make the additional charge on empty, furnished properties. 38.6% disagreed or strongly disagreed.

4. Financial implications

4.1 Empty and unfurnished properties

4.1.1 In February 2023, there were 733 properties that had been empty and unfurnished for between one and two years. It was estimated that applying the premium after one year instead of two would create additional Council Tax liabilities of £1.3 million. By September 2023, the number of empty properties in this category had reduced to 604 properties reducing the estimated increase in Council Tax liabilities to £1.1 million, of which an estimated £0.8m would be retained by the Council.

4.2 Empty and furnished properties

4.2.1 A further report will be brought to RAGOS and executive prior to introducing the new policy for empty and furnished properties from 1 April 2025.

4.2.2 In February 2023 there were 5,371 properties that were empty and furnished, split almost 50/50 between those empty for more than a year (probably second homes) and those empty for less than a year (probably empty rental properties). By September 2023, the 12 month average number of empty properties in this category had reduced to 5,057 properties producing an estimated increase in Council Tax liabilities of £7.2 million, reflecting the Council's share only. However, this will be significantly reduced because properties owned by Registered Social Landlords will be exempt from this premium.

4.2.3 There will be circumstances where landlords and homeowners are genuinely struggling to sell these properties. While it is likely that Government will publish guidance and/or Regulations that give some dispensation to landlords for empty periods between tenants and to owners genuinely struggling, the Council may also want to consider the safeguards that will need to be in place prior to introducing this premium.

4.2.4 Much of this is not guaranteed income to the Council as collection and recovery difficulties and behavioural change by owners and landlords may erode the figures. Around half of the empty furnished properties appear to be genuine second homes which will attract the new premium generating a more reliable additional income stream of around £3.6 million.

4.3 Safeguards

- 4.3.1 The Council already has the discretion to waive the Long-Term Empty Premium for empty, unfurnished properties where they are being genuinely marketed for sale but that sale is proving difficult due to issues such as cladding. Properties that are empty because they have been found to be unsafe and occupation is prohibited are currently exempt from Council Tax too.
- 4.3.2 There is also the Discretionary Council Tax Payment scheme which was established when the Long-Term Empty Premium was first introduced. This was designed to (amongst other things) protect residents from unexpected hardship due to the premium by paying something towards their Council Tax.

5. Equality Impact Assessments

- 5.1 The requirements of Section 149 of the Equality Act state that public bodies must have due regard to the need to:
- i. Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
 - ii. Advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - iii. Foster good relations between people who share a protected characteristic and people who do not share it.
- 5.2 Those affected by the proposed introduction of higher levels of Council Tax payable on properties that have been empty and unfurnished for more than one year or empty and furnished will be determined by liability for Council Tax either as an owner or a tenant of an empty property.
- 5.3 Liability is not affected by any aspects of someone's personal identity. It may be that one of the protected groups is overrepresented in the group affected, but even if this was the case, there would be no way of knowing as the Council is not allowed to hold information that is not required for the administration and collection of Council Tax. There is no evidence to indicate that any one of the protected groups is over-represented in the cohort.

6. Recommendations

- 6.1 The Resources and Governance Scrutiny Committee is requested to consider and comment upon the contents of the report.
- 6.2 The Executive is requested to confirm that the Council will adopt the new powers allowed by the Levelling up and Regeneration Act 2023 to:
- Charge the long-term empty premium after one year instead of two years from 1 April 2024
 - Charge a 100% premium on empty furnished properties, subject to any future guidance or regulations from Central Government from 1 April 2025

7. Appendices

Appendix 1 – Extract from the Levelling up and Regeneration Act 2023

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Appendix 1 – Extract from the Levelling up and Regeneration Act 2023

80 Long-term empty dwellings: England

(1) In section 11B of the Local Government Finance Act 1992 (higher amount for long-term empty dwellings: England)—

- (a) after subsection (1C) insert— “(1D) In exercising its functions under this section a billing authority must have regard to any guidance issued by the Secretary of State.”;
- (b) in subsection (8), for “2 years” substitute “1 year”.

(2) The amendments made by subsection (1) have effect for financial years beginning on or after 1 April 2024 (and, in relation to the amendment made by subsection (1)(b), it does not matter whether the period mentioned in section 11B(8) of the Local Government Finance Act 1992 begins before this section comes into force).

81 Dwellings occupied periodically: England

(1) The Local Government Finance Act 1992 is amended in accordance with subsections (2) and (3).

(2) After section 11B (higher amount for long-term empty dwellings: England) insert—

“11C Higher amount for dwellings occupied periodically: England

(1) For any financial year, a billing authority in England may by determination provide in relation to its area, or such part of its area as it may specify in the determination, that if on any day the conditions mentioned in subsection (2) are satisfied in respect of a dwelling—

- (a) the discount under section 11(2)(a) does not apply, and
- (b) the amount of council tax payable in respect of that dwelling and that day is increased by such percentage of not more than 100 as it may specify in the determination.

(2) The conditions are—

- (a) there is no resident of the dwelling, and
- (b) the dwelling is substantially furnished.

(3) A billing authority’s first determination under this section must be made at least one year before the beginning of the financial year to which it relates.

(4) In exercising its functions under this section a billing authority must have regard to any guidance issued by the Secretary of State.

(5) Where a determination under this section has effect in relation to a class of dwellings

- (a) the billing authority may not make a determination under section 11A(3), (4) or (4A) in relation to that class, and

(b) any determination that has been made under section 11A(3), (4) or (4A) ceases to have effect in relation to that class.

(6) A billing authority may make a determination varying or revoking a determination under this section for a financial year, but only before the beginning of the year.

(7) Where a billing authority makes a determination under this section it must publish a notice of the determination in at least one newspaper circulating in the area.

(8) The notice must be published before the end of the period of 21 days beginning with the date of the determination.

(9) The validity of the determination is not affected by a failure to comply with subsection (7) or (8).

11D Section 11C: regulations

(1) The Secretary of State may by regulations prescribe one or more classes of dwelling in relation to which a billing authority may not make a determination under section 11C.

(2) A class of dwellings may be prescribed under subsection (1) by reference to such factors as the Secretary of State thinks fit and may, amongst other factors, be prescribed by reference to—

- (a) the physical characteristics of, or other matters relating to, dwellings;
- (b) the circumstances of, or other matters relating to, any person who is liable to the amount of council tax concerned.

(3) The Secretary of State may by regulations specify a different percentage limit for the limit which is for the time being specified in section 11C(1)(b).

(4) A statutory instrument containing regulations made under subsection (3) may not be made unless a draft of the instrument has been approved by resolution of the House of Commons.”

- (3) In consequence of the amendment made by subsection (2)—
- (a) in section 11 (discounts), in subsection (2), after “11B” insert “, 11C”;
 - (b) in section 11A (discounts: special provision for England), in subsection (4C), at the end insert “and 11C(5)”;
 - (c) in section 13 (reduced amounts), in subsection (3), after “11B” insert “, 11C”;
 - (d) in section 66 (judicial review), in subsection (2)(b), after “11B” insert “, 11C”;
 - (e) in section 67 (functions to be discharged only by authority), in subsection (2)(a), after “11B” insert “, 11C”;
 - (f) in section 113 (orders and regulations), in subsection (3), after “under section” insert “11D(3),”;

(g) in Schedule 2 (administration), in paragraph 4(7), after “: England),” insert “11C(1)(b) (higher amount for dwellings occupied periodically: England),”.

(4) A determination for the purposes of section 11C of the Local Government Finance Act 1992 as inserted by subsection (2) may not relate to a financial year beginning before 1 April 2024 (but this does not affect the requirement for the determination to be made at least one year before the beginning of the financial year to which it relates).

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Manchester City Council Report for Information

Report to: Resources and Governance Scrutiny Committee – 11 January 2024

Subject: Anti-Poverty Budget Options

Report of: Deputy Chief Executive and City Treasurer

Summary

This report identifies the current budgets and support the Council operates in delivering its Anti-Poverty measures, offers options for future Anti-Poverty provision and provides a suggested framework for describing ongoing Anti-Poverty provision and expected outcomes.

The report covers:

- Council Tax Support Scheme
- Household Support Fund
- Vulnerable Renters Fund
- Cost of Living Budget
- Discretionary Housing Payments
- Welfare Provision Scheme
- Discretionary Council Tax Payments
- Vulnerable Renters Fund
- Voluntary sector support
- Council Tenants' Support Fund
- Making Manchester Fairer – Anti Poverty Strategy
- Anti-Poverty Budget Framework

Recommendations

The Committee is recommended to consider and comment on the information in the report.

Wards Affected: The anti-poverty schemes are provided across all wards in the city. The wards with higher deprivation have higher levels of residents in receipt of means tested benefits and discretionary awards.

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>The range of anti-poverty measures covered in this report represent a mix of neighbourhood based, digital, phone and postal support based on the most effective way of meeting resident need. The mix of support mechanisms helps to limit the requirement to travel to access support.</p>
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Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration of equality, diversity and inclusion issues for Manchester residents and businesses have been taken into account in the development and delivery of the schemes covered in the report.
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Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The anti-poverty mechanisms covered in the report are aimed at maximising residents' financial well-being and contributing to wider economic recovery.
A highly skilled city: world class and home grown talent sustaining the city's economic success	The anti-poverty mechanisms covered in the report are aimed at maximising residents' financial well-being and building individual capacity to contribute to and benefit from the city's economic success.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This report provides details of anti-poverty schemes that provide support to residents on a low income and assist in building individual capacity to contribute to and benefit from the city's economic success.
A liveable and low carbon city: a destination of choice to live, visit, work	The report provides details on plans to maintain support to residents to respond to the cost-of-living pressures and to build individual capacity to contribute to and benefit from the city's economic success.
A connected city: world class infrastructure and connectivity to drive growth	N/A

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Welfare Provision Scheme Policy 2023/24

[Welfare provision scheme policy | Manchester City Council](#)

Discretionary Housing Payments Policy 2023/24

[Discretionary Housing Payments policy | Manchester City Council](#)

[Household Support Fund 4 Scheme](#)

1.0 Introduction

1.1 This report identifies the current budgets and support the Council operates in delivering its Anti-Poverty measures, offers options for future Anti-Poverty provision and provides a suggested framework for describing ongoing Anti-Poverty provision and expected outcomes.

1.2 The report covers:

- Council Tax Support Scheme
- Household Support Fund
- Vulnerable Renters Fund
- Cost of Living Group
- Discretionary Housing Payments
- Welfare Provision Scheme
- Council Tax Support Fund
- Discretionary Council Tax Payments
- Vulnerable Renters Fund
- Voluntary sector support
- Council Tenants' Support Fund
- Making Manchester Fairer – Anti Poverty Strategy
- Principle of approach - Proportionate Universalism
- Anti-Poverty Budget Framework and Options

1.3 The report focuses on the schemes and budgets providing support to residents during 2023/24 and considers options for 2024/25 and beyond. Two core drivers within the report are:

1. The current uncertainty around the level of discretionary and temporary government funding that will be provided in 2024/25 and beyond.
2. Seeking a balance across the short, medium, and long term in meeting the demand for support from residents in crisis while seeking to build capacity for self-sufficiency within households.

2.0 Background

2.1 In response to the pandemic and the cost-of-living crisis the Council has provided support to residents using a range of budgets and mechanisms. The Council's approach can be seen in operation in three parts:

- Short-term response – Range of crisis support schemes
- Medium-term response – Anti-Poverty Strategy
- Long-term response – Making Manchester Fairer

2.2 The focus of this report is on the short-term and medium-term responses and looks at the schemes and budgets providing support to residents during 2023/24 and considers options for 2024/25.

2.3 Successful interventions in these areas are expected to support the delivery of long-term aims. The appropriate balance needs to be struck in funding across the short, medium and long term interventions with a view to shifting towards those measures that tackle health inequalities

2.4 Making Manchester Fairer

2.4.1 Making Manchester Fairer (MMF) is Manchester City Council's five-year action plan to address health inequalities in the city, focussing on the social determinants of health. In the wake of the COVID-19 Pandemic and the cost-of-living crisis, the need to tackle inequalities in the city continues to be a corporate priority.

2.4.2 The delivery of MMF can be described by its eight themes, four ways of involving communities and six principles that underpin the way the programme will be delivered (Table 1).

MMF Delivery Plan Themes, Principles and Ways of Involving communities		
Themes	Principles	Way of Involving communities*
Early years, children and young people	Proportionate universalism and focus on equity	Listen to us
Poverty, income and debt	Respond to and learn from the impact of COVID 19	Trust us
Work and employment	Tailor to reflect the needs of Manchester	Employ us
Prevention of ill health and preventable deaths	Collaboration, creativity, and whole system approach	Create and support the conditions for social connections to develop and flourish
Homes and Housing	Monitoring and evaluate to ensure we are Making Manchester Fairer – narrowing gaps with Manchester as well as regional and national averages	
Places, transport and climate change	Take a life course approach with action on health inequalities starting before birth and right through to focus on ageing and specific needs of older people	
Communities and power		
Systemic and structural racism and discrimination		

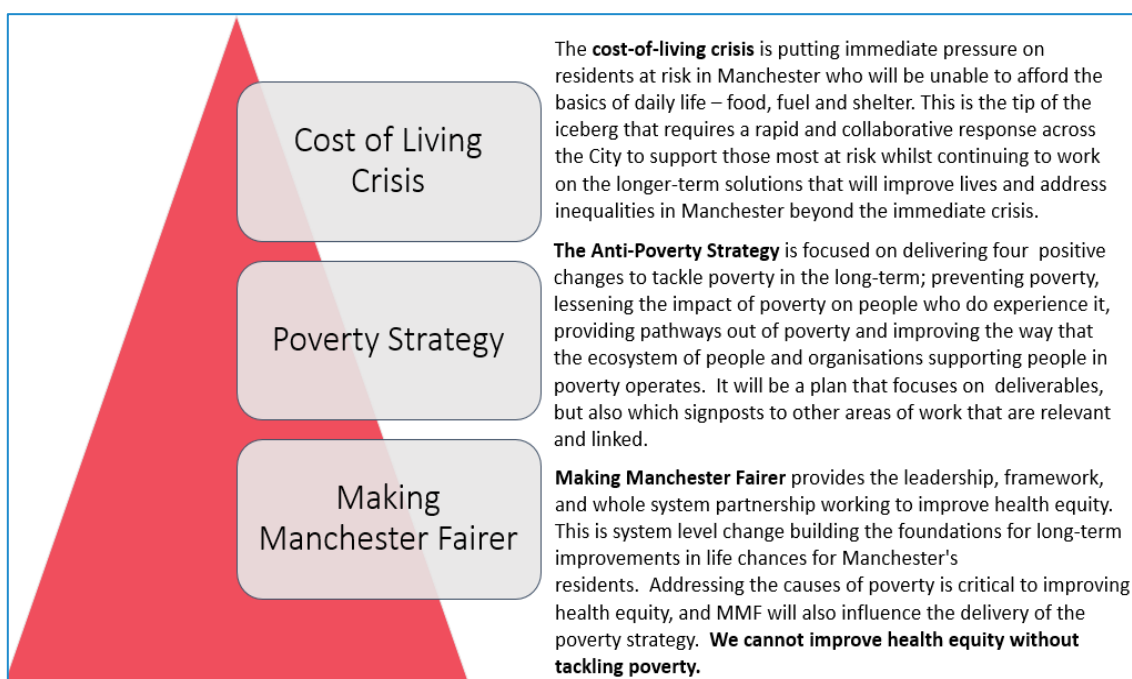
(Table 1) *Based on insight from community group engagement.

2.5 Anti-Poverty Strategy

2.5.1 The Anti-Poverty Strategy (APS) was formally adopted at Executive in January 2023 and is the main route to delivering against the MMF theme of reducing poverty and debt. It sets out our vision that the whole of Manchester will work together to reduce poverty and lessen the impact of poverty on our residents. The strategy has four themes which are:

- Preventing Poverty
- Mitigating Poverty
- Pathways out of Poverty
- Inclusive Delivery

2.5.2 The approach to Cost of Living, Anti-Poverty and Making Manchester Fairer (including Health Equity) is summarised in Figure 1. below.



(Figure 1)

3.0 Anti-Poverty Budgets 2023/24

3.1 Since October 2021 the largest temporary budget designed to support residents has been the Household Support Fund (HSF). The Council has received the following funding:

Household Support Fund Budget	
Period	Amount
2021/22 Financial Year	
1/10/21 - 31/3/22	£6,453,163
2022/23 Financial Year	
1/4/22 - 30/9/22	£6,453,163
1/10/22 - 31/3/23	£6,453,163
2023/24 Financial Year	
1/4/23 - 31/3/24	£12,906,326

(Table 2)

- 3.2 At the time of writing the Government has not announced whether the HSF, or a comparable budget for a similar purpose, will be provided for 2024/25 although this is thought to be unlikely.
- 3.3 To date around 50% of the HSF budget has been used to maintain Free School Meals (FSM) provision across the school holidays. Without HSF, or its equivalent, it is difficult to identify how FSM support during the school holidays can be maintained.
- 3.4 The other schemes and budgets itemised in the Introduction are either funded from Council funds (Revenue Support Grant, Housing Revenue Account or Reserves) or funded by Government and known to be maintained for 2024/25.
- 3.5 It should also be noted that in 2023/24 the Council has provided an additional £3.55m for the Cost of Living Budget and ringfenced £2m from the council tax increase to support residents which was split between £1m in Discretionary Council Tax Payment support and £1m to increase the voluntary sector support to £3.4m in voluntary. The Council has committed to maintaining this support for future years and to ensure that any funding available, either from local or government funds, has the best impact for our residents and on our communities, supporting the Council's policies.
- 3.6 When considering support, the national context is considered, especially in relation to the wider welfare benefits regime. Whilst the Council cannot mitigate for the changes to the welfare system there are important contextual factors which impact on the level of demand for discretionary support. To date the Government response to the cost-of-living pressures has provided a range of nationally and locally delivered government funded schemes; while increasing inflation and financial pressures indicate a continuing and substantial need for welfare support.
- 3.7 A number of other budgets not included in this report are covered in detail in the Revenues and Benefits Update Report of 7 Sept 2023 listed as a background report in this paper.
- 3.8 Table 3 sets out the Anti-Poverty budgets utilised in 2023/24.

Anti-Poverty Budgets 2023/24			
Scheme	Budget	MCC Funded	Govt Funded
*CTS (ongoing)	£19.8m	Yes	/
HSF4 (assumed ends after 2023/24)	£12.9m	/	Yes
Vulnerable Renters Fund (ongoing)	£3.5m	/	£3.5m
Cost-of-Living Group (ongoing) see breakdown in table below	£3.55m	Yes	/
Voluntary Sector Support	£2.4m	Yes	/
**Discretionary Housing Payments (ongoing)	£2.4m	£1m	£1.4m
Welfare Provision Scheme (ongoing)	£1.3m	Yes	/
Council Tax Support Fund (ends after 2023/24)	£1.29m	/	Yes
£2m targeted support - £1m discretionary council tax support as per June 2017 Executive (used to fund CTS increase to 85% in 2024/25 - ongoing)	£1m	Yes	/
£2m targeted support - £1m OMS Grant Scheme (ongoing)	£1m	Yes	/

Council Tenant Support Fund (HRA - amount for 2024/25 under review)	£1m	Yes	/
*** MMF Reserve (one off)	£3m	Yes	
Total	£53.14m	£34.05m	£19.09m

(Table 3)

*CTS funding was rolled into the RSG in 2014 where it has been assumed CTS has reduced year on year in line with the cuts to Manchester's Settlement Funding Assessments (SFA).

**A further £250k allocated to DHP from the £3.55m Cost-of-Living Group budget.

***The MMF reserve is one off funding of £3m. £2.281m has been used to support the Kickstarters programme, and this is phased over 2023/24 (£1.1m) and 2024/25 (£1.181m). The remaining £0.719m budget is allocated to programme delivery that includes, staffing costs, communications and other commissioned activity.

A brief overview of these budgets is provided in the sections below.

3.9 Council Tax Support

- 3.9.1 Council Tax Support (CTS) pays up to 100% of Council tax liability for pension-age households and up to 82.5% for working-age households. At 31 October 2023 the CTS caseload comprised 15,411 pension-age cases and 32,310 working-age cases.
- 3.9.2 CTS represents the biggest Council spend in support of residents facing financial hardship. In April 2014 CTS funding was rolled into the Revenue Support Grant (RSG), where it has been assumed CTS has reduced year on year in line with the cuts to Manchester's Settlement Funding Assessments (SFA). As at 30 September 2023, the notional 2023/24 CTS funding from Government was estimated at £24.159m, while the cost of the scheme is £43.973m, which means the Council is now subsidising the scheme by £19.814m.
- 3.9.3 The Council has recently carried out public consultation about proposals to increase the maximum level of working-age Council Tax Support from 82.5% to 85%, and to extend backdating from up to six months to up to 12 months for all ages. If approved, this represents an increase in Council support of c£0.77m in 2024/25.
- 3.9.4 Based upon the proportion of Council tax liability attributable to Manchester City Council and excluding the precepting authorities' elements (Fire/Police/Mayor) the increase to maximum CTS of 85% in 2024/25 means that working-age households on maximum CTS should pay less next year (see Tables 4a and b).

3.9.5 However, the loss of the Council Tax Support Fund (see Section 3.2) means that in this scenario working-age households on maximum CTS in Band A and Band B properties will pay more next year (see Tables 5a and b).

Property CTax Band	2023/24 (MCC only) (£)	2024/25 (+4.99% MCC Only) (£)	2023/24 Amount to pay after 82.5% CTS award (£)	2024/25 Amount to pay after 85.0% CTS award (£)	Reduction in amount to pay in year (£)
Band A	1,078.84	1,132.67	188.80	169.90	(18.90)
Band B	1,258.64	1,321.45	220.26	198.22	(22.04)
Band C	1,438.46	1,510.24	251.73	226.54	(25.19)
Band D	1,618.25	1,699.00	283.19	254.85	(28.34)
Band E	1,977.87	2,076.57	346.13	311.49	(34.64)
Band F	2,337.47	2,454.11	409.06	368.12	(40.94)
Band G	2,697.09	2,831.67	471.99	424.75	(47.24)
Band H	3,236.51	3,398.01	566.39	509.70	(56.69)

(Table 4a)

Band A (Single)	809.13	849.50	141.60	127.43	(14.17)
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(Table 4b)

Property CTax Band	2023/24 (MCC only) (£)	2024/25 (+4.99% MCC Only) (£)	2023/24 Amount to pay after 82.5% CTS award less £25 CTS Fund (£)	2024/25 Amount to pay after 85.0% CTS award (£)	Additional / (reduction) in amount to pay in year (£)
Band A	1,078.84	1,132.67	163.80	169.90	6.10
Band B	1,258.64	1,321.45	195.26	198.22	2.96
Band C	1,438.46	1,510.24	226.73	226.54	(0.19)
Band D	1,618.25	1,699.00	258.19	254.85	(3.34)
Band E	1,977.87	2,076.57	321.13	311.49	(9.64)
Band F	2,337.47	2,454.11	384.06	368.12	(15.94)
Band G	2,697.09	2,831.67	446.99	424.75	(22.24)
Band H	3,236.51	3,398.01	541.39	509.70	(31.69)

(Table 5a)

Band A (Single)	809.13	849.50	116.60	127.43	10.83
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(Table 5b)

3.10 Council Tax Support Fund

3.10.1 In 2023/24 the Council received £1.286m of Council Tax Support Fund. This is a one-off Government fund paid to apply a £25 reduction to Council tax bills for working-age and pension-age households entitled to CTS. Any remaining funding after these payments have been made can be used discretionally to support residents making Council Tax payments.

3.10.2 At 30 September 2023 we had applied £999,058 to 39,610 accounts, leaving a balance of £287,291 as shown below:

Funding	No. Payments	£	%
Awarded	-	£1,286,349	100.0%
Applied to 30 Sept	39,610	£999,058	77.7%
Remaining	-	£287,291	22.3%

(Table 6)

3.10.3 Based upon spend across April to September 2023 we estimate that c£110k further may be paid out in £25 reductions up to the end of March 2024. The final underspend of c£177k will be allocated to the 2023/24 Discretionary Council Tax Payment budget.

3.11 Household Support Fund

3.11.1 The Household Support Fund scheme was introduced by Government in response to the cost-of living crisis in September 2021. Government guidance around the scope of the scheme has changed over time but the primary expectations of addressing fuel and food poverty and targeting support at the most vulnerable households have remained constant.

3.11.2 The use of the HSF is split between targeted payments to residents who meet the criteria and on other forms of support agreed by the Council. As noted earlier in the report, the single biggest area of HSF spend is on Free School Meals provision across the school holidays. This represents c£6.4m per year. In addition, the Holiday Activity Fund was topped up by £285k (£95k x 3) for the three half-term periods which do not attract Government funding. Other targeted support is also provided such as the £150k for care leavers.

3.11.3 The full range of households supported by HSF and the projected spend at 31 March 2024 is shown at Appendix One. A review of projected spend is currently in progress and the projected underspend of c£56k will be directed to ensure the full HSF budget is allocated to vulnerable households.

3.11.4 No New Burdens funding is provided to address the cost of administration of HSF.

3.12 Vulnerable Renters Fund

3.12.1 The Vulnerable Renters Fund (VRF) is partly funded by the Government's Homeless Prevention Fund of £3.5m. The total estimated VRF spend this year is c£5m which has been funded from within the overall Homelessness budget. The VRF is used as a key tool in enabling the Council to secure privately rented accommodation for households who would otherwise be placed in temporary accommodation. The spend reduction realised by the Council in utilising VRF to limit the use of temporary accommodation is estimated to be in the region of £20m in 2023/24.

3.13 Residents at Risk Cost of Living Group

3.13.1 Evidence shows that there are over 100,000 households in Manchester, which struggle with cost-of-living pressures. In response, the Council reinstated the Residents at Risk group in October 2022. The group brings together MCC services and health partners to support our residents and neighbourhoods who need it most. Underpinned by the Cost of Living Advice Line (freephone & online), the offer includes financial support and advice, community food response, support for VCSE organisations to increase their resilience and capacity, targeted support for communities experiencing the most adverse impacts, neighbourhood response with events targeted at priority wards, warm spaces, work with schools and digital inclusion.

3.13.2 There is a budget of £3.55m to support the work of the group. The budget is allocated in line with Making Manchester Fairer and Anti-Poverty principles, including proportionate universalism and a cash first approach. The budget is allocated to meet need and add value to mainstream budgets and this year has been spent on:

Cost of Living Budget 2023/24 and 2024/25				
	2023/24			2024/25
Cost-of-Living Group budget allocations:	Budget (£000's)	Forecast Spend (£000's)	Variance (£000's)	Proposed allocation (£000's)
COL - Food response (staff)	172	200	28	164
COL - Food response (food)	1,030	1,030	0	1,136
COL - WPS	650	0	-650	0
COL - DHP	500	250	-250	400
COL - VCSE	600	600	0	700
COL - CHEM	250	250	0	250
COL - CAM additional advice	250	150	-100	100
COL - Comms / Engagement	40	80	40	80
COL - Digital Inclusion	45	22	-23	47
COL - Contingency	13	0	-13	0
Holiday Activity Fund (ex-HSF)	0	0	0	285
Carers £10 Uplift (ex-HSF)	0	0	0	208
Anti-Poverty Priorities	0	0	0	178

Total	3,550	2,532	-968	3,548
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(Table 7)

3.13.3 The £968k underspend relates to the following:

- £650k initially directed to support Welfare Provision has not been spent due to lower than expected demand. The primary factor for this is understood to be the continuing level and reach of Household Support Fund support paid directly to households. It should be noted that if HSF is not continued in some form in 2024/25 then demand for Welfare Provision support is likely to significantly increase.
- Similarly presenting demand for DHP means that £250k of the £500k initially allocated is not required.
- The CAM additional advice offer went live in September 2023, meaning that £100k of the allocated budget is not needed this year.

3.13.4 For 2023/24 it is recommended that the £200k of the underspend is to cover high demand for Childrens Section 17 payments.

Section 17

3.13.5 Childrens Services has seen an increase in families presenting with a need for help and support in accordance with s17 Children Act 1989. Whilst advice, signposting and support is provided, often the presenting need is for items such as food, energy, essential items (clothing) and travel to maintain contact with families.

3.13.6 This additional demand for support and help is related to the impact of parents struggling to manage and meet the day to day needs of their children and struggling to contribute to the cost of paying for activities and keep in contact with children that do not live in the same household.

3.13.7 Families are reporting rising costs of housing, food, energy, transport, and other essential items making it harder for low-income families to afford their basic needs.

3.13.8 Families have also reported that the gaps and delays in Universal Credit claims impact on families getting timely support.

3.13.9 In 2023/24 the pressure on this budget means there is a projected overspend of c£300k. As stated above it is recommended that this is met from the £3.55m as per the above. For 2024/25 this is being picked up as part of the budget setting process.

3.14 Discretionary Housing Payments

3.14.1 Discretionary Housing Payments are funded in part by the Department for Work and Pensions (£1.4m) with an additional £1.25m funding provided by the Council.

3.14.2 Rent increases in the private rented sector in Manchester means that fewer properties are affordable and available to households claiming Housing Benefit or Universal Credit (Housing Element). Applications are handled on a case-by-case basis to support residents to maintain tenancies and prevent homelessness. Social landlord tenants are also supported, particularly in response to under-occupation reductions. It is projected that the full DWP and Council allocations, totalling £2.65m will be spent.

3.14.3 Pressures on homelessness and supported accommodation budgets are increasing and if there is any underspend at the end of the year it is recommended that this is carried forward for use in 2024/25.

3.15 Welfare Provision Scheme

3.15.1 The Council's Welfare Provision Scheme (WPS) provides financial support in the form of cash and household goods to Manchester residents who are suffering financial hardship. This includes supporting residents moving from temporary accommodation into general needs accommodation; providing cash to respond to fuel poverty and financial hardship; and supporting carers, including those households where a child or young person is the carer. Demand has been lower than projected. This is likely to be due to the range of support provided through HSF4. £900k of the £1.3m mainstream budget is projected to be spent and £150k of the £200k HSF funding allocated to WPS.

3.15.2 The £50k HSF underspend will be reallocated within the HSF scheme.

3.16 Discretionary Council Tax Payments

3.16.1 Discretionary Council Tax Payments (DCTP) are used to support households to pay towards Council tax shortfalls in exceptional circumstances. DCTPs also includes support for care leavers.

3.16.2 As part of the 2023/24 Budget Setting process an additional investment of £2m was agreed to provide additional targeted support for vulnerable residents and the voluntary sector and additional support to the most vulnerable residents suffering direct hardship. £1m of this was directed towards supporting residents to manage council tax debt.

3.16.3 In June 2023, the Council's Executive agreed that this would be used to fund a range of flexibilities in the approach to Council Tax collection and recovery, including a more generous approach to making DCTP scheme payments to residents between now and the end of March 2024. This allows payments of up to £500, or an amount equivalent to three monthly instalments, to be made by staff in the Customer Service Organisation where they believe it will allow residents to continue to meet their regular monthly instalments in the future.

3.16.4 Other flexibilities include:

- An informal breathing space for residents when referred by an Advice Agency or a Manchester Councillor

- Writing off all but the most recent set of summons costs when a resident in receipt of maximum CTS engages with the Council Tax Service. Non collection of these costs has already been accounted for in the Council's bad debt provision.
- Writing off summons costs incurred in the current year when residents who have been summonsed contact the Council to make an arrangement.

3.16.5 For 2024/25 it was proposed that the Council should consider the current Council Tax Support Scheme and whether the threshold levels remain appropriate. The associated costs are to be met from this £1m. The report elsewhere on this agenda shows that the consultation shows significant support for increasing the level of council tax support from 82.5% to 85% and sets out that the costs of this and the other recommended policy change of allowing backdating for 12 months at c£770k.

3.16.6 Following the more generous approach to DCTP agreed by the Executive in June 2023, by the end of November 2023 more than £133k has been paid out to residents who are struggling, compared to £46k in the whole of 2022/23. If payments under the scheme continue at the same rate, around £255k will be spent by March 2024, over £200k more than last year.

3.16.7 Similarly, summons costs have been withdrawn at a faster rate than last year since the Executive meeting in June. £441k of costs were withdrawn between June and November 2022, compared with £647k between June and November 2023. If costs continue to be withdrawn at the same rate, £340k more summons costs will have been withdrawn due to the flexibilities introduced.

3.16.8 In total, if current trends continue, over £500k will be committed to reducing the amount struggling residents have to pay towards their Council Tax responsibilities.

3.16.9 These flexibilities have been widely welcomed by advice agencies in the city, but the original intention was that the more generous approach to DCTP and the withdrawal of summons costs would last until March 2024. However, it is unlikely that all of the £1 million set aside by the Council to support residents with Council Tax payments will be spent by March 2024. Because of the popularity with the third sector, who have recognised the benefits to residents, and the flexibility this gives to staff in the Council Tax Service and the Customer Service Organisation to support people struggling to pay their Council Tax, it is recommended that the approach will continue beyond April 2024 to ensure that all of the £1 million is spent supporting Manchester residents.

3.16.10 The additional costs from the additional support measures will be met from carrying forward the underspend from 2023/24 and the balance of the £1m allocated to fund the changes to the CTSS.

3.17 **Voluntary sector support**

3.17.1 Most Voluntary, Community and Social Enterprise (VCSE) organisations have seen an increase in demand for services while their own costs have increased. The Council operates a number of VCSE-targeted grant funding arrangements via the Our Manchester Funds Programme, within the City Policy Service (note that this is just one aspect of the Council's total of circa £35 million annual investment in the VCSE sector, ranging from micro-grants to large contracts and commissions).

3.17.2 Key to the Our Manchester Funds Programme is the Our Manchester Voluntary and Community Sector (OMVCS) fund. This is a £2.4 million per annum fund (administered on a three-year basis) from mainstream budgets for 2023-26) and is aligned to the aims of the Our Manchester Strategy. The OMVCS fund supports the wider cost-of-living objective, as it includes poverty action as one of its three priority aims (along with advancing inclusion and addressing health inequalities). The fund supports 43 VCSE organisations, on grant agreements until March 2026. As such, whilst it is relevant to the wider cost-of-living activity, it is not in scope for adjustment in the options put forward in this report.

3.17.3 Similarly, the Our Manchester Funds Programme includes the Supporting Communities Fund (SCF). This is a £1 million per annum mainstream fund supporting 16 organisations in each of 2023-24 and 2024-25, and came from the £2 million additional resources for vulnerable residents and VCSE, agreed as part of the budget setting process in 2022-23. The SCF funds cost-of-living support delivered by community infrastructure groups (i.e. community centres). Again, organisations on this fund have funding agreements in place until March 2025, so adjustment to this budget is not in scope for the options put forward here.

3.17.4 In addition, the Our Manchester Funds Team has administered a VCSE Cost of Living Grant Programme, funded from the MCC Cost of Living Budget. This is a £600,000 fund, which enables community groups to continue and/or enhance current delivery of activities which contribute to a sustained recovery from cost of living-related issues. The types of activity that the fund aims to support include but are not limited to:

- Advice services, especially related to financial management support
- Debt recovery support
- Support to access unclaimed benefits
- Employability / supported employment activities
- Adult education, especially when linked to employability support
- Support for communities of identity at greater risk of financial and / or energy-related challenges in the winter

3.17.5 The fund is supporting 44 organisations from November 2023 to at least 31 March 2024 (some organisations have costed their bids to extend the

enhanced offer beyond this point). Running a second round of this funding in 2024-25 is included within this report's options.

3.17.6 The above budgets are fully committed.

3.18 Council Tenants' Support Fund

3.18.1 The £1m Council Tenants' Support Fund is funded by the HRA and administered by Housing Services to be paid to tenants presenting with immediate financial need. The main drivers for support are fuel poverty and basic financial hardship. The fund was increased to enable up to £1m in support fund to be allocated to tenants in financial hardship and mitigate the impact of the 7% rent increase for Housing Services. Government restricted rent increases for social housing properties to a maximum of 7%, except for PFI areas where CPI plus 1% or 11.1 % was applied.

3.18.2 The level of funding for 2024/25 is being considered separately as part of the work on the HRA. Any underspend in this financial year will be carried forward to 2024/25.

3.19 Making Manchester Fairer – Anti Poverty Strategy resourcing

3.19.1 MMF and APS work and actions currently support the objective to provide medium to long term interventions and provisions that prevent and tackle poverty and create whole system changes that address the causes of poverty.

3.19.2 The work is funded by a £3m one off reserve of which £2.281m has been used to fund phase one Kickstarter schemes. The remaining budget is allocated to programme delivery that includes staffing costs, communication and other commissioned activity. The budget has been invested as follows:

3.19.3 In 23/24 £270k has been allocated to programme delivery that includes, staffing costs, communications and other commissioned activity and £1.1m to Kickstarter Schemes.

3.19.4 In 24/25 £449K is allocated to programme delivery that includes, staffing costs, communications and other commissioned activity and £1.181M to Kickstarter Schemes.

3.19.5 Investment in the MMF Kickstarters of £2.281m over the 2023/24 and 2024/25 financial years has been identified from Public Health reserves. With the expectation that investment in the Kickstarters will provide long term benefits by reducing or preventing demand in high demand areas such as the health and social care system, Homelessness and mental health services in two years.

3.19.6 The Kickstarter Scheme identifies two areas of focus:

- i) Improving Health Equity for Children and Young People

- ii) Early Help for Adults Experiencing Multiple and Complex Disadvantage with the corresponding budget to support delivery (the budget is one-off which will be exhausted by Q4 of 24/25):
- Early Help for Adults – £850k.
 - Children and Young People – Early years and development support - £1m.
 - Children and Young People – Young Peoples Mental Well Being - £431k.

3.19.7 The above budgets have been assumed to represent £1.1m spend during 2023/24 as indicated in the note beneath Table 3.

3.19.8 All the Kickstarters have applied the MMF principles with a key focus on equity and the principle of 'proportionate universalism' - meaning resources are allocated at the appropriate scale and intensity to reflect the needs of that community / cohort of residents.

3.19.9 As an example of this in practise the Childrens element of the Improving Health Equity for Children and Young People Kickstarter has implemented a 3-tier support offer delivered by a collaborative task force of services to provide intensive, targeted and universal support and interventions for children and families in early years.

Tier One: Intensive support for 10 primary schools based on presenting need.

Tier Two: Higher level support for 40 primary schools based on presenting need.

Tier Three: Something for all primary school children.

3.19.10 The principle of proportionate universalism has been applied in thinking about shaping the options for the 2024/25 Anti-Poverty Budget.

3.19.11 In the Anti Poverty Strategy (APS), Debt, Advice and Dignity are key to supporting the prevention and mitigation of poverty for Manchester Residents Given the priority of this work, and as part of work to shift resources into actions that will impact on health inequalities, there will be a need to develop an evidence based investment strategy that, along with the interventions in the APS will focus on:

- Benefit maximisation and budgeting skills - ensuring that residents are not only receiving their full entitlements but also providing the skills to manage their money independently.
- Supporting young people to become financially literate, to give the tools and knowledge to make financial decisions. Which would support the badges set out in the Child Friendly City Plan and reflect the voice of young people who are at the risk of falling into poverty.

- A flexible fund that supports the VCSE sector to deliver lasting and sustaining interventions designed with the support of VCSE partners and the Anti-Poverty Insight Group.

3.19.12 In addition, there is an opportunity to fund and mainstream elements of the MMF Kickstarters that have been provided to support residents and create resilience around poverty in communities and neighbourhoods where there is most need.

3.20 Total Anti-Poverty Budget 2023/24

3.20.1 The table below summarises the Anti Poverty budgets for 2023/24, identifies any variances in spend and offers recommendations on how any underspend may be allocated. The variances all sit within the Cost of Living Group budget apart from the Council Tenant Support Fund variance of £250k, which is contained within the HRA and will be addressed separately.

3.20.2 The total amount of budgeted resources that have been used to support the Anti-Poverty Budget 2023/24 represents c£53.14m in 2023/24. Of this £19.09 is funded by central government with the remainder £34.05m, directly funded by the Council.

Anti-Poverty Budgets 2023/24				
Scheme	Budget	Projected Spend	Variance	Recommendations
	£'000	£'000	£'000	
*CTS (ongoing)	19,800	19,800	-	Part of the Collection Fund and assumed spent
HSF4 (assumed ends after 2023/24)	12,900	12,900	-	Presumed funding will end in 2024/25. See separate table for breakdown.
Vulnerable Renters Fund (ongoing)	3,500	5,000	1,500	The overspend will be met from within existing Homelessness budgets and funding.
<i>£3.55m Cost of Living Support</i>				
Food Response	1,202	1,230	28	Moderate overspend to be covered by underspend in other areas.
Local Welfare Provision	650		(650)	It is recommended that £300k is used to fund to S17 payment shortfall.
Contingency	13		(13)	
Discretionary Housing Payments	500	250	(250)	The Vulnerable Renters Fund helps to manage demand on DHP
CHEM	250	250	-	Expect to spend in full

Support to VCSE	600	600	-	Expect to spend in full
Expand Debt Advice and Support Offer	250	150	(100)	Expanded offer commenced in September
Comms and Engagement	40	80	40	Level of activity and costs exceed initial estimate
Digital Inclusion	45	22	(23)	Staff costs covered from August
SUB TOTAL	3,550	2,582	(968)	
Voluntary Sector Support	2,400	2,400	-	Expect to spend in full
**Discretionary Housing Payments (ongoing)	2,400	2,400	-	Expect to spend in full
Welfare Provision Scheme (ongoing)	1,300	900	(400)	Demand on core scheme lower than projected
Council Tax Support Fund (ends after 2023/24)	1,290	1,109	(181)	Balance to be applied to Discretionary Council Tax Support
<i>£2m Targeted Support</i>				
Discretionary council tax support as per June 2017 Executive	1,000	500	(500)	Committed in 2024/25 to support the increase in CTS. Recommended to c/f the balance from 23/24 to continue the discretionary measures in 204/25.
£2m targeted support - £1m OMS Grant Scheme (ongoing)	1,000	1,000	-	
Sub Total	2,000	1,500	(500)	
* Council Tenant Support Fund (HRA - amount for 2024/25 under review)	1,000	750	-	Ringfenced to HRA and as per the HRA Report elsewhere on the agenda any underspend will be carried forward to 2024/25.
** MMF Reserve (One Off)	3,000	1,370	-	Will be fully committed over the life of the reserve
Total	53,140	50,711	(549)	

* Shown as fully committed as the projected £250k underspend will be carried forward into 2024/25

** Shown as fully spent it is planned to spend the reserve over more than one year.

(Table 8)

3.20.3 Of the variances outlined above it is recommended that:

- £500k is carried forward to continue the discretionary support measures for council tax debt in 2024/25
- £300k is used to fund the shortfall in the Children's Services S17 budget.
- £1.25m of the shortfall in the vulnerable renters fund is met from the other welfare support budgets.

The Committee are asked to comment on these recommendations before they are included in the February Global Monitoring Report.

4.0 Anti-Poverty Budget Framework and Options 2024/25

- 4.1 The Autumn Statement announced on 22 November 2023 confirmed the following support for people in 2024/25 receiving government administered welfare benefits:
- Uprating of all working age benefits by 6.7% (based on September 2023 Consumer Price Index).
 - Uprating of basic state pension, new state pension and Pension Credit standard minimum guarantee by 8.5% (in line with average earnings growth).
 - Increasing Local Housing Allowance rates to the 30th percentile (last increased in April 2020). (NB Government are yet to announce the new LHA rates).
- 4.2 The Autumn Statement does not indicate HSF funding for 2024/25 and it is unlikely the scheme will be extended.
- 4.3 This report goes on to consider the recommended application of the anti poverty budgets assuming the loss of the Household Support Fund and Council Tax Support Fund (used to fund the £25 reduction on council tax bills for households receiving CTS), representing a reduction of £14.19m resources compared to 2023/24.
- #### 4.4 Overview
- 4.4.1 The budget available for anti-poverty activity on the basis of losing HSF and CTS Fund funding is £38.55m.
- 4.4.2 Apart from the £3.55m Cost of Living Group budget the schemes shown in Table 9 the budgets are assumed to be fully committed, although they will need to be carefully monitored to understand the demand on budgets like the Welfare Provision scheme with the ending of the HSF. There are decisions that will be required and included as part of the final stage of the budget process on how the £3.55m funding for the Council's anti poverty priorities is used. This report sets out the recommended approach for members to comment on to inform the final decisions.

	2023/24	2023/24	2024/25
Scheme	Budget Allocation	Forecast Spend 2023/24	Recommended 2024/25 Allocation
	£'000	£'000	£'000
Cost of Living £3.55m			

Food response	1,202	1,230	1,300
VCSE	600	600	700
CHEM	250	250	250
CAM additional advice	250	150	100
Comms / Engagement	40	80	80
Digital Inclusion	45	22	47
DHP	500	250	400
WPS	650	0	-
Contingency	13		
S17	-	200	-
Carers £10 Uplift (ex HSF)	-	-	208
HAF (Ex HSF)	-	-	285
AP Strategy priorities	-	-	180
Sub-Total	3,550	2,782	3,550
Discretionary Council Tax Support £1m			
Support to residents	1,000	500	500
Increase level of CTS to 85%	-	-	735
Increase backdating to 12 months	-	-	35
Offsetting loss of income from costs	-	-	230
Sub Total	1,000	1,500	1,500
Other Budgets			
WPS	1,300	1,300	1,300
DHP	1,000	1,000	1,000
Total	6,850	6,082	7,350

(Table 9)

4.5 Recommendations for Budget Allocation

- 4.5.1 The priority will be to consider how to most effectively target resources to provide the support most needed by residents, whilst starting to achieve the shift towards tackling health inequalities. This is made extremely difficult by the loss of HSF which suggests there is likely to be an increase in demand for council related support.

- 4.5.2 The Council cannot mitigate for the loss of the HSF funds and while the value of maintaining a Free School Meals holiday programme is understood, this is not affordable in any meaningful way from within council resources.
- 4.5.3 It is recommended that the £3.55m budgets that were available to support the cost-of-living priorities are allocated as per the above table.
- 4.5.4 There is £671k available from within the £3.55m budgets that is available to support priorities for 2024/25. It is recommended that this is applied as follows:
- 4.5.5 The loss of holiday Free School Meals provision, following Easter 2024 (funded from the HSF4 budget), suggests the need to maintain substantial support for the Council's food response and it is recommended that the allocation is increased to £1.3m.
- 4.5.6 Supporting the continuation of the Holiday Activity Fund during the half-terms also responds to this point. The Holiday Activity Fund (HAF) received £285k in funding from HSF in 2023/24 covering the three half-terms in the academic year. Government funding is provided to cover HAF activities over the Easter, Summer and Christmas holiday periods. Access to HAF provides activities and a healthy and nutritious meal to children aged 5-16 years old who receive free school meals. During the October 2023 half-term HAF support was accessed by over 2,569 young Manchester residents. Recognising that the loss of HSF means that free school meals provision is unaffordable it is recommended that the £285k is allocated from the £3.55m.
- 4.5.7 Ongoing support for the VCISO sector, including Citizens Advice Manchester additional advice, and CHEM is also seen as key in maintaining critical capacity to support households, including some of those hardest to reach, dealing with cost of living challenges. These schemes are estimated to cost £1.050m.
- 4.5.8 £150k was allocated in 2023/24 from the HSF to maintain support to care leavers by means of maintaining a weekly income of £20 above the JSA rate for all care leavers living in their own tenancies. This reflected a top up of £8 per week for c360 eligible care leavers. Young people are finding it more and more difficult to access fresh foods in light of the cost-of-living crisis. The Leaving Care Service is promoting the use of the food partnership in Manchester who have devised a volunteering programme as a way for young people to access and achieve stability in access to a variety of foods and also to obtain skills in team work, communication and confidence.
- 4.5.9 A £10 uplift per week, raising the £8 uplift provided in 2023/24, at a cost of £208k would cover the average cost of a weeks' worth of fresh fruit and vegetables for young people. This would also support our growing cohort of c400 care leavers who are parents having access to fresh foods for their children, which is seen as essential for their growth and development. It is recommended that this is continued in 2024/25, funded from the £3.55m.

4.5.10 The government have announced that Local Housing Allowance rates will be raised to the 30th percentile (last increased in April 2020) from April 2024. The new rates are yet to be confirmed. While raising LHA will reduce the overall pressure on private tenants claiming Universal Credit Housing Element or Housing Benefit a significant gap will remain between rents charged and the level of rent support paid. As private tenancies end and rents are increased the overall pressure on DHP is expected to increase overall. Evidence of this can be seen when comparing the number of private tenancy DHP awards paid at £100 per week or above. On 27 November 2022 we had 7 cases and on 25 November 2023 the number had risen to 37 cases.

4.5.11 Table 10 shows that DHP for private tenants is on average 62% higher than for social housing tenants.

01.04.23 to 1.10.23	Number of claims	Avg per claim	Total DHP paid
Private Tenants	658	£976	£641,933
Social landlord (Council, Council Homeless and HAs)	1,262	£600	£756,975
Total	1,920	£729	£1,398,907

(Table 10)

4.5.12 DHP plays a significant role in preventing homelessness. To meet anticipated increases in demand it is recommended that this is increased to £1.4m using £400k of the £3.55m COL budget as per Table 7 in Section 3.5.

4.5.13 The WPS budget is directed at responding to crisis need and supporting households moving from temporary to general needs accommodation. Households previously supported by HSF, many of which will have come to expect payments (into their bank account or by Post Office Voucher), are likely to miss these and look for alternative support. During November 2023 the WPS Team have reported residents who received support in the winter of 2022 chasing for support for winter 2023.

4.5.14 The expected loss of Free School Meals over the school holidays after Easter 2024 and the loss of other HSF funded support is expected to result in increased demand on WPS in 2024/25. The core £1.3m WPS budget should provide sufficient support for meeting crisis need in line with WPS policy and it is not recommended to allocation any funding from the £3.55m for 2024/25.

4.5.15 Supporting the continuation of Digital Inclusion work brings a cost of £47k and ensuring an effective and impactful comms and engagement programme is estimated to require £80k.

4.5.16 After the above £178k remains. Following discussions with the Anti Poverty working group it is recommended that this is allocated to support the following activities:

- Benefits maximisation – Working age adults and 50+ & targeted work with retired people around access to entitlements such as pension credit and attendance allowance and linking into the new Age Friendly Strategy.
- Work with organisations supporting young people to deliver a series of workshops/activities that support financial inclusions activities including budgeting, understanding.
- Commission the collation and management of a single source of information for professionals to support residents.
- Supporting the poverty proofing of the school day particularly focusing on support VCSE organisations regarding affordable school uniform.

4.5.17 The above fully commits the available funding for 2024/25.

4.5.18 Over time there is a desire to start to shift resources from the short term anti poverty measures to tackling health inequalities. Unfortunately, the loss of all HSF funding means that the main focus needs to remain on responding to short-term crisis need.

4.5.19 There is no budget available to support the Kickstarter programme beyond the lifetime that the Make Manchester Fairer Reserve provides for. When the funding is exhausted a review of the Kickstarter programme and outcomes will be conducted. This will inform planning and options for 2025 and beyond. It is recommended that any underspends in the public health budget continue to be ringfenced and used to top up the MMF reserve.

5.0 Conclusions

5.1 As described at the start of this report (Section 2.0 Background) the Council's response to the pandemic, and the cost-of-living crisis in the context of high levels of poverty in Manchester, can be seen to operate in three parts:

- Short-term response – Range of crisis support schemes
- Medium-term response – Anti-Poverty Strategy
- Long-term response – Making Manchester Fairer

5.2 The focus of this report is on the short-term and medium-term responses and looks at the schemes and budgets providing support to residents, who most need it during 2023/24 and considers options for support during 2024/25.

5.3 Although the uprating of working age and pensioner benefits announced in the Autumn statement will increase the income of some of our poorest households, the complete loss of HSF funding in 2024/25 will have a significant impact on the Council's financial capacity to provide support to some of Manchester's most vulnerable households. It restricts support to largely maintaining and delivering crisis support schemes. However, even within this restricted budget it is important to provide £178k towards the implementation of Anti-Poverty Strategy activities to create medium term positive impact.

- 5.4 Should further HSF funding or alternatives be announced there are suggested priorities for funding the Anti-Poverty Strategy and Making Manchester Fairer programme that could be brought forward.
- 5.5 Noting the period across which HSF support has been delivered (1 October 2021 to 31 March 2024) and more widely the provision of FSMs across holiday periods (Easter 2020 to Easter 2024) it is understood that many households will have become used to receiving support and expect this to continue. It is essential that clear and timely communications are produced to ensure that residents, schools and agencies understand any changes to the provision of future support.

6.0 Recommendations

- 6.1 This report provides an update on the use of the funding for cost-of-living support in 2023/24; offers recommendations on how to use budgets available due to variance between expected and actual spend; and offers recommendations on how to allocate the Cost-of-Living Group budget in 2024/25.
- 6.2 For 2023/24 it is recommended that:
- £500k is carried forward to continue the discretionary support measures for council tax debt in 2024/25.
 - £300k is used to fund the shortfall in the Children's Services S17 budget.
 - £1.25m of the shortfall in the vulnerable renters fund is met from the other welfare support budgets.
- 6.3 The Committee are asked to comment on these recommendations before they are included in the February Global Monitoring Report.
- 6.4 The proposed allocation of the Cost-of-Living Group Budget in 2024/25 is shown at table 7 and the reasoning for these recommendations set out in Section 4.2. The Committee are asked to comment on these recommendations prior to their inclusion in the 2024/25 Medium Term Financial Plan.
- 6.5 The Committee is recommended to consider and comment on the information in the report.

7.0 Appendices

Appendix 1 - Range of households supported by HSF and the projected spend at 31 March 2024

Appendix 1 - Range of households supported by HSF and the projected spend at 31 March 2024

Planned Allocation of HSF4 Support					Projected Year-end Position		
	Cohort	Cases	HSF4 Award per Household	Awards in year	Estimated spend	Cases paid	Actual Spend
ia	School Holiday Meals	40,000	£15 p/w and £55 summer hol	N/A	£6,400,000	43,000	£6,400,000
ib	Holiday Activity Fund	6,000	N/A	N/A	£285,000	6,000	£285,000
ii	Care Leavers	400	£8 p/w	N/A	£169,000	358	£150,000
iii	CHEM	400	Variable	N/A	£150,000	N/A	£150,000
iv							
a	HB only	104	£300	2	£59,280	161	£48,300
b	CTS: Household 5+	3,878	£250	2	£1,842,050	7,770	£1,942,500
c	CTS: Household <5 + disability + dependents	3,521	£250	2	£1,742,895	7,520	£1,880,000
d	CTS: Household <5 + income just too high for Pension Credit	2,250	£150	2	£661,500	4,513	£676,950
e	PC : Summer COL payment	75	£300	1	£18,900	8	£2,400
	PC : Winter COL payment	75	£300	1	£18,900	8	£2,400
f	UC : Summer COL payment	800	£300	1	£168,000	650	£195,000
	UC : Winter COL payment	800	£300	1	£168,000	560	£168,000

g	Entitled but not claiming qualifying benefit	20	Flexible	2	Accounted for in (iv)(a-f)	0	£0
v	Voluntary Sector	N/K	Up to £400 one-off	Flexible	£800,000	1,800	£800,000
vi	Welfare Provision Scheme	N/K	Up to £100 one-off	Flexible	£200,000	1,400	£150,000
	Total	58,000+			£12,683,525	73,748	£12,850,550

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 11 January 2024
Executive - 17 January 2024

Subject: Changes to Council Tax Support Scheme from April 2024

Report of: Deputy Chief Executive and City Treasurer

Summary

The purpose of this report is to provide final recommendations for the Council's Council tax Support Scheme from April 2024 for the Executive to consider.

The report proposes changes to the Council's Council Tax Support Scheme in order that the scheme remains fit for purpose in response to cost-of-living challenges and the transition of most working age residents in receipt of welfare benefits onto Universal Credit.

The report follows a period of formal consultation on the proposals that change the scheme for working age residents in receipt of Universal Credit.

Recommendations

The Resources and Governance Scrutiny Committee is recommended to:

1. consider and comment upon the contents of the report and the steps being taken to continue to deliver a Council Tax Support Scheme that is cost effective and provides optimum support to low-income households within the available budget.

The Executive is requested to:

1. Note the outcomes of the consultation process and the Equality Impact assessment (EIA) both of which have supported and informed the final recommendations.
2. Approve the following changes to the Council Tax Support Scheme from 1 April 2024:
 - i. Increase the maximum CTS Award from 82.5% to 85% for working-age households.
 - ii. Adjust the UC excess income bands upwards by 2.5% to maintain parity with the 85% maximum award.
 - iii. Extend the maximum backdating period from six-months to 12-months.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The service seeks to operate in a way designed to avoid unnecessary travel by looking to provide services online, by phone or in the local area where possible.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration of equality, diversity and inclusion issues for Manchester residents have been taken into account in the development of the proposals. An Equality Impact Assessment has been completed.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The service operates policies and procedures developed to support the development of a thriving and sustainable city.
A highly skilled city: world class and home-grown talent sustaining the city's economic success	The service operates policies and procedures developed to support the development and growth of home-grown talent within the service and across the city.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	This report provides proposals on providing support to residents on a low income helping to maintain conditions that make Manchester a progressive and equitable city.
A liveable and low carbon city: a destination of choice to live, visit, work	N/A
A connected city: world class infrastructure and connectivity to drive growth	N/A

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The proposed changes are intended to make the Council Tax Support Scheme more generous for working age households and easier and more cost effective to administer.

The proposed changes are estimated to cost up to £770k.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

Report to RAGOS
Proposed changes to the Council Tax Support Scheme from April 2024
[Changes to Council Tax Support Scheme from April 2024.pdf \(manchester.gov.uk\)](#)

1.0 Introduction

- 1.1 This report outlines the background, options and recommendations for delivering a local Council Tax Support Scheme (CTSS) for the Council from 1 April 2024. It also provides details and outcomes of both the consultation exercise and Equality Impact Assessment and any impacts on the final recommendations.
- 1.2 Most of the changes only affect working age claimants in receipt of Council Tax Support. Non-working age claimants (pensioners) are only affected by the proposed changes in point 4.2 where we are proposing to increase the maximum length of time we can backdate Council Tax Support.
- 1.3 While the government requires local authorities to design and administer their own local CTSS for working-age people with no maximum support requirements, councils are required by law to pay up to 100% Council Tax Support (CTS) for pension-age people.

2.0 Impact on residents

- 2.1 The main change proposed will make the Council's CTSS more generous for working-age households. The current CTSS pays up to 82.5% of the Council Tax bill leaving 17.5% to pay. The proposed CTSS would pay up to 85% of the Council Tax bill leaving 15% to pay.
- 2.2 Extending the CTS backdating period for working-age claims from six-months to 12-months allows greater flexibility to support vulnerable residents and reduces avoidable requests for reconsiderations and appeals.

3.0 Background

3.1 Council Tax in Manchester

- 3.1.1 Bills are sent for over 246,000 Council Tax accounts amounting to more than £225 million each year. Of this over one fifth of households receive financial support in the form of Council Tax Support totalling £44.973 million annually (figures at 31 May 2023, including precepting authorities charges). This is split between £28.941m working-age and £16.033m pension-age households.
- 3.1.2 Table 1 shows the property breakdown and benefit levels split across Council Tax bands (snapshot position as at 31 May 2023).

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Number of properties	136,144	42,415	36,912	19,847	6,694	3,185	1,259	145
Number of these that are empty	1,482	390	312	301	112	61	35	8
Number of working age households in receipt of partial Council Tax Support	3,445	644	337	76	24	6	1	0
Number of working age households in receipt of maximum Council Tax Support	23,975	2,679	1,071	230	61	12	3	0
Working age total	27,420	3,323	1,408	306	85	18	4	0
Number of pension age households in receipt of partial Council Tax Support	3,018	448	319	76	28	8	0	0
Number of pension age households in receipt of full Council Tax Support.	9,144	1,328	668	197	40	12	1	0
Pension age total	12,162	1,776	987	273	68	20	1	0

(Table 1)

3.2 Background to the current scheme

- 3.2.1 The localisation of Council Tax Support Schemes (CTSS) was announced in the 2010 Spending Review and in April 2013 Government transferred administration and responsibility of the Council Tax Benefits (CTB) system from DWP to Local Authorities with the stated aim of giving councils stronger incentives to cut fraud and get people back into work.
- 3.2.2 The CTSS was funded with a 10% reduced budget in 2013/14, with each authority designing and implementing a localised scheme and holding responsibility for any shortfall or surplus on the CTS budget. To achieve savings Manchester designed a CTS scheme which required all working age claimants to contribute to their net Council Tax liability (ranging from 8.5% in 2013/14 to 17.5% in 2018/19).
- 3.2.3 In April 2014 CTS funding was rolled into the Revenue Support Grant (RSG), where it has been assumed CTS has reduced year on year in line with the cuts to Manchester's Settlement Funding Assessments (SFA).

3.2.4 As at 31 May 2023, the notional 2023/24 CTS funding from Government is estimated at £24.159m, while the cost of the scheme is £44.973m, giving rise to a funding gap of £20.814m.

3.2.5 Table 2 below has been produced by the Council and models the loss in funding since 2012/13 due to CTS.

<u>Manchester CTS Scheme - reduced in proportion to SFA</u>	2012/13	2013/14	2019/20	2020/21	2021/22	2022/23	2023/24*
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
CTB / CTS Scheme Funding	(42,310)	(37,390)	(22,281)	(22,644)	(22,674)	(22,846)	(24,159)
CTS Transition Grant	-	(997)	-	-	-	-	-
Total Govt funding	(42,310)	(38,387)	(22,281)	(22,644)	(22,674)	(22,846)	(24,159)
<i>SFA reduction applied %</i>			<i>(5.2%)</i>	<i>1.6%</i>	<i>0.1%</i>	<i>0.8%</i>	<i>5.7%</i>
Council Tax foregone	42,310	39,849	38,896	42,617	42,789	42,664	44,973
Net Loss (incl preceptor)	0	1,462	16,615	19,973	20,115	19,818	20,184

(Table 2) *forecast as at 31 May 2023

3.3 Manchester's previous CTS schemes

3.3.1 The schemes for working age residents have allowed for a maximum award based on the available budget and the savings that have had to be made to help the Council deliver a balanced budget.

3.3.2 2013/14 Scheme

The Council received a transitional award and Council Tax Support was based on a maximum of 91.5% of the amount due meaning that all working age claimants had to pay at least 8.5% of their liability.

3.3.3 2014/15 to 2016/17 (3 years)

Council Tax Support was based on a maximum of 85% of the amount due meaning that all working age claimants had to pay at least 15% of their liability.

3.3.4 2017/18 to 2018/19 (2 years)

Council Tax Support was based on a maximum of 82.5% of the amount due meaning that all working age households had to pay at least 17.5% of their liability.

3.3.5 It should be noted that pension age households are protected by government and are entitled to support for up to 100% of their Council Tax liability.

3.4 Manchester's current CTS scheme

3.4.1 2019/20 to present (5 years)

As with the 2017/18 – 2018/19 CTSS Council Tax Support was based on a maximum of 82.5% of the amount due meaning that all working age households have to pay at least 17.5% of their liability.

Manchester's current CTSS for working-age households who are not on Universal Credit continues to be primarily based on the default provisions offered by the government in 2012 and where possible uses the DWP assessment of income and needs, minimising the need for further means-testing by the local authority.

The difference is that from 2019/20 the Council introduced a banded scheme for working-age households who are on Universal Credit (see Table 3).

Current bands and award levels

Income Band	CTS Award
No excess Income	82.5%
Excess income £0.01 to £25.00	70%
Excess income £25.01 to £50.00	45%
Excess income £50.01 to £75.01	30%
Excess income £75.01 to £80.00	12%
Excess income over £80.00	Nil award

(Table 3)

3.4.2 **Reasons for introducing a banded scheme**

The main drivers for and advantages of operating the banded scheme were:

- Avoiding frequent trivial changes in Universal Credit (UC), thereby reducing,
 - The need to reassess entitlement and issue CTS notification letters
 - The volume and cost of rebilling for Council Tax
 - The need to re-profile payments and changes to direct debits and standing orders
 - Impacts on 'current year charge' recovery work
- A new claim for UC is treated as a claim for CTS (provided where the UC claimant has told DWP that they want to claim Council Tax Support)

The banded scheme was also designed with the aim of smoothing the 'cliff edge' for households when moving between income bands or becoming overscale for CTS.

Table 5 at Section 4.1 shows the Council Tax Support Universal Credit banded scheme and the amount of Council Tax left to pay for a property in Band A. The figures show how much a household on UC and eligible for CTS has to pay across the different bands under the current 2023/24 scheme and

how much they would pay if the proposed 2.5% increase in CTS was in operation.

Over the duration of operating the banded scheme around 4,500 fewer bills and adjustments have been applied each year than would have been the case without the scheme. The advantages of reduced administration and reduced rebilling of residents in response to small changes in Universal Credit are seen as positive outcomes. If a household reports a difficulty as a result of movement between bands the Council's Discretionary Council Tax Payment scheme may be used to offer proportionate support.

4.0 Proposed Changes

4.1 The following changes are proposed. These are incorporated in the Draft Council Tax Support Scheme shown at appendix 5.

4.2 Increase the maximum CTS award to 85% for working-age households and increase the UC bands by 2.5% in alignment

4.2.1 Increasing the maximum amount of CTS for working-age households from 82.5% to 85% and increasing the UC bands by 2.5% in alignment offers greater support for many of Manchester's poorest households.

4.2.2 Tables 4a and 4b show the current 2023/24 Council tax charges and the amount left to pay after the maximum 82.5% CTS award is applied; and the amount left to pay if a maximum 85% CTS award was in operation.

Property CTax Band	2023/24 bill (full charge)	Amount to pay after 82.5% CTS award	Amount to pay after 85% CTS award	Reduction in amount to pay in year
Band A	£1,313.00	£229.78	£196.95	£32.83
Band B	£1,531.83	£268.07	£229.77	£38.30
Band C	£1750.67	£306.37	£262.60	£43.77
Band D	£1,969.50	£344.66	£295.43	£49.24
Band E	£2,407.16	£421.25	£361.07	£60.18
Band F	£2,844.82	£497.84	£426.72	£71.12
Band G	£3,282.50	£574.44	£492.38	£82.06
Band H	£3,939.01	£689.33	£590.85	£98.48

(Table 4a)

Property CTax Band	2023/24 bill (single-person charge)	Amount to pay after 82.5% CTS award	Amount to pay after 85% CTS award	Reduction in amount to pay in year
Band A	£984.75	£172.33	£147.71	£24.62
Band B	£1148.87	£201.05	£172.33	£28.72
Band C	£1313.00	£229.78	£196.95	£32.83
Band D	£1477.13	£258.50	£221.57	£36.93
Band E	£1805.37	£315.94	£270.81	£45.13
Band F	£2133.62	£373.38	£320.04	£53.34
Band G	£2461.88	£430.83	£369.28	£61.55
Band H	£2954.26	£517.00	£443.14	£73.86

(Table 4b)

- 4.2.3 Table 5 shows the Council Tax Support Universal Credit banded scheme and the amount of Council tax left to pay for a property in Band A. The figures are for the current scheme and for the proposed 2.5% increase in CTS.

Band of income	Current support	Amount to pay after CTS award	Proposed 2.5% increase in CTS	Amount to pay after CTS award
£0.00 over applicable amount	82.5% of Council Tax	£229.73	85%	£196.95
£0.01 to £25 over	70%	£393.90	72.5%	£361.08
£25.01 to £50 over	45%	£722.15	47.5%	£689.33
£50.01 £75 over	30%	£919.10	32.5%	£886.23
£75.01 to £80 over	12%	£1,155.44	14.5%	£1,122.61
£80.01 over	No Support		No support	

(Table 5)

- 4.2.4 Table 6 shows the cost of increasing CTS to 85% and the UC bands by 2.5% based on individual data on the 2023/24 Council tax levels and the number of claimants as at 1 June 2023. It shows the Council's share of the cost at £699,682 (excluding the Police and Crime Commissioner, GM Fire & Rescue and Mayoral preceptors based on the 2023/24 Council share at 82.17% of the 2023/24 bill).

2023/24 CTS Caseload	No. of cases	Current cost as at 1 June 2023	Revised Cost of CTSS/UB bands +2.5%	Increase in Cost (incl preceptors)	Increase in Cost to Council only
Working Age UC	18,747	£15,800,548	£16,272,625	£472,077	£387,885
Working Age Non-UC	13,808	£12,284,132	£12,663,607	£379,475	£311,798
Pension Age*	15,315	£15,924,840	Nil	Nil	Nil
Total	47,870	£44,009,520	£28,936,232	£851,552	£699,682

(Table 6) *Pension age claimants are already in receipt of 100% CTS

4.2.5 Table 7 shows the cost of increasing the CTSS offer by 2.5% (based on individual system data) with a 4.99% increase (including the social care precept) in Council tax on the Council's share only. This shows a cost of £734,596.

2024/25 at 4.99% increase (MCC share only)	No. of cases	2023/24 costs (MCC only)	2024/24 (+4.99% Ctax increase)	Plus cost of CTSS/UC bands +2.5%	Overall increase from 2023/24	Increase due to +2.5% CTSS offer
Working Age UC	18,747	£12,982,603	£13,630,435	£14,037,675	£1,055,072	£407,240
Working Age Non UC	13,808	£10,093,321	£10,596,978	£10,924,335	£831,013	£327,356
Pension Age	15,315	£13,084,728	£13,737,656	£13,737,656	£652,928	Nil
Total	47,870	£36,160,653	£37,965,069	£38,699,666	£2,539,013	£734,596

(Table 7)

4.2.6 Appendix 1 provides examples of how increasing the maximum level of CTS from 82.5% to 85% may apply in certain scenarios.

4.3 Backdating

4.3.1 The Council's CTSS currently allows backdating of up to six months.

4.3.2 Extending the backdating period for up to one year, where the applicant shows good cause, would allow more Council Tax arrears to be cleared for some residents who have struggled to manage their finances and debts. In 2022/23 1,727 CTS cases were backdated. Of these 162 were pension-age cases and 1,565 were working-age cases. The total cost of backdating last year was £115k. Most cases do not need backdating for the full six months to award the additional eligible period of CTS. On this basis it is unlikely that many cases would require backdating for a full year if we introduced this change.

4.3.3 Extending backdating for CTS cases to 12 months may increase backdating costs by 20%. This would increase the costs for backdating by c£23k

£138k. If we increase CTS awards to 85% and increase Council Tax by 4.99% then the cost for backdating cases may rise by c£35k to approximately £150k.

5.0 Cost of proposed changes

- 5.1 The estimated additional cost to the Council, based on current caseload figures, of moving to a CTS scheme in 2024/25 with a maximum CTS Award of 85% for working-age households and adjusting the UC excess income bands upwards by 2.5% to maintain parity, is £699,682.
- 5.2 After applying the assumed 4.99% increase in Council Tax across the working-age and pension-age caseload indicates a total additional cost to the Council in 2024/25 of £734,596.
- 5.3 Extending the backdating period from six-months to 12-months carries an estimated cost to the Council of £35k in 2024/25, allows greater flexibility to support vulnerable residents and reduces avoidable requests for reconsiderations and appeals.

6.0 Feedback from Scrutiny and Executive

- 6.1 The proposals prior to consultation were considered at the September 2023 meeting of Resources and Governance Scrutiny Committee (RAGOS). RAGOS supported taking the proposals to public consultation and recognised that the outcomes would be reported back to Resources and Governance Scrutiny Committee and for approval by the Executive and Full Council in January 2024.

7.0 Consultation - major precepting authorities

- 7.1 As required by legislation the Council consulted the precepting authorities for Greater Manchester and received approval to consult on the proposals.

8.0 Consultation Exercise

8.1 Consultation requirements

- 8.1.1 The Council is required to consult on any proposed changes to CTS in accordance with Section 13A of the 1992 Local Government Finance Act (Paragraph 3 of Schedule 1A). This requires the following:

8.1.2 Preparation of a scheme:

- (1) Before making a scheme, the authority must (in the following order) -
 - (a) Consult any major precepting authority which has power to issue a precept to it,
 - (b) Publish a draft scheme in such manner as it thinks fit, and
 - (c) Consult such other persons as it considers are likely to have an interest in the operation of the scheme.

8.1.3 The consultation started on 2 October 2023 and ended on 12 November 2023.

8.2 Consultation approach and content

8.2.1 Details of the proposed changes were shared with the precepting authorities prior to the public consultation opening. No objections were received.

8.2.2 To ensure that the consultation reached as many benefit claimants and Manchester residents as possible, a wide-ranging consultation and engagement plan was developed. The approach was both digital and offline, ensuring that those most impacted by the proposals had the opportunity to respond. This was developed with the evaluation results of previous consultation exercises in mind.

8.2.3 A comprehensive consultation narrative, explaining the scheme and why it had been proposed and the impact on benefit claimants was used as the basis of both content for the Council website and a paper questionnaire.

8.2.4 The consultation process was delivered by means of an online questionnaire; 30,000 paper forms issued to Manchester households; and 1,300 paper forms made available to members and through libraries and housing offices. Forms and posters were also distributed to Wythenshawe Community Housing Group, One Manchester and Southway and made available in their offices.

8.2.5 A copy of the consultation document is included within the Council Tax Support Scheme Consultation 2023 Final Report at appendix 2 (see list of appendices at the end of the report).

8.3 Consultation Outcome

8.3.1 A report on the consultation outcomes, incorporating the consultation questions, is shown at appendix 2. A table showing the ethnicity responses is included at appendix 3.

8.3.2 A total of 4,737 questionnaires were completed, this includes 2,856 paper questionnaires (60%) and 1,881 online questionnaires (40%).

8.3.3 Asked to confirm whether the respondent or a member of their household was in receipt of CTS 31% of 4,644 respondents answered 'yes'.

8.3.4 In the age groups the headlines are that the 16-24 category is very underrepresented, the 25-34 category somewhat underrepresented, while the 65+ category is overrepresented.

8.3.5 The data for respondents who declared their ethnic origin show that the responses are broadly in line with the demographic make-up of the city:

- 18.33% of respondents to the survey identified as Asian, compared with 20.86% of the Manchester population based on the 2021 census results. (2.53 lower)

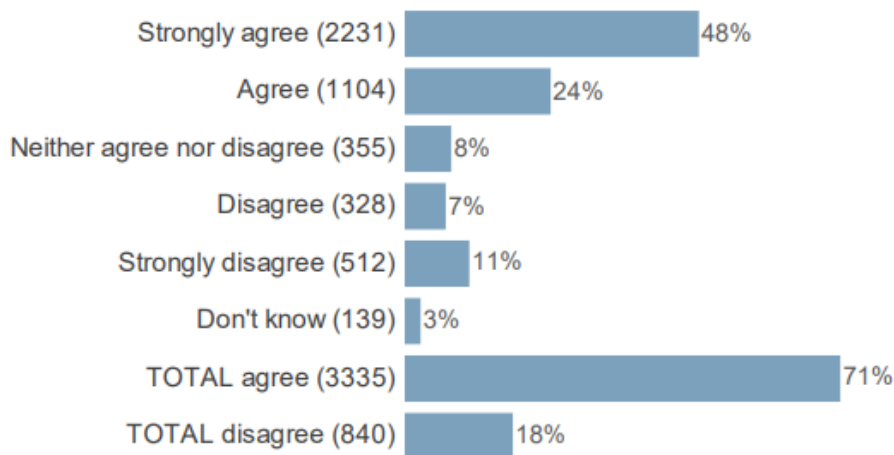
- 11.17% of respondents to the survey identified as Black, compared with 11.94% of the Manchester population based on the 2021 census results. (0.79 lower)
- 3.54% of respondents to the survey identified as Mixed, compared with 5.26% of the Manchester population based on the 2021 census results. (1.72 lower)
- 51.83% of respondents to the survey identified as White, compared with 56.82% of the Manchester population based on the 2021 census results. (4.99 lower)
- 9.45% of respondents to the survey identified as Other, compared with 5.12% of the Manchester population based on the 2021 census results. (4.33 higher)

8.3.6 Summaries of responses to the three main consultation questions are included below. It shows agreement to all the proposals.

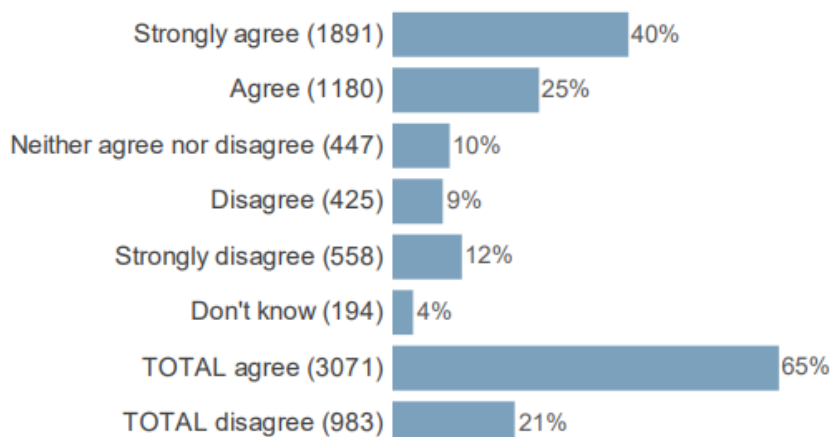
8.3.7 The consultation report includes analysis of subgroup responses including age, disability, sex, and other groups. In addition, 1,158 freeform comments were analysed and grouped into a number of common themes. These responses were considered when drawing our conclusions.

8.3.8 The subgroup responses and freeform comments were generally representative of the headline responses below:

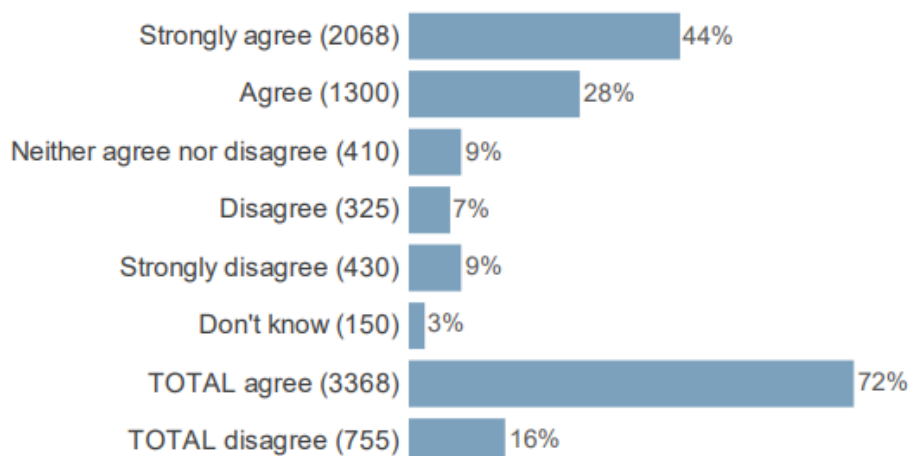
Q1. Do you agree or disagree that we should increase the maximum Council Tax Support from 82.5% to 85% for working-age residents?



Q2. Do you agree or disagree that we should increase the bands of Council Tax Support by 2.5%?



Q3. Do you agree or disagree that we should extend the period of backdating from six months to one year where residents have a good reason for not making a claim sooner?



8.3.9 The Council received a submission from the Royal British Legion, which is incorporated within the Council Tax Support Scheme Consultation 2023 Final Report at appendix 3. The submission offers no comments in support or objection to the proposed changes to the Councils CTS scheme. The other issues raised within the submission are being addressed through the Council's Armed Forces Steering Group.

9.0 Equality Impact Assessment

9.1 As a public body the Council has a number of statutory duties under equalities legislation. These are often referred to as the Public Sector Equality Duties (PSED). The PSED require the Council, through its decision making process, to give due regard to the need:

- to eliminate unlawful discrimination, harassment and victimisation and

other conduct prohibited by the Equality Act;

- to advance equality of opportunity between people who share a protected characteristic and those who do not;
- to foster good relations between people who share a protected characteristic and those who do not.

9.2 This involves in particular having due regard, to the need to:

- (a) tackle prejudice; and
- (b) promote understanding

9.3 The nine protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

9.4 The Equality Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people. Particular attention needs to be paid to the needs of disabled people in taking account of this requirement.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

9.5 Compliance with the duties may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under the Act.

9.6 Other vulnerable groups identified by the Council are also included in the EIA analysis:

- People with continuing health conditions
- People with caring responsibilities
- Homeless people
- Ex-Armed Forces personnel and their families
- Children, families and other people living in poverty
- Care-experienced young people and care-leavers

9.7 An Equality Impact Assessment (EIA) has been completed to inform members of the relevant more detailed issues in considering the recommendations in this Report (appendix 4, see list of appendices at the end of the report).

9.8 The EIA on the Council's Council Tax Support Scheme 2024/25 onwards found that the scheme will not have a disproportionate impact on any of the protected equality groups. The CTS scheme maintains the award of premiums

and discounts certain benefits that recognise the needs of disabled people, those with children and caring responsibilities. The City Treasurer has considered the EIA, the issues raised and the Council's overall financial position.

10.0 Key Policies and Considerations

10.1 Risk Management

10.1.1 There is a risk of increased demand and budget pressure resulting from an increase in households needing assistance or existing claimants' income reducing.

10.1.2 The future demand and impact cannot be determined with any certainty so will be subject to ongoing review in developing and adapting the scheme cognisant of budget restrictions.

10.2 Legal Considerations

10.2 The legal considerations are contained within the body of this report.

11.0 Conclusions

11.1 The consultation supports the Council's approach and aims of amending the Council's Council Tax Support Scheme in order that the scheme remains fit for purpose in response to cost-of-living challenges and the transition of most working age residents in receipt of welfare benefits onto Universal Credit.

11.2 The proposed changes are estimated to cost up to £770k.

12.0 Recommendations

12.1 Resources and Governance Scrutiny Committee is requested to consider and comment upon the contents of the report and the steps being taken to continue to deliver a Council Tax Support Scheme that is cost effective and provides optimum support to low-income households within the available budget.

12.2 Executive is requested to:

1. Note the outcomes of the consultation process and the Equality Impact assessment (EIA) both of which have supported and informed the final recommendations.
2. Approve the following changes to the Council Tax Support Scheme from 1 April 2024:
 - i. Increase the maximum CTS Award from 82.5% to 85% for working-age households.

- ii. Adjust the UC excess income bands upwards by 2.5% to maintain parity with the 85% maximum award.
- iii. Extend the maximum backdating period from six-months to 12-months where the resident demonstrates good cause.
- iv. The Council will monitor and review the Council Tax Support Scheme to ensure that it continues to support the Council's policies. The Council Tax Support Scheme may be amended for subsequent years, but should this happen there will be further consultation. If no revised scheme is published, this scheme will continue to apply to subsequent years. However, the figures set out in the scheme in respect of applicable amounts, income and capital disregards and non-dependants' deductions may still be uprated to allow for inflation. Any such uprating will take effect on 1 April each year. If the figures provided in the prescribed requirements change, the Council reserves the right to amend the figures quoted in the scheme without further consultation.

13.0 Appendices

Appendix 1 - Examples of how much Council Tax a household on CTS pays in 2023/24 and may pay in 2024/25

Appendix 2 - Council Tax Support Scheme Consultation 2023 Final Report

Appendix 3 - Consultation ethnicity responses

Appendix 4 - Equality Impact Assessment

Appendix 5 - Draft Council Tax Support Scheme

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Appendix 1: Examples of how much Council Tax a household on CTS pays in 2023/24 and may pay in 2024/25

These examples show how much a household on CTS currently have to pay towards their Council Tax and how much they will have to pay next year assuming an increase in CTS of 2.5% and an increase in their Council Tax bill.

Example 1

Current Situation

Single person living in a Band A property. They are entitled to 25% off their bill because they live on their own. Their only income is Employment and Support Allowance. Their Council Tax bill before Council Tax Support is awarded is £984.75. The Council Tax Support award is £812.42, this leaves them with £172.33 to pay themselves.

Proposed 2.5% CTS increase with a 2.99% Council Tax increase

Their Council Tax bill before Council Tax Support is awarded is £1,014.19. The Council Tax Support award is £862.06, this leaves them with £152.13 to pay themselves.

Proposed 2.5% CTS increase with 4.99% Council Tax increase

Their Council Tax bill before Council Tax Support is awarded is £1,033.89. The Council Tax Support award is £878.8, this leaves them with £155.08 to pay themselves.

Example 2

Current Situation

Couple living in a Band B property. Their only income Universal Credit and Child Benefit. Their Council Tax bill before Council Tax Support is awarded is £1,531.83. The Council Tax Support award is £1,263.76, this leaves them with £268.07 to pay themselves.

Proposed 2.5% CTS increase with a 2.99% Council Tax increase

Their Council Tax bill before Council tax Support is awarded is £1,577.63. The Council Tax Support award is £1,340.99, this leaves them with £236.64 to pay themselves.

Proposed 2.5% CTS increase with 4.99% Council Tax increase

Their Council Tax bill before Council Tax Support is awarded is £1,608.27. The Council Tax Support award is £1,367.03, this leaves them with £241.24 to pay themselves.

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MANCHESTER
CITY COUNCIL

Council Tax Support
Scheme Consultation
2023

Final Report

December 2023

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Introduction

Background

Manchester City Council operates a Council Tax Support scheme which requires all working age residents to pay a minimum of 17.5% of their council tax bill themselves. Pension age residents receive up to 100% of their bill in Council Tax Support which cannot be changed.

The Council recently delivered a consultation to seek views and feedback on its proposals to increase the maximum amount of Council Tax Support for working age residents, from a maximum of 82.5% to 85%, and to extend the backdating period from six months to 12 months.

Enventure Research was commissioned to conduct independent analysis and reporting of the findings from this consultation.

Methodology

A questionnaire was designed by Manchester City Council which sought residents' views on the proposed changes to the Council Tax Support scheme and included questions to establish respondents' demographics and certain characteristics. A copy of the questionnaire can be found in the **Appendices**.

The consultation was managed and delivered by Manchester City Council. Residents could take part via an online survey or by completing a paper copy of the questionnaire which was mailed to households. All returned paper copies were then processed by Manchester City Council. Prior to being shared with Enventure Research, all data was anonymised by Manchester City Council.

Overall, 4,737 responses were received to the consultation. This includes 1,881 received online (40%) and a 2,856 paper copies (60%).

Interpretation of the findings

This report contains tables and charts. In some instances, the responses may not add up to 100%. There are several reasons why this might happen:

- The question may have allowed each respondent to give more than one answer
- Only the most common responses may be shown in the table or chart
- Individual percentages are rounded to the nearest whole number so the total may come to 99% or 101%
- A response of less than 0.5% will be shown as 0%

Subgroup analysis has been undertaken to explore results provided by subgroups such as whether they currently receive Council Tax Support, age, disability, sex, whether their gender is the same as assigned at birth, whether they have caring responsibilities, whether they have served in the UK Armed Forces, and whether they have contacted a local authority because of homelessness or being at risk of being homeless. This analysis has only been carried out where the sample size is seen to be sufficient for comment, and only those differences that are statistically significant have been commented on within this report.



Survey Findings

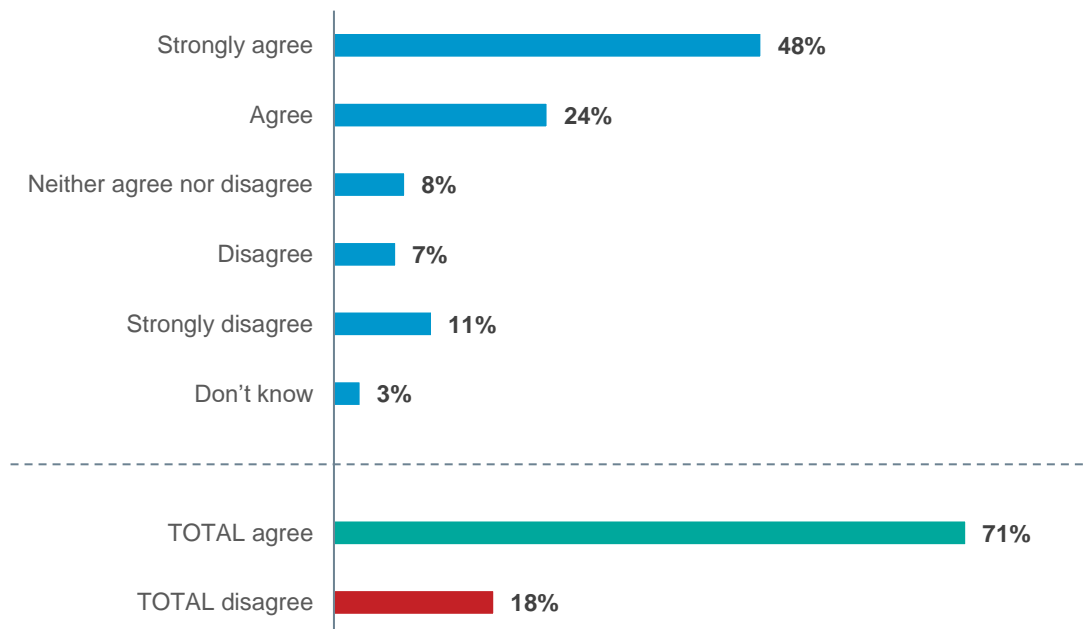
Increase of minimum award

Working age residents in Manchester can currently receive support of up to 82.5% of their council tax bill, which Manchester City Council is proposing to increase up to a maximum of 85% (an increase of 2.5%).

Respondents were first asked if they agreed or disagreed that the Council should increase the maximum Council Tax Support to 85% for working age residents. Seven in ten respondents (71%) agreed with this overall, including 48% who *strongly agreed* and 24% who *agreed*. Almost a fifth of respondents (18%) disagreed overall, including 7% who *disagreed* and 11% who *strongly disagreed*. Small proportions of respondents said they *neither agree nor disagree* (8%) or *don't know* (3%).

Figure 1 – Do you agree or disagree that we should increase the maximum Council Tax Support from 82.5% to 85% for working age residents?

Base: Those who provided a response (4,669)



Subgroup analysis

Subgroups more likely to **agree** (71% overall) include:

- Those who are currently receiving Council Tax Support (83%) vs those who are not (66%)
- Those aged 35-54 (77%) vs those aged 55+ (73%)
- Those who have a disability or long-term health issue (76%) vs those who do not (71%)
- Those whose gender is the same as it was assigned at birth (73%) vs those whose gender is not (58%)
- Those who have not served in the UK Armed Forces (74%) vs those who have (65%)
- Those who have contacted a local authority due to homelessness (82%) vs those who have not (72%)



Subgroup analysis continued

Subgroups more likely to **disagree** (18% overall) include:

- Those who are not currently receiving Council Tax Support (24%) vs those who are (7%)
- Those aged 35-54 (16%) vs those aged 55+ (14%)
- Those who do not have a disability or long-term health issue (19%) vs those who do (13%)
- Male respondents (18%) vs female respondents (14%)
- Those who have served in the UK Armed Forces (22%) vs those who have not (15%)



Banding for Universal Credit cases

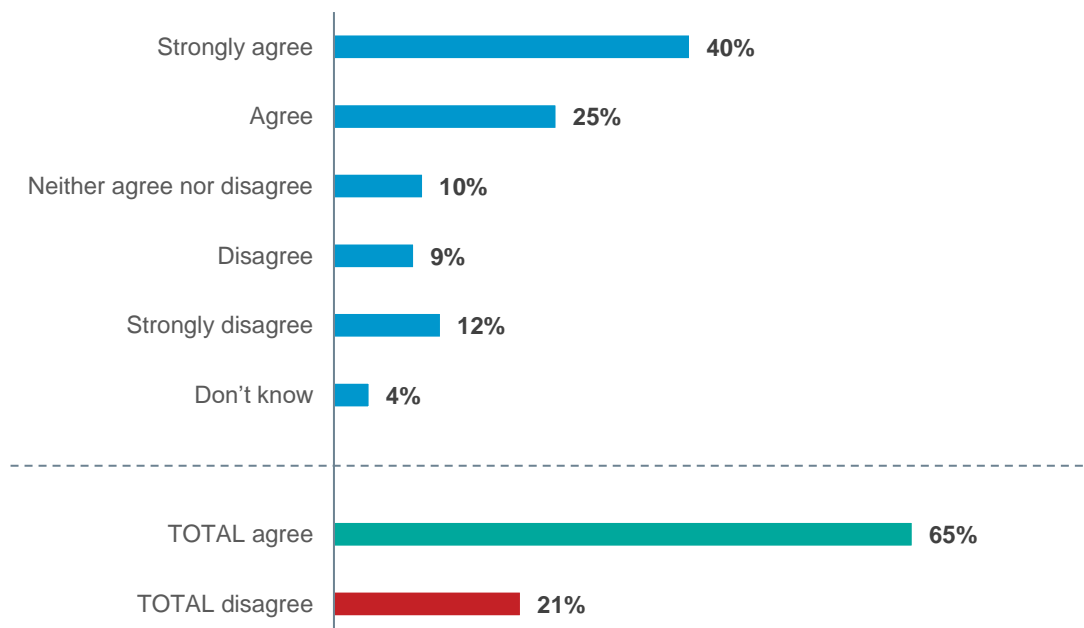
Manchester City Council currently has a banded scheme for residents who are on Universal Credit. The banded scheme means that small changes in Universal Credit do not always change the amount of Council Tax Support. The Council is proposing to increase the bands of support by 2.5% so that residents on Universal Credit also receive an increase in support. The current bands and new proposed bands of Council Tax Support are shown in the table below.

Band of income	Current Council Tax Support	Proposed Council Tax Support for 2024/25
£0.00 over your applicable amount	82.5% of council tax	85%
£0.01 to £25 over	70%	72.5%
£25.01 to £50 over	45%	47.5%
£50.01 to £75 over	30%	32.5%
£75.01 to £80 over	12%	14.5%
£80.01 over	No support	No support

Two thirds of respondents (65%) agreed overall that the Council should increase the bands of Council Tax Support for residents receiving Universal Credit by 2.5%, including 40% who *strongly agreed* and 25% who *agreed*. A fifth disagreed overall (21%), including 9% who *disagreed* and 12% who *strongly disagreed*. Small proportions said they *neither agree nor disagree* (10%) or *don't know* (4%).

Figure 2 – Do you agree or disagree that we should increase the bands of Council Tax Support by 2.5%?

Base: Those who provided a response (4,695)



Subgroup analysis

Subgroups more likely to **agree** (65% overall) include:

- Those who are currently receiving Council Tax Support (77%) vs those who are not (60%)
- Those who have a disability or long-term health issue (69%) vs those who do not (66%)
- Female respondents (69%) vs male respondents (65%)
- Those whose gender is the same as it was assigned at birth (67%) vs those whose gender is not (53%)
- Those who have not served in the UK Armed Forces (68%) vs those who have (61%)
- Those who have contacted a local authority due to homelessness (76%) vs those who have not (66%)

Subgroups more likely to **disagree** (21% overall) include:

- Those who are not currently receiving Council Tax Support (26%) vs those who are (10%)
- Those aged 16-54 (20%) vs those aged 55+ (17%)
- Those who do not have a disability or long-term health issue (22%) vs those who do (16%)
- Male respondents (21%) vs female respondents (17%)
- Those whose gender is not the same as it was assigned at birth (35%) vs those whose gender is (19%)
- Those who indicated that they have caring responsibilities (21%) vs those who did not (18%)
- Those who have served in the UK Armed Forces (23%) vs those who have not (19%)
- Those who have not contacted a local authority due to homelessness (20%) vs those who have (15%)



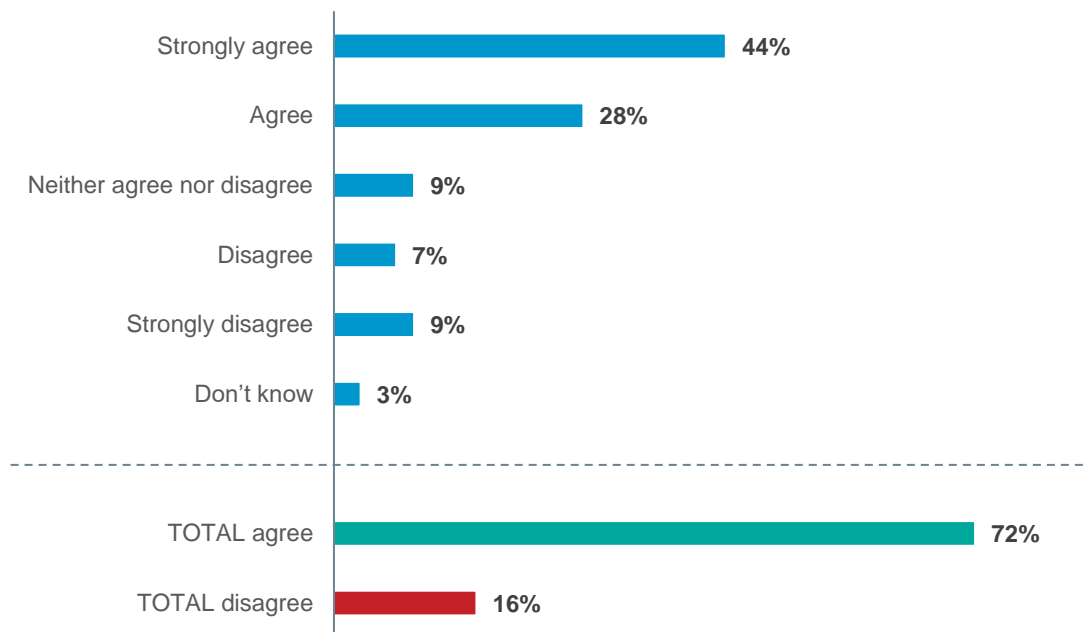
Backdating

Backdating is currently allowed up to six months where the resident has a good reason for not making a claim sooner. Manchester City Council is proposing to extend this period up to one year, and would apply to claims from people who are pension age as well as working age.

Seven in ten respondents (72%) agreed overall that the backdating period should be extended, including 44% who *strongly agreed* and 28% who *agreed*. A much smaller proportion disagreed overall (16%), including 7% who *disagreed* and 9% who *strongly disagreed*. Small proportions said they *neither agree nor disagree* (9%) or *don't know* (3%).

Figure 3 – Do you agree or disagree that we should extend the period of backdating from six months to one year where residents have a good reason for not making a claim sooner?

Base: Those who provided a response (4,683)



Subgroup analysis

Subgroups more likely to **agree** (72% overall) include:

- Those who are currently receiving Council Tax Support (84%) vs those who are not (66%)
- Those who have a disability or long-term health issue (79%) vs those who do not (70%)
- Female respondents (76%) vs male respondents (71%)
- Those who have not served in the UK Armed Forces (75%) vs those who have (67%)
- Those who have contacted a local authority due to homelessness (80%) vs those who have not (73%)

Subgroups more likely to **disagree** (16% overall) include:

- Those who are not currently receiving Council Tax Support (22%) vs those who are (6%)
- Those who do not have a disability or long-term health issue (18%) vs those who do (11%)
- Male respondents (17%) vs female respondents (12%)
- Those who have served in the UK Armed Forces (21%) vs those who have not (13%)



Further comments

Respondents were asked to provide any further views or comments they had about the proposed changes. Their verbatim responses have been thematically coded, grouping similar responses together, and are presented in the table below and overleaf.

The most common theme was that respondents agreed with and supported the proposals, and believed they would have a positive impact (27%). This was followed by 15% who expressed concern about how this additional proposed support would be funded, or felt that the support should not be funded by services being cut or council tax being raised. Another common theme was that the cost of living crisis affects everyone and the belief that everyone should receive support or that it was unfair for tax payers (12%).

Respondents suggested that certain cohorts of residents should receive more financial support, such as residents who work (12%), pension age residents (7%), single person households (4%), disabled and seriously ill residents or their carers (4%), and families with children (1%).

Equal proportions of respondents who provided a comment said they either agreed or disagreed with the backdating period being extended (both at 3%). Reasons for agreeing mostly related to the belief that individuals may have a good reason not to apply such as being unwell, escaping domestic abuse, find the process difficult, or be unaware that they are eligible for support. Reasons for disagreeing mostly related to the opinion that the current six month backdating period is sufficient, and concern that a longer backdating period could be abused and increase costs for the Council.

The full range of themes is shown in **Figure 4**.

Figure 4 – Further views/comments about the proposed changes

Base: Those who provided a response (1,158)

Further views/comments about the proposed changes	Number	%
Agree with/support proposals/would have a positive impact	310	27%
Concern about how additional support will be funded/services should not be cut/council tax should not be increased to fund this support	177	15%
Cost of living crisis affects everyone/everyone should receive support/unfair for tax payers	142	12%
More financial support/discounts needed for residents who work	136	12%
Dissatisfied with MCC/council services/council tax too high	98	8%
More financial support/discounts needed for pension age residents	86	7%
Support should only be provided to those in genuine need/enforce eligibility checks/concern about abuse of welfare system	75	6%
More financial support needed/proposals do not go far enough	58	5%
Insufficient information provided to comment/need more detail on proposals and impact	58	5%
No comment/opinion/not relevant	58	5%
More financial support/discounts needed for single person households	52	4%
Would prefer to see money spent elsewhere/to improve services	50	4%
More financial support/discounts needed for disabled/seriously ill residents and carers	47	4%
MCC does a good job/grateful for support received	44	4%
Proposals will disincentivise finding employment/MCC should encourage residents into employment	43	4%
Agree with backdating period being extended	40	3%
Disagree with backdating period being extended	35	3%
MCC could do more to save money/increase income	35	3%
Council tax should be reduced/abolished	33	3%



Further views/comments about the proposed changes	Number	%
Limited awareness of support available/unsure how to access support/should be promoted more	32	3%
Comment about questionnaire/consultation	30	3%
Disagree with/oppose proposals/would have a negative impact	29	3%
Comment unrelated to consultation questions	27	2%
Complaint about council tax system	24	2%
Current level of support is adequate/fair for those covered by scheme	24	2%
Criteria/eligibility for Council Tax Support could be improved/should be means tested	20	2%
MCC should provide alternatives to Council Tax Support (e.g. advice on money management, food vouchers, extension of payment period)	19	2%
Backdating period should only be extended for exceptional circumstances/reasons should be published	17	1%
More support needed from government/criticism of government	16	1%
More financial support/discounts needed for families with children	14	1%
Every resident should pay council tax/contribute to society	10	1%
Council Tax Support should be automatically provided to residents on Universal Credit/all residents on Universal Credit should receive Council Tax Support	5	0%
Other	17	1%

Below are some example verbatim responses for some of the most common themes.

Agree with/support proposals/would have a positive impact (27%)

People who need support should be supported as much as possible – costs are going up, so help should go up too.

Happy to support the council in supporting disadvantaged people in these difficult times.

I think any increase in the support given to people who need it should be welcomed and can only be a good thing.

I agree with an increase as the support I received still left me struggling to pay my monthly council tax, and family helped me with my food shopping.

I have been receiving CTS for some time now. I care about others and this sounds like a good thing that would help those less fortunate than myself.

Concern about how additional support will be funded/services should not be cut/council tax should not be increased to fund this support (15%)

Where is this funding coming from, you already quote issues with having funding to do all we need to, stop making it harder!

I strongly disagree for any proposal to increase council tax, we are extremely struggling with our lives, please don't make us suffer more.

There's not enough money for funding everything now so how are you going to increase these funds without cutting other services or raising council tax including those of us that work and cannot claim benefit?

Cost of living crisis affects everyone/everyone should receive support/unfair for tax payers (12%)

Cost of living crisis is impacting everyone so I recommend council to reduce tax bill for every household instead of a select group of residents.



There are many people around this city who cannot claim discounts because they are just above the income limits and they are struggling too. It is unfair to raise the burden of higher council tax on these people to fund others and this does nothing to encourage people to better themselves.

My pay and that of partner has not increased by 2.5% this year or the past 3 years, we have to adapt. This should be the same for everyone, working or not. Why not provide 2.5% relief for all council tax payers rather than just a few.

More financial support/discounts needed for residents who work (12%)

Why just people on benefits, what about the people that are just over the threshold, they really struggle, it seems as though we are forgotten and not included in anything.

I think there should be more support for those who don't meet the criteria for Universal Credit but are still on a lower income.

Maybe do things for workers not just people on benefits. Too many hand outs and us workers get nothing.

Subgroup analysis

Those who are **currently receiving Council Tax Support** were more likely to suggest the following when compared with those who are not:

- Agree with/support proposals/would have a positive impact (37% vs 23%)
- More financial support/discounts needed for disabled/seriously ill residents and carers (7% vs 3%)
- MCC does a good job/grateful for support (11% vs 2%)

Those who are **not currently receiving Council Tax Support** were more likely to suggest the following when compared with those who are:

- Concern about how additional support will be funded/services should not be cut/council tax should not be increased to fund this support (19% vs 5%)
- Cost of living crisis affects everyone/everyone needs support/unfair for tax payers (14% vs 8%)
- More financial support/discounts needed for residents who work (14% vs 5%)
- Dissatisfied with MCC/council services/council tax too high (10% vs 4%)
- Insufficient information provided to comment/need more detail on proposals and impact (6% vs 2%)
- Would prefer to see money spent elsewhere/to improve services (5% vs 2%)
- Proposals will disincentivise finding employment/MCC should encourage residents into employment (5% vs 1%)

Younger respondents were more likely to suggest the following when compared with older respondents aged 55+:

- Cost of living crisis affects everyone/everyone needs support/unfair for tax payers (those aged 35-54 at 17% vs 7%)
- More financial support/discounts needed for residents who work (those aged 35-54 at 16% vs 9%)
- Dissatisfied with MCC/council services/council tax too high (those aged 35-54 at 11% vs 5%)
- More financial support needed/proposals do not go far enough (those aged 16-54 at 8% vs 3%)
- Would prefer to see money spent elsewhere/to improve services (those aged 16-34 at 8% vs 2%)
- Criteria/eligibility for Council Tax Support could be improved/should be means tested (those aged 16-54 at 3% vs 1%)



Subgroup analysis continued

Older respondents aged 55+ were more likely to suggest the following when compared with younger respondents:

- More financial support/discounts for pension age residents (14% vs those aged 16-54 at 1%)
- Support should only be provided to those in genuine need/enforce eligibility checks/concern about abuse of welfare system (7% vs those aged 16-34 at 2%)

Those who **have a disability or long-term health issue** were more likely to suggest the following when compared with those who do not:

- More financial support/discounts needed for pension age residents (12% vs 5%)
- More financial support/discounts needed for disabled/seriously ill residents and carers (8% vs 2%)

Female respondents were more likely to suggest the following when compared with male respondents:

- More financial support/discounts needed for residents who work (16% vs 8%)
- More financial support/discounts needed for single person households (6% vs 2%)

There were no significant differences by respondents who indicated that their **gender is not the same as it was assigned at birth**.

Those who indicated that they **have caring responsibilities** were more likely to suggest the following when compared with those who did not:

- Cost of living crisis affects everyone/everyone should receive support/unfair for tax payers (17% vs 9%)
- More financial support/discounts needed for residents who work (16% vs 9%)
- Dissatisfied with MCC/council services/council tax too high (11% vs 7%)
- More financial support/discounts needed for disabled/seriously ill residents and carers (6% vs 3%)

Those who have **served in the UK Armed Forces** were more likely to suggest more financial support/discounts needed for pension age residents (14%) when compared with those who have not (6%).

Those who have **contacted a local authority due to homelessness** were more likely to suggest the following when compared with those who have not:

- Agree with backdating period being extended (7% vs 3%)
- Comment unrelated to consultation questions (6% vs 2%)

Those who **agreed with all three proposals** were more likely to suggest the following when compared with those who disagreed:

- Agree with/support proposals/would have a positive impact (46% vs 2%)
- More financial support needed/proposals do not go far enough (6% vs 1%)
- No comment/opinion/not relevant (5% vs 1%)
- More financial support/discounts needed for disabled/seriously ill residents and carers (5% vs 1%)
- Council does a good job/grateful for support (6% vs 0 respondents)
- Agree with backdating period being extended
- Limited awareness of support available/unsure how to access support/should be promoted more (4% vs 0 respondents)
- Complaint about council tax system (3% vs 0 respondents)



Subgroup analysis continued

Those who **disagreed with all three proposals** were more likely to suggest the following when compared with those who agreed:

- Concern about how additional support will be funded/services should not be cut/council tax should not be increased to fund this support (36% vs 5%)
- Cost of living crisis affects everyone/everyone should receive support/unfair for tax payers (24% vs 8%)
- More financial support/discounts needed for residents who work (15% vs 9%)
- Dissatisfied with MCC/council services/council tax too high (12% vs 6%)
- Support should only be provided to those in genuine need/enforce eligibility checks/concern about abuse of welfare system (13% vs 3%)
- Would prefer to see money spent elsewhere/to improve council services (14% vs 1%)
- Proposals will disincentivise finding employment/MCC should encourage residents into employment (13% vs 0%)
- Disagree with backdating period being extended (4% vs 0%)
- MCC could do more to save money/increase income (6% vs 1%)
- Council tax should be reduced/abolished (5% vs 2%)
- Disagree with/oppose proposals/would have a negative impact (10% vs 1%)
- Current level of support is adequate/fair for those covered by scheme (9% vs 0 respondents)
- MCC should provide alternatives to Council Tax Support (e.g. advice on money management,



Written response from the Royal British Legion

A written response was submitted to Manchester City Council by the Royal British Legion after the consultation had closed. A summary of the feedback relevant to the consultation has been included below:

- When assessing residents for Council Tax Support and other types of support and benefits, Manchester City Council should ask a question to identify whether residents belong to any of the following groups:
 - Former member of HM Armed Forces, Regular and Reserve
 - Spouse or partner of serving or former member of HM Armed Forces
 - Widow(er) of serving or former member of HM Armed Forces
 - Dependent children of serving or former member of HM Armed Forces
 - Recently divorced or separated spouse or partner of serving or former member of HM Armed Forces
- Recommendation for Manchester City Council to ensure relevant staff are trained and aware of the policies and needs specific to the Armed Forces community, as part of the Council's commitment to the Armed Forces Covenant
- Recommendation for Manchester City Council to disregard all forms of military compensation as income in assessments for Council Tax Support and other means tested benefits
- No further comments to make, either in support or objection, to other proposed aspects of the new Council Tax Support scheme and the belief that the new proposals will not impact the Armed Forces community disproportionately

The full written response can be found in the **Appendices**.

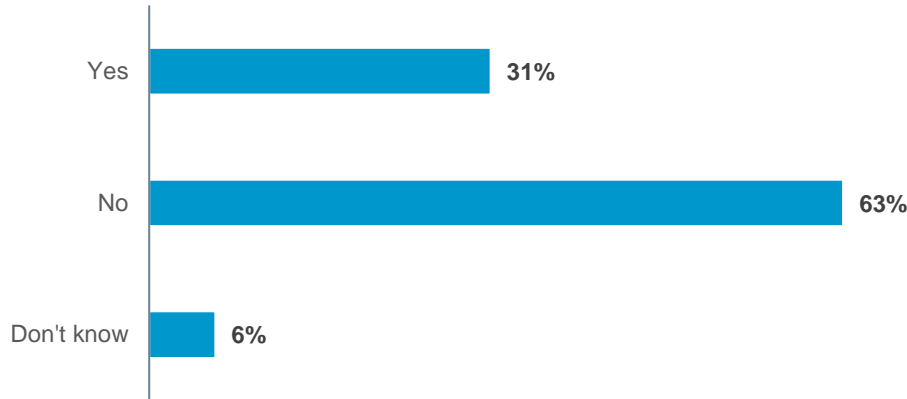


Respondent profile

Figures 5 to 19 show the breakdown of respondent profile based on the demographic and characteristic questions included in the consultation survey. Please note that the findings by area and ethnicity are not included within this report due to data sharing limitations and to preserve respondents' anonymity.

Figure 5 – Do you, or a member of your household, currently receive Council Tax Support?

Base: Those who provided a response (4,644)



Respondents were asked to provide their date of birth but this was not included in the data sent to Enventure Research. To preserve anonymity, Manchester City Council calculated respondents' age which has been displayed in the chart below.

Figure 6 – Age (from date of birth)

Base: Those who provided a response (3,997)

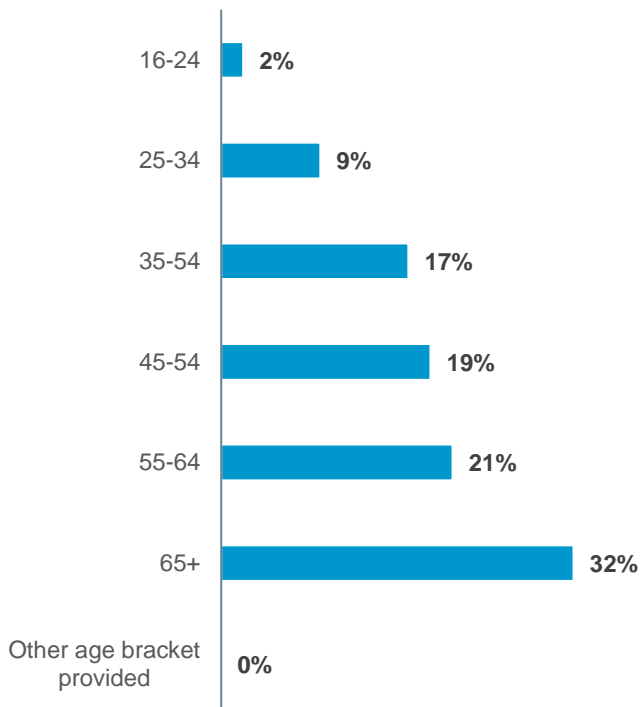


Figure 7 – Are your day-to-day activities limited because of a health problem or disability that has lasted, or is expected to last, at least 12 months?

Base: Those who provided a response (4,499)

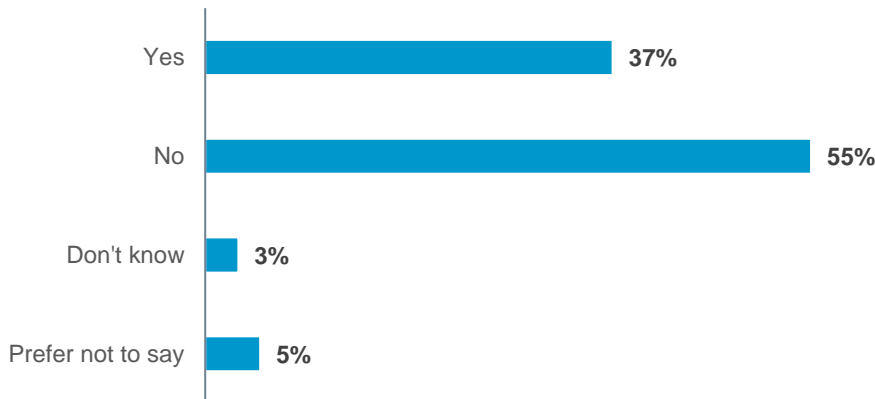


Figure 8 – What is your sex?

Base: Those who provided a response (4,512)

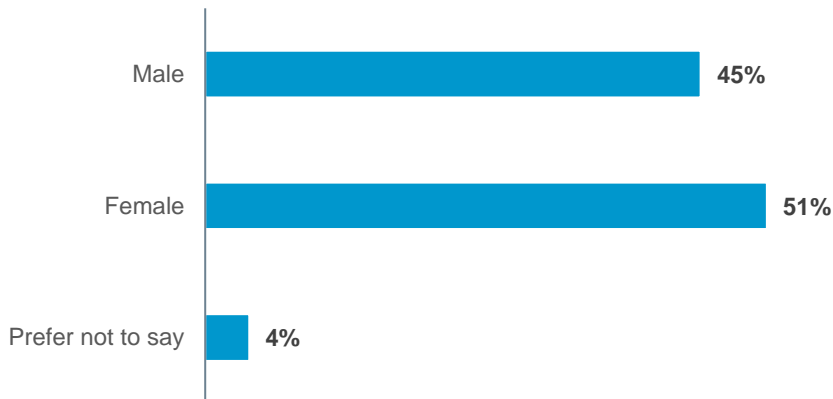


Figure 9 – Is your gender the same as the one you were assigned at birth?

Base: Those who provided a response (4,486)

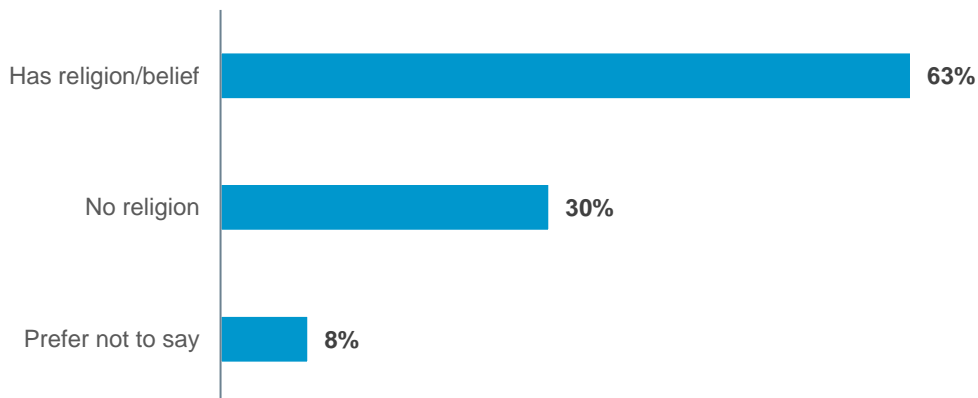


Figure 10 – Which of the following best describes your sexual orientation?

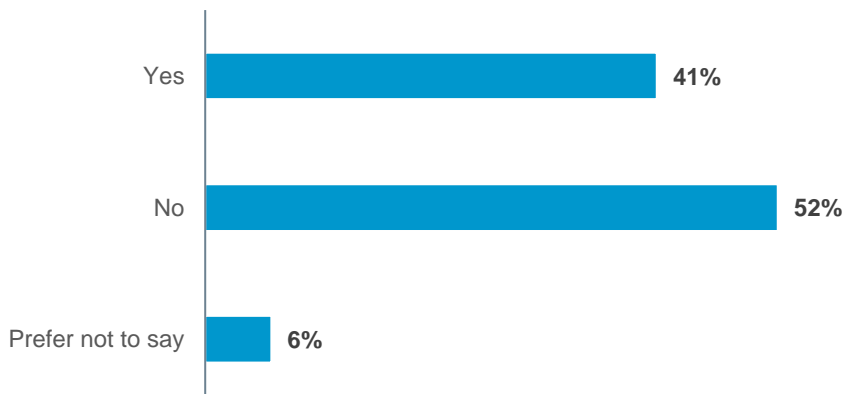
Base: Those who provided a response (4,319)

**Figure 11 – Which of the following best describes your religion or belief?**

Base: Those who provided a response (4,471)

**Figure 12 – Are you currently married or in a civil partnership?**

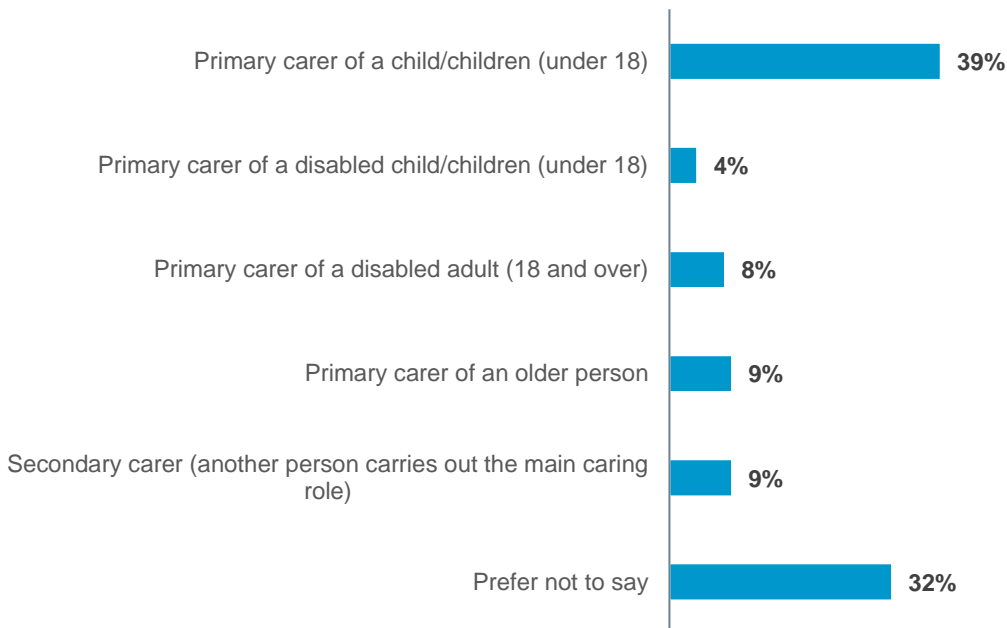
Base: Those who provided a response (4,399)



It should be noted that respondents could only select one response instead of multiple responses when asked whether they have any caring responsibilities.

Figure 13 – Do you have any caring responsibilities?

Base: Those who provided a response (2,212)



All respondents could provide an answer for the question below, even if they had not indicated that they have any caring responsibilities. For this report, the findings have been filtered to only show the responses of those who had previously indicated that they do have any caring responsibilities.

Figure 14 – Is any of the care you provide paid?

Base: Those who said they have caring responsibilities and provided a response (1,466)



Figure 15 – Have you ever been looked after in local authority care as a child?

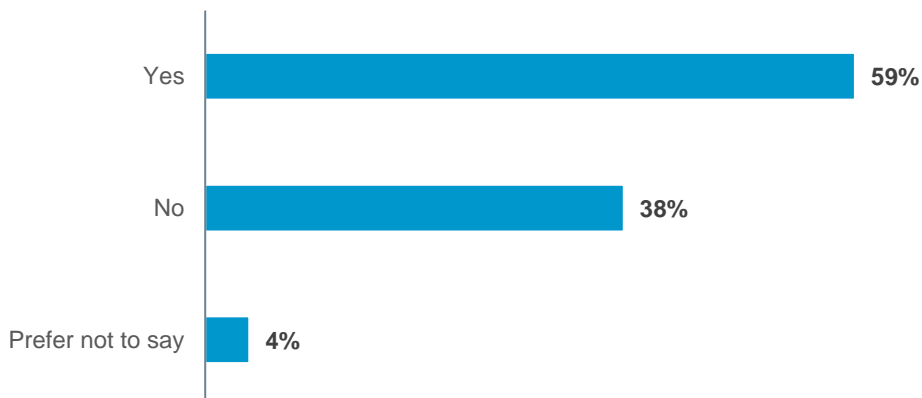
Base: Those who provided a response (4,084)



Respondents could provide an answer for the questions below, even if they had not indicated that they have ever been looked after in local authority care as a child. For this report, the findings for **Figures 16** and **17** have been filtered to only show the responses of those who had previously indicated that they were looked after in local authority care as a child.

Figure 16 – If yes, was this in Manchester?

Base: Those who said they were looked after in local authority care as a child and provided a response (114)

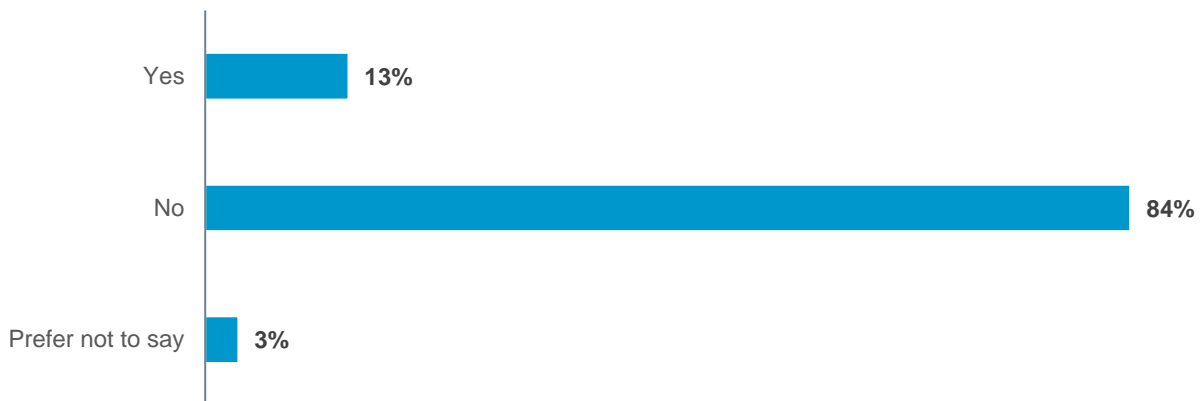
**Figure 17 – Are you still receiving support from Leaving Care or a Looked After team in Manchester?**

Base: Those who said they were looked after in local authority care in Manchester as a child and provided a response (65)



Figure 18 – Have you or a close family member previously served in the UK Armed Forces?

Base: Those who provided a response (4,246)

**Figure 19 – Have you ever contacted a local authority because you were homeless or at risk of becoming homeless?**

Base: Those who provided a response (4,312)



Key Findings

The key findings from the consultation have been summarised below by Enventure Research, an independent research agency:

- **4,737** respondents took part in the consultation, including 1,881 who completed the online survey and a further 2,856 who completed a paper copy of the consultation questionnaire
- 31% of respondents indicated that they or a member of their household were **currently receiving Council Tax Support**
- The **majority of respondents agreed** with all of the Council's proposals in relation to the Council Tax Support scheme
 - 71% agreed that the Council should increase the maximum Council Tax Support to 85% for working age residents, 18% disagreed
 - 65% agreed that the Council should increase the bands of Council Tax Support by 2.5% for residents on Universal Credit, 21% disagreed
 - 72% agreed that the Council should extend the period of backdating from six months to one year where residents have a good reason for not making a claim sooner, 16% disagreed
- Subgroups more likely to **agree** with all three proposals include:
 - Those who are currently receiving Council Tax Support
 - Those who have a disability or long-term health issue
 - Those who have not served in the UK Armed Forces
 - Those who have contacted a local authority due to homelessness
- Subgroups more likely to **disagree** with all three proposals include:
 - Those who are not currently receiving Council Tax Support
 - Those who do not have a disability or long-term health issue
 - Male respondents
 - Those who have served in the UK Armed Forces
- The most common theme amongst those who provided a further comment about the proposals was **agree with/support proposals/would have a positive impact** (27%), followed by **concern about how additional support will be funded/services should not be cut/council tax should not be increased to fund this support** (15%). Both themes were more likely to be suggested by the following subgroups:
 - Those who are currently receiving Council Tax Support
 - Those who agreed with all three proposals
- 12% of further comments related to **cost of living crisis affects everyone/everyone should receive support/unfair for tax payers** and was more likely to be suggested by the following subgroups:
 - Those who are not currently receiving Council Tax Support
 - Those aged 35-54
 - Those who indicated that they have caring responsibilities
 - Those who disagreed with all three proposals
- Another 12% of comments related to the suggestion **more financial support/discounts needed for residents who work** and was more likely to be suggested by the following subgroups:
 - Those who are not currently receiving Council Tax Support
 - Those aged 35-54
 - Female respondents
 - Those who indicated that they have caring responsibilities
 - Those who disagreed with all three proposals



Appendix A

Questionnaire

Council Tax Support Scheme

Have your say on proposed changes



We're proposing some changes to the Council Tax Support Scheme to provide more support for Manchester residents.



We know some residents are struggling due to cost-of-living pressures, and we have introduced a range of measures to help people access food, advice and welfare support. We are proposing to provide further support for some of the poorest households in Manchester as part of the Council's wider response to the challenges facing people in the city.

The Council's present Council Tax Support Scheme pays up to 100% of the council tax bill for pension-age people and up to 82.5% of the council tax bill for working-age people.

We want to increase the level of support we provide for working-age residents to up to 85% of the council tax bill.

We are also looking at extending the backdating period for working and pension-age households to one year.

These proposals would change the Council Tax Support Scheme from 1 April 2024.

We estimate these changes will cost the Council around £770,000.

We'd like your views before we decide

We want your views on proposals for changes to the Council's Council Tax Support Scheme, which helps about a fifth of our residents to pay some of their council tax.

How to have your say

You can have your say on these proposals by completing the consultation survey online at www.manchester.gov.uk/counciltaxsupportchanges or by filling in this paper copy and returning it to us at the Freepost address.

You can also find further information about these proposed changes, including examples of how they could affect those currently receiving support, on the Council's website.

The consultation will close on 12 November 2023.

We'll respect your confidentiality and treat your information in line with data-protection rules. We'll separate any personal details from your answers and store them separately, but we might need to contact you or others if you disclose that someone is at risk of harm.

Consultation questions

Increase of maximum award

Currently, working-age residents can receive support of up to 82.5% of their council tax bill. We want to increase the amount of support that working-age residents can receive. The scheme would provide support up to a maximum of 85% of the council tax bill.

Question 1

Do you agree or disagree that we should increase the maximum Council Tax Support from 82.5% to 85% for working-age residents?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Banding for Universal Credit cases

We currently have a banded scheme for residents who are on Universal Credit. The banded scheme means that small changes in Universal Credit don't always change the amount of Council Tax Support. We want to increase the bands of support by 2.5% so that people on Universal Credit also receive an increase in support.

Below are the current bands of Council Tax Support and the new bands we are proposing.

Band of income	Current Council Tax Support	Proposed Council Tax Support for 2024/25
£0.00 over your applicable amount	82.5% of council tax	85%
£0.01 to £25 over	70%	72.5%
£25.01 to £50 over	45%	47.5%
£50.01 to £75 over	30%	32.5%
£75.01 to £80 over	12%	14.5%
£80.01 over	No support	No support

Question 2

Do you agree or disagree that we should increase the bands of Council Tax Support by 2.5%?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know

Backdating

We currently allow backdating of up to six months where the resident has a good reason for not making a claim sooner. We would like to extend this so that we can backdate for up to one year. This change would apply to claims from people who are pension age as well as working age.

Question 3

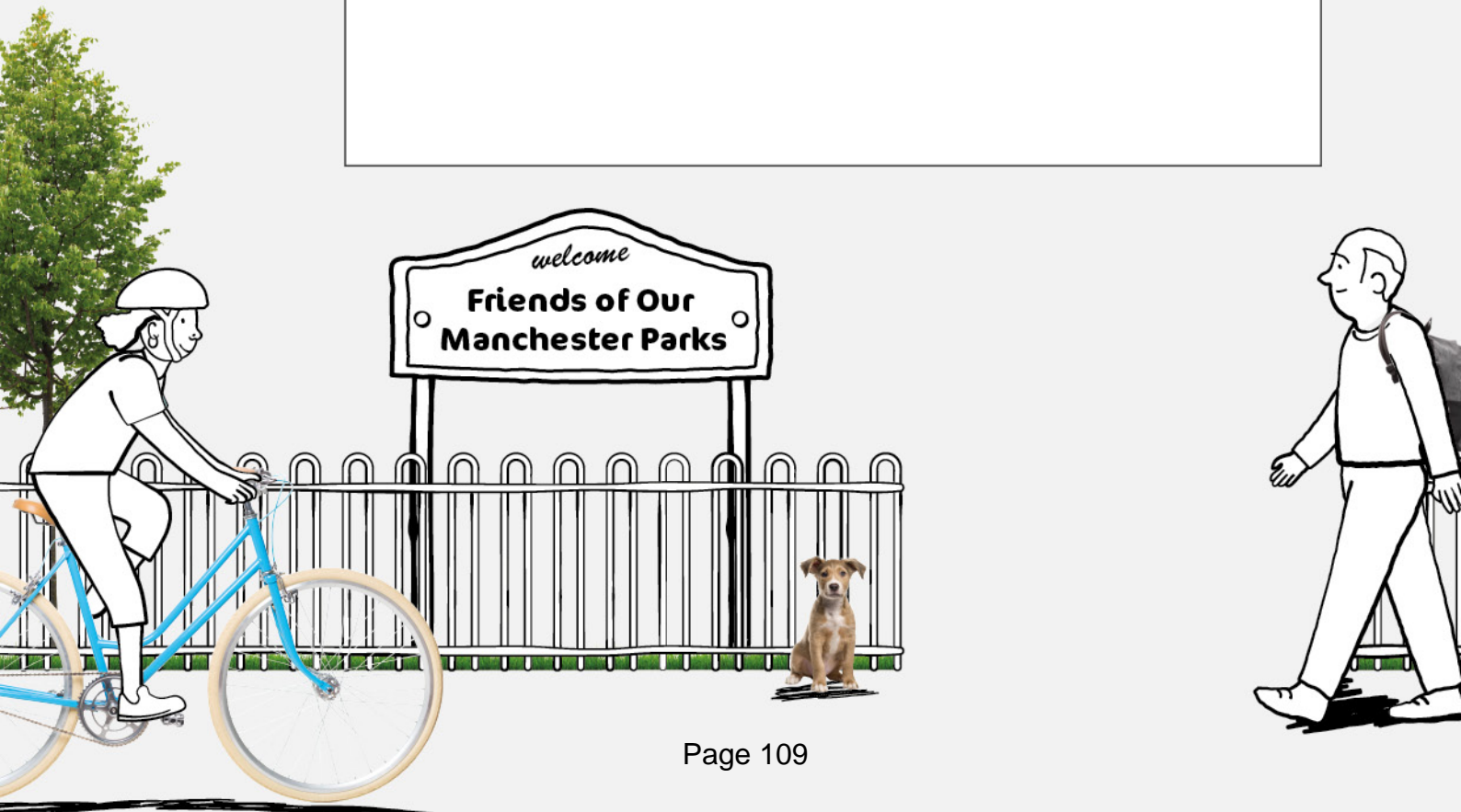
Do you agree or disagree that we should extend the period of backdating from six months to one year where residents have a good reason for not making a claim sooner?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree
- Don't know



Question 4

If you want to give us any views or comments about the proposed changes, please use this space.



What is your postcode?

Do you, or a member of your household, currently receive Council Tax Support?

- Yes
- No
- Don't know

About you

We would like to ask some questions about you. These questions are optional. You do not have to answer them, but in doing so you will be helping Manchester City Council ensure that the views collected through the consultation represent the views of Manchester residents.

All responses will remain confidential.

Question 1

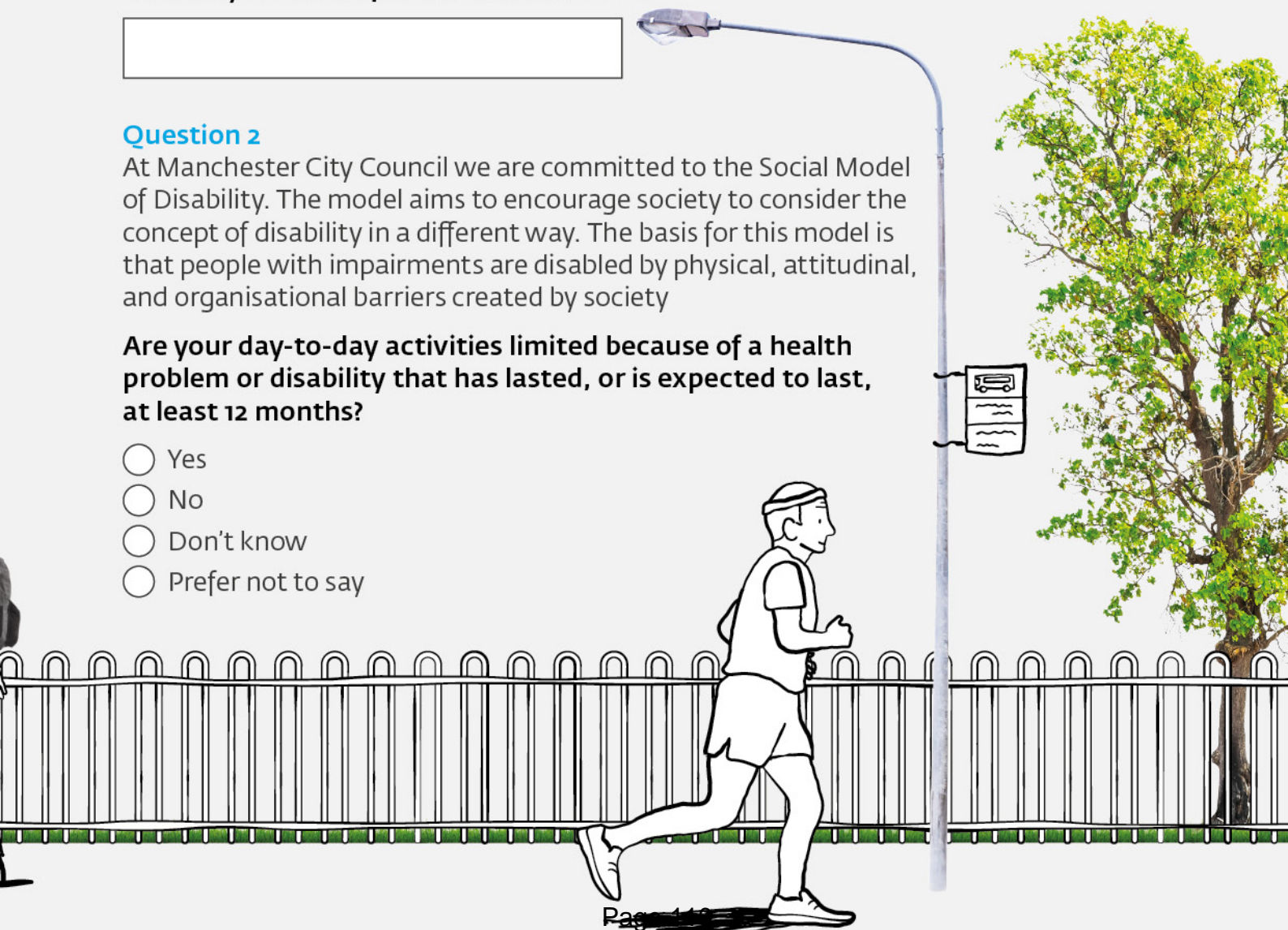
What is your date of birth? DD/MM/YYYY

Question 2

At Manchester City Council we are committed to the Social Model of Disability. The model aims to encourage society to consider the concept of disability in a different way. The basis for this model is that people with impairments are disabled by physical, attitudinal, and organisational barriers created by society

Are your day-to-day activities limited because of a health problem or disability that has lasted, or is expected to last, at least 12 months?

- Yes
- No
- Don't know
- Prefer not to say



Question 3**Which ethnic group do you identify with?****Asian**

- English/Welsh/Scottish
- Northern Irish/British
- Indian
- Pakistani
- Bangladeshi
- Chinese
- Kashmiri

Black

- English/Welsh/Scottish
- Northern Irish/British
- African
- Caribbean

Mixed

- White and Black British
- White and Black African
- White and Black Caribbean
- White and Asian British
- White and Asian (continent)

Other ethnic group

- (please specify)

White

- English/Welsh/Scottish
- Northern Irish/British
- Irish
- Gypsy or Irish Traveller
- Roma
- Prefer not to say



Question 4**What is your sex?**

- Female
- Male
- Prefer not to say

Question 5

In the Equality Act, gender reassignment means proposing to undergo, undergoing, or having undergone a process to reassign your sex. To be protected from gender reassignment discrimination, you do not need to have undergone any medical treatment or surgery to change from your birth sex to your preferred gender.

Is your gender the same as the one you were assigned at birth?

- Yes
- No
- Prefer not to say

Question 6**Which of the following best describes your sexual orientation?**

- Straight or heterosexual
- Gay or lesbian
- Bisexual
- Pansexual
- Asexual
- Queer
- Other

Question 7**Which of the following best describes your religion or belief?**

- Has religion
- Christian
 - Buddhist
 - Hindu
 - Jewish
 - Muslim
 - Sikh
 - Other religion
- No religion
- Prefer not to say



Question 8

Are you currently married or in a civil partnership?

- Yes
- No
- Prefer not to say

Question 9a

Do you have caring responsibilities? If yes, please tick all that apply:

- Primary carer of a child/children (under 18)
- Primary carer of a disabled child/children
- Primary carer of a disabled adult (18 and over)
- Primary carer of older person
- Secondary carer (another person carries out the main caring role)
- Prefer not to say

Question 9b

Is any of the care you provide paid?

- Yes
- No
- Prefer not to say

Question 10a

Have you ever been looked after in local authority care as a child?

- Yes
- No
- Prefer not to say



Question 10b

If yes, was this in Manchester?

- Yes
- No
- Prefer not to say

Question 10c

Are you still receiving support from Leaving Care or a Looked After team in Manchester?

- Yes
- No
- Prefer not to say

Question 11

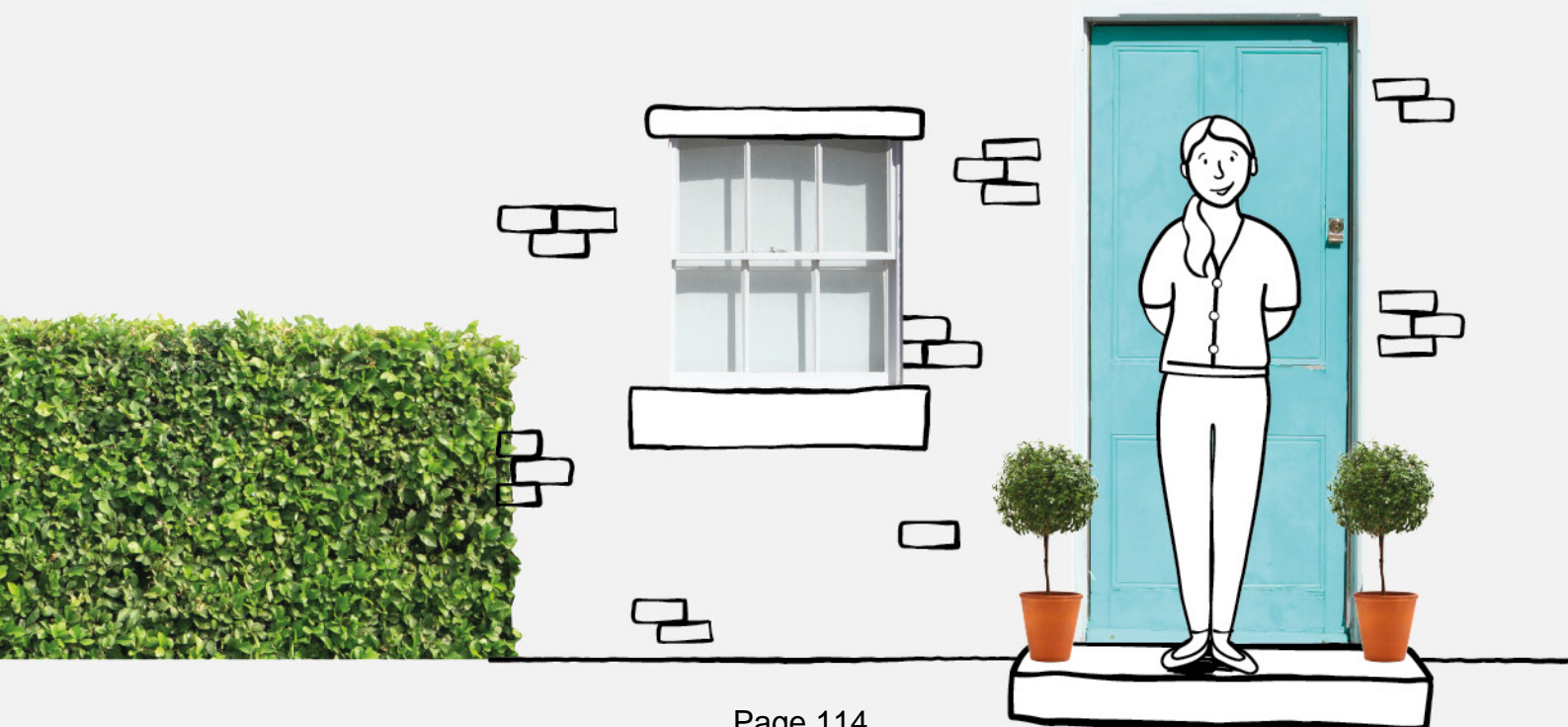
Have you or a close family member previously served in the UK Armed Forces?

- Yes
- No
- Prefer not to say

Question 12

Have you ever contacted a local authority because you were homeless or at risk of becoming homeless?

- Yes
- No
- Prefer not to say



Data protection and confidentiality

We comply with all legislation governing the protection of personal information, including the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). Any personal information you supply will remain strictly confidential and anonymous and will be held and used in line with the Data Protection Act 2018. We will only use your personal information for the purpose for which it has been given.

Find out more at: www.manchester.gov.uk/privacy

The consultation closes on 12 November 2023

Please return this questionnaire before the closing date to:

Freepost MCC (Council Tax Support Scheme Consultation)
Manchester City Council
PO Box 532
Manchester
M60 2LA

You do not need a stamp.

Appendix B

Written response from
the Royal British Legion



Manchester Council Tax Support Scheme consultation

The Royal British Legion response, November 2023

1. About Us

- 1.1. The Royal British Legion (RBL) is at the heart of a national network that supports our Armed Forces community through thick and thin – ensuring that their unique contribution is never forgotten. We were created as a unifying force for the military charity sector at the end of the First World War, and remain one of the UK's largest membership organisations. The RBL is the largest welfare provider in the Armed Forces charity sector, helping veterans young and old transition into civilian life. We help with employment, financial issues, respite, and recovery, through to lifelong care and independent living. For further information, please visit www.britishlegion.org.uk
- 1.2. The RBL Benefits Debt and Money Advice (BDMA) Service provides free debt and money advice including advice on bankruptcy and debt relief, benefit checks and income maximisation, as well as benefit claims and challenging decisions up to and including the upper tribunal. The service works through England, Wales and Northern Ireland and has 33 advisers across the UK, 13 of which are based in our Contact Centre in Wales.

2. General Comments

- 2.1. The RBL is pleased to have the opportunity to respond to Manchester City Council's call for comments and feedback on its new Council Tax Support Scheme from 1st April 2024.
- 2.2. We note the principles of the Armed Forces Covenant, to which Manchester City Council is a signatory¹ that:

Those who serve in the Armed Forces, whether Regular or Reserve, those who have served in the past, and their families, should face no disadvantage compared to other citizens in the provision of public and commercial services. Special consideration is appropriate in some cases, especially for those who have given most such as the injured and the bereaved.²

¹ Manchester City Council, [The Armed Forces Community Covenant](#)

² Ministry of Defence, [Armed Forces Covenant](#), (2011)

- 2.3. As a charity providing welfare and support to the Armed Forces community in the UK, we have restricted our answers to the questions and themes where we can provide expertise and insight.
- 2.4. Manchester is home to 858 recipients of Armed Forces pensions or compensation.³
- 2.5. Serving Armed Forces personnel, ex-serving personnel and their families are also resident in Manchester. The 2021 census records 7,728 individuals residing in Manchester as having previously served in any UK Armed Forces. This is made up of 5,114 individuals who have previously served in the UK regular Armed Forces, 2,303 who previously served in the reserve Armed Forces, and 311 who previously served in both the regular and reserve Armed Forces.⁴

3. Identifying the Armed Forces community

- 3.1. The effective provision of appropriate, specialised advice and support to members of the Armed Forces community is reliant on early identification of ex-Service personnel and their families.
- 3.2. The RBL has long called on all public bodies to ‘ask the question’ at the first point of contact with members of the public. We welcome that the public survey for this consultation invites respondents to state any close association to the Armed Forces. ‘Asking the question’ allows identified veterans and family members to be pointed to specialised routes of support and ensures they are given the most appropriate help in a timely manner. **Manchester City Council should ensure that all residents approaching the Council Tax Support Scheme and other benefit services are asked a question that will identify:**
- **Former members of HM Armed Forces, Regular and Reserve**
 - **Spouse or Partner of serving or former members of HM Armed Forces**
 - **Widow(er)s of serving or former members of HM Armed Forces**
 - **Dependent children of serving or former members of HM Armed Forces**
 - **Recently divorced or separated spouses or partners of serving or former members of HM Armed Forces**
- 3.3. In 2017, research highlighted that more needs to be done to upskill frontline welfare staff in local authorities with regards to the Armed Forces Covenant. Over a third of all councils in England, Wales and Scotland have no mechanism in place for briefing staff on the Armed Forces Covenant (39%). Within the Armed Forces community only 4.5% felt that all councils had a good understanding of their needs.⁵ **We recommend that Manchester City Council assesses all intended staff training processes to ensure that all relevant staff are aware of the policies specific to the Armed Forces community and the Council’s commitment to the Armed Forces Covenant.**

³ Ministry of Defence (2023), *Supplementary tables: location of armed forces pension and compensation recipients as at 31 March 2023*, Table 3, available at [Location of armed forces pension and compensation recipients: 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118444/Location_of_armed_forces_pension_and_compensation_recipients_2023_-_GOV.UK_(www.gov.uk).pdf)

⁴ Office for National Statistics, [UK armed forces veteran data, England and Wales: Census 2021](https://www.ons.gov.uk/peoplepopulationandcommunity/armedforcesandveterans/bulletins/ukarmedforcesveteranandfamilydata/2021)

⁵ Shared Intelligence et al, [Our Community - Our Covenant 2nd Edition](https://www.sharedintelligence.co.uk/our-community-our-covenant-2nd-edition/) (2017)

4. Credit their Service Campaign

- 4.1. In July 2023, RBL launched a new campaign called Credit their Service⁶, which calls on the Government to end the unfair treatment of military compensation as income in means tests for welfare benefit, which results in veterans and their families missing out on thousands of pounds each year.
- 4.2. In the summer of 2022, RBL undertook an extensive Freedom of Information (Fol) request exercise of all local authorities in Great Britain to understand how each local authority treated military compensation in their means tested benefits, including Council Tax Support, Housing Benefit, Discretionary Housing Payments and Disabled Facilities Grants. Manchester responded to RBL's Fol request with the following information:

**Answers provided are displayed within the square brackets, i.e., []*

1. Does the Local Authority disregard all payments made under the Armed Forces Compensation Scheme (2005) as income, when assessing eligibility for:

- a. Housing Benefit [Yes]*
- b. Council Tax Support/ Council Tax Support [Yes]*
- c. Discretionary Housing Payments [No]*
- d. Disabled Facilities Grants (England and Wales only) [No]*

(Please answer YES/NO)

2. Does the Local Authority disregard all payments made under the War Pension scheme, as income, when assessing eligibility for:

- a. Housing Benefit [Yes]*
- b. Council Tax Support/ Council Tax Support [Yes]*
- c. Discretionary Housing Payments [No]*
- d. Disabled Facilities Grants (England and Wales only) [No]*

(Please answer YES/NO)

3. Does the Local Authority disregard a Service Invaliding Pension or Service Attributable Pension, paid under the Armed Forces Pension Scheme, as income, when assessing eligibility for:

- a. Housing Benefit [Yes]*
- b. Council Tax Support/ Council Tax Support [Yes]*
- c. Discretionary Housing Payments [No]*
- d. Disabled Facilities Grants (England and Wales only) [No]*

(Please answer YES/NO)

- 4.3. We welcome that Manchester City Council is already disregarding as income all payments made under the Armed Forces Compensation Scheme (2005), the War Pension Scheme,

⁶ Royal British Legion, [Credit their Service Campaign](#)

and Service Invaliding (SIP) and Service Attributable Pensions when assessing eligibility for Council Tax Support and Housing Benefit.

- 4.4. RBL recommends that Manchester City Council continues to fully disregard all forms of military compensation as income in assessments for Council Tax Support, and ensure that this is reflected within policy. RBL also recommends that the Council seeks to introduce these same disregards in relation to all other locally administered benefits.**

5. Survey Questions

- 5.1. RBL has no comment to make, either in support or objection, to other proposed aspects of the new Council Tax Support Scheme. We do not consider it will impact our beneficiary group in the Armed Forces community disproportionately to the general population.

6. Summary of Recommendations

- 6.1. Manchester City Council should ensure that all residents approaching the Council Tax Support Scheme and other benefit services are asked a question that will identify:

- Former members of HM Armed Forces, Regular and Reserve
- Spouse or Partner of serving or former members of HM Armed Forces
- Widow(er)s of serving or former members of HM Armed Forces
- Dependent children of serving or former members of HM Armed Forces
- Recently divorced or separated spouses or partners of serving or former members of HM Armed Forces

- 6.2. We recommend that Manchester City Council assesses all intended staff training processes to ensure that all relevant staff are aware of the policies specific to the Armed Forces community and the Council's commitment to the Armed Forces Covenant.

- 6.3. RBL recommends that Manchester City Council continues to fully disregard all forms of military compensation as income in assessments for Council Tax Support, and ensure that this is reflected within policy. RBL also recommends that the Council seeks to introduce these same disregards in relation to all other locally administered benefits.







For further information or to discuss, please contact Luke Lancaster, Public Affairs and Campaigns Officer (North) - llancaster@britishlegion.org.uk






November 2023



Appendix 3: Consultation ethnicity responses

Question 3. Which ethnic group do you identify with?				
Answer Choices			Response Percent	Response Total
Asian				
1	English/Welsh/Scottish		5.54%	247
2	Northern Irish/British		0.61%	27
3	Indian		2.36%	105
4	Pakistani		6.71%	299
5	Bangladeshi		1.14%	51
6	Chinese		1.84%	82
7	Kashmiri		0.13%	6
Black				
8	English/Welsh/Scottish		0.61%	27
9	Northern Irish/British		0.22%	10
10	African		8.17%	364
11	Caribbean		2.18%	97
Mixed				
12	White and Black British		0.76%	34
13	White and Black African		0.76%	34
14	White and Black Caribbean		0.85%	38
15	White and Asian British		0.67%	30
16	White and Asian (continent)		0.49%	22
White				
17	English/Welsh/Scottish		47.68%	2125
18	Northern Irish/British		1.66%	74
19	Irish		2.24%	100
20	Gypsy or Irish Traveller		0.07%	3
21	Roma		0.18%	8
Prefer not to say				
22	Prefer not to say		5.68%	253
Other Ethnic Group				
23	Other (please specify):		9.45%	421

Question 3. Which ethnic group do you identify with?				
Answer Choices			Response Percent	Response Total
	Asian		18.33%	817
	Black		11.17%	498
	Mixed		3.54%	158
	White		51.83%	2310
	Prefer not to say		5.68%	253
	Other (please specify)		9.45%	421

Census 2021 Ethnicity Breakdown			Response Percent	Response Total
	Asian, Asian British or Asian Welsh		20.86%	115,109
	Black, Black British, Black Welsh, Caribbean or African		11.94%	65,893
	Mixed or Multiple ethnic groups		5.26%	29,062
	White		56.82%	313,632
	Other ethnic group		5.12%	28,278

Equality Impact Assessment

1. Tell us about your service

My Directorate	Corporate Services
My Service	Revenues and Benefits
My team / section	Business Development Team
The name of the function being analysed	Council Tax Support scheme – proposed changes to the scheme from 1 April 24
Who is completing the assessment?	Amy Brickland
Who is the lead manager for the assessment?	Matthew Hassall

2. Tell us about the activity that you're analysing

Briefly describe the main aims and objectives of your policy, project, service redesign or strategy, including outlining at a high level if it has implications for other areas of the Council's work and priorities.

We know some residents are struggling due to the cost-of-living pressures. We are proposing to provide support for some of the poorest households in Manchester as part of the Council's wider response to the challenges facing people in the city. The Council's present Council Tax Support scheme pays up to 100% of the bill for pension-age people and 82.5% for working-age people. We want to increase the level of support we provide for working-age residents to 85%. We currently have a Council Tax Support banded scheme for households who receive Universal Credit. We want to increase the bands of support by 2.5% so that those on Universal Credit do not lose out on the increase in support. We are also proposing to increase backdating for working and pension-age households to one year. These proposals would change the scheme from 1 April 2024. We estimate the changes would cost between c£700k to c£770k. There are currently 47,702 households in Manchester who receive Council Tax Support, 32,326 of these are working-age households.

TIP: briefly summarise the key points and keep your answer under 500 words.

TIP: try not to duplicate information that's available elsewhere; you can easily use this space to signpost to other sources of background information instead of rewriting them here.

3. Analysing the impact on equality

Will the policy, strategy, project, service redesign being assessed here... (Tick all that apply):

Remove or minimise disadvantages suffered by individuals or groups because of their characteristics	yes
Meet the needs of people from protected or disadvantaged groups where these are different from the needs of other people	yes
Promote diversity and encourage people from protected or disadvantaged groups to participate in activities where they are underrepresented	no

Describe how you've reached your conclusion and what evidence it's based on (500 words max).

The increase to the maximum Council Tax Support we pay will be applied to all working-age households who receive Council Tax Support. This will not disadvantage groups or individuals based on their characteristics.

The increase to the length of time we can backdate Council Tax Support for working-age and pension-age households is likely to support individuals who have been unable to make a claim for Council Tax Support earlier. This may include residents who have a continuing health condition or those who may have needed support to make their claim.

Manchester's present scheme is primarily based on the default provisions offered by the government in 2012 and where possible uses the DWP assessment of income and needs, minimising the need for further means-testing by the local authority.

This assessment provides for additional financial support for people with disabilities, caring responsibilities and those responsible for children.

Although Universal Credit does not entirely match the detail of legacy benefits, it does make provision for people with disabilities and caring responsibilities; it makes provision for children; it helps with rent, and it provides work incentives. In 2019 the banded scheme was introduced for those on Universal Credit. At the time it was concluded that it would be appropriate to align Manchester's Council Tax Support scheme with Universal Credit, particularly where it enables the Council to draw on the assessment work carried out by DWP to minimise costs and reduce the need for claimants to provide the Council with the same information and evidence they have already provided to DWP.

A Discretionary Council Tax Payment scheme is available to residents who have anomalous or complex situations which result in them struggling to pay their Council Tax. Support through the scheme is also made available to households who have been hardest hit by the Welfare Reform agenda.

Considering which group/s you have identified the policy, project, strategy or service redesign as being relevant to, complete the table below. Be brief with your answers and only complete them for the group/s relevant to your activity. If you identify any

actions to address impacts, list these in Annex 1 along with responsible officers and timescales for each action.

	1. What is the impact of your proposal on this group? 1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation	2. What evidence have you used to reach this assessment? Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes	3. What actions could be taken to address the impacts? 1) to what extent does this proposal meet our equality duties 2) should or could this be improved
Age (older people)	<p>The increase in the maximum Council Tax Support award from 82.5% to 85% does not affect pension-age households. They already receive support up to 100% of their bill.</p> <p>The increase in the backdating period does not disadvantage this group, it will provide increased support for those who have a good reason for not being able to make a claim sooner.</p>	<p>15,376 pension-age households receive Council Tax Support in Manchester. This is 32% of those who receive Council Tax Support. Data from the 2021 Census showed that 9.2% of those who live in Manchester are aged 65 or over. This data suggests that those who are over pension-age are more likely to be entitled to Council Tax Support than those who are working-age.</p>	<p>Pension-age households will remain entitled to receive Council Tax Support up to 100% of their bill. If they delay making a claim for Council Tax Support we will be able to consider backdating the claim for 12 months rather than the current three month limit.</p> <p>Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
<p>Age (children and young people)</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support for working-age people. The increase in the backdating period does not disadvantage this group, it is likely to be a benefit.</p>	<p>In Manchester there are 12,508 households who receive Council Tax Support and are responsible for a child or young person. Of these, 12,318 are working-age households. 26% of those households who receive Council Tax Support are responsible for a child or young person. Data from the 2021 Census showed that 16.9% of households in Manchester included a child or young person. The data suggests that people who are responsible for a child or young person are more likely to receive Council Tax Support than those who aren't responsible for a child or young person. Therefore, increasing the Council Tax Support award will provide increased support for this group.</p>	<p>Working-age households with children or young people will receive Council Tax Support up to the same maximum level as all working-age households. The Council Tax Support calculation for these families includes an amount in respect of the children who are part of the household although in some cases this is limited to a maximum of two children. Universal Credit and Tax Credits also provide support for children. Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>

<p>Disability (including continuing health conditions)</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support for working-age people with disabilities and/or health conditions. The increase in the backdating period is likely to benefit this group as it will allow for backdating where health problems have delayed a resident making a claim.</p>	<p>Council Tax Support data show that of the 32,326 working-age households receiving support, 14,827 receive additional support from the Department for Work and Pensions in respect of a disability or health condition. These include people receiving Personal Independence Payments, Employment and Support Allowance or the Limited Capacity for Working or Limited Capacity for Work Related Activity in their Universal Credit assessment.</p> <p>Data shows that of the 15,376 pension-age Council Tax Support cases, 6,610 of these receive an additional amount of support in their Council Tax Support calculation or their Pension Credit calculation in respect of a disability.</p> <p>In total, 21,986 of the Council Tax Support cases have an indicator showing that either the applicant or partner receives additional benefits due to a disability. This is 46% of the cases receiving Council Tax Support.</p> <p>Data from the 2021 census shows that 34% of households in Manchester contained at least one person with a disability.</p>	<p>Households with a disability will receive Council Tax Support up to the same maximum level as other households. They will be receiving additional financial support for their health condition from the Department for Work and Pensions and in some cases they will also receive extra support in the way their Council Tax Support is calculated. Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>
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	1. What is the impact of your proposal on this group? 1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation	2. What evidence have you used to reach this assessment? Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes	3. What actions could be taken to address the impacts? 1) to what extent does this proposal meet our equality duties 2) should or could this be improved
		It therefore appears that those with a disability or health condition are more likely to be in receipt of Council Tax Support than other households.	

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
<p>Race</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We ask residents to provide details of their ethnicity on the Council Tax Support application form. Providing this information is optional. The options residents can select are set by the Department for Work and Pensions. They do not directly correspond to the information collected in the census or other data the council may hold. We have 47,702 live Council Tax Support claims, we hold ethnic information for 36,045 of these.</p> <p>This data shows that 59% of Council Tax Support claims are from White;British residents, 7.4% are from Asian/Asian British: Pakistani residents, 4.6% are from black/black British : African residents, 3.1% are from White: Irish residents. Other ethnicities represented less than 3% of those claiming Council Tax Support.</p>	<p>Households receive Council Tax Support up to the same maximum level regardless of their race. The increase in the backdating period is likely to provide support to residents who may have struggled to make a claim sooner, for example because they needed help to make their claim in another language. If people need help to claim in another language then they are directed for support from Citizens Advice Manchester or to local support groups who can provide assistance. Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
Sex	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>The data shows that of the 47,702 live cases, 40,052 of these are claims from single people. Of these 25,143 (63%) are claims from women and 14,909 (37%) are from men. The census data shows that across Manchester 49.7% of the population are female and 50.3% are male. It therefore appears that woman are more likely than men to receive Council Tax Support and are therefore more likely to benefit from the proposed increases from April 2024.</p>	<p>The current scheme and the proposed scheme provide the same level of support to residents regardless of their gender. This is in line with other Department for Work and Pensions benefits. Any household that is struggling to pay their Council Tax can apply for extra support through the Discretionary Council Tax Payment scheme.</p>

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
<p>Sexual Orientation</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We do not hold data about the sexual orientation of those who receive benefits. The census data shows that, in Manchester, 6.6% of the population identify as one of the following; Gay or Lesbian, bisexual, pansexual, queer, or asexual. This compares with national data that shows 3.16% of the population identified as falling into one of these groups.</p>	<p>The current scheme and the proposed scheme provide the same level of support to residents regardless of their sexual orientation. This is in line with other Department for Work and Pensions benefits and support payments. Any household that is struggling to pay their Council Tax can apply for extra support through the Discretionary Council Tax Payment scheme.</p>

	1. What is the impact of your proposal on this group? 1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation	2. What evidence have you used to reach this assessment? Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes	3. What actions could be taken to address the impacts? 1) to what extent does this proposal meet our equality duties 2) should or could this be improved
Marriage / civil partnership	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We do not hold data on how many people are married or in civil partnerships. We do hold data showing how many people claim as a single person and how many are a couple.</p> <p>The data shows that the majority of the Council Tax Support claims we have in payment are for single households rather than couples. We have 7,650 (16%) claims from couples and 40,052 (84%) claims from single people. These figures may reflect that fact that households with two incomes are less likely to qualify for benefits than single households.</p>	<p>The current scheme and the proposed scheme provide the same level of support to residents claiming as a couple, regardless of whether they are married or in a civil partnership. This is in line with other Department for Work and Pensions benefits and support payments. Any household that is struggling to pay their Council Tax can apply for extra support through the Discretionary Council Tax Payment scheme.</p>

	1. What is the impact of your proposal on this group? 1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation	2. What evidence have you used to reach this assessment? Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes	3. What actions could be taken to address the impacts? 1) to what extent does this proposal meet our equality duties 2) should or could this be improved
Pregnancy / maternity	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We do not collect information on whether a resident is pregnant. If a resident has a reduction in their income while pregnant, for example because they are unable to work as many hours as usual or because their income drops while on maternity leave, then this would be taken into account when calculating their Council Tax Support entitlement.</p>	<p>The current scheme and the proposed scheme provide the same level of support to residents regardless of whether they are pregnant. This is in line with other Department for Work and Pensions benefits and support payments. Any household that is struggling to pay their Council Tax can apply for extra support through the Discretionary Council Tax Payment scheme.</p>
Gender Reassignment	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We do not collect information on whether a resident receiving Council Tax Support has undertaken gender reassignment. Census data for Manchester shows that 1.2% of the population have a different identity was different to their sex registered at birth. This compares with 0.5% of the population nationally.</p>	<p>The current scheme and the proposed scheme provide the same level of support to residents regardless of whether they have undertaken gender reassignment. This is in line with other Department for Work and Pensions benefits and support payments. Any household that is struggling to pay their Council Tax can apply for extra support through the Discretionary Council Tax Payment scheme.</p>

	1. What is the impact of your proposal on this group? 1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation	2. What evidence have you used to reach this assessment? Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes	3. What actions could be taken to address the impacts? 1) to what extent does this proposal meet our equality duties 2) should or could this be improved
Faith / religion / belief	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We do not collect data on the faith/religion/belief of residents who claim Council Tax Support.</p>	<p>The current scheme and the proposed scheme provide the same level of support to residents regardless of their religion. This is in line with other Department for Work and Pensions benefits and support payments. Any household that is struggling to pay their Council Tax can apply for extra support through the Discretionary Council Tax Payment scheme.</p>
Additional Characteristics			

	1. What is the impact of your proposal on this group? 1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation	2. What evidence have you used to reach this assessment? Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes	3. What actions could be taken to address the impacts? 1) to what extent does this proposal meet our equality duties 2) should or could this be improved
People living in poverty	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. This is likely to support people who are living in poverty and have low incomes as it will mean they have less to pay towards their Council Tax bill. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner. This will allow us to reduce or clear outstanding Council Tax bills which is likely to be a support to those who are living in poverty.</p>	<p>All of those who receive Council Tax Support are on a low income and therefore likely to be classed as living in poverty. These changes will provide extra support for these residents.</p>	<p>Discretionary Council Tax payments are also available to households who are struggling to pay their Council Tax.</p>

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
<p>Carers</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>Council Tax Support data shows that 6,702 households receive additional support in their benefit calculation in respect of being a carer and receiving Carers Allowance. This is 14% of the households receiving Council Tax Support. Census data does not provide a direct comparison on those who are carers in Manchester. The census data does show that a total of 22,584 residents in Manchester provide over 20 hours of care each week. This is 4% of residents in Manchester. These figures show that people with caring responsibilities in Manchester are more likely to receive Council Tax Support in Manchester than those who do not.</p>	<p>Households with caring responsibility will receive Council Tax Support up to the same maximum level as other households. They will be receiving additional financial support in the form of Carers Allowance from the Department for Work and Pensions. Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
<p>Homeless people</p>	<p>The changes to Council Tax Support will primarily impact on residents who are liable for Council Tax and therefore who have a home. However, the increase in support will reduce the amount of Council Tax that would otherwise be owed. Council Tax debts are something that homeless residents may struggle with when they are rehomed.</p>	<p>Census data on how many people were homeless is not yet available. Data published by Shelter on 2022 homeless figures showed that in Manchester as at 30 June 2022 there were 7,450 people who were homeless. This included people who were living in temporary accommodation. Their figures showed that Manchester was in the top 30 of local authorities for the number of people who were homeless.</p>	<p>Households with experience of homelessness will receive Council Tax Support up to the same maximum level as other households. Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>

	<p>1. What is the impact of your proposal on this group?</p> <p>1) does your proposal remove or minimise disadvantage for each group 2) does it meet needs that are different from other people's 3) does it promote diversity or encourages participation</p>	<p>2. What evidence have you used to reach this assessment?</p> <p>Evidence could include customer profile data, demographic information, research, or engagement and consultation outcomes</p>	<p>3. What actions could be taken to address the impacts?</p> <p>1) to what extent does this proposal meet our equality duties 2) should or could this be improved</p>
<p>Ex-Armed Forces veterans and families</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. Pension-age residents already receive support up to 100% of their bill. The increase in the backdating period is likely to provide extra support for those who were unable to apply for support sooner.</p>	<p>We do not hold data on how many residents claiming Council Tax Support are ex Armed Forces veterans. Census data shows that Manchester has 1.8% of residents aged 16 and over have previously served in the armed forces. This is lower than the national average of 3.8%.</p>	<p>Ex-Armed Forces veterans and family households will receive Council Tax Support up to the same maximum level as other households. Many incomes paid to those who have left the armed forces are disregarded when calculating Council Tax Support and Universal Credit. Discretionary Council Tax Payments are also available if a household is experiencing significant hardship and unable to pay their Council Tax bill.</p>
<p>Care-experienced young people and care-leavers</p>	<p>The increase in the maximum Council Tax Support award to 85% will provide increased support to working-age people. The council provides additional support to care leavers through its discretionary payment scheme. All care leavers received an additional payment through the discretionary scheme to clear their Council Tax bill up to the age of 25. If they live with others then their share of the bill is covered.</p>	<p>In 2022/23 we awarded additional help with Council Tax to 490 care leavers. Up to 1 November 2023 we have awarded additional help with Council Tax to 528 care leavers.</p>	<p>Care Leavers receive additional support through our care leaver scheme. This means that they are not required to pay Council Tax up to the age of 25.</p>

4. Quality Assurance - Equality, Diversity and Inclusion Team

EDI Team: Name	Barry Young	Date reviewed:	7 December 2023
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5. Head of Service Approval

Your completed analysis needs to be signed off by your Head of Service.

Name:	Matthew Hassall	Date:	12 December 2023
Job title:	Head of Corporate Assessments	Signature:	Matthew Hassall

Manchester City Council

Local Council Tax Support Scheme 2024

effective from 1 April 2024

Introduction

The Welfare Reform Act 2012 abolished Council Tax Benefit and the Local Government Finance Act 2012 made provision for local authorities to devise their own schemes for a Council Tax Support discount to assist people on low incomes to pay their Council Tax.

People over pension age are protected by regulations requiring a local scheme to retain most features of the former Council Tax Benefit scheme. People below pension age are covered by a locally defined scheme that is subject to only limited national prescription.

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885) set out the scheme provisions that local authorities must adopt for people over pension age and additionally prescribe a small number of provisions that local authorities must incorporate into their local scheme for people of working age. These regulations will be maintained across time.

The Council Tax Reductions Schemes (Default Scheme) (England) Regulations 2012 (SI 2012/2886) prescribed the scheme that would be a local authority's local scheme if the local authority failed to make a local scheme by 31 January 2013. As such, these regulations will not be maintained beyond that date as any local authority on which the default scheme was imposed will have that as its local scheme and will be responsible for maintaining it.

Both of these regulations were amended for the first year of the scheme by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (England) (Amendment) Regulations 2012 (SI 2012/3085) to uprate amounts in line with the general 2013 Social Security uprating. Regulations changing the scheme for subsequent years are set out in the Annexe at the end of this Scheme.

Manchester's scheme for people of working age is based on the government's default scheme subject to the modifications specified below. The Council at its meeting of **31 January 2024** decided to make this scheme, applicable from 1 April 2024. It is a revision of the Council's 2013 and subsequent Council Tax Support Schemes. Through powers it delegated to the City Treasurer it has been further

revised from 1 April 2023 to incorporate updated amounts for applicable amounts, disregards and non-dependant deductions. Note that the 2017, 2018 and 2019 upratings reflected the freeze on basic applicable amounts while amounts for disability and carers were increased in line with inflation and new non-dependant deduction rates and their related income bands equivalent to the prescribed values for people over pension age have been applied.

Part A

Council Tax Support for people of pension age

For a person to whom regulation 3 (a) of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 applies (a “pensioner”), the classes of person entitled to Council Tax Support under this scheme for any week are classes A, B and C as defined in Part 1 of Schedule 1 of those regulations and the provisions of those regulations, amended as may be from time to time, shall apply,

save that

1. In paragraph 1 of schedule 5 of those regulations (disregard of pensions paid for war disablement and to war widows and war widowers), the amount to be disregarded shall be the whole of that income.
2. The amount of the family premium shall continue to align to the equivalent for people of working age unless the government prescribes a higher amount.
3. In matters not prescribed by the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, the provisions of the Council Tax Reductions Schemes (Default Scheme) (England) Regulations 2012 as they relate to pensioners shall apply.

Part B

Council Tax Support for people of working age

For a person to whom regulation 3 (b) of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 applies (a “person who is not a pensioner”), the classes of person entitled to Council Tax Support under this scheme for any week are those prescribed in paragraphs 16 and 17 of the Schedule to the Council Tax Reductions Schemes (Default Scheme) (England) Regulations 2012 (Class D and Class E) and the provisions of

- Parts 1 to 3 and schedules 7 and 8 of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 as subsequently amended,
- The Council Tax Reductions Schemes (Default Scheme) (England) Regulations 2012, and

- The Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme)(England)(Amendment) Regulations 2012

shall apply,

save as follows:-

People of Working Age

1. For the avoidance of doubt, a person who is not a pensioner shall be treated as a pensioner if he is one of a couple and the other member of that couple has reached the qualifying age for state pension credit and neither member of the couple is
 - (a) a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance, or
 - (b) a person with an award of universal credit.

Maximum Council Tax Reduction

2. In paragraph 29 (1) of the Default Scheme, for a person who is not a pensioner and who is not in receipt of Universal Credit, the amount of a person's maximum council tax reduction in respect of a day is 85% of the amount A/B where—
 - (a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 30 (non-dependant deductions: pensioners and persons who are not pensioners).

Assessment of income and capital

3. In paragraph 20 of schedule 8 of the Default Scheme (disregard of pensions paid for war disablement and to war widows and war widowers), the amount to be disregarded shall be the whole of that income.

Delay in reporting changes

4. Paragraph 107 of the Default Scheme is subject to the proviso that where an applicant (or any person acting on his behalf) fails to notify a relevant change of circumstances in accordance with paragraph 9 of Schedule 8 to the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (SI 2012/2885)(reproduced in paragraph 115 of the Default Scheme) and that change would result in an increase in the amount of a reduction, the amount of the reduction granted shall not be increased for any day before the day on which the authority received notification of that change.

Uprating

5. The Council shall review the amounts specified in this scheme (these being those set in the 2018 scheme) before 1 April 2019 and thereafter annually, having regard in particular, but not exclusively, to
 - (a) the level of funding to be provided by the Secretary for State for Communities and Local Government,
 - (b) figures prescribed in the Default Requirements for pensioners, and
 - (c) comparable figures in the Housing Benefit scheme.

The resulting figures for 2023 are set out in Appendix 1 below.

Alternative maximum council tax reduction

6. Paragraph 18, Part 8 and Schedule 4 of the Default Scheme shall not apply.
7. For the words “classes D to F” in the Default Scheme there shall be substituted the words “classes D and E”.

Family Premium

8. The provisions set out in regulations 2 and 4 of the Housing Benefit (Abolition of the Family Premium and date of claim) (Amendment) Regulations 2015 [SI 1857 of 2015] to exclude the family premium from the applicable amount of a new applicant shall apply to the applicable amount for Council Tax Support from 1 April 2017 for new claims made on or after 1 April 2017 and for existing applicants where a first child is born or a child joins a household that does not include children on or after 1 April 2017.

Applicable amounts for children

9. The provisions set out in The Social Security (Restrictions on Amounts for Children and Qualifying Young Persons) Amendment Regulations 2017 [SI 376 of 2017] to exclude, with exceptions, additional applicable amounts in the Housing Benefit scheme for a third or subsequent child born or joining the household on or after 1 April 2017 shall apply equally in the assessment of the applicable amount for Council Tax Support.

[Note that The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 (SI2017/1305) makes corresponding provision for people of pension age to be included in the scheme.]

Temporary absence from home

10. Where a person of working age is absent from Great Britain for more than four weeks, the provisions of the Housing Benefit scheme set out in the Housing Benefit and State Pension Credit (Temporary Absence) (Amendment) Regulations 2016 (S.I.2016 No.624) shall apply also to Council Tax Support.

[Note that The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016 (SI2016/1262) makes corresponding provision for people of pension age to be included in the scheme.]

Part C

Provisions common to people of pension age and people of working age

Transitional

1. A person entitled to Council Tax Support in respect of 31 March 2024 or who has made a timely claim for Council Tax Support in respect of 31 March 2024 and whose claim has not yet been determined shall be treated as having made an application for a reduction under this scheme from 1 April 2024.

Technical amendments

2. The Council shall review and amend this scheme as appropriate to reflect changes to legislation referenced in this scheme, changes to the Council Tax scheme itself, decisions of the courts, new sources of income, for example allowances paid under government schemes, and such other matters that appear to require technical amendment to maintain the coherence and intentions of this scheme.

Reviews and appeals

3. Where the provisions of this scheme align with those of the Housing Benefit scheme, the Council will apply the findings of a Lower or Upper Tier Tribunal on Housing Benefit as being applicable to the amount of a reduction under this scheme unless a valuation tribunal determines otherwise.
4. The Council may review and change any decision relating to a reduction to correct an accidental error or to take into account new caselaw relevant to the decision in question but shall be under no obligation to do so in respect of entitlement in any previous financial year.

Application of reductions to account and suspension of changes to reductions and of further reductions

5. The Council will apply a reduction under this scheme to the relevant Council Tax account for the remainder of the relevant financial year, thereby reducing the amount of Council Tax payable. The Council may adjust this amount at any time during or after the relevant year as a result of changes to, or the end of entitlement to, the reduction.
6. The Council may suspend any adjustment to the amount of a reduction or the award of a further reduction if there is doubt about a person's entitlement to or the amount of a reduction but in such a case shall take all reasonable steps to resolve such doubts as soon as practical. The Council may also suspend any

adjustment to the amount, or further award, of a reduction if an applicant does not provide information or evidence that is reasonably required within one month of the request for such information or evidence and may end the reduction from the date the information or evidence was requested if it is not provided within one month of the date of the suspension.

7. Where the Council decides that the amount of a reduction should be reduced, it will usually reduce the amount applied to the account but reserves the right to waive the application of all or part of that reduction in cases of “official error” where the applicant could not be considered to have caused or contributed to the error, had no reason to doubt the amount of the reduction awarded and could not be expected to pay the increased liability for Council Tax quickly without difficulty. Adjustments to a reduction for the remainder of the financial year from the date of the decision to change the amount of a reduction will always be applied.

Additional disregards of income and capital

8. Payments made under section 49 of the Children and Families Act 2014 (personal budgets and direct payments) as defined in paragraph 66 of Schedule 5 (sums to be disregarded in the calculation of income other than earnings) and paragraph 61 of Schedule 6 (capital to be disregarded) of the Housing Benefit Regulations 2006 shall be fully disregarded.

Time limit for notifying a change

9. The period of 21 days specified as the period during which an applicant must notify a change likely to affect the amount of a reduction is extended to one month to align with the provisions of the Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001, Regulations 7(2)(a), (3), 8(3)(5) and Regulation 9.

Effective date of change for CTS as a result of an award or increase of a DWP benefit

10. When the Council has awarded a reduction under this scheme and the claimant, or a member of their family, becomes entitled to a DWP benefit or has an increase in the amount of a DWP benefit from a date after the start of the claim, the provisions of The Housing Benefit and Council Tax Benefit (Decisions and Appeals) Regulations 2001 Regulations 7(2)(i) and 8(14) will apply to the award of CTS as they would to an award of Housing Benefit.

Cases where income equals the applicable amount

11. For the avoidance of doubt, the entitlement of an applicant whose assessed income is the same amount as their applicable amount is to be treated according to the provisions of Class A in the case of a person who is a pensioner or class D for a person who is not a pensioner.

Energy Bills Rebate

12. Where a resident is entitled to and receives an Energy Bills Rebate payment this will be disregarded in determining their entitlement to a reduction under the Council Tax Support Scheme. This is in accordance with The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulation 2022, Regulation 16

Backdating

13.(1) Where an applicant makes an application under an authorities scheme which includes (or where the applicant subsequently requests should include) a period before the application is made; and from a day in that period up to the date that the applicant made the application (or subsequently requested that the application should include a past period), the applicant had continuous good cause for failing to make an application (or request that the application should include that period), the application is to be treated as made on the date determined in accordance with sub paragraph 2

(2) That date is the latest of

- a) the first day from which the applicant has good cause
- b) the day one year before the application was made
- c) the day one year before the date when the applicant requested that the application should include a past period

Paragraph 13 is in addition to the provision in The Council Tax Reduction Schemes (Prescribed Requirements)(England) Regulations 2012, Schedule 8, Paragraph 6, which allows backdating for an applicant who is a pensioner of up to three months without the requirement for the applicant to demonstrate good cause.

Part D

Additional provisions in respect of people entitled to Universal Credit

1. A person for whom the Council receives both an electronic notification of a new claim for, and subsequently a related first payment of, Universal Credit from the Department for Work and Pensions shall be deemed to have made a claim for a reduction under this scheme on the first day of entitlement to Universal Credit to which that notification of first payment refers.
2. Where an award of a reduction under this scheme is ended because an associated award of Universal Credit has ended or reduced but that award of Universal Credit is reinstated (whether at the same rate or at a different rate) or increased to a level at which an award of a reduction under this scheme would be appropriate within a period of six months, a new claim for a reduction is required. A new claim in these circumstances shall be treated as made on the date on which entitlement to Universal Credit resumed or was increased or six months before the day on which the claim is actually received, whichever is the later.

2. The amount of an award in respect of a day under this scheme for a person entitled to Universal Credit shall be a percentage of the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act, divided by the number of days in that financial year, less the daily rate of any deductions in respect of non-dependants which fall to be made, and that percentage shall be the percentage specified in the following table according to the band in which their excess income falls.

Excess weekly income greater than	Excess weekly income no more than	% reduction of Council Tax liability
£80.00	-	Nil
£75.00	£80.00	14.5%
£50.00	£75.00	32.5%
£25.00	£50.00	47.5%
£0.00	£25.00	72.5%
-	£0.00	85%

3. Where the Council receives notification from the Department for Work and Pensions of a change to the amount of excess income for Universal Credit and the changed assessment does not result in an alteration to the amount of a reduction under this scheme, the Council is not required to notify the claimant of its recording of that change.

Note : the following figures will be amended for 2024 based on the uprating figures released later in 2023.

Appendix 1

Uprated amounts from 1 April 2023 for people of working age

The amounts set out in the Schedule to the Council Tax Reduction Schemes (Default Scheme)(England) Regulations 2012 as amended by the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme)(England)(Amendment) Regulations 2012, and as uprated in Manchester City Council's Local Council Tax Support Schemes for 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 are further amended as follows:-

Non-dependant deductions

In paragraph 30 (non-dependant deductions) for sub-paragraph 1, substitute "(1) Subject to the following provisions of this paragraph, the non-dependant deductions in respect of a day referred to in paragraph 29 are in respect of a non-dependant aged 18 or over, £4.20 x 1/7" and sub-paragraphs 2 and 4 shall cease to have effect.

- (a) in sub-paragraph (1)(a) for “£12.85” substitute “£.14.15”; .
- (b) in sub-paragraph (1)(b) for “£4.20” substitute “£4.60”; .
- (c) in sub-paragraph (2)(a) for “£224.00” substitute “£236.00”; .
- (d) in sub-paragraph (2)(b) for “£224.00”, “£389.00” and “£8.55” substitute “£236.00”, “£410.00” and “£9.40” respectively; .
- (e) in sub-paragraph (2)(c) for “£389.00”, “£484.00” and “£10.70” substitute “£410.00”, “£511.00” and “£11.80” respectively.

Applicable amounts for persons who are not pensioners

In Schedule 3 (applicable amounts: persons who are not pensioners), the amounts are updated as follows—

- (a) in column (2) of the Table in paragraph 1—
 - (i) in sub-paragraph (1)(a) and (b), for “£77.00” substitute “£84.80.”;
 - (ii) in sub-paragraph (1)(c), for “£61.05” substitute “£67.20”;
 - (iii) in sub-paragraph (2), for “£77.00” substitute “£84.80”;
 - (iv) in sub-paragraph (3), for “£121.05” substitute “£133.30”;
- (b) in column (2) of the Table in paragraph 3, in each place in which it occurs, for “£70.80” substitute “£77.78”;
- (c) in paragraph 4(b), for “£17.85” substitute “£18.53”;
- (d) in the second column of the Table in paragraph 17—
 - (i) in sub-paragraph (1)(a), for “£36.20” substitute “£39.85”;
 - (ii) in sub-paragraph (1)(b), for “£51.60” substitute “£56.80”;
 - (iii) in sub-paragraph (2)(a) and (b)(i), for “£69.40” substitute “£76.40”;
 - (iv) in sub-paragraph (2)(b)(ii), for “£138.80” substitute “£152.80”;
 - (v) in sub-paragraph (3), for “£68.04” substitute “£74.69”;
 - (vi) in sub-paragraph (4), for “£38.85” substitute “£42.75”;
 - (vii) in sub-paragraph (5)(a), for “£27.44” substitute “£30.17”;
 - (viii) in sub-paragraph (5)(b), for “£17.75” substitute “£19.55”;
 - (ix) in sub-paragraph (5)(c), for “£25.35” substitute “£27.90”;
- (e) in paragraph 23, for “£30.60” substitute “£33.70”;
- (f) in paragraph 24, for “£40.60” substitute “£44.70”.

Annexe

Regulations amending prescribed requirements of the scheme after 1 April 2013

from	By	Effects
13 March 2014	The Marriage (Same Sex Couples) Act 2013 (Consequential Provisions) Order 2014 (SI 2014/107)	Recognises the introduction of same sex marriage.
1 April 2014	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2013 (SI 2013/3181)	Uprating and minor technical amendments
1 April 2014	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2014 (SI 2014/448)	Additional uprating figures
1 April 2014	The Social Care (Self-directed Support) (Scotland) Act 2013 (Consequential Modifications and Savings) Order 2014 (SI 2014/513).	Technical updates in respect of pensioners' capital.
1 April 2015	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) (No. 2) Regulations 2014 (SI 2014/3312)	Uprating; to align provisions in respect of EEA jobseekers with those in the Housing Benefit scheme; and minor technical matters.
1 April 2015	The Care Act 2014 (Consequential Amendments) (Secondary Legislation) Order 2015 (SI 2015/643)	Updates the definition of "blind" and other minor technical amendments.
5 April 2015	<u>The Shared Parental Leave and Statutory Shared Parental Pay (Consequential Amendments to</u>	Updates definitions relating to paternity pay and shared parental pay

	<u>Subordinate Legislation)</u> <u>Order 2014</u> (SI 2014/3255)	
26 May 2015	The Deregulation Act 2015 (Consequential Amendments) Order 2015 (SI 2015/971)	Removes reference to an obsolete body
1 April 2016	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2015 (SI 2015/2041)	Uprating; to remove the family premium for elderly claimants from 1 May 2016 with transitional protection for existing cases; and minor technical matters.
6 April 2016	The Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2015 (SI 2015/1985)	Covers introduction of New State Pension
6 April 2016	The Social Services and Well-being (Wales) Act 2014 (Consequential Amendments) (Secondary Legislation) Regulations 2016 (SI2016/211 – W.84)	Updates the definition of “blind” and other minor technical amendments.
1 April 2017	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2016 (SI2016/1262)	Uprating; and to apply more restrictive rules on eligibility for elderly claimants who are temporarily absent abroad.
3 April 2017	The Employment and Support Allowance and Universal Credit (Miscellaneous Amendments and Transitional and Savings Provisions) Regulations 2017 (SI2017/204)	Technical changes resulting from the removal of the Work Related Activity Group component from Employment and Support Allowance.
6 April 2017	The Pensions Act 2014 (Consequential, Supplementary and Incidental Amendments) Order 2017 (SI2017/422)	Covers the introduction of bereavement support payments

1 April 2018	The Fire and Rescue Authority (Police and Crime Commissioner) (Application of Local Policing Provisions, Inspection, Powers to Trade and Consequential Amendments) Order 2017 (SI2017/863)	Technical amend to disregard of earnings of fire-fighters
1 April 2018	The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 (SI2017/1305)	Uprating and alignment with minor changes in other schemes
2 April 2018	The Regulation and Inspection of Social Care (Wales) Act 2016 (Consequential Amendments to Secondary Legislation) Regulations 2018 (SI2018/48)	Amends definition of care homes in Wales
1 April 2019	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2018 (SI2018/1346)	Uprating and alignment with minor changes in other schemes
29 April 2019	The Regulation and Inspection of Social Care (Wales) Act 2016 (Consequential Amendments to Secondary Legislation) Regulations 2019 (SI2019/237)	Updates cross reference re Welsh fostering arrangements.
1 April 2020	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2020 (SI2020/23)	Uprating, disregard of additional charitable payments and alignment with minor changes in other schemes
1 April 2021	The Council Tax Reduction Schemes	Uprating, introduction of separate personal

	(Prescribed Requirements) (England) (Amendment) Regulations 2021 (SI 2021/29)	allowance for those who reach pension age after 1 April 2021, changes to the Habitual Residence Test. Treatment of UC payments, child migrant trust, victims payments, Grenfell Tower and occasional assistance.
1 April 2022	The Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2022	Uprating, disregard if additional types of payments and compensation & treatment of Afghan citizens,
1 April 2022	The Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022	Disregard of payments made under the Energy Rebate Scheme 2022
1 April 2023	Social Security and Council Tax Reduction Schemes (Amendment) Regulations 2022. SI 2022/449,	Citizens from EEA countries will be subject to the same eligibility requirements as those from non-EEA countries when applying for Council Tax Support.
1 April 2023	The Council Tax Reduction Schemes (Prescribed Requirements) (England)(Amendment)Regulations 2023	Technical changes to the regulations to include the Adult Disability Payment in various sections. This payment is disregarded as income. Inclusion of £350 thank you payments made to those who are "Homes for Ukraine" sponsors as an income that is disregarded as both capital and income. Those arriving from Ukraine in connection with the Russian invasion and other individuals granted leave to enter or remain in the UK outside the Immigration Rules, with recourse to public funds,

		will not need to demonstrate "habitual residence" in order to receive Council Tax Support.

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 11 January 2024

Subject: Feasibility study into ending the use of Enforcement Agents

Report of: Head of Corporate Revenues

Summary

This report represents a feasibility study into whether the use of Enforcement Agents (EAs), also known as Bailiffs, is an effective or proportionate method of collecting debt. The work follows the submission from ACORN and Debt Justice on 7th September which encouraged members to support the following:

- This committee acknowledges the difficulties faced by people with lived experience of debt across Manchester.
- This committee acknowledges the work of Debt Justice and ACORN in supporting people from across Greater Manchester with lived experience of debt.
- This committee recommends that the Council's Executive initiates a review into the best way to ethically support people experiencing Council Tax debt with methods that are financially inclusive and no longer include bailiffs as a way to recover debt to be presented within 6 months.

The use of EAs remains widespread across the UK. Manchester is one of the five most deprived Council areas in England (English Indices of Deprivation 2019), the other four are Liverpool, Hull, Middlesbrough and Knowsley. All of these Councils refer cases to EAs where residents do not engage. All of the Greater Manchester Councils use EAs to recover Council Tax debt, although Oldham and Wigan Councils have in-house teams to carry out this work. All of the major cities in the UK (Manchester, Birmingham, Leeds, Liverpool, Sheffield, Bradford, Newcastle, Nottingham and Bristol) use EAs to recover Council Tax from residents who don't engage.

Citizens Advice Manchester have also made recommendations, but these relate more to reducing the numbers passed to EAs than ending the use of EAs altogether.

Improved Regulation

There has been significant progress on how the industry has been regulated since 2014. There have been two major reports reviewing the effectiveness of the 2014 changes on the use of EAs in the last 4 years. These have led to further steps to regulate the enforcement of debt and to make improvements to practice. In 2019 the Justice Committee recommended:

- The overhaul and clarification of the complaints process.

- The establishment of a regulator to stop unfit EAs and companies practicing and encourage good practice.
- That the regulator makes recommendations to the Government on the level of fees setting them as low as possible while maintaining the viability of the enforcement industry.
- Body worn cameras are mandatory when visiting homes or businesses.

These built on the Government's response to the Committee's Seventh Report of Session 2017-19 which recognised the need for the proper treatment of residents by EAs and that the role they played was necessary and difficult. The work has seen the establishment of the Enforcement Conduct Board (ECB) as an independent oversight body for the industry. The Government supported the idea of an independent complaints function and greater regulation and is looking to the ECB to provide this. The ECB will be funded by firms on a pro rata basis and the key objectives will be to:

- Establish clear standards of behaviour for the enforcement industry;
- Improve accountability, including introducing effective sanctions for non-compliance;
- Ensure public confidence in an accessible and independent complaint-handling system; and
- To protect vulnerable people.

It noted that body worn cameras had been made mandatory in 2019 (it was compulsory for EAs working in Manchester from 2016).

More support for residents

The Council follows the government guidance on supportive debt recovery in the different stages of the Council Tax enforcement and recovery process including scheme design, working with the debt advice sector, effective use of data and enforcement action. Considerable investment has also gone into, and continues to go into, improving debt collection practice and working more closely with residents. Examples include:

- Measures recommended by the Truth Commission were introduced in June 2023 for an initial 12-month period:
 - ✓ Increased support through the Discretionary Council Tax Payment scheme of £133k so far this year.
 - ✓ Writing off costs for those in receipt of maximum CTS and those who engage and make a sustainable repayment agreement.
 - ✓ Giving residents in Council Tax arrears the ability to spread repayments over longer periods.
 - ✓ Implementing a less formal local 'breathing space' scheme to give residents in arrears the ability to pause collection activity whilst they seek debt advice and local authority support to stabilise their finances.
- Improvements to letters in conjunction with ACORN and the CABx (examples at appendix 6).
- The maximum level of Council Tax Support payable is being increased from 82.5% to 85% subject to the outcomes of the consultation.

- A web page that brings all of the different kinds of help and support offered by the Council under the 'Helping Hands' banner

Steps have been taken to reduce additional costs to residents. The full costs of fees of £644.50 are only added if a resident goes through all the recovery stages and has goods removed, which is very rare. Residents who are struggling to pay their Council Tax and contact the Council are offered a range of solutions that can prevent cases escalating to EAs, including writing off the most recent set of summons costs. As part of the budget process the Council will be funding up to £600k to offset the amounts that used to be collected through court and summons processes.

Recovery processes prior to an EA visit

It is recognised that Enforcement Agents should only ever be used as a last resort and before it gets to that stage, residents will have been encouraged to apply for financial support and to engage and make a repayment plan. Most Manchester residents pay their Council Tax without question and never have to think about what happens when they do not pay. By the time a resident has their account passed to EAs they will have ignored a reminder, two text messages (where the Council holds a mobile phone number), a summons and two letters warning of a visit by an EA. Once the case is with an EA company and they start to make contact with multiple letters and phone calls warning of the real possibility of an EA visit, they collect between 41% and 47% of the total that they recover with zero or £75 fees added, removing the need for an actual visit by an EA and additional costs.

Importance of Council Tax to the Council

However, the use of Enforcement Agents remains an important part of the measures. Council Tax represents 30% of the Council's funding, supporting vital front-line services. Over 50% of the budget is on adult and children's social care and it is worth noting that the Council has invested significantly using £6m of its own resources in 2021/22 to provide additional support to residents.

Recommendations

The Committee is recommended to:-

- Note the contents of the report and thanks ACORN, Debt Justice and Citizens Advice Manchester (CAM) for their challenge and contributions.
- Note 1% drop in the in-year collection rate of Council Tax represents a reduction of £2.73 million in the Council's revenue. The Council has had cumulative budget cuts of £443m from 2011/12 to 2023/24 and are looking at a gap of The Council has had cumulative budget cuts of £443m from 2011/12 to 2023/24 and are looking at a gap of £5m for 2024/25 which will need to be resolved before the budget is set, rising to over £36.2m in 2025/26 and £55.4m in 2026/27.
- Noting all the information provided, recommend that the City Council continues to use EAs in the collection of Council Tax against individual residents.

- Recommend that it is not appropriate for any case in receipt of any level CTS to be referred to EAs and agrees that recovery via an attachment of benefits is more appropriate, including for those currently in receipt of maximum CTS.
- Recommend that further consideration is given to implementing the recommendations made by CAM.

Wards Affected:

All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	None
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	The principal recommendation is for the continuation of an existing policy. The use of Enforcement Agents against residents is determined by their non payment of Council Tax rather than by membership of any protected or disadvantaged groups.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	By mitigating the impact of Council Tax recovery on residents and removing the burden of historical costs, it makes them more able to play an active role in the city's economy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	n/a
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Writing of historic summons costs for residents on maximum CTS reduces any debt burden they have, easing the passage back in to work.
A liveable and low carbon city: a destination of choice to live, visit, work	n/a
A connected city: world class infrastructure and connectivity to drive growth	n/a

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Adopting the recommendations of the report will:

- Maintain revenue collection by EAs for the Council and increase recovery from those on maximum CTS by re-introducing attachments to benefits for those on maximum CTS.
- Reduce the value of historic summons costs available for recovery, although much of this will have been covered by the Council's bad debt provision.

Financial Consequences – Capital

None

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Background documents (available for public inspection):

Council Tax Recovery during the Cost-of-Living Crisis Policy

1.0 Introduction

- 1.1 At the Resources and Governance Scrutiny Committee meeting on 7 September 2023 the committee requested that officers, in consultation with the Executive Member for Finance and Resources, undertake a feasibility study into ending the use of Enforcement Agents (EAs) in the collection of Council Tax.

The paper includes:

- Background and history of the use of EAs by Manchester City Council including extracts from the Council's Debt Recovery Policy and EA Code of Practice, collection levels, adding and recovering fees and steps the Council has taken to reduce the use of EAs.
 - Detail of how important Council Tax collection and recovery are to the Council's finances.
 - A summary of ACORN and Debt Justice's arguments for ending the use of EAs to collect Council Tax and input from Citizens Advice Manchester including recommendations to support more vulnerable residents.
 - Details of how effective EAs are at recovering Council Tax in Manchester and the rest of the country.
 - An examination of the levels of complaints made against EAs
 - A review of the recent report by the Justice Committee and the Government response.
 - A look at the experience of Bristol City Council and Hammersmith and Fulham Council who initiated an 'ethical collection' approach in 2018 and undertook not to use EAs for the recovery of Council Tax.
 - Details of planned initiatives to further reduce the use of EAs in Manchester .
 - A section on recovery of Council Tax from residents in receipt of Council Tax Support .
- 1.2 The study draws on information from ACORN, Debt Justice, The Citizens Advice Bureau, CIVEA, individual EAs, Bristol City and Hammersmith and Fulham Council's. Papers submitted by ACORN, Debt Justice, CAM and CIVEA are included as appendices.
- 1.3 The summary will review the main points identified in the paper and draw conclusions on the impact of ending the use of EAs in Council Tax collection.

2.0 Background and history

- 2.1 Referring an outstanding Council Tax debt to EAs is one of a number of recovery options available to Councils following the granting of a Liability Order by a Magistrate. Other options include an attachment of earnings (where employer details are known), attachment of benefits (when the resident is in receipt of appropriate benefits), insolvency and committal to prison.

2.2 The Council currently works with three EA companies following a competitive tendering exercise. There were originally four, but one no longer receives work as they were the worst performer of the group.

2.3 Government guidance states:

“Effective use of Enforcement Agents can also be an important way of recovering Council Tax debt where the authority is satisfied that there are no other appropriate mechanisms for recovering that debt. When collecting unpaid Council Tax, Enforcement Agents are working on behalf of the local authority. It is the authority’s responsibility to ensure that agents work within the guidelines set by the authority and that they comply with the regulatory framework and the national standards.

It is crucial that, where authorities use Enforcement Agents, they do so effectively and considerately, recognising that the use of Enforcement Agents will add further cost to the resident’s bill. This includes taking prior steps before referring a case to agents.”

(Council Tax collection: best practice guidance for local authorities published 16 August 2021).

2.4 The Debt Recovery Policy

2.4.1 The Council has a comprehensive Debt Recovery Policy that is regularly refreshed. It sets out the steps that the Council will take to recover unpaid Council Tax. It was amended to reflect the challenges posed by the Covid 19 pandemic and is currently under review to incorporate changes required to recognise the challenges residents face due to the current cost of living crisis.

2.4.2 It details the minimum of four letters that a resident will receive following nonpayment of the instalment plan set out in the annual bill issued in March each year. It recognises the hardship residents may be experiencing and offers additional support to Care Leavers and former members of the armed forces in recognition of the additional challenges they may face.

2.4.3 Additional support for those worst affected by the cost-of-living crisis has been put in place during 2023:

- Writing off multiple summons costs (currently £79.50 for each summons issued) for those residents in receipt of maximum Council Tax Support (CTS)).
- Writing off the most recent summons costs where residents engage with the Council to make an arrangement.
- Making arrangements over a longer period to reduce the monthly burden and, where appropriate, offering payment holidays.
- Introducing an informal breathing space for residents referred by Advice Agencies or Councilors
- Making more generous use of the Discretionary Council Tax Payment scheme with £133k being paid up to the end of September 2023 compared with £40k for the whole of last year

2.5 EA code of conduct

2.5.1 As part of the EA contract, EA companies must comply with the EA code of practice as amended to ensure Government guidance is followed. This sets out the following key requirements (this list is not exhaustive):

- Only properly trained, certificated EAs can be used.
- A pre compliance letter must be issued that incurs no fees.
- Multiple letters must be sent, and multiple phone calls must be made prior to an EA visit.
- Body worn video cameras must be carried and turned on to record the entire visit unless the debtor asks for it to be switched off or the enforcement agent decides it is inappropriate to film (ie because of the debtor's attire).

2.5.2 When an EA visits and before an enforcement fee is added, they must, using their professional judgement, explicitly consider whether the debtor falls into the following vulnerability categories. Where the debtor:

1. Appears to have been severely impacted by Covid 19. This could include ongoing significant health conditions (long covid) or a significant drop in income that can be evidenced.
2. Appears to be severely mentally impaired or suffering severe mental confusion.
3. Has young children and severe social deprivation is evident.
4. Is disputing liability or claims to have paid, applied for a rebate, Council Tax Support (CTS), discount or any other relief not yet granted. Under these circumstances the enforcement agent should report this back to the Council.
5. Is heavily pregnant and there are no other adults available in the household.
6. Is in mourning due to recent bereavement (within one month).
7. Is having difficulty communicating due to profound deafness, blindness or language difficulties. In these cases, the Council would make arrangements for the appropriate support in terms of a signer or translation services etc.
8. Has severe long-term sickness or illness including being terminally ill.

2.5.3 This judgement must be based on telephone conversations, written responses, visits by company employees not acting as Enforcement Agents and visits by Enforcement Agents. A clear statement that the debtor's vulnerability has been considered must be recorded on the debtor's record before the enforcement fee is added. When an enforcement agent makes the first visit to the property and decides that the debtor is vulnerable, no enforcement fee should be added, and the account should be returned to the Council.

2.5.4 Since mid-October, the Council has been monitoring compliance with the above requirements by initially sample checking 20 cases from each of the three EA companies currently collecting debt.

2.5.5 This scheme is in its early stages, but after 25% of the cases have been checked, no breaches of the code of practice have been identified. The one case of note that has been identified is where an EA visited a resident, decided they were vulnerable, referred them to the company's in-house vulnerability team who subsequently returned the case to the Council without adding charges.

2.6 Reducing the use of EAs

2.6.1 The use of EAs is widespread amongst Councils and has been an integral part of Manchester City Council's approach to the recovery of outstanding Council Tax for many years. There has always been a clear understanding of the impact of the use of EAs on residents, both financial and emotional, and much work has been done to reduce the number of accounts passed to EAs for recovery. This has contributed to a reduction in the number of cases from a starting point of 56,000 in 2005/6 when the Council had 187,000 chargeable dwellings to 18,521 in the year before the pandemic (currently there are 247,000 chargeable dwellings):

- Rewarding EA companies who were more effective at making arrangements with residents before EAs actually visit.
- Improving the sift of cases where a Liability Order has been granted to identify vulnerability and chose a better recovery option.
- Trialing an innovative data the exchange with HMRC to receive employer and earnings details.
- Introducing an additional EA visit warning letter.
- Including additional information about the impact of ignoring reminder letters incorporating wording suggested by the Money Advice Trust.
- Residents in receipt of maximum Council Tax Support who get into arrears do not have their account passed to EAs.
- Residents in receipt of partial CTS owing less than £150 are never visited by EAs.

2.6.2 Table 1 below details the number of debts passed to EAs since 2018 (one resident may have multiple annual debts passed to EAs in any given year. It also gives the number of residents who were referred to EAs for recovery

Table 1 - Cases passed to EAs

	2018	2019	2020	2021	2022
Debts passed to EAs	19,263	18,521	0	22,933	11,890
Residents passed to EAs	8,558	8,485	0	8,459	6,526

2.7 Recovery of Council Tax by EAs

2.7.1 EAs recover a significant amount of Council Tax for the Council as shown in Table 2. The recovery of arrears (defined as Council Tax outstanding from previous years) plays a vital role in the Council's finances and the amount collected by EAs has remained fairly constant as referrals have reduced.

Table 2 – Arrears recovery and recovery by EAs (millions).

	2013	2014	2015	2016	2017	2018	2019	2020*	2021	2022
Total arrears collection	£4.2	£5.9	£6.7	£6.2	£6.8	£6.2	£7.2	£6.4	£9.1	£9.6
Collection by EAs	£2.4	£2.1	£2.3	£2.2	£2.6	£2.2	£3.0	£0.8	£1.5	£2.6

* 2020 was the first year of Covid and all new referrals for action by EAs were suspended as were EA visits to existing cases.

2.8 Addition of costs by EAs

2.8.1 In the vast majority of cases, EAs add two sets of costs to fund their efforts to recover Council Tax:

- The Compliance Fee of £75 is added when a case is passed to them
- The Enforcement Fee of £235 is added when an actual visit is made by an EA.

2.8.2 A further fee of £110 can be added if an EA attends to remove goods, but this is very rare in Manchester. Since April 2022 over 12,000 cases have been passed to EAs and further fees have only been added on 39 occasions and paid on 23 occasions by two of the EA companies working for Manchester, the third never added the £110 removal fee. No goods have been removed. Table 3 details the number of fees added to residents' accounts since 2021.

Table 3 – Numbers of fees added to residents' accounts

	Cases passed to EAs	Compliance fee added	Enforcement fee added
2021/22	22,933	15,804	5,846
2022/23	11,890	7,112	4,376
2023/24*	2,941	3,582	724

*Denotes part of a year

2.8.3 Between 15% and 25% of cases passed to EAs never have fees added. This is because EAs send out a pre compliance letter for the Council and make no charge if the resident responds to that with payment.

2.8.4 Collection of fees owed to EAs is done alongside the recovery of Council Tax owed to the Council. Table 4 shows the value of fees added and collected from Manchester Residents since 2021.

Table 4 – Collection of fees

	Compliance fee		Enforcement fee		Total of fees	
	Added	Collected	Added	Collected	Added	Collected
2021/22	£1,115,172	£183,264	£1,828,133	£328,796	£2,944,107	£512,407
2022/23	£536,097	£117,676	£1,343,217	£281,171	£1,882,301	£402,607
2023/24*	£269,324	£29,678	£191,013	£26,234	£460,668	£57,180

*Part year

2.8.5 The table shows that between 16% and 21% of fees added are actually recovered by the EA companies.

2.9 The effectiveness of EAs in the collection of Council Tax

2.9.1 Due to high levels of deprivation and transience, EAs have always struggled in Manchester to match collection levels achieved in wealthier parts of the country. Between May 2021 and August 2022, £19.7m (gross) was issued to four enforcement agent companies, overall performance is documented below in table 5.

Table 5 – Collection by EAs

	Gross issue	Remittance	% collection
Company A	£4,821,369	£351,317	7.3%
Company B	£5,469,585	£595,433	10.9%
Company C	£4,805,884	£445,714	9.3%
Company D	£4,587,465	£569,038	12.4%
	£19,684,302	£1,961,501	10.0%

2.9.2 Table 2 above sets out how much has been collected in cash terms each year since 2013 - £2.6 million in 2022/23.

2.9.3 Referrals to EAs are significantly down this year compared to last year and there is a resulting dip in arrears collection from £7.66 million on 1 December 2022 to £6.55 million on 1 December 2023.

2.10 Collection without EAs visiting

2.10.1 According to figures provided by the EA companies, between 41% and 47% of the debt they recover is collected at the compliance stage without the need for EAs to visit and addition the enforcement fee. EA companies have adopted sophisticated recovery techniques to maximise collection at the compliance stage, similar to those adopted by private sector debt collection companies. However, they do have the added threat of visits by EAs and the additional costs that are added when trying to reach and negotiate an arrangement with residents referred by Council's. Without this it is arguable that collection rates would not be as high.

2.10.2 There is no easily available information on how effective recovery of Council Tax by other private sector companies as it is not an approach that is being taken by Councils.

3.0 The importance of Council Tax collection to the Council's finances

3.1 Council Tax is crucial to local councils as it serves as a primary source of revenue, facilitates local decision-making, supports the provision of essential services, and supports financial independence and responsibility. For Manchester the 2023/24 revenue budget assumes that almost 30% of net revenue income (£213m) will be achieved from Council Tax income.

3.2 Dependence on Council Tax revenue necessitates careful budgeting and financial planning by local councils. We must allocate resources efficiently, balancing the demands of providing essential services with the need to keep Council Tax rates reasonable to avoid putting excessive financial burdens on residents. Government funding settlements assume the Council will apply the maximum increase allowed without holding a referendum. In 2023/24 this reflects an increase of 2% specifically to support Adult Social Care and 2.99% to support general costs. This helps fund essential local services such as rubbish collection, street cleaning, local schools, social care, and other community services. The revenue generated from Council Tax is crucial for

maintaining and improving the quality of life for residents within a local authority.

- 3.3 The Council also collects Council Tax on behalf of the Greater Manchester Combined Authority (GMCA), the Mayoral General Precept, including the Fire and Rescue authority, and the Police and Crime Commissioner Precept. So it also plays a vital role in funding the services provided by these bodies
- 3.4 The budget recognises that 100% collection is unlikely to be achieved, and an ultimate collection rate of 96.5% is assumed. Collection relating to a specific year may continue for many years. A bad debt provision is provided for the element of debt which is not collected and will ultimately be written off. On average c£9m of arrears collection is achieved each year through a variety of recovery processes once a liability order has been secured. Of the £9.6m arrears collected in 2022/23, 27% is recovered by EAs each year.
- 3.5 Crucially, a 1% drop in the in-year collection rate of Council Tax represents a reduction of £2.73 million in the Council's revenue. The Council has had cumulative budget cuts of £443m from 2011/12 to 2023/24 and are looking at a gap of £30m in 2025/26 and £49m in 2026/27 so any reduction in CT collection will have a significant impact on the services we can provide.

4.0 Arguments for ending the use of EAs in the collection of Council Tax

- 4.1 ACORN and Debt Justice provided a detailed submission, arguing for the end of the use of EAs in the collection of Council Tax. The full submission is at appendix 2, with some responses, but the principal arguments are detailed below.
- Bailiff action is a distressing experience that exacerbates the debt and poverty affecting people struggling to keep up with Council Tax payments. Pushing residents into debt and poverty is also a false economy for local authorities. As a result of bailiff enforcement, residents can become unable to make Council Tax contributions as well as seeking discretionary and housing support for years into the future.
 - Bailiffs make Manchester poorer. The fees incurred by a Manchester resident that has gone through the whole of the enforcement process could be more than £644.50. Half of Citizens Advice clients currently seeking debt advice have a negative budget, meaning their necessary expenditure on essentials outweighs their income. The average person they help with debt advice used to have £19 left over each month after paying for their essentials. Now, they have an average shortfall of £28 per month.
 - In Manchester, people of working age with no 'excess income' are still required to pay 17.5% towards their Council Tax bill. This is simply impossible and creates a conveyor belt of people being pushed into arrears. Whilst residents in receipt of maximum Council Tax Support are exempt from bailiff action in Manchester, those on less than the maximum are not. Residents may also not be receiving the maximum support they are entitled to.

- Over-indebtedness incurs considerable social and economic costs, many of which fall on local authorities. These severe financial pressures contribute to relationship breakdown, poor health including mental health and loss of housing. They can also harm debtors' employability, reduce their productivity at work, and affect the welfare of their children. At its most severe, over-indebtedness can also be a contributory factor in suicide.
- Using National Audit figures, and applying them to the 22,933 cases that were sent to enforcement agencies in 2021/2022 in Manchester, we calculate the impact of Council Tax debt could have been £6.9 million in additional public service costs, this far outweighs the £3.7 million collected from residents who had not engaged with the Council between September 2018 and September 2019.
- From the council's own data however, we have seen that Enforcement Agents are only able to recoup 14% of debts passed on in 2021/22 and 16% 2022/23, showing that they are not an effective method of collecting debt in the first place.
- Bailiffs are financially incentivised to recover debts and are therefore badly placed to assess the vulnerability of residents. The code of practice does not give sufficient protection to residents because poor enforcement practice is widespread. An estimated one in three Bailiffs break the rules - Bailiffs enter people's homes (sometimes with children inside) before six am or after nine pm, seize possessions from the wrong people, use force to enter and intimidate, often causing trauma in the process.

4.2 An additional submission from Debt Justice (Appendix 4) includes:

4.3 The Bailiff Industry itself, represented principally by the trade association CIVEA, has been unable to regulate itself and raise standards sufficiently, which has prompted the creation of the Enforcement Conduct Board.

4.4 We are hopeful that the Enforcement Conduct Board, which has been set up to provide more independent oversight of the industry, can raise standards. At present though, the board lacks the statutory powers needed to compel all Enforcement Agents to adhere to high standards. As a result, we cannot predict if, or when, bad practice in the industry will be eliminated.

4.5 The submissions from ACORN and Debt Justice end with this challenge:

“Manchester has always been seen as a socially progressive city - one that has dared to be different, especially when its population has faced difficulties. The cost-of-living crisis is one of these moments and it is heavily impacting on the lives of communities across Manchester. We call on this committee to be on the right side of history and ban the Bailiffs in favour of more inclusive and fairer methods of collection.”

4.6 Citizens Advice Manchester (CAM) also provided a submission (appendix 5). In it they note the recommendations they have made to central government:

- Amend the regulations to stop people being asked to pay their entire annual bill if they miss 1 monthly payment.

- Create a statutory code of practice governing Council Tax debt collection. This would set out the steps that should be taken by local authorities before a liability order can be made - such as attempting to establish an affordable repayment plan.
- Give councils the power to initiate deductions from benefits without getting a liability order – subject to affordability assessment and appropriate safeguards.
- Remove the threat of imprisonment for Council Tax arrears in England.
- Provide additional funding for Council Tax Support, so that local authorities can reintroduce 100% reductions for low-income residents of working age.
- Take steps to improve awareness of Council Tax Support and increase take-up by eligible household. They state that many of their clients who come to them with Council Tax arrears also have other issues that compound the problem and identify the fact that the Council only accepts online claims for CTS which may be a barrier to claiming for those that are digitally excluded.

4.7 CAM make similar arguments to ACORN and Debt Justice as to the effects of EA fees when added to the original debt and how this increases the financial burden on those already struggling to pay.

4.8 CAM makes the following recommendations to the Council:

- Ensure summons costs are reasonable and reflect the actual costs incurred by the Council
- Publicise the vulnerability criteria more widely so that residents are more likely to self-identify as vulnerable and receive the additional support they need
- Where a debt is escalated to EAs, residents need to be informed that they can still seek independent advice
- The development of a network of organisations, supported by MCC, who can support people to make their online application.

5.0 Complaints

5.1 Body Worn Cameras

5.1.1 The introduction of compulsory body worn cameras makes investigating the vast majority of complaints about EA behaviour on visits straightforward. When a complaint is made, footage is requested from the EA company and reviewed by a manager, and it is clear whether the complaint is founded or not. However, the numbers of complaints remain extremely low.

5.2 Complaint numbers

5.2.1 The level of complaints can be an indicator of whether something is working correctly or not. Prior to 2014, the Council received significant numbers of complaints against EAs. Almost exclusively the complaints were against the

charges added to the outstanding debts. The previous charging regime was complex and open to abuse.

- 5.2.2 The introduction of the new three-tier approach to adding charges (Compliance/Enforcement/Removal) simplified the adding of charges and the number of complaints received by the Council dropped to almost nothing.
- 5.2.3 Since April 2022, five complaints have been made directly to EA companies and just one directly to the Council. Of these six complaints, only one was upheld. During 2021/2 and 2022/3, 15,000 residents were referred to EAs due to Council Tax arrears, meaning around 0.03% of residents complained about EA behaviour.
- 5.2.4 In contrast, ACORN argue that more than one in three (39%) Bailiffs break the rules based on an independent survey carried out by YouGov for the CAB over a two-year period.
- 5.2.5 Debt Justice explain the low level of complaints as follows:

“The Centre for Social Justice notes that low levels of complaints are not necessarily an accurate way of understanding how widespread incidents of rule breaking are. This is because people in problem debt are often experiencing additional vulnerabilities.

For reasons set out above, there is a high chance that incidents of rule breaking may never be reported to a creditor. That is why we say that whilst we do not doubt Manchester City Council’s ambition to follow up reports of rule breaking, we have no faith in the system of complaints as it is currently configured.”

- 5.2.6 This is supported by the Government response to a 2019 Justice Committee report:

“The Government’s view is that formal complaints are not a reliable indicator of the prevalence of problems in the industry due to the evidence of barriers in the complaints system, including the fact that it is fragmented and complex to navigate. We agree with the Committee’s conclusion that a more clearly defined and independent complaints process is important both in ensuring complaints are handled fairly and in improving transparency around problems in the sector.”

- 5.2.7 It is clear that some incidents of law breaking go unreported, but the discrepancy between 39% of EA visits involving rule breaking and the low level of formal complaints made is huge.

5.3 Case studies

- 5.3.1 As part of their submission ACORN provided five case studies of Manchester residents who have been ill-treated at the hands of EAs (details in appendix 2). Of these five cases:

- One took place twenty years ago.
- One said that they were visited by an EA because they were two days late making a Council Tax payment which simply would not happen.
- One said they were taken to court without being informed and only found out when they received the annual bill the following year. Again, this would not have happened.
- One was correctly treated as liable for the full Council Tax for a house share as the other residents could not be traced.
- One made no payments for five years and refused multiple offers to discuss her situation over the phone with a Council Tax Team Manager

5.3.2 All five made allegations of inappropriate behaviour by EAs involved in recovery, but the Council has not been provided with any details that would allow us properly to investigate the claims nor were formal complaints made, so we have not been able to hold the EA companies to account. ACORN have told us that it is not their role to support residents in making complaints.

5.3.3 In a recent meeting, ACORN raised two further incidents of unacceptable EA behaviour:

- One where an EA sent a resident a picture of his penis. ACORN were urged in the strongest possible terms to encourage the resident to report this to the Council and/or the Police, but it is unclear whether this has been done.
- The other detailed an aggressive approach by the EA who was not prepared to accept an arrangement. Again, ACORN have been urged to encourage the resident to report this to the Council as body worn camera footage would clearly identify any inappropriate behaviour.

5.3.4 A list of 21 incidences of inappropriate behaviour by EAs was provided by Christians Against Poverty (CAP). However, on checking with CAP, it was confirmed that none of them were in the Manchester area. CAP were asked how many of the residents involved made a complaint, but as yet there has been no response.

6.0 Use of EAs across England

6.1 Manchester is one of the five most deprived Council areas in England and not alone in using EAs in deprived areas (English Indices of Deprivation 2019). The other five are Liverpool, Hull, Middlesbrough and Knowsley. All of these Council's refer cases to EAs where residents do not engage.

6.2 All of the Greater Manchester Councils use EAs to recover Council Tax debt, although Oldham and Wigan Councils have in-house teams which gives them greater control over behaviour.

6.3 There have been two major reports on the use of EAs in the last 4 years

6.3.1 Justice Committee – Bailiffs – Enforcement of debt (11 April 2019)

[Bailiffs: Enforcement of debt - Report Summary - Justice Committee \(parliament.uk\)](#)

They recommended:

- Overhaul and clarification of the complaints process.
- The establishment of a regulator to stop unfit EAs and companies practicing and encourage good practice.
- That the regulator makes recommendations to the Government on the level of fees setting them as low as possible while maintaining the viability of the enforcement industry.
- Body worn cameras are mandatory when visiting homes or businesses.

6.3.2 **Bailiffs: Enforcement of debt: Government Response to the Committee's Seventeenth Report of Session 2017–2019**

[Bailiffs: Enforcement of debt: Government Response to the Committee's Seventeenth Report of Session 2017–2019 - Justice Committee \(parliament.uk\)](#)

It recognised the need for the proper treatment of residents by EAs and that the role they played was necessary and difficult:

“The Government remains committed to ensuring that all Enforcement Agents treat people in debt fairly and operate in a responsible and proportionate way. We also recognise that the enforcement of debt is necessary for both the economy and the justice system and that Enforcement Agents carry out a difficult role in often challenging circumstances”

It noted that body worn cameras had been made mandatory in 2019 (it was compulsory for EAs working in Manchester from 2016) and the establishment of the Enforcement Conduct Board (ECB) as an independent oversight body for the industry.

In relation to complaints, it noted:

“However, from the available evidence it is very difficult to assess whether the low number of formal complaints is due to a lack of widespread problems with enforcement agent behaviour, or because people are reluctant to make a formal complaint”

6.4 The Government supported the idea of an independent complaints function and greater regulation and is looking to the ECB to provide this. The key objectives of the ECB will be to:

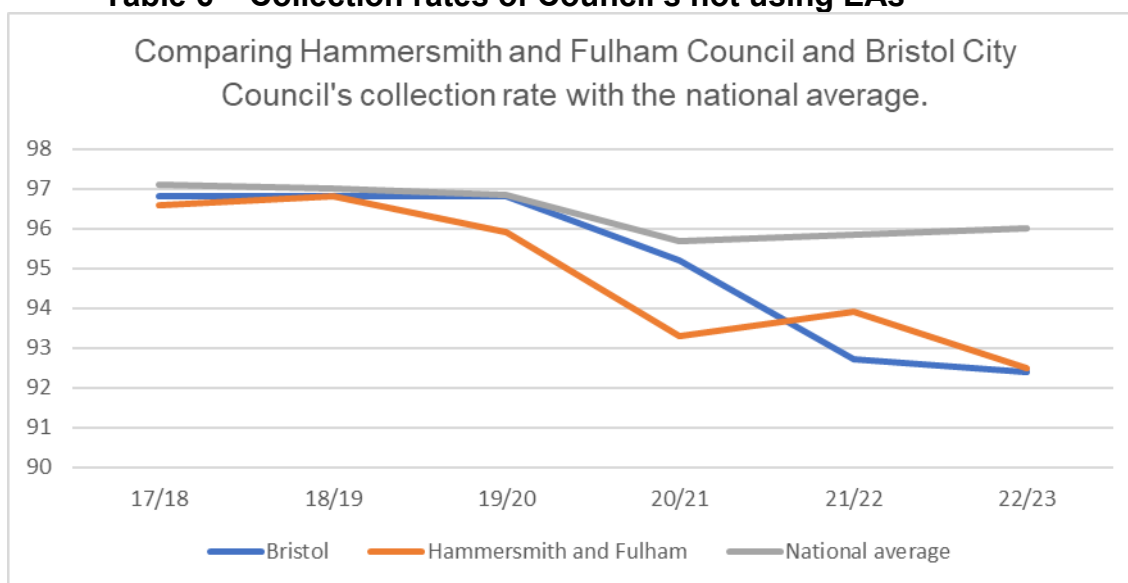
- Establish clear standards of behaviour for the enforcement industry;
- Improve accountability, including introducing effective sanctions for non-compliance;
- Ensure public confidence in an accessible and independent complaint-handling system; and
- To protect vulnerable people.

6.5 These were agreed by representatives of the Enforcement and Debt Advice sectors. The Centre for Social Justice's report also set out that the ECB will be funded by firms on a pro rata basis.

6.6 The experience of Bristol City Council and Hammersmith and Fulham Council

6.6.1 Bristol City Council and Hammersmith and Fulham Council are two large, municipal authorities that said they had ended the use of EAs in Council Tax collection from 2018. The graph below shows how their in-year collection rate (the amount of Council Tax raised in a year that is collected in that year) has changed since 2018 and compares them to the national average.

Table 6 – Collection rates of Council's not using EAs



6.6.2 Covid 19 had an impact on collection nationally, but Hammersmith and Fulham and Bristol's collection rate were significantly more affected than the national average. Both authorities ceased any recovery action during the pandemic as did most other Council's.

6.6.3 Bristol City Council

6.6.4 The Council Tax Operations Manager for Bristol attributes the reduction in the collection rate and arrears recovery to the suspension of all recovery activity during the pandemic and the changes required to the IT systems to facilitate the implementation of a new Corporate Debt Policy. He confirmed that cases are still passed to EAs for collection where appropriate. In the absence of any contact from the customer or any other relevant information cases will invariably be passed to EAs for collection.

6.6.5 Bristol City Council has set up an Outreach Team which aims to support those with multiple council debts and / or are financially vulnerable.

6.6.6 Hammersmith and Fulham Council

6.6.7 Hammersmith and Fulham Council set up a joint venture with a private sector partner called Intrum who undertook to pursue residents who did not pay their Council Tax. The Assistant Director for Revenues has confirmed that no cases were passed to EA. Their in-year collection rate increased in the first year after ending EA use but in 2019/20 it fell back by 0.8% and was 0.7% lower than for the last year when EAs were used. In addition, the Assistant Director said:

“Ending the use of EA’s had an instant impact on collection of arrears. As we all know, EAs would continue to collect on arrears cases to reduce arrears.”

6.6.8 The joint venture with Intrum was ended because it did not generate the anticipated success and no data was available to identify whether there were any other tangible benefits to ending the use of EAs.

6.7 Manchester and Intrum

6.7.1 Following the well publicised decision by Hammersmith and Fulham to end the use of EAs, Manchester officers met with Intrum to explore their business model. Briefly, they take all accounts where a second reminder is about to be issued and use a variety of advanced methods to make contact and try to encourage payment. For Manchester, they would make a charge for all the work they carried out (letters, texts, emails, time spent on the phone) and keep 7.5% of anything they collected. They would then return cases to the Council where they failed to collect, or the resident was classed as vulnerable, but still charge for the work carried out on these cases.

6.7.2 As many residents make payments following a reminder, it was felt that this approach just collected the easy money, charged significantly for it and returned all the complex cases to the Council. This approach was not pursued.

7.0 Current initiatives to reduce the use of EAs visiting residents

7.1 Manchester City Council continues to investigate ways to improve engagement with residents struggling to pay their Council Tax and sees this as the best way to reduce the number of cases passed to EAs.

7.2 Review of letters

7.2.1 Engaging with residents at an early stage in the recovery process is widely seen as the best way to tackle problems around payment and avoid more draconian recovery options later in the process. Following a visit to Salford Council to explore how they have responded to the cost-of-living crisis, a fundamental review of the automated Council Tax letters was initiated. ACORN have fed into this review, expressing their view that the letters currently in use are intimidating and may put vulnerable residents off contacting the Council for help.

7.2.2 In the light of this, all the principal letters have been reviewed with this in mind and, at the time of writing, the revised drafts have been circulated to ACORN, the CAB and other colleagues within the Council. The emphasis has changed from the previous, more robust approach, to one where the help available is highlighted.

7.3 **Telsolutions**

7.3.1 The Council has partnered with a company called Telsolutions to improve the number of residents that respond to contact about nonpayment. Residents will receive a combination of automated phone calls, rich SMS messaging and emails giving them immediate access to back-office staff to help explore the options available. This process is active in many other Council's and has resulted in a significant number of residents responding to contact, far more than respond to letters and standard texts.

7.3.2 This system should be operational in January 2024.

7.4 **Govtech**

7.4.1 The Govtech initiative will automate significant numbers of back-office processes, releasing staff for other activities. This project must be self-funding after two years, meaning a reduction in around seven grade 4 posts (through natural wastage). However, there is significant potential for the initiative to release significantly more than seven posts, allowing these staff to be refocused on supporting vulnerable residents.

7.4.2 Govtech will significantly improve customer service as the automated processes will be done within 24 hours and appropriate communications issued. The prompt billing and amending of accounts is another key driver in improving collection as residents are not waiting lengthy periods to know what they have to pay. Other Councils using Govtech have also reported a significant reduction in the number of calls to their contact centres, meaning shorter waiting times and quicker access to support for callers.

7.5 **Propensity to pay**

7.5.1 The Council has recently trialled the use propensity to pay information to streamline consideration of cases that are potentially about to be passed to EAs. Information is available that shows where residents are meeting all their other financial responsibilities except their Council Tax. These cases are passed to EAs without further investigation. It also shows residents who are struggling to meet their responsibilities and further efforts are made to contact these residents.

7.5.2 A tender exercise is currently under way which will, amongst other things, provide this type of information on a regular basis.

7.6 **Information exchange with HMRC**

7.6.1 The Council has been at the forefront of two trials where HMRC provides earnings and employer information relating to residents where the Council has been awarded a Liability Order. Following attempts to contact by phone, email and letter, a significant number of residents got in touch with the Council to make a sustainable arrangement. Similar numbers did not and had their earnings attached. All of these residents' accounts were previously passed to EAs who had failed to collect the outstanding Council Tax.

7.6.2 It is expected that this facility will become business as usual and it is clear that the threat of having attachments of earnings put in place is a significant incentive for residents to make contact. It is worth noting that the information provided by HMRC included 122 residents earning between £30k and £40k and another 90 earning more than £40k with the highest earner earning over £200k.

7.6.3 The Council has been informed by the Cabinet Office that Manchester should be going live in March 2024 as one of two authorities piloting this initiative as business as usual.

7.7 Proposed changes to the Council's Council Tax Support Scheme in 2024/25

7.7.1 The Council has recently consulted on proposals to make the following changes to the Council's Council Tax Support Scheme (CTSS) from April 2024:

- Increase the maximum CTS Award from 82.5% to 85% for working-age households.
- Adjust the UC excess income bands upwards by 2.5% to maintain parity with the 85% maximum award.
- Extend the maximum backdating period from six months to 12 months.

7.7.2 The proposals will be taken to the Resources and Governance Scrutiny Committee and Executive in January 2024.

7.7.3 The main change proposed would make the Council's CTS Scheme more generous for working-age households. The current CTS Scheme pays up to 82.5% of the Council Tax bill, leaving 17.5% to pay. The proposed CTS Scheme would pay up to 85% of the Council Tax bill leaving 15% to pay.

7.7.4 Extending the maximum CTS backdating period up to 12-months allows greater flexibility to support vulnerable residents and reduces avoidable requests for reconsiderations and appeals.

7.7.5 Based on 2023/24 rates, a resident with a partner receiving the maximum amount of CTS living in a Band A Council Tax will currently have to pay £229.78. If the maximum amount was increased to 85% they would pay £196.95.

7.7.6 The estimated cost to the Council of applying the proposed changes in 2024/25 is c£720k - £770k.

7.7.7 It should be noted that while the government requires local authorities to design and administer their own local CTS Scheme for working age people with no maximum support requirements, councils are required by law to pay up to 100% Council Tax Support (CTS) for pension age people.

8.0 Recovery from Residents in receipt of Council Tax Support

8.1 Residents on full/maximum CTS

8.1.1 For many years, residents in receipt of full CTS (for those over working age) or maximum CTS (82.5% for those of working age) have not had their accounts passed to EAs for collection in recognition of the impact that additional fees would have on a relatively small debt. Historically, these debts would have built up due to non-payment when the resident was in work or because of the reduction in the maximum amount of CTS payable and subsequently been recovered by an attachment of benefits.

8.1.2 Since Covid, recovery from residents with arrears in receipt of maximum CTS has not progressed beyond the first reminder stage with no additional attachments being put in place. In 2019/20 9,081 summons were obtained against residents on maximum CTS for non-payment. In 2022/23 the figure was zero.

8.1.3 On 30 March 2020 there were 9,206 attachments in place recovering around £1.38 million a year. On 30 March 2023 there were 6,640 attachments in place recovering around £758k a year, a reduction of income from this recovery method of £622k pa.

8.2 Residents in receipt of partial CTS

8.2.1 Residents in receipt of partial CTS have had any arrears recovered in the same way as residents receiving no CTS. Where the Council Tax debt is less than £150, we have instructed EA companies not to progress recovery beyond the compliance stage, meaning £75 is added to their debt but no EA visits were carried out and no one in this group had the £235 enforcement fee added.

9.0 Summary

- The collection and recovery of Council Tax plays a crucial role in funding vital services for residents and visitors to the city. EAs have played an important role in recovering unpaid Council Tax from those who fail to engage.
- EAs collect significant amounts of Council Tax for the city, nearly half of which is done without visiting meaning lower costs to residents, but overall the collection rate is low, reflecting the high levels of deprivation in the city.

- Vulnerable residents, including those who are financially vulnerable, can suffer significant distress when visited by EAs, This can adversely affect their mental health and lead to significant cost pressures elsewhere in the public sector.
- This has long been recognised by the Council and significant and successful efforts have been made to reduce the number of cases being passed to EAs. Those on the lowest incomes never have their cases passed to EAs for visits.
- Bailiffs are financially incentivised to recover debts and are therefore badly placed to assess the vulnerability of residents. The code of practice does not give sufficient protection to residents because poor enforcement practice is widespread. An estimated one in three Bailiffs break the rules.
- Complaints to the Council about EA behaviour are extremely rare given the number of accounts that are issued to them. However, it is widely recognised that a low level of complaints is not an indicator that all is well. Anecdotes provided by ACORN could not be investigated as the identities of the complainants were never provided
- Two high profile Local Authorities who lead the way in implementing ethical collection processes and ending the use of EAs have seen a significant drop in their in-year collection rate when compared with the national average. One of these still uses EAs despite the headlines
- Additional initiatives are underway to further reduce EA visits in the future by driving better engagement and offering more support to residents who are struggling.
- No formal recovery action is currently taken against residents in receipt of maximum CTS. Residents in receipt of some CTS are referred to EA companies, but if their debt is less than £150, they are never visited.

10.0 Recommendations

10.1 That the Committee

1. Notes the contents of the report and thanks ACORN, Debt Justice and the CABx for their challenge and contributions.
2. Notes that 1% drop in the in-year collection rate of Council Tax represents a reduction of £2.73 million in the Council's revenue. The Council has had cumulative budget cuts of £443m from 2011/12 to 2023/24 and are looking at a gap of £5m for 2024/25 which will need to be resolved before the budget is set, rising to over £36.2m in 2025/26 and £55.4m in 2026/27
3. Noting all the information provided, recommends that the City Council continues to use EAs in the collection of Council Tax against individual residents.
4. Recommends that it is not appropriate for any case in receipt of any level CTS to be referred to EAs and agrees that recovery via an attachment of benefits is more appropriate, including for those in receipt of maximum CTS.
5. Recommends that further consideration is given to implementing the recommendations made by CAM

11.0 Appendices

- Appendix 1 - Stop the Knock Report 2019, Money Advice Trust
- Appendix 2 - Acorn submission with Council comments *in italics*
- Appendix 3 - CIVEA response to ACORN submission
- Appendix 4 - Additional submission from Debt Justice
- Appendix 5 - Council Tax and Enforcement Agents – Citizens Advice Manchester
- Appendix 6 - Examples of revised reminder and recovery letters

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Stop The Knock



An update on local authority debt collection practices in England and Wales

About the Money Advice Trust

The Money Advice Trust is a national charity helping people across the UK to tackle their debts and manage their money with confidence.

We run National Debtline, offering free, independent and confidential advice on personal debt over the phone and online, and Business Debtline, the UK's only free dedicated debt advice service for the self-employed and small business owners. We are also the leading training body for UK debt advisers through our Wiseradviser service and provide training and consultancy to companies who engage with people in financial difficulty.

Beyond our frontline activity, we work closely with government, creditors and partners to improve the UK's money and debt environment.



Foreword

Since the publication of our last *Stop The Knock* report in 2017, concerns over the use of enforcement agents, more commonly known as bailiffs, have risen higher up the agenda in Westminster, Whitehall and Town Halls across the country. This is entirely appropriate, given the human cost of bailiff action to the people we help day in, day out.

Along with our partner charities in the rest of the debt advice sector, the Money Advice Trust continues to campaign for fundamental bailiff reform. The Ministry of Justice's review of the case for independent regulation – a cause now endorsed by the Justice Select Committee – gives us some hope that we are on the cusp of at last making progress on this vital issue.

Reforming bailiff action is vital if we are to protect people from harm. Of equal importance, however, is reducing the number of debts that are passed to bailiffs in the first place – by improving debt collection practices and helping to resolve debt problems at an earlier stage.

In this, our third *Stop The Knock* report, we present our latest findings on the debt collection practices of councils in England and Wales. They show that more than **2.6 million debts** were passed to bailiffs in 2018/19 by the 367 local authorities that responded to our research – with a **7% like-for-like overall increase** over a two-year period. Beneath these overall figures, however, lies a much more nuanced picture across debt types.

For the first time in our research, **the use of bailiffs to collect council tax remained stable** between 2016/17 and 2018/19 (compared to a 10% surge in the preceding two-year period). At more than 1.4 million referrals a year, council tax bailiff use remains far too high – and many individual authorities continue to increase their use of bailiffs to collect council tax arrears. Nevertheless, we are encouraged by this levelling off – particularly in the context of growing arrears – as potentially an early sign that the tide is finally beginning to turn.

Similarly, more local authorities are now engaging with this agenda. Our findings show modest net improvement in debt collection practices over the last two years. These changes relate mainly to council tax – and improvements are slow, but meaningful.

Set against this limited progress on council tax, however, is a 21% increase in bailiff use for parking debts – with **nearly 1.1 million parking debts passed to bailiffs** in 2018/19.

We will continue to work constructively with councils to help them reduce their bailiff use – and to impress on central government the urgent need for independent bailiff regulation and other national policy changes required to protect people in debt from harm.

Joanna Elson

Joanna Elson OBE
Chief Executive, Money Advice Trust

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1. Introduction

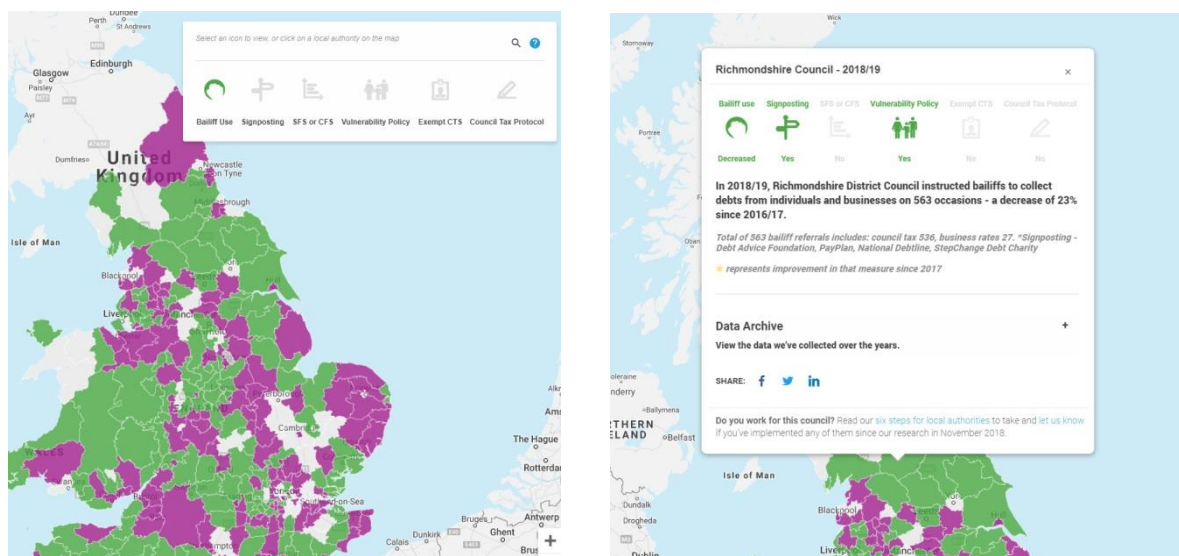
This is the third *Stop The Knock* report we have published, at two-year intervals since 2015, and the research it presents forms part of the Money Advice Trust's ongoing efforts to improve local government debt collection practices.

In this latest report, we present a review of developments in this area since our previous report published in 2017, together with our latest research on the use of bailiffs¹ (now known officially as enforcement agents) by local Tax authorities in England and Wales during 2018/19.

Our findings show that more than 2.6 million debts were passed to bailiffs by local authorities in England and Wales in the 2018/19 financial year – a like-for-like overall increase of 7% since 2016/17, with this overall increase driven by a significant rise in the use of bailiffs to recover parking debts. For the first time in our research series, the use of bailiffs to collect council tax arrears remained stable – and yet at 1.4 million, the number of council tax debts being passed to bailiffs remains far too high.

The report also presents our updated mapping of local authority debt collection practices, which shows a modest net improvement in debt collection practices over the last two years. The full online map is available at www.stoptheknock.org

We conclude with six steps that we recommend local authorities take in order to improve their debt collection practices – and a summary of our latest set of recommendations for central government.



The full results presented in this report are available to explore at www.stoptheknock.org

¹ For a summary of how local authorities in England and Wales use bailiffs to collect different types of debt, see Appendix A.

² Taking Control group of charities, March 2017, Taking Control: The need for fundamental bailiff reform, [link](#)

2. Developments since 2017

Since the publication of our 2017 report, issues around the use of bailiffs to collect debts owed to local government have continued to rise steadily higher on the political agenda.

Government reviewing the case for bailiff reform

Since 2017, the Money Advice Trust, Citizens Advice, StepChange Debt Charity and eight other organisations have been working together as the Taking Control group of charities campaigning for fundamental bailiff reform. The launch of the original Taking Control report² in March 2017 has been followed by subsequent reports³ from Citizens Advice and significant public debate in response to the BAFTA-winning BBC Three docudrama *Killed By My Debt*,⁴ which powerfully demonstrated the tragic impact that bailiff action can have.

In November 2018, the Ministry of Justice launched⁵ a call for evidence on the impact of bailiff action, the responses to which are currently being considered. In January 2019, the Justice Select Committee held a one-day evidence session on the case for bailiff reform, going on to endorse⁶ calls for independent regulation and a single complaints mechanism.

A renewed fairness agenda in government debt collection

Just as the issue of bailiff reform has become more pertinent in Westminster and Whitehall, the last two years has seen increased attention on fairness in government debt collection – an agenda brought into sharp relief by strong criticism from the National Audit Office in its Tackling Problem Debt report⁷ in September 2018. Following this report, the cross-government Fairness Group, which brings together government departments and the debt advice sector, issued a new joint public statement⁸ and renewed its efforts to improve fairness in government debt collection – with new representation from local government.

In April 2019, the Ministry of Housing, Communities and Local Government announced a review of Council Tax Collection⁹, while in June 2019, HM Treasury confirmed¹⁰ that local authorities would be included in its forthcoming Breathing Space scheme offering 60 days statutory protection from creditor action, which comes into effect in early 2021.

² Taking Control group of charities, March 2017, Taking Control: The need for fundamental bailiff reform, [link](#)

³ Citizens Advice, November 2018, A law unto themselves: How bailiffs are breaking the rules, [link](#) and Citizens Advice, 2019, The rules of enforcement, [link](#)

⁴ BBC News, April 2019, How debt kills, [link](#)

⁵ Ministry of Justice, November 2018, Crackdown to stop rogue bailiffs making lives a misery, [link](#)

⁶ Commons Justice Committee, April 2019, Bailiffs: Enforcement of debt, [link](#)

⁷ National Audit Office, September 2018, Tackling Problem Debt, [link](#)

⁸ Cabinet Office, May 2019, Fairness Group Joint Public Statement, [link](#)

⁹ Ministry of Housing, Communities and Local Government, April 2019, Government pledges to improve the way Council Tax is recovered, [link](#)

¹⁰ HM Treasury, June 2019, Consultation outcome – Breathing Space: Consultation on a policy proposal, [link](#)

Increased engagement from local government

Many local authorities have also continued to engage constructively with the advice sector on improving their debt collection practices. In November 2018, the Money Advice Service, now the Money and Pensions Service, published its Supportive Council Tax Recovery Toolkit¹¹ – developed in conjunction with debt advice charities and several individual local authorities – as a means of sharing, more widely, the good practice that exists.

In January 2019, the Welsh Government and Welsh Local Government Association published the Council Tax Protocol for Wales: Good Practice in Collection of Council Tax.¹² The Welsh Government has amended regulations¹³ to remove the option of imprisonment for non-payment of council tax as part of a wider package of reforms following campaigning from the Institute of Money Advisers, PayPlan, Money Saving Expert and others. The Welsh Government has also endorsed¹⁴ the ‘six steps for local authorities’ published by the Money Advice Trust in our 2017 *Stop The Knock* report.

An unchanged context of rising arrears and debt problems

Despite these promising developments, at both a local and national level, the context of rising arrears and debt problems relating to local government debt remains largely unchanged.

Council tax arrears accounted for 30% of callers to National Debtline in 2018 – compared to just 15% a decade ago and up from 26% when we published our last *Stop The Knock* report in 2017. Callers to National Debtline with benefit and tax credit overpayments, which include overpayments of Housing Benefit, have risen from just 3% of callers in 2010 to 16% in 2018.

Council tax arrears have continued to climb, with the total outstanding (from all years) in England now standing¹⁵ at £3.2 billion at 31st March 2019 – up from £2.8 billion at 31st March 2017. The effects of the replacement of Council Tax Benefit with local Council Tax Support schemes continue, with New Policy Institute research¹⁶ showing that the number of local authorities retaining 100% support declined further to just 62 in 2018/19 – meaning that even more low-income residents are now paying council tax for the first time.

It is in this challenging context that we present, in the next section, the results of our latest *Stop The Knock* research, as part of the advice sector’s continued efforts to secure positive policy change, and in support of local authorities’ own efforts to improve their practices.

¹¹ Money Advice Service, Supportive Council Tax Recovery, December 2018, [link](#)

¹² Welsh Government and Welsh LGA, January 2019, Council Tax Protocol for Wales, [link](#)

¹³ Rebecca Evans AM, May 2019, Making council tax fairer in Wales, Thoughts at the Trust blog, [link](#)

¹⁴ Welsh Government, 2018, Removal of sanction of imprisonment for non-payment of council tax, [link](#)

¹⁵ Ministry of Housing, Communities & Local Government, 2019, *Collection rates and receipts 2018-19*, [link](#)

¹⁶ New Policy Institute, 2019, Council Tax Support update 2018/2019, [link](#)

3. Research aims and methodology

3.1. Research aims

The aims of our *Stop The Knock 2019* research were to:

- establish the **extent of bailiff use** by councils in England and Wales in the 2018/19 financial year, again examining debts relating to council tax, parking, Housing Benefit overpayments, business rates, commercial rents and other debt types.
- establish **trends in bailiff use** by lower-tier local authorities over time.
- map current **debt collection practices** employed by lower-tier local authorities in the areas of signposting, affordability and vulnerability, and (for authorities in England only), approaches to Council Tax Support recipients and the Council Tax Protocol.
- establish **how collection practices have changed** between 2016/17 and 2018/19.

3.2. Methodology

As in our previous *Stop The Knock* research,¹⁷ a Freedom of Information request was issued to all local authorities¹⁸ in England and Wales, in April 2019. 367 authorities (98%) responded to the request (up from 94% in 2017), with seven authorities not responding within the research period, which in all cases was longer than the statutory timeframe of 20 working days. 17 authorities responded only partially, in that they did not provide bailiff use figures for all of the debt types requested. One authority¹⁹ declined to respond.

340 of the councils that responded to the request were lower-tier authorities (District, Borough and Unitary councils which are responsible for council tax collection), while 27 were upper-tier (County Councils in England) that primarily collect parking-related debts.

291 individual like-for-like comparisons were possible between lower-tier authorities who fully responded to our (identical) requests for information on bailiff use in both 2016/17 and 2018/19. Similarly, 270 individual like-for-like comparisons were possible between lower-tier authorities who responded in full to our requests relating to each of the 2014/15, 2016/17 and 2018/19 years. Any trends presented on bailiff use over time have been based solely on those authorities for which the relevant set of like-for-like comparisons are available.

All data used in this research has been provided by local authorities themselves via our Freedom of Information request, and so the accuracy of our results is dependent on the accuracy of information provided to us.

The data is presented via an interactive map of local authorities at www.stoptheknock.org, where the full data-set is also available for download.

¹⁷ Money Advice Trust, 2015, *Stop The Knock: Local authorities and enforcement action* and Money Advice Trust, 2017, *Stop The Knock: Mapping local authorities debt collection practices in England and Wales*

¹⁸ Several combinations of authorities in England merged with each other on 1st April 2019. This research relates to the 2018/19 financial year and therefore relates to the practices of authorities that existed during 2018/19.

¹⁹ Newcastle City Council declined on the basis of commercial sensitivity due to an ongoing tender process.

4. Research findings

In this section we present our findings on the extent of bailiff use in 2018/19, bailiff use for different types of debt,²⁰ trends in bailiff use over time, and the results of our updated mapping of the debt collection practices of lower-tier local authorities.

4.1. The extent of bailiff use in 2018/19



The total number of bailiff referrals in 2018/19 from the 367 local authorities that responded to our Freedom of Information request stood at more than 2.6 million.

Council tax arrears were passed to bailiffs on 1.4 million occasions, with close to 1.1 million referrals for parking fines and 39,470 for Housing Benefit overpayments. There were 79,899 referrals to bailiffs for unpaid business rates, 3,665 for commercial rents and 26,521 for other/sundry debts owed by individuals and businesses.

Debt type	Total bailiff referrals	% of total
Council tax	1,417,736	54%
Parking	1,079,119	41%
Housing Benefit overpayments	39,470	1%
Business rates	79,899	3%
Commercial rents	3,665	0%
Other/sundry debts	26,521	1%
All debt types	2,646,410	

Figure 1: Bailiff use in 2018/19

Total bailiff use by debt type

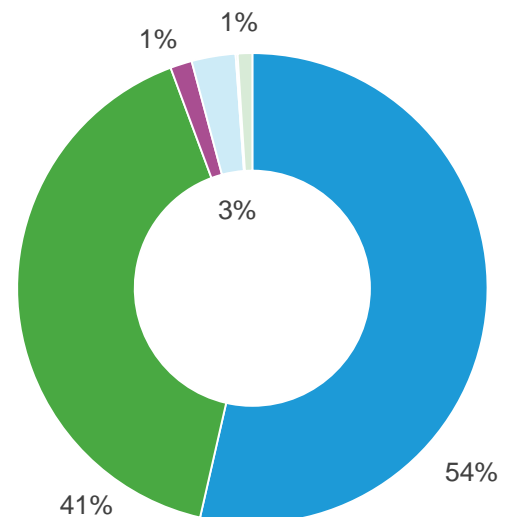


Figure 2: Total bailiff use in 2018/19 by debt type

Bailiff use by region

Local authorities in London, the North West and South East again referred the highest number of debts – unsurprisingly given their populations – in the regional breakdown of bailiff use in 2018/19, with councils in the North East and Wales again referring the least.

Approaching one third of the total number of debts passed to bailiffs related to London Borough councils (31%), with the 29 (out of 32 London Boroughs) that responded to our request, and the City of London Corporation, passing 792,416 debts to bailiffs in 2018/19 between them. As with our previous findings, it should be noted that the volume of penalty charge notices for parking issued in the capital is a key driver of this high figure (parking

²⁰ For a breakdown of how local authorities use bailiffs for different debt types, see *Appendix A*

accounts for 541,970 or 67% of the 807,855 bailiff referrals reported to us by local authorities in London). This effect is also evident, to a much lesser extent, in other large cities.

Region	Response rate to FOI	Bailiff referrals	% of total
Greater London	94%	807,855	31%
North West	95%	356,084	13%
South East	100%	346,778	13%
West Midlands	97%	265,940	10%
East	96%	214,068	8%
Yorkshire and the Humber	100%	199,266	8%
East Midlands	100%	192,979	7%
South West	100%	126,129	5%
Wales	100%	83,523	3%
North East	90%	53,788	2%

Figure 3: Bailiff use in 2018/19 by region

* For a separate analysis of local authority bailiff use in Wales, where the policy context is considerably different to England, see *Section 4.3*.

Use of bailiffs for different debt types

All but four lower-tier local authorities²¹ that responded used bailiffs to collect some kind of debt in 2018/19 – and all but six local authorities²² used bailiffs to collect council tax debts. 95% of authorities used bailiffs to collect business rates, with smaller proportions using bailiffs to collect parking debts (72%), Housing Benefit overpayments (45%), commercial rents (24%) and sundry debts (28%).

Proportion of authorities that use bailiffs for each debt type

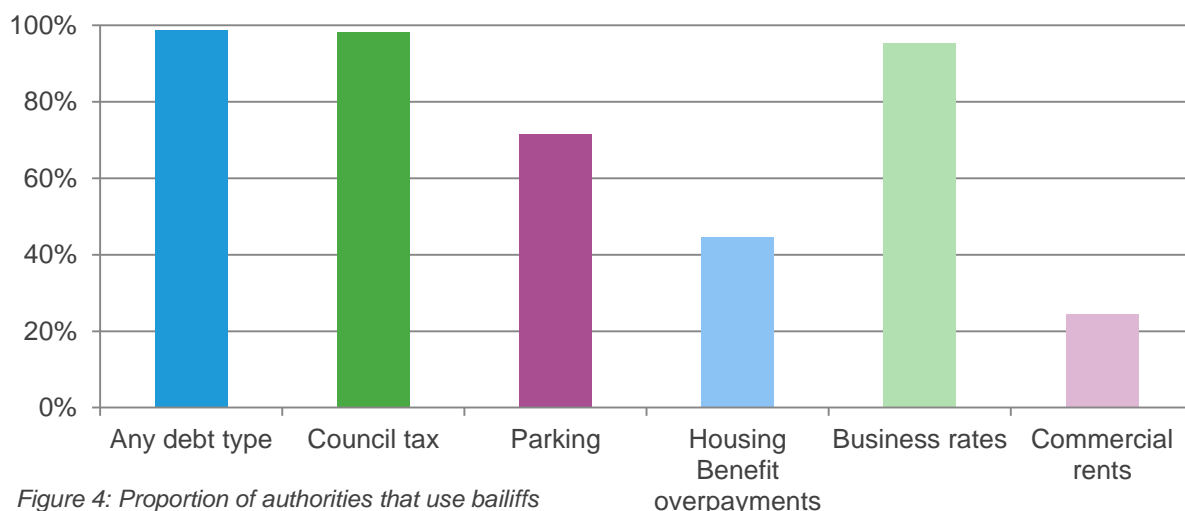


Figure 4: Proportion of authorities that use bailiffs for each debt type

²¹ Since our 2017 research, Isles of Scilly Council has been joined by Lewes District Council, Maldon District Council and Wealden District Council in reporting no bailiff use for any debt type (in 2018/19).

²² In addition to the four listed authorities above, Harrogate Borough Council and the London Borough of Hammersmith and Fulham reported that they had used no bailiffs for council tax debts in 2018/19.

4.2. Change in bailiff use over time



Our findings show a like-for-like increase of 7% in the total use of bailiffs across all debt types by comparable lower-tier authorities in the two years between 2016/17 and 2018/19.²³ This overall increase, however, is driven by a surge in bailiff use for recovering parking debts – with parking debt referrals up 21% over the two year period.

For the first time in our *Stop The Knock* research series, the use of bailiffs to collect council tax arrears remained stable over the research period, with no change between 2016/17 and 2018/19 (in comparison with a 10% increase between 2014/15 and 2016/17). Bailiff use for Housing Benefit overpayments and business rates decreased, by 21% and 6% respectively.

Debt type	2016/17*	2018/19*	Change
Council tax	1,198,973	1,202,259	0%
Parking	672,631	812,698	+21%
Housing Benefit overpayments	44,165	34,826	-21%
Business rates	71,751	67,411	-6%
Commercial rents	1,636	3,645	+123%
Other/sundry debts	20,300	21,321	+5%
All debt types	2,009,456	2,142,160	+7%

Figure 5: Change in bailiff use by debt type between 2016/17 & 2018/19 for councils where comparison available*

Going back further in time, a like-for-like comparison of lower-tier local authorities across each of the 2014/15, 2016/17 and 2018/19 years²⁴ shows a 22% overall increase in the use of bailiffs across all debt types over this six year period – with a 10% increase in bailiff use for council tax arrears and a 55% increase in bailiff use for parking.

Debt type	2014/15*	2016/17*	2018/19*	Change
Council tax	1,036,402	1,139,139	1,139,900	+10%
Parking	505,066	650,937	781,461	+55%
Housing Benefit overpayments	34,228	42,393	33,352	-3%
Business rates	65,677	68,953	64,806	-1%
Commercial rents	2,494	1,585	2,847	+14%
Other/sundry debts	29,083	19,642	21,117	-27%
All debt types	1,672,950	1,922,649	2,043,483	+22%

Figure 6: Change in bailiff use by debt type between 2014/15 & 2018/19 for councils where comparison available*

²³ Trends presented between 2016/17 and 2018/19 are based on the 291 lower-tier local authorities for which like-for-like comparisons are available between these two years. See *Methodology*.

²⁴ Trends presented between 2014/15, 2016/17 and 2018/19 are based on the 270 lower-tier local authorities for which like-for-like comparisons are available between all three of these years. See *Methodology*.

* Note that bailiff use figures are presented in figures 5 and 6 only for those authorities for which like-for-like comparisons are available over time. These figures therefore will not match the 2018/19 totals in figure 1.

Changing use of bailiffs by debt type over time

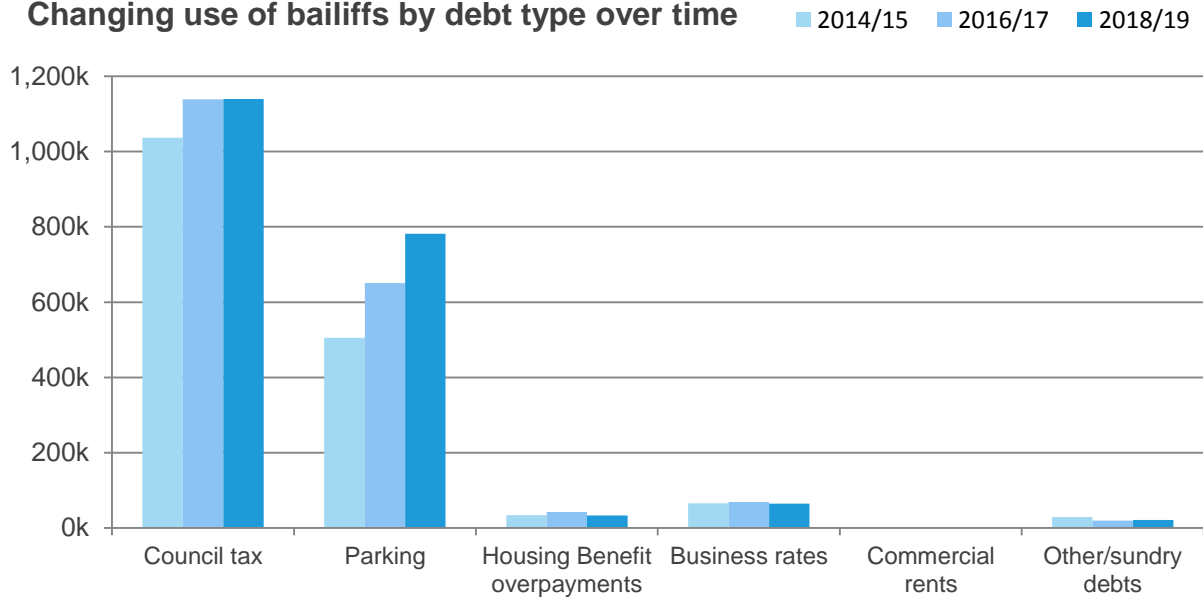


Figure 7: Change in bailiff referrals by debt type over time for authorities where comparison available

As in previous years, our findings show a continued divergence in volume of bailiff referrals. Of the 291 lower-tier authorities where comparisons can be made, 49% of authorities increased their use of bailiffs between 2016/17 and 2018/19 – down from 62% two years ago. 51% decreased their bailiff use in that time – up from 38% two years ago. This same 49/51 split is seen in bailiff use for council tax arrears specifically.

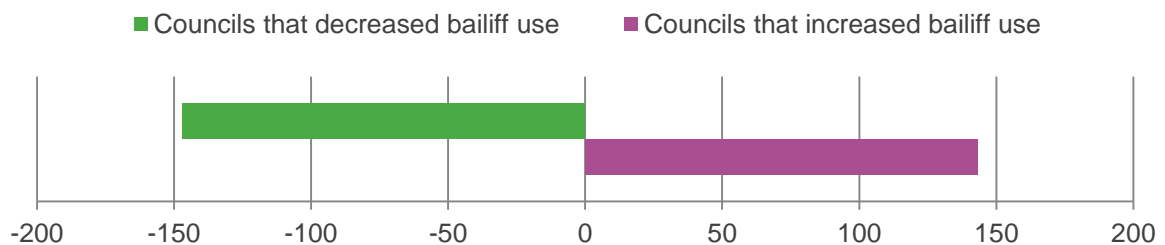


Figure 8: Councils that increased/decreased bailiff use between 2016/17 and 2018/19

For those councils that increased their bailiff use, the total increase in the number referrals was 41%. For those that used fewer bailiffs, the total decrease in referrals was 24%.

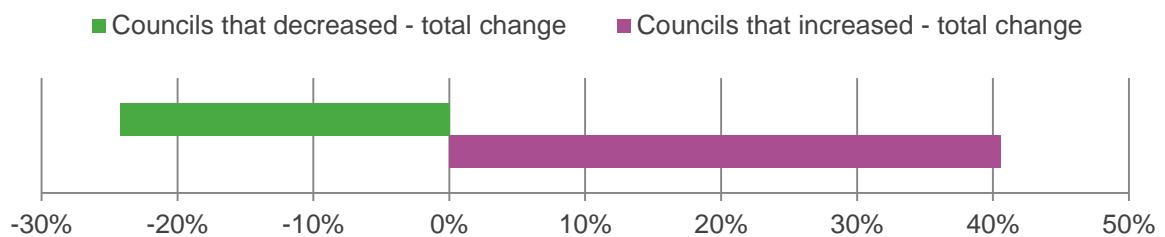


Figure 9: Total change in number of bailiff referrals by councils between 2016/17 and 2018/19

4.3. Bailiff use by local authorities in Wales

Local authorities in Wales account for only a small fraction (3%) of bailiff use in England and Wales, and the policy context also differs in Wales in one key aspect in particular – the Welsh Government’s continued funding of a 100% Council Tax Support scheme.²⁵ The Welsh Government has also implemented a wider package of work to improve council tax collection practices, including removing the sanction of imprisonment for non-payment and endorsing²⁶ the Money Advice Trust’s ‘six steps’ for local authorities. Given this very different policy context, the results for authorities in Wales are considered separately in this section.

Extent of bailiff use in Wales

Local authorities in Wales²⁷ passed 83,523 debts to bailiffs in 2018/19. This total comprised 53,671 council tax debts (64% of the total), 22,515 parking debts (27%), 1,396 Housing Benefit overpayments (2%), 2,594 business rate debts (3%), 205 commercial rents and 3,142 other/sundry debts (4%).

Changes in bailiff use in Wales over time

Overall bailiff use by local authorities in Wales increased 16% between 2016/17 and 2018/19 – but as in England, this was driven by a significant increase in bailiff referrals for parking debts (and more specifically, in Cardiff). The use of bailiffs to collect council tax debts in Wales has continued its decline, falling 2% over the two year period.

Of the 18 councils in Wales where comparisons can be made²⁸ between 2016/17 and 2018/19, only seven councils (39%) increased their use of bailiffs – down from 72% two years ago. 11 councils (61%) decreased their bailiff use in that time – up from 26% two years ago. Taking a longer-term view,²⁹ bailiff use for council tax has decreased 7% in Wales between 2014/15 and 2018/19, while bailiff use for parking debts has increased 36%.

Debt type	2014/15	2016/17	2018/19	Change
Council tax	45,627	43,042	42,523	-7%
Parking	15,976	7,135	21,777	+36%
Housing Benefit overpayments	874	1,572	832	-5%
Business rates	2,737	3,470	1,971	-28%
Commercial rents	34	209	202	
Other/sundry debts	644	2,922	2,277	
All debt types	65,892	58,350	69,582	+6%

Figure 10: Change in bailiff use Welsh councils between 2014/15 & 2018/19, where comparison available

²⁵ Welsh Government, 2016, Council Tax Reduction Scheme Regulations, [link](#)

²⁶ Welsh Government, 2018, Removal of sanction of imprisonment for non-payment of council tax, [link](#)

²⁷ All 22 local authorities in Wales responded to our Freedom of Information request. However, three councils provided only partial responses, with some (non-council tax) debt types not provided at time of publication.

²⁸ Of the 22 local authorities in Wales, 18 like-for-like comparisons were possible between 2016/17 and 2018/19.

²⁹ 16 like-for-like comparisons were possible between 2014/15, 2016/17 and 2018/19.

4.4. Mapping of debt collection practices



As in our previous *Stop The Knock* report, our research has again mapped local authority debt collection practices – beyond the single metric of bailiff use – addressing the key areas of signposting, affordability and vulnerability, and (for local authorities in England only) councils' approaches to Council Tax Support recipients, and the Council Tax Protocol. The findings in this section relate to lower-tier authorities only.

Our findings show that all but three councils³⁰ (99%) now signpost to free debt advice, 77 have adopted the Standard Financial Statement (SFS) (23%) and 202 have a formal vulnerability policy in place (59%). Amongst authorities in England, 30 exempt Council Tax Support recipients from bailiff action (9%) and 64 councils have adopted the Citizens Advice/Local Government Association Council Tax Protocol (20%).

A further 14 councils are currently considering adopting the SFS, while an additional nine councils are currently considering putting in place a vulnerability policy. A further 23 councils in England are currently considering adopting the Council Tax Protocol.

Summary of local authority debt collection practices

■ In place ■ Considering

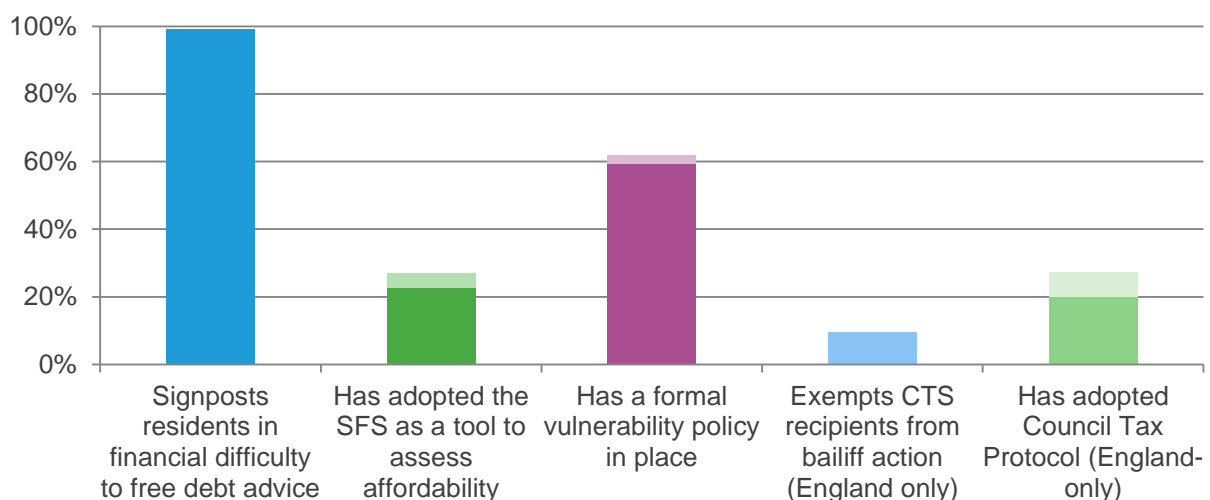


Figure 11: Summary of local authority debt collection practices

In comparison to our mapping of debt collection practices in 2016/17, these findings represent a modest net improvement in debt collection practices over the past two years.

Debt collection practice in 2018/19	Councils	%	Change
Signposts residents in difficulty to free debt advice	337	99%	+2%
Has adopted the SFS as a tool to assess affordability	77	23%	+4%
Has a formal vulnerability policy in place	202	59%	+3%
Exempts CTS recipients from bailiff action (England)	30	9%	+1%
Has adopted the Council Tax Protocol (England)	64	20%	+4%

Figure 12: Summary of local authority debt collection practices in 2018/19 and changes since 2016/17

³⁰ South Hams District Council, West Devon Borough Council, and Wirral Council.

Signposting



The vast majority of local authorities (99%) **signpost** residents in financial difficulty to free debt advice – with only three councils³⁰ reporting that they do not take this basic step, down from 10 authorities two years ago. The vast majority (88%) signpost to Citizens Advice while approaching half signpost to national telephone and online advice providers StepChange Debt Charity (48%) and National Debtline (46%). There has been a small increase in signposting to telephone/online advice compared to two years ago.

Signposting destination	Councils	%	Change
Citizens Advice	299	88%	0%
StepChange Debt Charity	164	48%	+6%
National Debtline	156	46%	+6%
Money Advice Service	122	36%	+9%
Christians Against Poverty	64	19%	+5%
AdviceUK	43	13%	+2%
PayPlan	32	9%	+3%
Business Debtline	13	4%	-2%

Figure 12: Signposting destinations in 2018/19, with changes since 2016/17

Affordability



77 councils told us that they had adopted the Standard Financial Statement (SFS) as an objective tool for assessing **affordability** as part of their debt collection process, representing 23% of authorities surveyed (up from 61 councils or 19% two years ago). A further 14 councils told us they are considering adopting the SFS, while a small number reported they had started to use the SFS but have since stopped doing so.

As we found two years ago, several other councils volunteered that they do use a formal income and expenditure tool, but based on their own figures, and a small number stated that they believed their own tool was similar to the Standard Financial Statement.

Vulnerability



Around six in 10 authorities (59%) have a formal policy in place for dealing with residents in **vulnerable circumstances**, up from 56% two years ago. Formal policies were in place both in the form of separate documents, and as specific vulnerability sections in wider debt collection policies. A further 3% said they are currently considering putting a vulnerability policy in place.

Of those councils who do not have a policy in place, several volunteered that they instead 'treat every resident individually', or instead cited their bailiff firms' vulnerability policies.

Council Tax Support recipients



30 local authorities in England told us that they had a policy of exempting recipients of **Council Tax Support** from bailiff action – representing 9% of authorities and an increase from 23 councils (8%) two years ago. Some local authorities volunteered that they had implemented measures that fell short of a full exemption, but that did have the effect of making the use of bailiffs in these cases less likely.

It should be noted that some authorities in England have retained a 100% Council Tax Support scheme, and the Welsh Government funds a Wales-wide 100% Council Tax Support scheme, and so the need for such an exemption policy does not arise in these circumstances, as no council tax is charged in the first place.

Council Tax Protocol



64 authorities in England (20% of councils that responded) reported that they had signed the Citizens Advice/Local Government Association **Council Tax Protocol**. A further 23 councils told us they are currently considering taking this step (7% of councils). A small number of other councils reported that while they have not formally adopted the Protocol, they believed most of its elements were already in place.

Since our last *Stop The Knock* report, all 22 local authorities in Wales have signed up to the separate Welsh Government/Welsh Local Government Association Council Tax Protocol.

Our findings for authorities in England provide further evidence of a correlation between adoption of the Council Tax Protocol and better debt collection practices. In 2018/19 councils which had adopted the Protocol were significantly more likely to have adopted the Standard Financial Statement (44% for Protocol councils, compared to 17% for non-Protocol councils), more likely to have a vulnerability policy (68% compared to 60%) and twice as likely to exempt Council Tax Support recipients from bailiff action (14% compared to 7%).

Collection practices in Wales

All 22 local authorities in Wales reported that they signposted residents in financial difficulty to free debt advice. Only four authorities told us they had adopted the Standard Financial Statement – up from two councils two years ago – with one more considering doing this. 12 authorities have a formal vulnerability policy in place – up from eight two years ago – with three more councils currently considering taking this step.

Further details

Further details of these findings, including an online map of debt collection practices and how these have changed over time, are available at www.stoptheknock.org

5. Recommendations

In this section we present steps for local authorities to consider in reducing their bailiff use and improving debt collection practices, and our recommendations for central government.

5.1. Six steps for local authorities

In our previous *Stop The Knock* report in 2017 we published ‘six steps’ for local authorities to consider in improving their debt collection practices and reducing the use of bailiffs. These steps, updated and summarised below, have since been endorsed by the Welsh Government and used by several councils in considering changes to policy and practice.

- 1 Make a clear public commitment to reduce the use of bailiffs over time**

We recommend that council leaders make a clear public commitment to reduce the use of bailiffs over time by improving their debt collection practices, in order to provide clarity to officers at an operational level. This commitment could take the form of a public statement, a formal decision or statement of administration policy, or a motion of Full Council. This commitment should include all debt types, not just council tax arrears.
- 2 Review signposting to free debt advice, including phone/online channels**

We recommend that all councils regularly review their signposting and referrals processes to ensure that all opportunities to help people access free debt advice are maximised. This should be implemented for all debt types, not just council tax. For councils who currently signpost only to face-to-face agencies, we recommend providing residents with a choice of channel by additionally signposting to telephone/online advice agencies.
- 3 Adopt the Standard Financial Statement to objectively assess affordability**

We recommend that councils adopt the Standard Financial Statement (SFS), which provides a consistent, fair and industry-recognised method of working out affordable repayments, for residents in financial difficulty. For all types of debt, councils should proactively establish ability to pay before sending accounts for enforcement – and accept any provided SFS-compliant financial statement as a true reflection of income and expenditure.
- 4 Put in place a formal policy covering residents in vulnerable circumstances**

We recommend that all local authorities should introduce, for all debt types, a formal vulnerability policy – either as a standalone document or in the form of specific and detailed provisions in a broader debt collection or corporate debt recovery policy. This should include identifying vulnerable residents and amending collections processes accordingly. Policies should be published and reviewed regularly, and should be accompanied by staff training.

5 Exempt Council Tax Support recipients from bailiff action (England only)

For authorities in England, we recommend exempting recipients of Council Tax Support, who have already been identified as requiring additional support through locally-determined criteria, from bailiff action altogether. This recommendation would see local authorities follow the lead of the small number of councils who have adopted this approach, which has been shown to deliver significant results for both residents and the taxpayer.³¹

6 Sign the Council Tax Protocol and review current practice against the Money and Pensions Service ‘Supportive Council Tax Recovery’ Toolkit

Finally, we recommend that all local authorities in England should sign up to the revised Citizens Advice/Local Government Association Council Tax Protocol,³² agreed in June 2017. Many of the principles in the Protocol – and its Wales equivalent – can be operationalised using the Money and Pensions Service’s Supportive Council Tax Recovery Toolkit,³³ against which we would recommend all local authorities review their current practices.

For full details of the ‘six steps’ see our briefing for local authorities at www.stoptheknock.org

5.2. Recommendations for central government

While the debt advice sector will continue to work with local authorities to improve policies and practices at a local level, the pace of this improvement is too slow. As part of the Ministry of Justice’s review of bailiff reform and the Ministry of Housing, Communities and Local Government’s ongoing review of council tax collection, the government should:

- Introduce **independent bailiff regulation** and a single complaints mechanism, as recommended by the Taking Control group of charities and Justice Select Committee.
- Review and amend the **Council Tax (Administration and Enforcement) Regulations 1992**, including putting an end to residents becoming liable for their entire annual bill upon one missed payment, and removing the sanction of imprisonment.³⁴
- Place the **Good Practice Guidance for Council Tax collection** on a statutory footing and introduce statutory reporting of **debt collection methods and outcomes**, across all debt types, to incentivise good practice and quicken the pace of improvement.
- Introduce (and fully fund) a mandatory requirement for local authorities in England to re-introduce **100% Council Tax Support schemes**, to ensure that those residents identified as most in need of support using locally-set criteria are not required to pay.
- Review the **enforcement of parking penalty charge notices** to bring this into line with the enforcement of County Court Judgments, including measures to allow the court to suspend warrants and people to apply to pay through affordable instalments.

³¹ For more information on this see CPAG and Z2K, 2016, Still too poor to pay, [link](#)

³² Citizens Advice and LGA, 2017, Revised Collection of Council Tax Arrears Good Practice Protocol, [link](#). A separate Wales-wide Council Tax Protocol has been developed by the Welsh Government and Welsh LGA

³³ Money Advice Service, Supportive Council Tax Recovery, December 2018, [link](#)

³⁴ For further information on amendments that could be made to the Council Tax (Administration and Enforcement) Regulations 1992 see recommendations in Citizens Advice, 2019, The Costs of Collection, [link](#)

Appendix A: Bailiff use by debt type

The following table³⁵ shows when and how local authorities use bailiffs to recover different types of debt.

Council tax arrears	Parking penalties
<p>If someone falls behind with council tax payments, the local authority may apply to the magistrates' court to make a '<i>liability order</i>'. This is a court order that states that they owe council tax but have not paid it. The local authority will also add on any court costs they have had to pay.</p> <p>If the person owing the debt does not pay the amount stated on the order, the local authority can take enforcement action, which could include:</p> <ul style="list-style-type: none"> • using bailiffs to try and take goods; • making deductions from earnings; • making deductions from benefits; • charging orders (where the debt is secured on a property owned by the person in debt); • bankruptcy; and • imprisonment (in England only). <p>The council can decide which type of enforcement action to use. However, they can only use one type of enforcement action at a time. Most local authorities prefer to use bailiffs or deductions from earnings to try and recover unpaid council tax. The person owing the debt can make an offer of payment to the council at any time before they use enforcement action. This could stop the action from happening.</p> <p>In England only, if the local authority uses bailiffs and the person owing the debt still hasn't paid their council tax in full, the local authority may apply to the magistrates' court for an order for them to be sent to prison.</p> <p>The sanction of imprisonment for non-payment of Council Tax in Wales has now been removed by the Welsh Government.</p>	<p>Local authorities typically have their own traffic wardens (called civil enforcement officers) who issue penalty charge notices, for example, for parking on double yellow lines, in a permit only zone, on zigzag lines or in parking meter zones.</p> <p>Most local authorities have the power to enforce these parking penalties under the Traffic Management Act 2004. These parking penalties are not treated as criminal offences. They are often known as a 'parking penalty charge' or a 'penalty charge notice' (PCN). A PCN is enforced through the county court and private bailiffs.</p> <p>The local authority applies for a court order through the Traffic Enforcement Centre at Northampton County Court. This order authorises the local authority to instruct private bailiffs to collect the charge. 21 days after the court order is issued, the local authority can issue a warrant to the bailiffs, which allows the bailiffs to act.</p> <p>Unlike the usual county court process it is not possible to ask the court to suspend the warrant or to make an order to allow the charge to be paid in affordable installments. It is not easy to negotiate directly with the local authority to avoid bailiffs being instructed.</p> <p>The enforcement of PCNs relies heavily on the use of private bailiffs. There is no power to send anyone to prison for not paying a parking penalty.</p>

³⁵ Reproduced and updated from Money Advice Trust, 2015, *Stop The Knock: Local authorities and enforcement action*, September 2015, [link](#)

Housing Benefit overpayments	Business rates
<p>Housing Benefit overpayments are recoverable by a variety of methods such as deductions from future payments of Housing Benefit, deductions from other benefits, via an adjustment to the tenant's rent account or by way of a direct earnings attachment.</p> <p>Where none of these recovery methods are practical it is possible for a local authority to obtain a court order in the County Court which allows them to take enforcement action. This can include applying for a warrant of control to authorize private bailiffs to act. If the debt is more than £600, the debt may be transferred to the High Court for enforcement by High Court Enforcement Officers, although this rarely happens in practice.</p>	<p>If a business falls behind with business rate payments, the local authority may apply to the magistrates' court to make a <i>'liability order'</i>. This is a court order which confirms that the business owes business rates and has not paid them. The liability order will be for the total amount owed plus any court costs the local authority has to pay.</p> <p>Once the magistrates' court grants a liability order, the council may use bailiffs to try and recover the debt. They can attend a business premises or a home. Bailiffs can only call between the hours of 6am and 9pm except where the businesses normal trading hours are outside this period (e.g. pubs and restaurants), and must provide the business with full written details of the liability.</p>

Appendix B: Further reading

This report builds on the Money Advice Trust's two previous reports, *Stop The Knock: Local authorities and enforcement action* (2015) and *Stop The Knock: Mapping local authority debt collection practices in England and Wales* (2017) along with a range of other relevant research, reports and guidance published in the last two years.

A selection of the most relevant reports and other documents published by other organisations since 2017 are included below.³⁶

Local government debt collection

Money Advice Trust, 2015, *Stop The Knock: Local authorities and enforcement action*, September 2015, <http://www.moneyadvicetrust.org/SiteCollectionDocuments/Research%20and%20reports/Council%20tax%20arrears%20and%20enforcement%20V7.pdf>

Money Advice Trust, 2017, *Stop The Knock: Mapping local authority debt collection practices in England and Wales*, November 2017, <http://www.moneyadvicetrust.org/researchpolicy/research/Documents/Money%20Advice%20Trust%20-%20Stop%20The%20Knock%202017%20report.pdf>

Institute of Money Advisers and PayPlan, 2017, *The case for ending imprisonment for council tax debt in England and Wales*, November 2017, <https://www.i-m-a.org.uk/other-services/social-policy/ima-payplan-council-tax-imprisonment-campaign/>

National Audit Office, 2018, *Tackling Problem Debt*, September 2018, <https://www.nao.org.uk/report/tackling-problem-debt/>

Money Advice Trust, 2018, *Council tax arrears* in Money Advice Trust, 2018, *A decade in debt*, November 2018, <http://www.moneyadvicetrust.org/researchpolicy/research/Documents/Money%20Advice%20Trust,%20A%20decade%20in%20debt,%20September%202018.pdf>

Money Advice Service, 2018, *Supportive Council Tax Recovery Toolkit*, December 2018, https://masassets.blob.core.windows.net/cms/files/000/001/115/original/Supportive_Council_Tax_Recovery.pdf

Local Government Association, 2019, *Reshaping financial support: how local authorities can help to support low income households in financial difficulty*, February 2019, <https://www.local.gov.uk/reshaping-financial-support-how-local-authorities-can-help-support-low-income-households-financial>

³⁶ For a list of relevant reports published before 2015 and in the period 2015 to 2017 see our previous two *Stop The Knock* reports listed above.

Citizens Advice, 2019, The Costs of Collection, April 2019, https://www.citizensadvice.org.uk/Global/CitizensAdvice/Debt%20and%20Money%20Publications/FINAL_%20Costs%20of%20Collection%20.pdf

Bailiff reform

AdviceUK, Christians Against Poverty, Citizens Advice, Money Advice Trust, StepChange Debt Charity, The Children's Society, Z2K, 2017, *Taking Control: The need for fundamental bailiff reform*, March 2017, <https://www.bailiffreform.org/storage/app/media/Taking%20Control%20report%20March%202017.pdf>

Citizens Advice, 2018, *A law unto themselves: How bailiffs are breaking the rules*, November 2018, <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/a-law-unto-themselves-how-bailiffs-are-breaking-the-rules/>

Citizens Advice, 2019, *The rules of enforcement*, January 2019, <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/debt-and-money-policy-research/the-rules-of-enforcement-complaining-about-bailiffs-in-a-self-regulated-system/>

AdviceUK, Christians Against Poverty, Citizens Advice, Community Money Advice, Institute of Money Advisers, Money Advice Trust, Money and Mental Health Policy Institute, PayPlan, StepChange Debt Charity, The Children's Society, Z2K, 2019, *Taking Control response to Ministry of Justice call for evidence on the review of enforcement agent reforms*, January 2019, <https://s3-eu-west-2.amazonaws.com/bailiffreform/media/taking-control-response-to-moj-call-for-evidence-feb-2019.pdf>

Commons Justice Committee, 2019, *Bailiffs: Enforcement of debt*, April 2019, <https://publications.parliament.uk/pa/cm201719/cmselect/cmjust/1836/full-report.html>



Money Advice Trust

The Money Advice Trust is a charity formed in 1991 to help people across the UK tackle their debts and manage their money with confidence.

For more information about this report:

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Website: www.moneyadvicetrust.org

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Appendix 2 - Acorn submission with Council comments *in italics*

Why Manchester City Council Should End Bailiff Use

Please see testimonies at the end of this document from people living in Manchester who have experienced the harsh realities of bailiffs being sent to their homes. This report acknowledges the new guidelines for Council Tax recovery as part of its Anti-Poverty work adopted by the Executive on 28th June, following the report from the Head of Corporate Revenues, Charles Metcalfe. We welcome these positive measures and hope that they dramatically reduce the number of bailiff referrals made by the council and show a department willing to put the welfare of the city's residents at the core of policy making. We particularly welcome the acknowledgement that pushing residents into debt and poverty is a false economy for local authorities. ACORN are also working together with the council to review the wording/layout of letters.

1. Background

£5.5 billion of Council Tax arrears have built up in England alone. The latest cost of living crisis hitting households at the same time as rising Council Tax (4.99% in Manchester) now risks a dramatic increase in the use of bailiffs to collect growing arrears. We understand that Manchester City Council are under severe financial pressure after more than a decade of central government cuts and rising demand for services. We also recognise that local authorities have limited options when it comes to Council Tax collection. **However, there is no evidence that stricter enforcement measures, including bailiff use, lead to increased collection rates.**

The basis for this is a report by Paul Howarth published in Policy Practice, however, the only mention of Bailiffs in this article just notes that enforcement action after a Liability Order is obtained can include action by Bailiffs. The key findings are that collection rates are affected by relative deprivation and the generosity of a Council's CTS scheme.

Bailiff action is a distressing experience that exacerbates the debt and poverty affecting people struggling to keep up with Council Tax payments. Pushing residents into debt and poverty is also a false economy for local authorities. As a result of bailiff enforcement, residents can become unable to make Council Tax contributions as well as seeking discretionary and housing support for years into the future.

Council Tax income makes up a smaller proportion of Manchester City Council's overall revenue compared to other local authorities. On average, local authorities receive half of their funding through Council Tax collection, for Manchester City Council that figure is around 30%. This means that the local authority is less exposed to fluctuations in Council Tax collection rates.

In year collection rates for Manchester City Council were around 90% in 21-22, down from the pre-pandemic level of around 93% in 17-18 and 18-19. Collection rates

were higher in 20-21 than in 21-22, despite a pause in cases being referred to enforcement agencies.

This is correct, but arrears collection, where most EA activity is concentrated, was £6.4 million in 2020/21 and increased to £9.1 million in 2021/22.

Bailiffs make Manchester poorer.

The fees incurred by a Manchester resident that has gone through the whole of the enforcement process could be more than £644.50. Half of Citizens Advice clients currently seeking debt advice have a negative budget, meaning their necessary expenditure on essentials outweighs their income. The average person they help with debt advice used to have £19 left over each month after paying for their essentials. Now, they have an average shortfall of £28 per month. It is therefore impossible for the average highly indebted person to pay back any Council Tax arrears safely, with court action just pushing them further into destitution and despair.

Fees of £644.50 are only added if a resident goes through all the recovery stages and has goods removed, which is very rare. Around 50% of debt recovered is done so at the compliance or pre-compliance stage incurring £75 or zero fees. Residents who are struggling to pay their Council Tax and contact the Council are offered a range of solutions that can prevent cases escalating to EAs, including writing off the most recent set of summons costs.

In Manchester, people of working age with no 'excess income' are still required to pay 17.5% towards their Council Tax bill. This is simply impossible and creates a conveyor belt of people being pushed into arrears. Whilst residents in receipt of maximum Council Tax Support are exempt from bailiff action in Manchester, those on less than the maximum are not. Residents may also not be receiving the maximum support they are entitled. Paying back Council Tax arrears debts often leads to agonising choices for people in debt about whether to prioritise repayments over heating or food, or whether to borrow from high-cost lenders or illegal loan sharks to survive. The Trussell Trust recently reported that Council Tax debt pushes many people into destitution, leading them to food banks.

The Trussell Trust report quoted concentrates on Central Government debt and Council Tax debt is only mentioned in passing. Their recommendations all relate the Social Security system other than saying that the principles of clarity, flexibility and respect should be at the core of debt collection policies.

2. A false economy

Over-indebtedness incurs considerable social and economic costs, many of which fall on local authorities. These severe financial pressures contribute to relationship breakdown, poor health, including mental health¹ and loss of housing². They can also harm debtors' employability³, reduce their productivity at work⁴, and affect the welfare of their children⁵. At its most severe, over-indebtedness can also be a contributory factor in suicide⁶. In 2018 the National Audit Office estimated that 7:

- Roughly one in every twelve over-indebted individuals will experience mental health problems such as anxiety or depression, with each of these creating a direct additional cost for health services of around £300 per year.
- When factoring in additional costs arising from mental health problems caused by over-indebtedness, such as costs for social care services and knock-on impacts on employment, the amount rose to £11,100 per person per year.
- A further three percent of over-indebted individuals will also be more likely to move into, or remain in, state-subsidised housing, creating additional costs of £9,739 per year.

Using these costings and applying them to the 22,933 cases that were sent to enforcement agencies in 2021/2022 in Manchester we calculate the impact of Council Tax debt could have been £6.9 million in additional public service costs, this far outweighs the £3.7 million collected from residents who had not engaged with the Council between September 2018 and September 2019 (below).

	% of residents impacted	Number of residents impacted	Cost	Total costs
Additional Mental Health Crisis Support	0.08%	19	£300	£5,710
Additional Social Care/Employment Support	0.08%	19	£11,100	£211,282
Additional Housing Support	3%	688	£9,739	£6,700,335
Totals				£6,917,327
Enforcement Case Referrals 2021/2022	22,933			

The figure of 22,933 used by ACORN refers to the number of annual debts referred to EAs. However, these related to 8,459 actual households, meaning the figure of £6,917,327 is nearly three times higher than if the correct figure is used. There is no doubt that over-indebtedness can have a major impact on a resident's mental health. However, the report identifies around £18 billion owed to Central and Local Government and utility providers of which around £3 billion is Council Tax arrears, much of which is not passed to EAs. To argue that passing cases to EAs is the only factor that impacts a resident's mental health and results in up to £6.9 million in additional public service costs is tenuous.

3. On the “issue” of non-payment when people can afford to pay.

During this campaign, we have heard members sitting on the council executive as well as members of the governance and scrutiny committee make the claim that

bailiffs make sure that people pay the debts. We have also heard arguments amounting to “if we do not have the threat of bailiffs in our back pockets, people will stop paying their Council Tax entirely”. We do not know where these claims come from as we have never seen any evidence to this effect. In fact, from speaking to members of the public as a part of our campaign, we found that over 50% of people did not know that the council passes on accounts to Enforcement Agents. If the above claim were true, the council would expect most people to not pay their Council Tax. The general public understands, as we at Debt Justice and ACORN do, the importance of Council Tax to provide local services.

Most Manchester residents pay their Council Tax without question and never have to think about what happens when they do not pay. By the time a resident has their account passed to EAs they will have ignored a reminder, a summons and two letters warning of a visit by an EA. Once the case is with an EA company and they start to make contact warning of the real possibility of an EA visit they recover between 41% and 47% of the total that they collect.

We have also spoken to debt advisors, who echo this.

Tim Nelson, a member of Greater Manchester Money Advice Group said:

“I have been a debt adviser for about 22 years and I cannot recall any client who had the ability to pay but refused to do so. They do not pay because they are not given the opportunity to, a payment arrangement that means you cannot afford to eat is not an opportunity to pay.”

With due respect to Mr Nelson, people who are able to pay their Council Tax but actively try to avoid their responsibility do not seek debt advice. Work with HMRC data recently identified 90 clients earning over £40,000 and up to £200,000 pa who owed £490,000, none of which EAs had been able to collect.

From the council's own data however, we have seen that Enforcement Agents are only able to recuperate 14% of debts passed on in 2021/22 and 16% 2022/23, showing that they are not an effective method of collecting debt in the first place.

4. New guidelines for Council Tax recovery

The council set out new guidelines for Council Tax recovery in June 2023 to mitigate the impact of the cost-of-living crisis. This includes:

- Increasing support through the Discretionary Council Tax Payment scheme until at least March 2024.
- Giving residents in Council Tax arrears the ability to spread re-payments over two years, rather than one.
- Implementing a less formal local ‘breathing space’ scheme to give residents in arrears the ability to pause collection activity whilst they seek debt advice and local authority support to stabilise their finances.
- Reviewing the Council Tax Support scheme before 2024/5, which will consult on increasing the maximum amount of support available to residents from

82.5% of the bill. Best practice in preventing poverty and arrears is for local authorities to offer up to a 100% reduction.

We welcome these positive measures and hope that they dramatically reduce the number of bailiff referrals made by the council. We particularly welcome the acknowledgement that pushing residents into debt and poverty is a false economy for local authorities. The council's analysis of new guidelines states "in some cases the payment plans may actually support a higher ultimate collection rate as well as providing support to residents."

Despite this acknowledgment, the council continues to use bailiffs to collect Council Tax. Every referral to bailiffs is a social policy failure and we would encourage Manchester City Council to be bolder.

Bailiffs are financially incentivised to recover debts and are therefore badly placed to assess the vulnerability of residents. The code of practice does not give sufficient protection to residents because poor enforcement practice is widespread. An estimated one in three bailiffs break the rules - bailiffs enter people's homes (sometimes with children inside) before six am or after nine pm, seize possessions from the wrong people, use force to enter and intimidate, often causing trauma in the process.

The council has an opportunity to show ethical leadership and set an example to local authorities around the country by working with residents to find alternatives to using bailiffs to collect Council Tax arrears.

Recommendations

We encourage members of the committee to support the following recommendations at the meeting on 7th September:

- This committee acknowledges the difficulties faced by people with lived experience of debt across Manchester
- This committee acknowledges the work of Debt Justice and ACORN in supporting people from across Greater Manchester with lived experience of debt
- This committee recommends that the Council's Executive initiates a review into the best way to ethically support people experiencing Council Tax debt with methods that are financially inclusive and no longer include bailiffs as a way to recover debt to be presented within 6 months

For more information contact Richard Dunbar, richard@debtjustice.org.uk or 07712476128. About Debt Justice (Formerly Jubilee Debt Campaign):

1 Richardson, T, Elliott, P. Roberts, R. (2013). 'The Relationship Between Personal Unsecured Debt and Mental and Physical Health: A Systematic Review and Meta-analysis'; Gathergood, J. (2012). 'Debt and Depression: Causal Links and Social Norm Effects'.

2 Providing help to people debt problems is a common element of homelessness prevention strategies in many countries. See, for example, Gaetz, S. & DeJ, E. (2017), 'A New Direction: A Framework for Homelessness Prevention'. Canadian Observatory on Homelessness, Toronto..

3 Gibbons, D. (2010). 'Out of Work and Out of Money: A study of financial inclusion and worklessness in Manchester: how to improve support for people with money problems to obtain and sustain employment'. Manchester City Council.

4 Joo, S. & Garman, E.T. (1998), 'The potential effects of workplace financial education based on the relationship between personal financial wellness and worker job productivity'.

5 The Children's Society & StepChange (2014), 'The Debt Trap: exposing the impact of problem debt on children'.

6 See Financial Times: Problem Debt and Suicide - Money and Mental Health

1. See above

Testimonies from residents

Resident 1

"When I was in my early 20s I had a car, now I'm going to sound like my wife, I can't remember what make it was, just that it was red, and I needed to top up the radiator every time I used it just to get from A to B. I was living on my own after dropping out of uni, I didn't have a job and was trying to figure out what and who I wanted to be. I found myself getting into some debt with a few bills, and I was unable to pay my Council Tax. I felt I didn't have anyone to turn to, I didn't know who could help me. I couldn't speak to my parents. I'm from a small town in South Yorkshire, and they weren't in a position to help me, and if I'm honest...I was embarrassed. I wanted them to be proud and see that I could go it alone, so instead I did what any other 20 something in my position would do, I ignored it! I grew up in Thatcher's Britain, I was 7 when she came to power and 18 when she left, what followed was more of the same. I remember the miners strike, privatisation, poll tax and cuts to public services across the board. Things were hard, I'm sure those who are old enough out there will remember, jobs were hard to find; I was no different. So, when I came home to find a handwritten note on my car saying bailiffs were coming to take the car, and things from my house unless I called them... I had no idea what my rights were. When 2 blokes came round and started sizing up my furniture, I had no idea that I could refuse to let them in, that I had rights, and people I could go to for help. They asked me to prove I lived alone, as they went upstairs and started opening draws and wardrobes in my bedroom. This encounter that happened 30 years ago with bailiffs impacted the way I handled... handle money now, I have severe anxiety when dealing with bills, and for a long time found it impossible to face."

Resident 2

"A few years ago I was visited by a bailiff. I asked "why are you here". He said that I needed to pay £600. I asked what for and he said it was because I was late on my Council Tax payment by two days. He said the £600 was the payment for the rest of the year. At the time I was operating a childminding business. I was not happy because the visit happened when other people's children were on my premises. He had his camera on and I asked for it to be turned off because of the children. I then said this is not fair because I usually never miss a payment. I asked what will happen if I refuse to pay? The options were: they collect items from my house to sell or I would be arrested. I said neither of those make sense. I said if you take things like my laptop and TV I will not be able to look after the children because these are resources to teach the children. Secondly if you arrest me I will get a criminal record and will be unable to work with children or get certain jobs so I wouldn't be able to pay my Council Tax then. He then rang the office to set up installment payments but they refused. I didn't know what to do. I then rang my brother and he loaned me the

money. I paid and he left. At the end of the month I had to pay my brother back therefore I had to live on £600 less.”

Resident 3

“Two years ago, I found myself being unable to pay my Council Tax bill on time and missed a payment. I got a letter and paid for it when I could. The reality was, I just didn't have the money for it. I'm not eligible for any benefits, don't qualify for any support but the reality is that I am living month to month. On this specific month, I had got an electricity bill that was surprisingly high and the kids were going back to school. I needed to make the hard decision on what to prioritise and decided that the kids needed their uniforms. I contacted the council and restructured my payments and had them go from paying over 10 months to a 12 month payment option. A few months later, I was unable to pay my Council Tax on time again. I didn't plan to not pay it, I just didn't have the money available. I thought I would be able to catch it up later when I did have the money. The council took my case to court and I wasn't informed. I only found out when the next yearly bill came in informing me that my account had been passed on. This is when the bailiffs came out. It was really frightening. They put chains around the car and added on charges on top of what I owed. It's made things more difficult. They told me I couldn't set up a payment plan and had to pay straight away. I didn't have the money so had to put it on my credit card. I had to pay off my debt by taking on more debt. When I was dealing with it and reaching out it felt like what I was told over the phone wasn't what was actually happening. I only got one letter reminder the first time. It was very shocking, I needed a bit of space, some better support and more understanding. I'd like to see the council treating people with more kindness. I would have paid it the next month. If my electric company were able to support me, why can't the council?”

Resident 4

“6 years ago, I was in a houseshare with two other people. I set up a direct debit and paid my part of the bill, I was also getting Council Tax Support to pay the bill because I was claiming PIP. I didn't know this but the other two were not paying their share. The council had been trying to find them for years but couldn't so now I've been made liable for the whole bill. Because I'm the only one they can get in contact with, I'm having to pay. Whilst I was trying to speak to the council and argue against being charged this bill as I had paid my portion, my case was sent over to the bailiffs. The bill went from £273 initially and I'm now being charged over £600. My account has been passed on to debt collectors to make it bigger and now it's being taken out of my earnings. I'm in temporary accommodation at the moment, with someone else's bill being taken out of my Universal Credit. I've been using food banks. I really tried my best to deal with this, a bill that I had tried to keep on top of. I just feel that the council should be taking into consideration people who are trying. The bailiffs were absolutely useless and I can't believe how much they added on. At the end they had to pass my case back to the council because I was in temporary accommodation with other people who are vulnerable, but the extra charges haven't been taken off and I'm still paying them.”

Resident 5

“I fell into arrears with my Council Tax at my previous address years ago when I was diagnosed with cancer and we had a family crisis. I got in contact with the council after I moved, a few years later, trying to make a repayment plan and get back on top of my finances. Instead of agreeing to a payment plan that I can afford, the money is being taken out of my salary every month. I’ve been using foodbanks because the payments are so high, they also aren’t consistent month to month and I’m never able to budget for the month. I don’t know what I’ll be left with once the Council Tax payments are taken from my wage. I’ve never been given a breakdown of the full amount I owe and every time I’ve tried to get a payment plan that I can afford, I’ve been told that isn’t possible. It’s all got so much that I find it hard to open letters about bills, find it hard to talk to someone over the phone about this because it causes me so much stress and anxiety but have been told that I can’t resolve this over email. I’ve tried to explain how hard I find it to speak to someone over the phone but keep getting told this means I’m not engaging with the council. The stress from this has got so much that I have considered ending it all before. I’ve had to take leave from work and the payments are still coming out of my statutory sick pay. It’s been really difficult to live with and I’ve been having to rely on the “Bread and Butter Thing” to get food and it’s meant that I’ve had to set up a payment plan to pay back my supported accommodation, because I’m now in arrears with my housing.”

Appendix 3 – CIVEA Response to ACORN Manchester/Debt Justice

Thank you for the opportunity to respond to the ACORN paper calling for an end to civil enforcement of Council Tax debt in Manchester.

CIVEA represents approximately 40 companies that make up more than 95% of the entire enforcement industry. As local government finances come under continued pressure, the work that our members undertake is becoming increasingly important as a major source of revenue. Uncollected tax debts and fines means less money for services and higher bills for residents who do pay on time.

Civil enforcement prevents losses to the public purse of an estimated £12 billion from unpaid Council Tax, criminal fines, and unpaid penalty charge notices.

The ACORN briefing paper makes numerous generic statements from a range of sources that evidence a national economic crisis. We do not dispute this, but it cannot be attributed to Council Tax collection. Therefore, it is a matter for central government if it chooses to reform the Council Tax system.

The background notes that the section titled A False Economy seeks to link costs of over-indebtedness to costs to the public purse. Again, we do not dispute this. We would also argue that there are many other socio-economic factors that create pressure on local government finance, such as climate change and efforts to improve the environment. We do not dispute that health and well being is directly linked to financial deprivation. However, civil enforcement is not the architect of problem debt. In fact, with 60% of local authority expenditure on supporting vital services, such as housing, adult and child social care and health services, we would argue that Council Tax recovery is essential for supporting vulnerable households.

Contrary to ACORN's view, support for Enforcement Agents remains high. A survey conducted by YouGov in 2020 found that 65 per cent of people said non-payment of Council Tax puts services, like social care, at risk. More than half of those polled (56 per cent), said councils should use bailiffs [sic] to collect money from people who can pay but won't. This was more than twice the numbers who said councils should not use bailiffs [sic], at 26 per cent. Almost half of those surveyed (42 per cent), said they were worried that failure to use bailiffs [sic] would lead to fewer people paying their Council Tax. Only 5% said it would lead to improved compliance.

The government and others want regulations to address the treatment of the vulnerable, but the cost of living crisis means that payment for essential services is required from an increasing number of people in vulnerable circumstances. This is not a consequence of Council Tax collection policy.

Therefore, the attempts by ACORN to contrast the costs of supporting vulnerable residents with the costs of enforcement are spurious at best.

This leads to the only relevant section in the briefing paper, which refers to non-payment.

There is no question that priority debts are becoming unmanageable for a significant minority of people, especially where these form multiple debts i.e. recurring debt not collected in previous years. Creditors and charities are aware that a new cohort is emerging of first time debtors struggling with energy, water, rent and Council Tax bills.

Consequently, enforcement firms are required to invest more in identifying, analysing and communicating with people who fall into the “hard to collect” category. The civil enforcement process has evolved significantly, especially since the pandemic, and the Taking Control of Goods National Standards no longer reflect common practice.

Evolution of the Compliance Stage

Since 2014, the Compliance stage has been transformed by firms seeking to engage debtors, identify vulnerability, assess income and expenditure, maximise income and benefits, profile for propensity to pay, run benefits checks and ensure repayments are sustained.

The Compliance Stage at which around 40% of debt is successfully recovered involves data cleansing, case matching and linking, DVLA checks and financial profiling. Using debtor’s live financial information such as: Open Banking, (status of credit accounts), pending patterns & behaviour, payday dates & frequencies, firms can build up a financial profile of an individual and assess propensity to pay. At this stage, the objective is to engage with people. It may involve a call or even a visit from an enforcement agent to ascertain a debtor’s circumstances without any taking control of goods action. There may be letters and an outbound communication campaign leading to interventions for vulnerability, such as welfare support offered by council services, debt advice and suspension of debt recovery.

Our own data shows that around 32% of Council Tax cases and 5% of cases passed for enforcement are not pursued. This may be after intervention by the council client, where an enforcement agent traces a new address and/or new occupier saving the council both time and money; and cases where vulnerability had been identified and it is deemed not appropriate to pursue enforcement action. Cases in which an individual has no means to pay and no goods of any value account for approximately 39% of cases for Council Tax.

Almost half of debts are recovered in full or through payment arrangements at the pre-visit stage.

In around 24% of unexecuted cases for Council Tax Enforcement Agents are unable to locate the debtor after trace enquiries.

As a comparison commercial debt collection agencies (DCAs) receive comprehensive personal details, such as date of birth; bank details; CRA information; financial and payment history before they are able to undertake debt recovery for commercial creditors.

Supporting vulnerable households

Enforcement agencies have an increasingly challenging role as intermediaries in debt resolution, acting on behalf of creditors and seeking satisfactory resolution via debtors. They aim to respond to individual needs whilst appropriately seeking to successfully resolve debt through effective engagement and flexible solutions. Our members invest significant time and resources in getting this right for all stakeholders – clients and customers as well as the broader community.

All CIVEA members have fully trained welfare teams dedicated to identifying and supporting people who are vulnerable or in genuine financial hardship. These teams receive additional training and support to ensure they are prepared to manage the most challenging conversations and guide individuals to a positive outcome. They use the same technology-based tools as DCA's – such as credit reference checks and affordability assessments - to highlight behaviour that may suggest vulnerability and the need for additional care.

This work includes partnering with debt charities, providing vulnerability training and using technology-enhanced repayment processes to ensure that vulnerable people are protected, and positive outcomes for both local authorities and taxpayers. Industry standard affordability calculations are used to ensure consistent repayment policies, and individual agents cannot use their discretion. Budgeting tools identify any benefits an individual could apply for and whether the individual is overpaying for other services, such as gas and electricity.

Individuals who are identified as potentially vulnerable are supported and receive communications with enhanced and tailored signposting that links to internal welfare teams and external debt advice. Self-serve apps and web portals encourage people to manage their debts remotely and more autonomously. Providing a choice of communications channel based on preference ensures services are fully accessible 24/7. Benefits and budget calculators often identify unclaimed benefits, resulting in a repayment plan being agreed.

More serious instances include liaising with Social Services where we discover safeguarding issues concerning children. Discovering squalid living conditions and liaising with the Councils tenancy officer to arrange a visit to the premises. Assisting those who are contemplating ending their life, not necessarily solely due to a debt but our team provide a listening ear and offer solutions and signpost where they can get support.

Mental health first aiders are embedded in welfare teams to assist with the increasing amount of vulnerability surrounding mental health. The examples below show how people identified as vulnerable are supported by Enforcement Agents. These are not exceptional and are daily occurrences for welfare teams.

Croydon Parking advised they suspected vulnerability. An enforcement agent visited the following day and discovered that the customer recovering from a stroke. The firms' vulnerability team researched support for stroke victims in Croydon and passed details to the customer. The enforcement agency recommended to the council that the debt be written-off and this was agreed. Parking Services reported

their concerns to Social Services who took over the customer's case. The following is an extract from a press release issued by Croydon Parking Services.

"This is exactly the kind of partnership working we are trying to achieve and shows how good communications can improve the customer experience."

A firm's welfare team was contacted by a customer who was suicidal. The customer was dealt with by the team manager. The following email was subsequently received from the customer the content of which speaks for itself.

"I just want to say a big thank you to [the team manager] who has literally changed my life who has been exceptionally helpful. I am actually tearing up as I write this. I currently suffer with depression and suicidal thoughts due to the huge amount of debt I currently am in, I was about to take my life but XXXX ensured that my debt was being dealt 4 with and she would help me the best way she can – and she did just that! I have been finding it hard to be a single mother and also having dealt with domestic violence and coming out of that I already had depression caused from that which the debt my ex partner got me in contributed to it in a very big way! I make £645 a month and have been out in to debt of over £10,000. XXXX is amazing and I don't think an email explaining how great she dealt with my case is enough I feel like she needs something more than that because she saved a life without knowing. Please give her the well deserved reward deserves on my behalf and thank you again for hiring such a supportive and understanding person who did more than just exceptional customer service but she helped a young woman who is struggling financially to see another day and see that things can get better. Honestly not enough words to express how grateful I am, and I will never forget her."

The following is an extract from an email from a Domestic Abuse Outreach Worker:

"Further to your email. Thank you so much for your email. May I take this opportunity to say thank you. It is really humbling to see another organisation, being so understanding and allowing a victim of abuse some respite from her situation. Many thanks, Minaz"

The following is an extract from an email from a debt adviser in a national charity:

"I want to thank you on behalf of my client for assessing and understanding his circumstances and vulnerability. I and my client are extremely grateful that you have agreed to send the debt back to Council."

Affordable Repayment

It is in the interest of all parties to agree on affordable payment arrangements at an early stage. The enforcement fee structure is designed for this purpose and to avoid additional enforcement costs being added to the outstanding debt.

Increasingly, local authorities are following the examples of enforcement agencies and issuing SMS 'nudge' texts to their customers to remind them of their forthcoming instalment or to provide them with a digital receipt. Similarly, local authorities are emulating enforcement agencies and providing their customers with a 'MY

ACCOUNT' function enabling them to check their account status, make a payment or make contact.

However, there are challenges with affordability assessment for debt owed to public bodies. Local authorities means-test their residents at the liability stage. Although they can offer tax reduction schemes, they cannot choose who can and cannot make use of their service and make risk assessments to reduce the chances of people missing payments.

The terms of payment plans are agreed between enforcement firms and their local authority clients, but are often criticised by debt advisers. However, the income and expenditure model is misconceived in the way it is used by debt advisers. Often a debt adviser will record an individual's income details against the outgoings of an entire household, despite there being other working adults in the house. 5 We also encounter inflated expenditure statements to show less disposable incomes. This undermines the integrity of the process and requires each statement to be scrutinised and verified by enforcement staff. It must also be recognised that a simple statement of income and expenditure does not take into account other assets. It is not uncommon for Enforcement Agents to encounter people in debt that have no disposable income but a wealth of assets. This is part of the specialist work that distinguishes enforcement from standard debt collection.

Alternative debt recovery

The ACORN briefing paper opposes the use of Enforcement Agents to collect Council Tax, but offers no alternative other than “an ethical and financially exclusive alternative”.

The only possible alternative would be to consider using private debt collection agencies (DCAs), which are used by commercial businesses, financial institutions and utility companies.

Debt collection practice in the commercial sector is often held up as an exemplar for its engagement with the money advice sector, communication with customers, support for vulnerable people and affordability assessments for repayment plans. All of these practices can be seen in the enforcement industry and, as in private debt collection, have become integral to daily operations.

Unlike traditional debt collection, enforcement firms receive very little information about the individuals who owe debt. In most cases, the courts provide the name and address, the type of debt and the amount owed. The rest of the information is extracted from data sources and is a cost borne by enforcement firms, not the public purse.

In terms of value for money to local authorities and central government, our records show that overall collection rates have declined as a consequence of the pandemic. Average Council Tax collections by Enforcement Agents were at almost 30% in 2018 but have dropped to 21% in 2022.

However, collection rates at the Compliance Stage (pre-visit) have held strong as a result of enforcement firms' investment in technology and focus on early engagement. Around 40% of public debt is recovered without an enforcement visit. Such high returns for hard to collect debt would be considered exceptional by DCAs, which average nearer 10% recovery rates.

In response to pressure to reduce the use of Enforcement Agents some councils have trialled alternative collection methods. For example, Hammersmith & Fulham trialled the use of DCAs and discovered that the charges it incurred for recovery are not justified by the small sums of debt that the DCAs recovered.

The DCA charges included the direct costs of recovery plus 7.5% of the amount recovered, as opposed to civil enforcement that has no public cost. There were charges for the entire collection process, so the pricing structure was based on agreement and not regulation as with standard civil enforcement contracts. In August 2019, Hammersmith & Fulham Borough Council responded to a Freedom of Information request on collections for the period March 2017 to April 2018 and March 2018 to April 2019. The response showed that the council only passed 1,684 cases for collection and 40 percent of debt was recovered. Given that this was the low-hanging fruit and not hard to collect cases that would require 6 enforcement action, the results were poor. There was a cost to taxpayers, but the result was no better and made a strong for the use of Enforcement Agents.

In common with DCAs, enforcement agencies are providing software and apps with functions to help people self-manage their accounts, check their account status, make a payment or make contact to discuss debt resolutions before the enforcement stage. Latest developments involve the use of AI through chatbots to meet demands from people who prefer to self-manage their debt without speaking to a contact centre.

Enforcement agent visits break the rules

We strongly refute the allegations by Citizens Advice that Enforcement Agents are acting in contravention of regulations and the Ministry of Justice National Standards.

Taking the facts alone, there is no shred of evidence in the research provided by Citizens Advice to prove that enforcement action was not conducted according to The Taking Control of Goods Regulations 2013. The only evidence was that those conducting the research have a poor knowledge of the legal powers afforded to Enforcement Agents. Anyone who does not pay their Council Tax and does not respond to numerous letters, calls and texts from the council and enforcement firm, should expect an enforcement visit to their home.

Given that the case study inaccurately states that an enforcement action is confirmed to have broken Ministry of Justice rules, we would need to review all the evidence to ensure that Citizens Advice has correctly interpreted its anecdotal surveys. We appreciate that enforcement action can be distressing, but it is the ultimate sanction available to councils to recover £5 billion unpaid debt that funds essential services, such as adult care, fire and police services and even pothole repairs and street lighting.

Our own evidence based on the experiences of frontline agents shows that the regulations introduced in 2014 are meeting their original objectives with: fewer customers receiving doorstep visits, and therefore incurring smaller debts; low complaint levels due to the simplified process and fixed fees; improved awareness and training in all aspects of vulnerability and the development of specialist staff; and significant investment in technology to maintain professional standards within the enforcement sector.

I wrote to Dame Clare Moriarty, chief executive of Citizens Advice in March (see letter attached). Despite numerous reminders, I am still waiting for a reply. The lack of response suggests that the research would not stand detailed scrutiny and is statistically invalid. I suspect that this applies to much of the research sources cited by ACORN, which are subjective.

Accountability

As stated previously our recent survey with YouGov found that 65% of the public are concerned that vital public services like social care will be put at risk if people who are able to, do not pay their Council Tax. Two-thirds believe the costs of collection of unpaid CT should be added to their debt. Over 80% think non-payment would get worse or continue if councils could not use bailiffs [sic].

The highly competitive market is the most effective way of ensuring agents and enforcement agencies uphold standards. With firms competing fiercely for local authority contracts, there is a strong emphasis on conduct and compliance. However, the industry has led ongoing reform. For example, the establishment of the Enforcement Conduct Board is an industry funded independent oversight body for the enforcement industry. It originated from CIVEA and is the next step on a path of reform, which began with the implementation of new regulations in 2014. CIVEA members also adhere to an independently monitored code of practice, which was revised in 2019. The code builds on the existing industry standards, goes beyond the statutory regulations and complements the government's National Standards. It promotes responsible and fair engagement and is reviewed regularly to ensure accountability is maintained and standards upheld.

The Enforcement Conduct Board (ECB) was born out of plans we were developing for independent supervision and monitoring of Enforcement Agents. It was launched one year ago, with a mission to ensure enforcement action remains accountable and fair. The ECB was devised through a collaboration between the enforcement industry (including CIVEA) and debt advice charities. This ensured that its objectives were shared by both sectors and its targets were realistic.

Finally, the annex includes testimonials from Manchester residents which are entirely subjective. We are not given the source, but we must assume that they are verified by ACORN. However, there are no recent cases (i.e. Post-pandemic) and no context for us to be able to judge whether the enforcement action in each case was justified.

For example, how old was the debt being enforced? How many times has the resident broken payment arrangements? We can assume that more recently

Manchester residents have had less cause for complaint. There is much more that can be evidenced in support of civil enforcement as the most responsible, fair and efficient way to recover unpaid Council Tax, but I hope that this response is helpful. If you require answers to specific questions, please come back to me.

Russell Hamblin-Boone - Chief Executive Officer, CIVEA

Appendix 4 - Additional submission from Debt Justice

Why Manchester City Council Should End Bailiff Use (Addendum)

This supplementary note contains additional supporting evidence to our original submission to the Manchester City Council feasibility study into ending the use of Enforcement Agents in the collection of Council Tax.

National Regulatory Failure

Due to failures of national regulation and the poor practice that is widespread throughout the bailiff industry, Manchester City Council cannot guarantee that their residents are treated fairly by bailiffs when contracting them to collect Council Tax arrears on their behalf.

There is no independent regulatory body for Enforcement Agents in the UK ⁱ and research from Citizens Advice shows bailiffs are breaking the rules on a 'massive scale' ⁱⁱ.

The bailiff industry itself, represented principally by the trade association CIVEA ⁱⁱⁱ, has been unable to regulate itself and raise standards sufficiently, which has prompted the creation of the Enforcement Conduct Board.

We are hopeful that the Enforcement Conduct Board ^{iv}, which has been set up to provide more independent oversight of the industry, can raise standards. At present though, the board lacks the statutory powers needed to compel all Enforcement Agents to adhere to high standards. As a result, we cannot predict if, or when, bad practice in the industry will be eliminated.

Lack of Accountability

We take Manchester City Council at their word when they tell us that bad practice from the bailiffs they use is investigated. However, the complaints and accountability system for people that face bailiff malpractice is confused and broken at a national level.

Manchester City Council have told us that incidents of bad practice should be reported to them, and if law breaking has occurred, it should also be referred to the police.

Guidance from the UK Parliament ^v suggests people in debt should complain to the bailiff firm that the agent works for in the first instance. It is advised that if the debtor is unhappy with the outcome, they should then refer their case to CIVEA.

There are many types of bailiffs that people in unmanageable debt may encounter. If the bailiff they encounter is a High Court Enforcement Officer, then the complaint system is administered by a separate body, the HCEOA. If the bailiff they encounter is a county court bailiff, or civilian enforcement officer, people in debt are advised to write to the court concerned.^{vi}

In an acknowledgement of the broken system of accountability, the Enforcement Conduct Board say on their website that “One of our goals will be to simplify the multiple existing routes for escalating complaints”.^{vii}

People in debt have no choice about the enforcement firm appointed to collect their debts from them. People in debt are often vulnerable and under severe emotional and financial pressure, making the complaints system impossible for many to navigate at a time of crisis.

The Centre for Social Justice note that low levels of complaints are not necessarily an accurate way of understanding how widespread incidents of rule breaking are.^{viii} This is because people in problem debt are often experiencing additional vulnerabilities.

For reasons set out above, there is a high chance that incidents of rule breaking may never be reported to a creditor. That is why we say that whilst we do not doubt Manchester City Council’s ambition to follow up reports of rule breaking, we have no faith in the system of complaints as it is currently configured.

Anecdotally, ACORN Manchester has been approached by people affected by poor bailiff practice. We have encouraged them to make complaints directly to the council, however they do not have trust that anything useful will result from the process.

Bailiff Fees and Profits

Despite recent reports of bailiff companies making large profits^{ix}, the Ministry of Justice has proposed increasing fees by 5%.^x These fees will further increase the cost of bailiff action for people in debt across Manchester and beyond. According to the consultation this is to ensure “...enough revenue for EAs and HCEOs to run a profitable business, whilst seeking to protect people in debt from disproportionate costs”.^{xi}

The Dehayen Review^{xii} found that the bailiff fee structure was likely to deliver profit margins of 10%. However, commercial sensitivity and opaque evidence gathering processes mean that it is difficult to say how much profit bailiff companies are currently making and from which collection activities.

In short, we know bailiff companies have a commercial incentive to continue to collect Council Tax debt. The council cannot say with a high degree of accuracy how large the profit margin being extracted from their residents is.

Conclusion

All the evidence points to the fact that bailiffs make a place poorer, have a detrimental impact on peoples’ mental health and do not drastically improve collection rates.

Manchester has always been seen as a socially progressive city - one that has dared to be different, especially when its population has faced difficulties.

The cost-of-living crisis is one of these moments and it is heavily impacting on the lives of communities across Manchester. We call on this committee be on the right side of history and ban the bailiffs in favour of more inclusive and fairer methods of collection.

Footnotes i House of Commons Library, "Enforcement officers (formerly known as bailiffs)," House of Commons Research Library, Feb. 09, 2023.

<https://commonslibrary.parliament.uk/research-briefings/sn04103/> (accessed Nov. 29, 2023). ii W. Eichler, "LocalGov.co.uk - Your authority on UK local government - Bailiffs breaking rules on 'massive scale', says charity," www.localgov.co.uk, Mar. 22, 2023.

<https://www.localgov.co.uk/Bailiffs-breaking-rules-on-massive-scale-says-charity/55864> (accessed Nov. 29, 2023). Please see submissions by the Money Advice Trust and Christian's Against Poverty for further evidence. iii Trade associations, by their very nature, are not well placed to investigate rule breaking in an objective manner. iv

<https://enforcementconductboard.org/about-us/> v House of Commons Library, "Enforcement officers (formerly known as bailiffs)," House of Commons Research Library, Feb. 09, 2023.

<https://commonslibrary.parliament.uk/research-briefings/sn04103/> (accessed Nov. 29, 2023). vi

House of Commons Library, "Enforcement officers (formerly known as bailiffs)," House of Commons Research Library, Feb. 09, 2023. <https://commonslibrary.parliament.uk/research-briefings/sn04103/> (accessed Nov. 29, 2023). vii

<https://enforcementconductboard.org/complaints/>

viii The Centre for Social Justice, "TAKING CONTROL FOR GOOD Introducing the Enforcement Conduct Authority," 2021. Page 26. Accessed: Nov. 29, 2023. [Online].

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Appendix 5 - Council Tax and Enforcement Agents – Citizens Advice Manchester

Introduction:

At Citizens Advice Manchester (CAM) we deliver free, independent, and confidential advice and information to anyone who needs it. We are the commissioned advice provider for the city and deliver advice to over 50,000 Manchester residents each year.

Between 2013 and 2020 Council Tax debt was the most common debt we helped people with. In 2022/23 we provided specialist debt advice to almost 3,000 Manchester residents with Council Tax arrears, second only to fuel debt and considerably ahead of unsecured borrowing such as credit cards and overdrafts.

We welcome the opportunity to contribute to Manchester City Council's feasibility report into ending the use of Enforcement Agents in the collection of Council Tax debt in Manchester.

CAM understands that a number of factors push local authorities towards more aggressive collection policies. The outdated regulations governing Council Tax mean that arrears escalate quickly once a single payment is missed, and local authorities have limited flexibility to respond to households in difficulty. In-year collection targets encourage councils to focus on short-term recovery methods rather than sustainable long-term debt repayment. There are no binding standards or clear safeguards in place to ensure that local authorities treat customers fairly and follow good debt collection practices – in contrast to regulated sectors such as financial services, energy and water.

CAM works closely with colleagues from across the Citizens Advice network to urge Government to make the following changes:

- Amend the regulations to stop people being asked to pay their entire annual bill if they miss 1 monthly payment.
- Create a statutory code of practice governing Council Tax debt collection. This would set out the steps that should be taken by local authorities before a liability order can be made - such as attempting to establish an affordable repayment plan.
- Give councils the power to initiate deductions from benefits without getting a liability order – subject to affordability assessment and appropriate safeguards.
- Remove the threat of imprisonment for Council Tax arrears in England.
- Provide additional funding for Council Tax Support, so that local authorities can reintroduce 100% reductions for low-income residents of working age.
- Take steps to improve awareness of Council Tax Support and increase take-up by eligible households

Council Tax debt, affordability and vulnerability

As already noted Council Tax debt is consistently one of the most common debts reported by Manchester residents to CAM. In 2022/23, 30% of clients with Council

Tax arrears also had fuel debts and 30% had water arrears. Almost half had a long term health condition. Illustrating the degree of hardship, 15% were advised about food banks and 13% were advised about charitable support.

In 2022/23, 28% of Citizens Advice Manchester clients with Council Tax debt needed advice about court action, debt collection practices or enforcement, compared to just 14% of clients with credit card debt. This difference is likely to be underpinned by the fact that Manchester City Council, due to reasons outlined previously, act much more quickly than private sector creditors.

In 2022/23 CAM supported 628 people who were paying full Council Tax despite being eligible for support and at risk of falling into Council Tax arrears. Manchester City Council now only accepts applications online; this can be a barrier for applying for Council Tax Support for people without internet access or digital capability.

The use of Enforcement Agents

National research conducted by Citizens Advice provided little evidence that bailiffs are effective or efficient as a recovery method. Over the five year period covered by the national FOI request noted above, bailiffs collected on average just 30% of the debt sent to them. In total, bailiffs failed to collect over £790 million in debt, an average of £2.5m per council. For every £1 referred to bailiffs for collection, councils received back just 27p in return.

Enforcement Agents derive their income from fees added to the debts they recover. However these fees, along with court costs added earlier in the process, significantly increase the financial burden on people who are already struggling and swallow up money that could otherwise be used to repay council arrears. Bailiff fees of £75 for compliance and £235 for enforcement, on top of average court costs of £84, increase an average annual bill of £1,898 by just over 20%.¹ Since the bailiff fees quoted are fixed, not proportional, the same costs can be added to much smaller debts, and in some cases may be greater than the actual debt owed.

Recommendations:

CAM has a long record of working closely with Manchester City Council officers to support residents who are experiencing Council Tax arrears. We are committed to maintaining and developing that relationship as Manchester residents receive a better level of service when the Local Authority and advice agencies work closely together. Citizens Advice Manchester (CAM) advocates Manchester City Council adopt the Citizens Advice Council Tax Protocol as a public commitment to the principles of fairness, partnership working and transparency in local authority debt collection in Manchester.

Reminder letters & Final Notice letters inform residents that they may incur fines and additional costs associated with summons being issued. CAM would recommend Manchester City Council ensure that these charges are reasonable and reflect the actual costs incurred by the Local Authority.

CAM understands that Manchester City Council has an agreed definition of vulnerability and has processes in place for dealing with vulnerable residents. CAM

would recommend providing residents with guidance on this vulnerability statement to increase the likelihood that residents self-identify as vulnerable and receive the appropriate support at the earliest opportunity.

Where a debt is escalated to an enforcement agency CAM would recommend residents are provided with clear information that they can still seek independent advice. Council Tax Support offered by the Local Authority can prevent residents from falling into debt, however residents who lack digital skills / confidence can struggle to access the support. CAM recommends the development of a network of organisations, supported by MCC, who can support people to make their online application.

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Missed council tax payment

We can help. Call 0161 234 5002



Paid in the last few days? Thank you, please ignore this.

www.manchester.gov.uk/counciltax

Phone: 0161 234 5002

PO BOX 3, Manchester, M15 5BA

Date: 8 July 2023

Account reference 5xxxxxxx

Bill number 23/2

Property Band A

It looks like you missed a council tax payment. You need to pay £181.62 by 15 July if possible.

Please pay online now if you can – details on the back. If you can't pay, there are lots of ways we can help.

Date payment due	Amount	Payments made	Now due
28.04.2023	£61.62	£0.00	£61.62
28.05.2023	£60.00	£0.00	£60.00
28.06.2023	£60.00	£0.00	£60.00
Total amount now due:			£181.62

Think you'll miss more payments?

Here's your current payment arrangement. If it looks like you'll miss more payments, please contact us now.

28.07.2023	£60.00
28.08.2023	£60.00
28.09.2023	£60.00
28.10.2023	£60.00
28.11.2023	£60.00

We could make this arrangement work for you with:

- payments spread over more months; or
- Council Tax Support claims if your income's low; or
- money off your bill if you qualify; or
- extra help for severe, unusual hardship; or
- vulnerable people's support – just let us know that's you.

Why not pay by Direct Debit? It means you won't forget in future and you can pick a payment date that suits you – choose the 7th, 15th, 21st or 28th of the month.

If you think your bill is wrong, or things have changed, please tell us and we'll update your bill.

Contact us now. Our number's above – details on the back.

You need to act now so you don't have to pay the whole year's bill and summons costs.

[back of 1st reminder – a) how to pay]

How to pay

Please pay by direct debit if you can at www.manchester.gov.uk/directdebit

Credit or debit card

–online at www.manchester.gov.uk/counciltax

– by phone 24/7 on 0161 234 5006

Post Office or PayPoint – take this with you and use the barcode to pay.

Help yourself

It's easy to sort out your council tax online:

- Apply for money off your bill
- Check your account
- Tell us about any changes
- Change your payment amounts
- Claim Council Tax Support
- Get your bill by e-mail.

www.manchester.gov.uk/counciltax

[back of 1st reminder – b) help offer]

Need help with council tax?

We can find a solution together.

- **Call 0161 234 5002, 9am—6pm, Monday—Friday.**
- **See your options online, scan here:**



- **Help yourself online:**
 - **Spread your payments** over more months – fill in the form at www.manchester.gov.uk/xxxxx

- **Claim Council Tax support** for low incomes. See if you qualify and claim: www.manchester.gov

If you think your bill is wrong, or things have changed, please tell us and we'll update your bill.

Get help now so you're not liable for extra costs.

Struggling with the cost of living?

We recommend free, independent money advice, as well as talking to us.

Citizen's Advice Manchester will help with debt advice benefit claims:

0808 278 7800 and 0808 164 4406 www.citizensadvice.org.uk

Money Adviser Network gives free, independent government-funded debt advice:

0800 138 7777 www.moneyhelper.org.uk

StepChange Debt Charity helps you deal with debt and get back on track:

0800 138 1111 www.stepchange.org

National Debtline 0808 808 4000:

www.nationaldebtline.org

Missed Council Tax Payment
Second reminder
We can help. Call 0161 234 5002



Paid in the last few days? Thank you, please ignore this.

www.manchester.gov.uk/counciltax

Phone: 0161 234 5002

PO BOX 3, Manchester, M15 5BA

Date: 8 July 2023

Account reference 5xxxxxxx

Bill number 23/2

Property Band A

It looks like you've missed another council tax payment, and we want to help.

You should pay if you can – details on the back.

If you can't, call us on the number above to chat about ways to sort out what you owe, which is:

Date payment due	Amount	Payments made	Now due
21.05.2023	£84.74	£84.74	£0.00
21.06.2023	£90.00	£0.00	£90.00
Total amount now due:			£90.00

Here's your current payment arrangement. If it looks like you'll miss more payments, contact us now. There's lots of ways we can help.

21.07.2023	£90.00	21.12.2023	£90.00
21.08.2023	£90.00	21.01.2024	£90.00
21.09.2023	£90.00	21.02.2024	£90.00
21.10.2023	£90.00	21.03.2024	£90.00
21.11.2023	£90.00		

We could make this arrangement work for you with:

- payments spread over more months; or
- Council Tax Support claims if your income's low; or
- money off your bill if you qualify; or
- extra help for severe, unusual hardship; or
- vulnerable people's support – just let us know that's you.

Why not pay by Direct Debit – you can pick a payment date that suits you – choose the 7th, 15th, 21st or 28th of the month.

Contact us now. Our number's above – details on the back.

You need to act now so you don't have to pay the whole year's bill and summons costs.

[back of 2nd reminder – a) help offer]

Struggling to pay?

Tell us now – We can find a solution together

Call 0161 234 5002, 9am—6pm, Monday—Friday.

We could:

- Change your payment plan.
- Check if you're due benefits.
- Get money off if you qualify – and extra help even if you don't.
- Take a 'breathing space' from paying off any previous years' arrears.
- Give extra help for severe, unusual hardship.
- Offer special support if you're vulnerable.

Get help now so you won't owe the whole year's bill and summons costs.

See your options online: scan here:



Help yourself online:

- **Spread your payments** over more months – fill in the form at www.manchester.gov.uk/xxxxx
- **Claim Council Tax support** for low incomes. See if you qualify and claim: www.manchester.gov

If you think your bill is wrong, or things have changed, please tell us and we'll update your bill.

Get help now so you're not liable for extra costs.

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0800 138 7777 www.moneyhelper.org.uk

StepChange Debt Charity helps you deal with debt and get back on track:
0800 138 1111 www.stepchange.org

National Debtline 0808 808 4000:
www.nationaldebtline.org

[back of 2nd reminder – b) how to pay]

How to pay

Please pay by **direct debit** if you can at www.manchester.gov.uk/directdebit

Credit or debit card

–online at www.manchester.gov.uk/counciltax
– by phone 24/7 on 0161 234 5006

Post Office or PayPoint – take this with you and use the barcode to pay.

Help yourself

It's easy to sort out your council tax online at www.manchester.gov.uk/counciltax

- Apply for money off your bill
- Check your account
- Tell us about any changes
- Change your payment amounts
- Claim Council Tax Support
- Get your bill by e-mail.

Manchester City Council Report for Information

Report to:	Resources and Governance Scrutiny Committee – 11 January 2024 Executive – 17 January 2024
Subject:	Provisional Local Government Finance Settlement 2024/25 and Budget
Report of:	Deputy Chief Executive and City Treasurer

Summary

This report updates on the main announcements from the provisional local government finance settlement 2023/24 announced 18 December 2023. There is a focus on the impact on the Council's budget for 2024/25 to 2026/27 and the next steps in the 2024/25 budget setting process.

Recommendations

The Resources and Governance Scrutiny Committee is recommended to consider the content of this report and comment on the Provisional Finance Settlement announcements.

The Executive is recommended to:

1. endorse the report
 2. note that officers will identify the £5m of savings needed to close the budget gap.
-

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city	The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.
Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The contents of this report outline the full revenue budget consequences of the provisional

Financial Consequences – Capital

There are no capital consequences arising specifically from this report.

Contact Officers:

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Telephone: 0161 234 3472
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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

[Medium Term Financial Strategy and 2023/24 Revenue Budget – Executive – 15 February 2023](#)

[Revenue Budget Update and Corporate Core Budget Proposals 2024/25 -Resources and Governance – 9 November 2023](#)

[Revenue Monitoring to the end of September 2023 – Executive – 15 November 2023](#)

1. Introduction and background

- 1.1. The finance settlement is the annual determination of funding for local government from central government. The provisional 2024/25 settlement was announced 18 December 2023, following the Autumn Statement announced 22 November 2023 and local government finance policy statement on 12 December 2022. Full details can be found on the [DLUHC website](#). The Final Settlement is due to be announced in early February 2024 but is unlikely to change significantly from the provisional settlement.
- 1.2. The settlement is in the context of another very difficult year for Local Government. In 2023, local authorities have faced unprecedented financial stress. There have been three s114 notices in six months, taking the total to 7 since 2018, a notable increase from the previous five years. While there have been other factors in these Councils, many more have now publicly indicated that they might need to make the same announcement in the next few months. Inflation has averaged 8%, which together with unrelenting demand pressures has compounded challenges, especially in social care and homelessness, when there is limited financial resilience following the cumulative impact of the prior decade's austerity measures.
- 1.3. Disappointingly there has been no new funding for public services announced in the Autumn Statement or Provisional Finance Settlement. The political and financial uncertainty continues into 2024/25 and evidence nationally and locally is that the pressures on social care and homelessness are continuing to grow. The future of funding reform remains uncertain, and it seems unlikely it will happen until at least 2026/27 given a general election is due next year.
- 1.4. The period following this Spending Review is likely to be extremely challenging. Over the medium-term period to 2028/29 the OBR has forecast that the funding outlook for Local Government, as an unprotected service, is likely to be around 2.3% real terms cut.
- 1.5. This report sets out the key elements of the settlement, the impact on the Council's budget and the next steps to achieve a balanced budget for 2024/25. The recommended final budget position for 2024/25 will be reported to the February 2024 Executive meeting following consideration by the relevant scrutiny committees in early February. By then, the key decisions confirming the Collection Fund position for Council Tax and Business Rates base will have been made, final levy amounts will be confirmed by GMCA and the Final Finance Settlement received.

2. Summary of key announcements from the provisional local government finance settlement

- 2.1. The Provisional Settlement covers a single financial year and there were no new funding streams announced. Most details were pre-communicated in previous finance and policy statements. The exception is the scale of the cut to Services Grant at £329m, 84.1% nationally. For Manchester this is a reduction of £6.1m leaving a grant of just £1.1m. Whilst some redistribution of services grant had

been anticipated, it was not expected at this scale. The key announcements are noted below.

- 2.2. **Core Spending Power (CSP)** will increase by £3.9bn (6.5%) across England. Manchester's CSP increase is £41m, (6.8%). It is worth noting that as CSP includes several assumptions, it is unlikely to be an accurate reflection of the actual resources available to local authorities. It assumes:
- All eligible upper tier authorities raise the social care precept to the maximum (2%) permitted;
 - All authorities increase overall council tax by the maximum amount permitted (5% in total for upper tier);
 - Council tax base increases at the same average rate for each authority for the last five years;
 - All councils retain their baseline target level of business rates within Settlement Funding Assessment—in reality, some authorities will be above baseline and some below.
- 2.3. Changes have been made to Business Rates with the introduction of a standard business rating multiplier and a small business rating multiplier. It was announced at the Autumn Statement that the small business rating multiplier will be frozen at 49.9p, and the standard business rating multiplier will increase to 54.6p (+6.7%). For 2024/25 the local government baseline uplift will only reflect the increase generated from the standard multiplier, using the VOA's 2023 rating list as a proxy. For businesses attracting the small multiplier, under indexation grant will be provided to the local authority to compensate for the loss of income arising from not applying a 6.7% CPI increase to the multiplier.
- 2.4. The current budget assumed a CPI rate of 6.1% based on the OBR forecast, therefore this should bring in additional income of c0.823m.
- 2.5. It was also announced that the Retail, Hospitality and Leisure Relief will continue for a further year offering 75% relief for this sector up to a cap of £110k per business. This has a positive impact on the level of bad debt and appeals to be provided for, as these are now based on a reduced level of income. The benefit is forecast at c£3.1m for one year only, as the relief is expected to end after 2024/25.
- 2.6. **Social Care grants** are largely in line with expectations as follows:
- Improved Better Care Fund will remain at 2023/24 national levels at £2,140m, with the Council's share as expected at £31.7m.
 - The Adult Social Care Discharge Grant will increase by £200m nationally to £500m, allocated using the existing IBCF formula. Manchester's receipt is £7.4m, in line with expectations.
 - Market Sustainability increasing to £1,050m, made up of £162m for Fair Cost of Care, £683m for market sustainability, and combining the Workforce Fund element of £205m. Manchester will receive £11.7m, which is £40k higher than forecast.
 - Social Care Grant has increased by £692m to £4,544m nationally. The majority will be allocated using the ASC relative needs formula with £80m of

the increase subject to equalisation for Council Tax. Manchester's allocation is £0.807m higher than budgeted for, at £60.218m. It is assumed these additional allocations will be passported to Adult Social Care to contribute to the growing pressures in the service.

- 2.7. One further year of **New Homes Bonus** grant was confirmed for 2024/25 with the same methodology as 2023/24. The Council's forecast receipt is £4.1m, which is £207k lower than the estimate included in the current MTFP.
- 2.8. **Services Grant** has been cut by 84% which is significantly larger than anticipated. In the December 2022 Policy Statement, ministers assured that core grants would "*continue as they are now*" in 2024/25. By implication, this included the Services Grant. The 5 December 2023 Policy Statement hinted at potential cuts and redistribution to the Services Grant without any detail but the actual reduction was greater than anticipated. The government are holding back 'a small proportion' of the Services Grant as contingency to cover any unexpected costs that may arise between the provisional and final settlement. Manchester's grant has reduced from £7.230m to £1.138m. It is now assumed the remaining grant will end after 2024/25.
- 2.9. **Public health grant** is outside Core Spending Power and is announced separately from the settlement itself. The indicative increase is only 1.36% (£3.527bn in 2023/24 to £3.575bn in 2024/25). For Manchester this is an increase of £751k to £57.8m.
- 2.10. The Funding Guarantee grant introduced in 2023/24 continues in 2024/25 to ensure authorities receive a minimum 3% increase (before council tax decisions). Manchester does not receive this grant, it largely benefits lower tier district councils.
- 2.11. The Government has confirmed the expected **Council Tax referendum** principles for 2024/25 which are set out below. For an upper tier authority, the council tax referendum limit is now 4.99%
- A core referendum principle of up to 3 per cent will apply to shire county councils, shire unitary authorities, metropolitan districts and London boroughs.
 - Social care authorities will be able to set a 2 per cent adult social care precept without a referendum (in addition to the existing basic referendum threshold referred to above).
 - Fire and Rescue Authorities will have a principle of up to 3 per cent.
 - £13 for police authorities and police and crime commissioners including the GLA and the West Yorkshire and Greater Manchester Mayors.
 - The non-police element of the Greater London Authority (GLA) will have a referendum principle of £20.
 - There will be no referendum principles for mayoral combined authorities (MCAs) except where the Mayor exercises police and crime commissioner functions.

2.12. The government has assumed in its settlement calculations that all eligible local authorities will take the maximum increase allowed without a referendum. If Council Tax is not increased at this level the revenue stream is permanently lost and has a cumulative compounding impact as the base grows in future years.

3. Implications for the Council's budget

3.1. The Council's February 2023 MTFs reflected a balanced budget for 2024/25 and identified a material budget shortfall in 2025/26 and beyond. Simultaneously, there remained some uncertainty about the level of funding for 2024/25 and the potential for additional pressures to emerge during the budget setting process.

3.2. The position was refreshed throughout Summer 2023 to reflect the continuation of the business rates 100% pilot and improved Business Rates collection. Demographic assumptions were also updated to reflect the increased pressures including Adult Social Care demand, complexity and cost and a challenging external market for Childrens Social Care.

3.3. The updated position was reported to the Resources and Governance committee on 9th November 2023. The Council forecast an initial estimated budget shortfall of £46m in 2024/25, £86m in 2025/26, and £105m by 2026/27. After the application of approved and planned savings, and the use of c.£17m smoothing reserves in each of the three years, this gap reduces to £1.6m in 2024/25, £30m in 2025/26 and £49m by 2026/27.

Table One: Summary Budget position presented to Resources and Governance Scrutiny 9 November

	2023 / 24	2024 / 25	2025 / 26	2026 / 27
	£'000	£'000	£'000	£'000
Resources Available:				
Business Rates / Settlement Related Funding	376,527	400,701	415,207	421,805
Council Tax	217,968	228,712	238,279	247,840
Grants and other External Funding	130,494	136,226	109,997	109,997
Use of Reserves	13,714	8,222	9,703	4,922
Total Resources Available	738,703	773,861	773,186	784,564
Resources Required:				
Corporate Costs	116,421	120,681	124,767	123,986
Directorate Costs	638,751	699,761	734,783	765,996
Total Resources Required	755,172	820,442	859,550	889,982
Budget Gap	16,469	46,581	86,364	105,418
Savings approved in current MTFP	(15,396)	(25,568)	(36,170)	(36,170)
Additional Savings		(2,500)	(2,500)	(2,500)
Use of Smoothing Reserves	(1,073)	(16,858)	(17,850)	(17,758)
Gap after use of Smoothing Reserves and savings	0	1,655	29,844	48,990

- 3.4. The impact of the settlement on the Council budget position is a net reduction of c£1.6m next year. This reflects a £0.8m increase to Adult Social Care grants which has to be passported to Adult Social Care. Therefore, the budget impact is a £2.4m worsening of the position rising to £5.3m in 2025/26 as shown in table two.

Table Two: Impact of Settlement announcements on the Council budget assumptions

	Settlement Decrease / (increase) to forecast income		
	2024 / 25 £'000	2025 / 26 £'000	2026 / 27 £'000
New Homes Bonus difference	207		
Services Grant reduction	6,092	6,092	6,092
Business Rates - Impact of a further year of Retail, Hospitality and Leisure Grant	(3,100)	0	0
Increased inflation on SFA	(823)	(823)	(823)
Social Care Grant increase	(807)	(807)	(807)
ASC Market Sustainability and Improvement Fund	(40)	(40)	(40)
Social Care spend increase	847	847	847
Public Health Grant increase	(751)	(751)	(751)
Public Health Spend increase	751	751	751
Net Worsening of Position	2,376	5,269	5,269

- 3.5. In addition to the settlement announcements Manchester is seeing growing pressures in social care and homelessness and it is unlikely that these will be contained within the budget assumptions. Recently there has been an increase in children's placement numbers and costs, further significant pressures across ASC budgets and some worrying trends in asylum seekers/migrant policy/homelessness. This is in line with national trends and core cities and other GM authorities are all reporting similar issues.
- 3.6. The Local Government Association has highlighted the cost of children's social care (especially specialist placements), homelessness services (particularly temporary accommodation) and home-to-school transport (most notably for pupils with special educational needs) as rising particularly rapidly. Recently published spending data¹ for April to September 2023 shows spending on children's social care services up 16% and homelessness and related services up 26% compared with the same period in 2022, both outpacing budgeted spend nationally.
- 3.7. At period 6 the 2022/23 outturn position was forecast at £3.5m overspend with measures being put in place to reduce this to £2.5m by the end of the financial year. The next monitoring report is being finalised and it is expected the position will worsen. It is likely that the General Fund reserve will need to be increased by at least £1m to maintain the reserve at a reasonable level.
- 3.8. This would increase next years budget gap to c£5m as shown in table three below.

¹ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-local-government-finance>

Table Three: Impact of Settlement announcements on the forecast budget gap

	2024 / 25 £'000	2025 / 26 £'000	2026 / 27 £'000
Position reported to Resources and Governance Nov 2023	1,655	29,844	48,990
Settlement changes	2,374	5,265	5,256
Services Grant end		1,138	1,138
Increase General Fund to reflect worsening overspend	1,000		
Revised Shortfall / (surplus) after settlement	5,029	36,247	55,384

- 3.9. Work is underway to confirm the position and identify further measures to close the budget gap. These will include looking for further cost reductions and mitigations as well as some potential one off sources of income which will support the budget position which are listed below.
- A potential rebate from GMCA relating to waste. Details are still being finalised and it is likely this will be applied across the current financial year and 2024/25.
 - The Collection Fund position will be finalised in January. There may be some further one off income relating to a review of council tax debt and credits.
 - Changes to Council tax premiums are proposed for properties empty for more than one year. A report elsewhere on the agenda provides the detail.
- 3.10. The increasing pressures will mean that the gap in 2025/26 and beyond will widen with the full year effect of the increased numbers of residents requiring care and support this year. Whilst extremely challenging it is important that a realistic and deliverable budget is set. The final budget proposals will be developed in January and reported to scrutiny committees for consideration in February.

4. Next Steps

- 4.1. Due to the changes in the Provisional Finance Settlement and increased pressures in social care and homelessness further work is required to ensure a balanced budget for 2024/25 can be put forward for consideration by the Executive.
- 4.2. The 2024/25 budget will be subject to further scrutiny and formal approval as follows:
- 17 January – update to Executive on the Provisional Finance Settlement and budget position
 - By 31 January - Confirmation of Council Tax and Business Rates Base
 - 6-8 February - Scrutiny Committees consider the final budget proposals (see below)
 - 14 February – Budget Executive
 - 26 February - Resources and Governance Budget Scrutiny.
 - 1 March – Budget Council

- 4.3. The February Scrutiny Committees will receive a short overview of the Council's budget position and the more detailed reports on the areas within their remit as per below:

Date	Meeting	Services Included
6 Feb 24	Communities and Equalities Scrutiny Committee	Sport, Leisure, Events Libraries Galleries and Culture Compliance and Community Safety Housing Operations including Homelessness Neighbourhood teams
6 Feb 24	Economy and Regeneration Scrutiny Committee	City Centre Regeneration Strategic Development Housing and residential growth Planning, Building Control, and licensing Investment Estate Work and skills Highways
7 Feb 24	Health Scrutiny Committee	Adult Social Care Public Health
7 Feb 24	Children and Young People Scrutiny Committee	Children and Education Services
8 Feb 24	Resources and Governance Scrutiny Committee	Chief Exec Corporate Services Revenue and Benefits / Customer and Welfare Support Business Units
8 Feb 24	Environment and Climate Change Scrutiny Committee	Waste and Recycling Parks Grounds maintenance

Budget Consultation

- 4.4. There is a statutory requirement to consult with business rates payers. Public consultation on proposed Council Tax levels opened on 31 October and will run until 27 December 2023. The provisional results from the consultation will be reported to Executive in February. The full analysis and results, alongside comments from scrutiny committees, will be reported to the Budget Scrutiny meeting on 26 February to ensure they are fully considered before the final budget is set. None of the budget options set out to date require formal statutory consultation.

Equalities Impact and Anti-Poverty Assessments

- 4.5. Each saving option that was approved last year was supported by a robust business case where consideration was given to how the savings could impact on different protected or disadvantaged groups. Where applicable proposals were subject to completion of an Equality Impact Assessment (EqIA) and a Poverty Impact Assessment as part of the detailed planning and

implementation. Work is also underway on the way in which equalities data is collected across the Council, supporting the ability to be better informed on the impact of changes being made to services.

5. Conclusion

- 5.1. This paper sets out the impact of the Provisional Settlement and associated impact on the Councils budget position. The Council Tax base and Business Rates base are due to be made in January and the Final Finance Settlement is due in early February. At that point all the financial information to set the budget will be available.
- 5.2. The updated position leaves a potential budget gap of £5m in 2024/25, £36m in 2025/26, increasing to £55m by 2026/27. Further work is underway to balance the 2024/25 budget. As the report sets out, the position is likely to be even more challenging from 2025/26 and there likely to be very difficult decisions for the Council to make. It is important that work to prepare for this starts early in the next financial year.

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**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 11 January 2024

Subject: Sales, Fees and Charges – Budget 2024/25

Report of: Deputy Chief Executive and City Treasurer

Summary

The 2023/24 Council budgets include almost £125m per annum of income generated through sales, fees and charges. This is for services provided to residents, businesses and visitors to the City and charges are based on a large schedule of prices for each service provided.

The charges make an important contribution to the delivery of these services and the financial stability and sustainability of the Council, so it is important that the fees and charges are reviewed regularly.

This report updates the committee on the current work being undertaken to review all sales fees and charges as part of the 2024/25 budget process to ensure that charges are correct, that the costs of providing the services are being recovered, and identify opportunities for increasing existing budgets in order to support the overall Council 2024/25 budget. This paper outlines £1m of additional income budgets as a result of this exercise to contribute to achieving a balanced budget.

In setting the level and rates charged for sales fees and charges the current economic and inflationary environment has been considered alongside the impact on residents and service users. The Council is facing inflationary pressures of around £20m in 2024/25 and where the costs of delivering traded services have increased, the levels of fees and charges need to be reviewed and increased to help cover the cost of delivering the services charged for.

Recommendations

The Committee is recommended to note and comment on the proposed changes to sales, fees and charges.

Wards Affected: All

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.</p>
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Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments	Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.
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Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Sales, fees and charges currently generate over £125m of income that supports the City Council budgets. As part of the annual budget process, it is prudent to review all sales, fees and charges to ensure that they are recovering full costs of providing the service. There is an income budget increase of c£1m assumed as part of the Council's medium term financial plan, which can be met from a combination of realigning existing income budgets, where budgets overachieve because of higher than forecast activity levels, and in some instances increased income through the application of an annual inflationary uplift.

Financial Consequences – Capital

None directly arising from this report.

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1. Introduction and Purpose

- 1.1 The Local Government Act 2003 provides Local Authorities with the power to charge for some goods and services that can be used to promote or improve local economic wellbeing. Income generation forms a significant part of the overall funding of a number of key Council services, raising over £125m per annum.
- 1.2 The majority of income raised by Councils from sales fees and charges is utilised to fund the costs of delivery of the services charged for and related activities. Some fees and charges are set by government through legislation which is very specific about what the income can be used to fund. As a result, it is important that both expenditure budgets and the levels of fees charged are reviewed annually. This report provides an overview of the sales, fees and charges levels that are proposed to be set for the 2024/25 financial year.
- 1.3 Overall, the amount of income generated by the Council can vary year on year, depending on levels of activity and prices charged, with the total level being affected by external influences outside of the Council's control, for example, behaviour changes post pandemic and wider economic factors including the cost-of-living crisis. It is therefore important that the budgets are reviewed and realigned to reflect the most up to date trading position, and any other known factors.
- 1.4 In addition to realigning budgets, it is important to review charges on a regular basis, which is done in line with the following key principles: -
- A regular review of sales fees and charges may result in small annual increases, but it will reduce the impact of large increases if reviews are not done for long periods of time.
 - All services provided and charged for should demonstrate that they are operating on a cost recovery basis, in some instances this can be smoothed over multiple years and is subject to external scrutiny.
 - Increases to fees and charges must be balanced against the inflationary impact on the costs of delivering those services, whilst being mindful of the need to protect residents from unaffordable price increases, particularly during a cost-of-living crisis.
 - Some services are also provided to internal Council departments, and inflationary increases do impact on other Council budgets, therefore it is important that there is no cross subsidy particularly for externally delivered services.
- 1.5 The annual review process also allows the Council to consider where raising fees and charges as a legitimate contribution to reducing the overall budget gap and to protect service delivery. Whilst for some services the Council is obligated to increase fees and charges to cover costs, in areas where there is discretion, care is taken to minimise the burden of charges on residents and to deliver as efficient service as possible.

- 1.6 The table below sets out how the proposed £2.343m increased income from sales, fees and charges is to be used within the overall council budget context.

Description of Type of Increase	2024/25 £000's
Covering increased costs of delivery	1,107
Funded realignment	-672
Un funded realignment	-70
Pre Approved savings	982
Contribution towards additional savings	1,000
Grand Total	2,343

2. Sales, Fees, and Charges Overview.

Current Financial Year

- 2.1 Neighbourhood Services have a gross income budget of £56.6m and are forecasting an income budget shortfall in 2023/24 of c£2m, largely due to:
- £0.674m shortfall from off street car park charges, reflecting ongoing lower user numbers, driven in particular by lower season ticket sales post the pandemic; and
 - £1m reduced income from the reduced scale of Christmas markets and
 - c£0.6m reduced footfall across both retail markets and wholesale markets due to a reduced number of stall holders.
- 2.2 The Growth and Development Directorate have a budget of £31.6m and are overachieving their overall income budget by c£226k. However, there are a number of variances across all charging areas, including:
- c£300k overachievement on the investment estate
 - c£400k additional planning income.
 - £347k lower than forecast income in building control and premises licensing.
- 2.3 Planning fees are set by the Government, who have recently confirmed an increase in the charges, with the proceeds funding additional resources to deliver shorter timescales for managing applications. The overall impact of the increase is uncertain and also impacted by macro-economic factors, but it is expected that the overall level of income will increase. The increased planning fees have to be ringfenced to the Planning Department and its associated activities.
- 2.4 The Corporate Core has an income budget of £36.8m and are forecasting an overachievement of c£0.582m. The majority of this is due to the additional income received through both decriminalised parking and bus lane enforcement. Legislation states that this income must be ringfenced and only used for transport related expenditure, including road safety, and cannot therefore be used to support the overall Council budgets.

2.5 The table summarises the high-level overview of the sales fees and charges budget and forecast for 2023/24.

Service Area	2023/24 Budget	2023/24 Forecast
	£000's	£000's
Neighbourhood Services	56,609	54,569
Growth & Development	31,565	31,791
Corporate Core	36,757	37,841
Total	124,931	124,201

3. 2024/25 Review Process and Proposed Price Increases

3.1 The review of the sales fees and charges, considered the following:

- Budget alignment – ensuring the current budgets accurately reflect the current activity and financial position for each income line. This covers both over and under budget alignment and is activity driven.
- Contractual changes – contractual terms and conditions often include annual adjustments in line with pre agreed inflationary indices, and it is important that these uplifts are captured annually as part of the budget process.
- Cost of delivery – ensuring that the costs of delivering the service are covered by the fees charged. This is particularly relevant given the recent high inflation rates impacting costs of staffing and other input cost such as supplies and services required to provide services.

3.2 Appendix A sets out details of the 2023/24 budget and forecasts, and the proposed changes to the 2024/25 budgets arising from each of the areas reviewed above.

3.3 The recent high rate of inflation makes the annual review process more important to ensure the costs of delivery are recovered, and that there is no cross subsidy to or from other parts of the Council.

3.4 As part of the review, where relevant equality impact assessments are undertaken to understand the impact on residents and other service users, alongside any wider impact of changes.

3.5 It is important that all traded services cover their costs, with fees and charges adjusted annually to ensure that any inflationary costs for both pay and non-pay costs are recovered. In most cases the increased income budgets will fund the increased costs and reduce the call on the Council's overall corporate inflation provision.

3.6 Where charges directly impact on residents, it is proposed that charges are restricted to a maximum increase of 5% and whilst this is slightly above the current forecast inflation rates for 2024/25 it should be noted that inflation averaged 8.5% in 2023.

- 3.7 The majority of increases therefore cover costs, however, there are some instances whereby an increase in charges can be used to support the wider Council budgets. The table below sets out a high-level summary of the proposed changes that will contribute towards the overall Council budgets. These total £1m and if supported will need to be subject to an equalities impact assessment.

Income Generating Area	Proposed Increase £000's	Comments
Advertising Contract	152	Contractual uplifts – there are no restrictions on what this income can be spent on
Waste Collection	37	Increase bulky waste collection charges by 5% and realign other income budgets
Compliance	95	Increased charges by 5%
Highways	184	Increase charges for fees, permits to developers and utility companies by 5%
Investment Estate	250	Result of scheduled rent reviews
Strategic Housing	16	Feed in tariff income from solar installations is increased annually by RPI.
Human resources	26	Increase external payroll costs by 5%
Communications	52	Increase external fees by 5%, this covers M4 printing and design.
Procurement	4	Increase external charges by 5%
Internal Audit	10	Increase external charges by 5%
Commercial Governance	15	Increase existing external charges
Registrars	80	Realign existing income budgets
Capital Programmes	25	Realign existing income budgets
Non DPE – Clamping	54	Realign existing income budgets
Total	1,000	

4. 2024/25 Proposed Changes by Service

- 4.1 The following section summarises the key proposed changes to the income budgets of each service area. Further detail is provided in Appendix A, which details the budgetary impact of the proposed changes by service. Appendix B setting out the detailed listing of both current years' prices and proposed prices for 2024/25 which will form part of the over budget approvals in February.

Neighbourhood Services (Gross Income Budget £56.6m)

- 4.2 Neighbourhoods Services has a variety of fees and charges, and these range from large scale city wide advertising contracts to individual pest control and fleet charges. The table below illustrates the proposed high-level changes to sales, fees and charges budgets across Neighbourhood Services Directorate. The changes include reflecting proposed adjustments due to reduce overall activity, contractual price increases and proposed inflationary price increases to cover the cost-of-service delivery.

	£000's	£000's
Neighbourhoods 2023/24 Budget		56,609
Activity Based Changes	(805)	
Contractual Price Increases	738	
Proposed Inflationary Increases to cover costs	481	
Proposed Inflationary Increases to contribute wider council budget	468	
Sub Total Changes		882
Proposed 2024/25 Budgets		57,491

- 4.3 As can be seen from the table above Neighbourhood Services income budgets are expected to increase by a net £0.882m in 2024/25, from a combination of realigning budgets, contractual price increases and other increases required to cover inflationary increases in costs.
- 4.4 The budget alignment required to reduce income budgets by £0.805m to reflect changes in activity is predominantly made up of the short term £1m agreed budget adjustment to reflect the shortfall in Christmas Market income whilst Albert Square remains unavailable. The other changes are in respect of already agreed additional income that is already included as part of the overall Council budgets.
- 4.5 In a number of areas there are contracts in place that are amended annually in line with an agreed indexation method, within Neighbourhood Services this is forecast to be c£0.738m in 2024/25. This increase is in respect of the advertising contracts (£450k) and the stadium rental agreement in East Manchester (£288k). The increased advertising income is being used to support a combination of already agreed budget savings and increased costs, whilst the rental income from the stadium is ringfenced for investment into the sporting infrastructure within the City.
- 4.6 Inflationary increases total £0.949m and will be used to support the funding of increased costs for delivery of services, including uplifts on both pay costs and supplies and services. These price increases reduce the call on the Council's inflation budget by £481k. In addition, there are some increases being proposed that will directly contribute to Council overheads and therefore to the £1m additional income budget target to help balance the Council's budget. For Neighbourhoods this totals £468k and is made up of £184k highways increased charges to developers and utility companies for fees and permits, £95k increase in compliance income through applying a 5% increase to eligible budgets a further £152k through advertising budgets and £37k from waste which is a combination of realigning existing budgets and a small increase on bulky collections £6k.

Growth and Development (Gross Income Budget £31.6m)

- 4.7 Growth and Development generates two thirds of its income from rents and leases in the Investment Estate. The majority of the remaining charges are set by Government, or operate on a trading basis which has to cover costs of delivery. In some cases the costs of delivery can be recovered over a number of years, to reflect the variations in activity from year to year.
- 4.8 The investment estate includes a range of assets, from small scale ground rents, to shopping centre and industrial estate rents. The total number of assets managed is c2,000 and each of these assets have separate lease arrangements and review cycles. Investment estate rents are affected by the

economic climate, with risks around business failures, rent arrears and void periods. These risks are monitored and managed closely throughout the year.

- 4.9 Planning fees are set by Government, and during 2023/24 Government have announced a 35% increase in major planning application fees and 25% for all other fees. There is also an annual indexation increase to be applied from April 2025, capped at 10%.
- 4.10 The table summarises the high level changes across Growth and Development which shows a net increase in budgets of £0.835m.

	£000's	£000's
Growth and Development 2023/24 Budget		31,565
Activity Based Changes	170	
Contractual Price Increases	0	
Proposed Inflationary Increases to cover costs	400	
Proposed Inflationary Increases to contribute wider council budget	266	
Sub Total Changes		836
Proposed 2024/25 Budgets		32,400

- 4.11 In relation to Activity Based Charges, £170k is already approved within the overall budget and relates to increased rental income from Manchester Airport lease arrangements.
- 4.12 Government have recently announced that planning fees were to increase by 35% for Major Applications and 25% on all other applications from December 2023, but as part of the increased there are tighter timescales on some of the applications that will need to be managed. Planning fee income is very much activity based, and particularly around large major planning applications which have significantly higher fees, it is difficult to forecast the actual level of fee income year on year but historically we have generally overachieved against budget and for 2024/25 we are forecasting that the new increased fee levels will raise an additional £400k per annum, but this will be required to be spent on planning activity.
- 4.13 The investment estate is made up of a large number of assets that each have separate lease or rental agreements, and any increase or uplifts have to be applied in line with the agreement. There are a number of uplifts applied each year, and £266k has been forecast for 2024/25 from the annual uplifts, this will contribute towards the overall council budgets and savings target.

Corporate Core (Gross Income Budget £36.7m)

- 4.14 The Corporate Core generates c.63% of its income from Bus Lane Enforcement and on street parking fees, the proceeds of which must be spent on providing transport related services and road safety. Registrars and Communications Services provide some services direct to the public. The remainder of other service income is derived from the delivery of corporate service activity to other Local Authorities or organisations, examples include Legal Services to Salford and Rochdale, Internal Audit and procurement support to Bolton. It is important to note that these arrangements must breakeven, ensure full cost recovery but not make a profit. The advantage to the Council of providing such services is the contribution towards shared overheads and economies of scale.

- 4.15 The table below provides the high level changes across the Corporate Core and shows an increase in budget of £0.625m.

	£000's	£000's
Corporate Core 2023/24 Budget		36,757
Activity Based Changes	133	
Contractual Price Increases	0	
Proposed Inflationary Increases to cover costs	226	
Proposed Inflationary Increases to contribute wider council budget	266	
Sub Total Changes		625
Proposed 2024/25 Budgets		37,382

- 4.16 Activity Based Changes includes £133k as a result of realigning existing income budgets based on current activity levels, with around £100k from Registrars already included as part of the budget proposals, the remaining £33k is from the release fees charged to drivers to release their vehicles after being clamped for persistent parking offences or non-taxed vehicles.
- 4.17 Legal services provide external support to both Salford and Rochdale Councils and as part of that contract the costs of the annual pay award are passed on as part of the agreement. The forecast increase for 2024/25 is £226k.
- 4.18 As part of the overall budgets there are increases of £266k in respect of annual increases that will be applied to support the overall Council budgets as part of the £1m increased income. This will be achieved through a combination of applying inflationary increases of up to 5%, or in some areas further realignment following price increases applied in 2023/24 and details of proposed changes are set out in the table at para 3.7.
- 4.19 The result of these changes is highlighted in the table below.

Service Area	2023/24 Budget £000's	2023/24 Forecast £000's	Proposed 2024/25 Budgets £000's	Total Change in Income Budget £000
Neighbourhood Services	56,609	54,569	57,491	882
Growth & Development	31,565	31,791	32,401	836
Corporate Core	36,757	37,841	37,382	625
Total	124,931	124,201	127,274	2,343

5. Future opportunities and Risks

- 5.1 The inflationary increases have been considered as part of the budget process, but there is a risk that increased charges could have an adverse impact on the overall income if usage and customers reduce due to the higher prices.

5.2 The income budgets are monitored throughout the financial year to highlight any emerging risks or shortfalls against budgets so mitigating actions can be identified.

6. Appendices

Appendix A – Growth and Development

Appendix B – Detailed Listing of Proposed fees and charges for 2024/25

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Appendix A Growth and Development

Service Area	2023/24 Budget £000's	2023/24 Forecast £000's	Activity Based Changes £000's	Contractual Price Increases £000's	Inflationary Increases to cover cost increases £000's	Inflationary Increases support overall Council Budget £000's	Proposed 2024/25 Budget £000's	Further Narrative
Advertising	4,711	4,932	0	450	0	152	5,313	Two separate competitively let contracts both subject to annual contractual inflationary increases – some savings already assumed, additional £150k proposed
Grounds Maintenance	36	36	0	0	2		38	Need to apply annual inflationary increase to cover increased costs 5% increase assumed
Waste	314	345	0	0	0	37	351	5% inflationary increase applied to bulky waste collections.
Parks & Open Spaces	2,008	2,008	100	0	0		2,108	Initial £427k savings agreed as part of 2021/22 budget – all to be achieved through increased activity aligned to ongoing capital investment.
Leisure & Sport Development	8,674	8,525	0	288	0		8,962	Eastlands rental subject to inflationary uplift capped at 5%, per year the actual is determined by in year performance of MCFC and associated gate receipts – rents are ringfenced to support leisure costs and go via reserve.
Libraries, Galleries & Culture	761	613	(70)	0	0		691	Adjustments to reflect reduced income targets following policy decisions to remove charges.
Neighbourhood Teams	186	226	40	0	0		226	Estate service charge – charges based on cost recovery of actual costs of managing the estate – charges reviewed annually and increased to align with increased service charges.
Compliance	2,391	2,401	0	0	0	95	2,486	Most of the income are through FPN's and are fixed. 5% inflationary increase applied to other eligible categories and largely cover costs – see appendix b for details.
Pest Control	727	655	0	0	36		763	5% inflationary increase applied
Manchester Markets	12,968	11,399	(1,000)	0	135		12,103	£1m adjustment to reflect ongoing Xmas markets disruption. And reduced footprint – part of budget proposals to be reviewed when Albert Square reopens.
Fleet Services	1,323	1,352	0	0	0		1,323	Majority of external charges are in respect of fuel for waste collection, which is a direct pass through of costs.
Bereavement Services	4,155	4,356	100	0	308	0	4,563	Assumes 5% inflationary increase to cover increased costs.
Off Street Parking	12,698	12,024	0		0		12,698	Parking charges revised and implemented from December 2023,
Highways	3,658	3,698	25	0	0	184	3,867	External fees increased by 5%, mainly developers and utility companies

Housing Operations	1,999	1,999	0	0	0		1,999	Mainly service charges recovered based on actual costs. Costs also sit in HRA
Grand Total	56,609	54,569	(805)	738	481	468	57,491	

Service Area	2023/24 Budget £000's	2023/24 Forecast £000's	Activity Based Changes £000's	Contractual Price Increases £000's	Inflationary Increases to cover cost increases £000's	Inflationary Increases support overall Council Budget £000's	Proposed 2024/25 Budget £000's	
Investment Estate	22,531	22,867	170	0	0	250	22,951	The investment estate generate rents from a wide range of assets – rents are subject to review in line with lease arrangements - , work is being done to develop a schedule of assets that will include rent reviews
Strategic Housing	1,277	1,238	0	0	0	16	1,293	Increase is in respect of annual uplift applied to feed in tariff income, income comes from PV provider. .
Planning	3,073	3,473	0	0	400	0	3,473	Gov have agreed 35% increase on major planning applications, and 25% on all other applications effective from 1/12/23
Building Control	1,162	815	0	0	0	0	1,162	Fees are ringfenced and operate on a three year trading account basis. – fees are currently being reviewed by the service
Land Charges	274	227	0	0	0	0	274	Some fees will be transferring to Land Registry, the remainder of fees will be reassessed to ensure that the revised arrangements are cost neutral.
Premises Licensing	1,174	1,099	0	0	0	0	1,174	Fees currently being reviewed by the service
Taxi Licensing	2,074	2,072	0	0	0	0	2,074	Operate on a three year fee cycle and must breakeven year on year
Grand Total	31,565	31,791	170	0	400	266	32,401	

Service Area	2023/24 Budget £000's	2023/24 Forecast £000's	Activity Based Changes £000's	Contractual Price Increases £000's	Inflationary Increases to cover cost increases £000's'	Inflationary Increases to contribute wider Council Budgets £000s'	Proposed 2024/25 Budget £000's	
CEX Corporate Items	40	40	0	0	0	0	40	
Human Resources	451	418	0	0	0	26	477	Income from providing payroll services to other organisaions propose to increase by 5%
Legal	5,932	5,967	0	0	226	0	6,158	Inflationary uplift applied to external contract costs to cover pay award.
Communications	1,012	1,012	0	0	0	52	1,064	Provision of printing, translations and design work to third party organisations, and residents and businesses – Propose to increase fees by 5%
Registrars	1,425	1,591	100	0	0	80	1,605	Registrars charge for both certificates and ceremonies – Ceremony prices were increased during 2022/23 to ensure aligned with other Core Cities
Policy	460	344	0	0	0	0	460	
Revenue & Benefits	3,242	3,133	0	0	0	0	3,242	
Finance	239	201	0	0	0	0	239	
Procurement	56	56	0	0	0	4	60	5% increase applied to reflect increased costs
Internal Audit	115	100	0	0	0	10	125	Increase charges to third party organisations.
Commercial Governance	101	89	0	0	0	0	101	Increase charges to third party organisations.
Capital Programmes	176	212	0	0	0	25	201	Regularly overachieve on income and proposing to realign budgets to activity levels.
Decriminalised Parking	16,616	17,194	0	0	0	0	16,616	On street parking requires change to traffic regulation order – income ringfenced for specific use
Bus Lane Enforcement	6,514	7,056	0	0	0	0	6,514	Income ringfenced for specific use
Non DPE – Clamping	378	418	33	0	0	54	465	Regularly overachieve on income and proposing to realign budgets to activity levels
Grand Total	36,757	37,831	133	0	226	266	37,382	

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Appendix B – Detailed Listing of Proposed fees and charges for 2024/25

Function	Existing Charge 2023/24	Proposed Charge 2024/25
Library Charges & Fines		
Library Membership	Free	Free
Library Fines on Overdue Books	Free	Free
Loan Charges		
CD's (Music) – (Free for visually impaired)	50p Per Week	50p Per Week
Foreign Language Courses (not ESOL)	£2.50 per week	£2.50 per week
Music sets –	Price on application	Price on application
Company Information - for company information, trademark searches, marketing information and mailing lists on application from the Business Information Service	Price on application	Price on application
Other Charges		
Lost or Damaged Tickets	£2	£2
Lost or Damaged Items	Replacement Cost	Replacement Cost
Admin charge on lost or damaged items	£2	£2
Photocopying and Printing		
Black and White A4	20P per sheet	20P per sheet
Black and White A3	30p per sheet	30p per sheet
Colour A4	50p per sheet	50p per sheet
Colour A3	70p per sheet	70p per sheet
Reservations		
Reserve stock not available in Manchester Libraries	£5 per item	£5 per item

Reserve stock available in Manchester Libraries	Free	Free
Internet and Wi- Fi		
Wi Fi Usage	Free	Free
Internet Usage for Library Members	Free	Free
Internet Usage for Non-Library Members	£2 per hour	£2 per hour
Meeting Room Hire		
The Avenue Library 1 -1 Room (2-3 Capacity)	£10 per hour	£10 per hour
The Avenue Victoria Room (25 Capacity)	£20 per hour	£20 per hour
Beswick Meeting Room 1 (20 capacity)	£20 per hour	£20 per hour
Beswick Meeting Room 2 (30 capacity)	£30 per hour	£30 per hour
Beswick Meeting Room 1 and 2 open (50 capacity)	£40 per hour	£40 per hour
Chorlton – Large Room (40 capacity)	£30 per hour	£30 per hour
Forum – Room 1 Large (40 capacity)	£30 per hour	£30 per hour
Forum – Room 2 (2 - 3 capacity)	£10 per hour	£10 per hour
Forum – Room 3 (2-3 capacity)	£10 per hour	£10 per hour
Forum – Room 4 (4 capacity)	£10 per hour	£10 per hour
Forum – Room 5 (15 capacity)	£20 per hour	£20 per hour
Forum – Room Classroom (20 capacity)	£20 per hour	£20 per hour
Forum – Room ICT Room (20 capacity)	£20 per hour	£20 per hour
Gorton – Small Room - (2 - 3 capacity)	£10 per hour	£10 per hour
Gorton – ICT Room - (20 capacity)	£20 per hour	£20 per hour
Gorton – Medium Room - (25 capacity)	£20 per hour	£20 per hour
Gorton – Large Room - (45 capacity)	£30 per hour	£30 per hour
Longsight Room 8 (45 capacity)	£45 per hour	£45 per hour
Longsight Room 7 with kitchen (35 capacity)	£35 per hour	£35 per hour
Longsight Room 7 and 8 open (80 capacity)	£40 per hour	£40 per hour
Longsight interview Room (2 capacity)	£10 per hour	£10 per hour
Newton Heath Meeting Room (12 capacity)	£20 per hour	£20 per hour

Withington – Meeting Room (15 capacity)	£20 per hour	£20 per hour
Withington – Board Room (15 capacity)	£20 per hour	£20 per hour
Withington – Class Room (30 capacity)	£30 per hour	£30 per hour
Environmental Health		
Primary Authority (existing MCC Partnerships only). Food & Health & Safety Team & Environmental Protection	£76	£80
Health & Safety - Accident Report	£224	£235
Export Health Certificate	£90 minimum charge plus £90 per hour for additional time	£95 minimum charge plus £95 per hour for additional time
Food Hygiene Rating Scheme Visit	£195	£205
Food pre-inspection	£140	TO BE DISCUSSED AND AGREED WITH AGMA
Business Advice Service (Food & Health & Safety Team & Environmental Protection, Housing Compliance & Trading Standards). (Includes Export Health Certificate advice and imported food controls advice)	£90 minimum charge plus £90 per hour or part thereof for additional time	£95 minimum charge plus £95 per hour or part thereof for additional time
Manchester Airport		
Fish or Fish Products clearance – single vet document	£122, OOH £244	£128, OOH £256

As above – multiple documents, charged per document	£78, OOH £156	£82, OOH £164
Charge for additional time per hour	£88, OOH £176	£92, OOH £185
Products of animal origin other than fish (cleared by the Official Veterinarian Surgeon)	£155 and OOH £310	£163 and OOH £326
As above – multiple documents, charged per document	£78, OOH £156	£82, OOH £164
Charge for additional time per hour	£88, OOH £176	£92, OOH £185
lpaffs Input – Hourly rate	£85 , ooh £170	£92, OOH £185
Products covered by safeguarding measure or specific legislation such as EC 669/2009, EC1152/2009. Per Common Entry Document or similar documentation	£75 OOH £150	£79 OOH £158
As above, requiring sampling	£132 OOH £264	£139 OOH £277
Charge for additional time per hour	£88, OOH £176	£92, OOH £185
Organic Certificates	£80 OOH £160	£84 OOH £168
Disposal Costs	Min charge £69.00 collection (£37.50 if scheduled vehicle £156.35 if dedicated vehicle fuel surcharge	To be agreed with disposal company.

	approx £17.84). Disposal rates are a minimum of £0.58 per kilo.	
Out of Hours call out charge to attend the airport - EHO	£110	£115
Out of Hours call out charge to attend the airport - Vet	£110	£115
Letter confirming products do not require clearance or informing importer of breach of import requirements	£85	£89
Illegal Unregulated and Unreported Fish controls - high risk third country	£58	£61
Illegal Unregulated and Unreported Fish controls - Low risk EU & EEA/EFTA	£58	£61
Trading standards		
Calibration/Verification charges	Weights & Measures Inspector - £90 per hour Assistant - £64 per hour	Weights & Measures Inspector - £95 per hour Assistant - £67 per hour
Calibration of weights: < 25kg > or equal to 25kg Adjustment fee	£18.00 £35.00 £14.00	£19.00 £37.00 £15.00
Calibration of Non-automatic weighing machines (tested at TS Office) < 30kg > or equal to 30kg<250kg	£41.00 £75.00	£43.00 £79.00
Hire of test weights per tonne per day	£89.00	£93.00
Replacement Test Certificate	£15.00	£16.00

Volumes and Capacity		
Measuring Instruments (For liquid fuel or lubricants or mixtures thereof)	Hourly Rate (Minimum Charge – 2 hours officer time) £180.00	Hourly Rate (Minimum Charge – 2 hours officer time) £190.00
Capacity Measures, includes Measuring Instruments (Intoxicating Liquor) Calibrations/Verifications of measures of length	Hourly Rate (Minimum Charge – half an hour officer time) £45.00	Hourly Rate (Minimum Charge – half an hour officer time) £47.00
Miscellaneous		
Testing Cancellation Charge (Less than 24 hours' notice)	£90.00	£95.00
Failure to attend charge		
Failure to attend charge	£180.00	£190.00
Equipment not listed with a specific charge (Hourly Rate)	£90.00	£95.00
Equipment must be submitted in a clean condition. Reserve right to charge.	£64.00	£67.00
Primary Authority (existing MCC Partnerships only)	£76.00	£80.00
Housing Enforcement and Compliance – Advice to Landlords		
Landlord Advice	£90.00	£95.00
Immigration Inspection	£173.00	£182.00
Demand Notice	£346.00	£363.00
Advisory inspection up to 10 bedrooms - Detailed written advice Over 10 Bedrooms	£453.00 £90 per additional hour	£476.00 £95 per additional hour
Environmental Protection		
Environmental Searches	Level 1 - £75 Level 2 - £152	Level 1 - £79 Level 2 - £160

	Level 3 - £265	Level 3 - £278
Sampling (Private Water Supplies)	Sample visit - £80 Risk Assessment - £233	Sample visit - £84 Risk Assessment - £245
Parks Fees and Charges		
Event Charges		
Community/charity event - head of anticipated event capacity minimum charge of £200 or charge per head whichever is highest.	£0.90	0.98
Commercial event at a premium event site (Heaton Park, Platt Fields or Wythenshawe park) minimum charge of £200 or charge per head whichever is highest.	£2.35	£2.50
Commercial event (All sites excluding above premium sites)	£2.05	£2.25
Events – Rig and De Rig		
Premium Event Site		
Small – Band 1-Capacity 1 -499	£285	£310
Medium Band 2 Capacity 500 – 4,999	£575	£626
Large Band 3 Capacity 5,000 – 19,999	£1,126	£1,226
Major - Band 4 Capacity 20,000+	£1,690	£1,839
All Other Parks		
Small – Band 1-Capacity 1 -499	£225	£245
Medium Band 2 Capacity 500 – 4,999	£450	£489
Large Band 3 Capacity 5,000 – 19,999	£900	£980
Major - Band 4 Capacity 20,000+	£1,350	£1,469
Football Pitches		
Full Permit 30 Matches		

Pitch Only – Booking League	£797	£868
Pitch and Dressing Room – Booking League	£869	£946
Pitch Dressing Room and Showers – Booking League	£1,018	£1,018
Pitch Only – Adult	£961.50	£1,047
Pitch and Dressing Room – Adult	£1,086	£1,182
Pitch Dressing Room and Showers – Adult	£1,204	£1,311
Pitch Only – Junior	£488	£531
Pitch and Dressing Room – Junior	£547.50	£596
Pitch Dressing Room and Showers – Junior	£605.50	£660
Half Permit – 15 Matches		
Pitch Only – Booking	£401	£437
Pitch and Dressing Room – Booking	£465	£506
Pitch Dressing Room and Showers – Booking	£526	£573
Pitch Only – Adult	£482	£525
Pitch and Dressing Room – Adult	£566.50	£617
Pitch Dressing Room and Showers – Adult	£626	£681
Pitch Only – Junior	£255	£278
Pitch and Dressing Room – Junior	£288	£314
Pitch Dressing Room and Showers – Junior	£315	£343
Casual Booking Per Game		
Pitch Only (Excl Vat)	£50.50	£55
Pitch and Dressing Room (xcl Vat)	£65	£70.75
Pitch Dressing Room and Showers (Excl Vat)	£75.50	£82.25
Allotment Plots		
Allotment Plots (Per Sq Metre)	28p	30p
Average Plot Size – Per annum	£70	£76.20

Bereavement Services Sales Fees and Charges		
Birch – New Grave and Burial – Both Resident	£2,070	TBC
Combination	£2,470	TBC
Both non resident	£3,504	TBC
Beech – New Grave, with burial and chapel – Both Resident	£2,265	TBC
Combination	£2,992	TBC
Both non resident	£3,804	TBC
Oak – With grave selection, burial and chapel – Both Resident	£2,530	TBC
Combination	£3,337	TBC
Both non resident	£4,241	TBC
Private Baby Grave – Direct to grave (aged 4 and under) – Both Resident	£505	TBC
Combination	£1,094	TBC
Both non resident	£1,627	TBC
Chestnut – Reopen direct to grave – resident	£950	TBC
Non Resident	£1,615	TBC
Whitebeam – Reopen with chapel – resident	£1,079	TBC
Non Resident	£1,816	TBC
Ash – Pre purchase of grave – resident	£1,715	TBC
Non Resident	£2,971	TBC
Burial in shared public grave -resident	£205	TBC

Non Resident	£1,615	TBC
Burial in shared public grave with chapel -resident	£318	TBC
Non Resident	£1,816	TBC
NVF Burial in shared public grave - resident	£83	TBC
Non Resident	£155	TBC
New Grave and burial in The Woodlands or The Meadow - Both resident	£1,799	TBC
Non Resident	£2,297	TBC
Combination	£2,130	TBC
Burial in existing Grave in The Woodlands or The Meadow - Both resident	£794	TBC
Non Resident	£997	TBC
Woodland advance purchase – Resident	£1,323	TBC
Non resident	£1,679	TBC
New Grave and burial in Muslim Plots - Both resident	£2,450	TBC
Non Resident	£4,143	
Combination	£3,250	
New Grave and burial in Jewish Plots - Both resident	£1,947	TBC
Non Resident	£3,273	TBC
Combination	£2,563	TBC
Burial in Jewish Plots (re-opened)- resident	£1,018	TBC
Non Resident	£1,729	

ELM: Cremation & service with Side Chapel	£774	TBC
Yew: Cremation & service with Centre Chapel	£933	TBC
Environmental surcharge (mercury abatement)	£61	TBC
Direct Cremation (selected times)	£420	TBC
Simplicity Cremations (selected times)	£590	TBC
Burial or strewing of cremated remains		TBC
Sycamore Burial of ashes in an existing grave or cremation plot - non-resident	£546	TBC
Pine purchase of new cremation plot (including first burial) - both resident	£1526	TBC
Pine purchase of new cremation plot (including first burial) - both resident	£1,954	TBC
Pine purchase of new cremation plot (including first burial) - both non-resident	£2,456	TBC
Products		
Book of Remembrance	2 lines £143 (inc VAT) 5 lines £182 (inc VAT) 8 lines £250 (inc VAT) Emblem £159 (inc VAT) "	
Bench + Inscription	£1,239.00	TBC
Bench plaque on shared bench	£504.00	TBC
Bench lease renewal	£942.00	TBC
Kerb plaque	£411.00	TBC
Ceramic photo	£174.00	TBC

Replacement plaque - tree	£119.00	TBC
Replacement plaque -rose	£104.00	TBC
Woodlands sandstone plaque	£326.00	TBC
Woodlands sandstone plaque + Inscription	£154.00	TBC
Wall plaque + inscription	£427.00	TBC
Columbarium/Memorial tower	£869.00	TBC
Columbarium/Memorial tower niche	£716.00	TBC
Columbarium additional placing + adding inscription	£244.00	TBC
Granite deskop stone + inscription	£733.00	TBC
Granite cremation plot kerbs	£530.00	TBC
Granite chippings (White)	£180.00	TBC
Granite chippings (Coloured)	£208.00	TBC
Granite Lawn Tablet	£530.00	TBC
Memory Tree Leaf + Inscription (5 years)	£215.00	TBC
Memory Tree Leaf + Inscription Motif	£242.00	TBC
Memory Tree Leaf Lease Renewal	£165.00	TBC
Marker stone + inscription	£159.00	TBC
Public Stone	£195.00	TBC
Right to Erect Stone	£203.00	TBC
Replacement/Alteration of Headstone or memorial	£129.00	TBC
Transfer of Exclusive Right of Burial without Stat Dec	£42.00	TBC
Transfer of Exclusive Right of Burial with Stat Dec	£93.00	TBC
Extra Grave width	£287.00	TBC
Late alterations to grave	£375.00	TBC
Mudstoning or staking of stone	£75.00	TBC
Concrete Foundations	£216.00	TBC
Removing kerbstones	£339.00	TBC

Casket + urns (standard)	£81.00	TBC
Additional 30 mins Side Chapel	£152.00	TBC
Additional 30 mins Centre Chapel	£219.00	TBC
Waste and Recycling		
New or replacement reuse bin	£22	TBC
Bulky Collection – first bulky collection – 3 items	Free	
Additional collections	£27	TBC
Pest Control		
Rats (for a comprehensive treatment course consisting of up to 3 visits)	£50	TBC
Mice (for a comprehensive treatment course consisting of up to 3 visits)	£87	TBC
Cockroaches comprehensive treatment course consisting of up to 3 visits	£102	TBC
Bed Bugs (A free survey is required before treatment can start. If the property is a House in Multiple Occupation (HMO), all rooms need to be treated at the same time. HMO's are classed as commercial properties further details available online www.manchester.gov.uk)	From £127	TBC
Fleas (for one treatment visit)	£94	TBC
Wasps (per wasp nest)	£72	TBC
Ants (one treatment visit inside the home only)	£70	TBC
Squirrels (for a comprehensive treatment course consisting of up to 3 visits)	£160	TBC
Beetles (for one treatment visit)	£87	TBC
Markets		
Gorton Retail Market -		
Outdoor Market (trading Mon, Wed, Fri & Sat & gazebo provided)		
1 stall, size 9 square metres - daily charge (net charge). Any day	£15	TBC
2 stalls, size 18 square metres - daily charge (net charge). Any day	£28.33	TBC
Service Charge - all areas charge per square metre (weekly charge)	£6.75	TBC

Indoor Market (trading Mon to Sat), Service and rent charge. Service (net)		
Rental Charge - Primary (hot food & high volume services) weekly per sq metre	£5.5	TBC
Rental Charge - Secondary (Fresh food, services & direct sales) weekly per sq metre	£2.75	TBC
Rental Charge - Tertiary (Dry goods and display areas) weekly per sq metre	£1.38	TBC
Rental Charge - Sub Tertiary (Seating areas & discount new tenants) weekly per sq metre	£0.68	TBC
Indoor Storage - weekly per sq metre	£1.97	TBC
Longsight Retail market		
Permanent stalls (trading Wed, Fri & Sat) - charge per sq metre – 3 days depends on position.	9.47 to 13.65	TBC
Permanent stalls - additional trading day (Tuesday) daily charge	£16.43	TBC
Permanent stalls - additional trading day (Thursday) – daily charge	£14.69	TBC
Casual stalls (trading Tues, Wed, Thurs, Fri & Sat).		TBC
1 stall, size 8.7 square metres - daily charge (net charge). Tuesday	£36.33	TBC
1 stall, size 8.7 square metres - daily charge (net charge). Wednesday	£36.43	TBC
1 stall, size 8.7 square metres - daily charge (net charge). Thursday	£20.78	TBC
1 stall, size 8.7 square metres - daily charge (net charge). Friday	£36.43	TBC
1 stall, size 8.7 square metres - daily charge (net charge). Saturday	£44.11	TBC
Casual stall - 1 stall, 3 day charge (net charge). Wed, Fri & Sat		
Outdoor standard	£83.47	TBC
Outdoor Small	£88.56	TBC
Storage various sizws weekly per sq metre	£4.13	TBC
Wythenshawe Retail Market		

Outdoor Market - Kiosks	£14.13	TBC
Outdoor Market - Permanent Stalls	£13	TBC
Storage (Indoor)	£3.25	TBC
New Smithfield Wholesale Market		
Warehouse units on C & D Hallway - charge per square foot	£7	TBC
Warehouse units on A & B Hallway - charge per square foot	£6	TBC
Warehouse - F Units - charge per square foot	£5	TBC
Fish Market - charge per square foot	£6.66	TBC
Offices - charge per square foot	£15	TBC
Market Rights		
Market - Charge per trading position		
Up to 200 trading spaces	£4.5	TBC
More than 200 trading spaces	£3.8	TBC
Car Boot - Charge per trading position	£1.5	TBC
Administration charge Generation of Market Rights Licence document	£55	TBC
Sunday Market and Car Boot		
Annual Licence Charge - all traders – Market only	£83.33	TBC
Charge Per Trading Day		
Car Boot Car (net)	£16.50	TBC
Car Boot Van (net)	£22.00	TBC
Market - New Items (net)	£33.00	TBC
Annual Charge for Food Traders		
Ice Cream or Donuts - small operator (net)	£1,575	TBC
Hot Food - medium size operator (net)	£4,725	TBC
Large Operators - Meat van (net)	£26,250	TBC
Car Parking (net)	£2.08	TBC

Concession Parking	£1.25	TBC
Highways Services		
Vehicular Crossing Construction - Domestic	£900 to £1,938	£954 to £2,054
Extension of a Vehicular Crossing	802 to 1,220	850 to 1293
H-Bar - Vehicle Driveway protection marking (Advisory marking only)	216.00	229.00
Disabled Parking Bay marking (Advisory marking only)	£350	£371
Skip Registration	£150	£159
Permit fee - Seven days maximum (registered provider)	£38	£40
Permit fee – Seven days maximum (non registered provider)	£38	£40
Removal of Unauthorised Skips	£489	£518
Scaffolding / Hoarding Permits - Administration Only	£150	£159
Inspection fee area up to 25m2 - in respect of Scaffolding / Hoarding Permits	£76	£81
Inspection fee area up to 50m2 - in respect of Scaffolding / Hoarding Permits	£113	£120
Inspection fee area up to 75m2 - in respect of Scaffolding / Hoarding Permits	£150	£159
Inspection fee area up to 100m2 - in respect of Scaffolding / Hoarding Permits	£188	£199
Inspection fee area up to 125m2 - in respect of Scaffolding / Hoarding Permits	£226	£240
Inspection fee area greater than 125m2 - in respect of Scaffolding / Hoarding Permits	£264	£280
Mobile Elevating Working Platform	£76	£81
Cranes	£150	£159
Crane Oversailing License	£451	£478
Steel Box or Container on Highway	£150	£159
Inspection fee - in respect of Steel Box or Container	£76	£81
Temporary Traffic Lights Approval	£226	£240
Emergency 5 day or 21-day Notice	£752	£797

Premeditated Temporary Traffic Regulation Order (TTRO)	£2,265	£2,401
Additional TTRO - having no more than one set of diversion plans or start date	£1,284	£1,361
Extension of premeditated TTRO up to Eighteen Months Maximum	£1,209	£1,282
No Time Limit premeditated TTRO	£4,670	£4,950
Town & Police Clauses and Section 16A Orders - Charitable Events / Street Parties	£150	£159
Town & Police Clauses and Section 16A Orders - Commercial Street Parties / Filming	£601	£637
TP&C / 16A Charge for Large Commercial Events lasting one day	£2,929	£3,105
TP&C / 16A Charge for Large Commercial Events lasting for more than one day	£4,055	£4,298
Additional TP&C / 16A Order per road or Order type for the same event	£76	£81
Recovery of staff time for removal of signs left on Highway	£76	£81
Producing / Checking / Approving Traffic Diversion plans	£150	£159
Additional checking fee for above over 2 hours	£76	£81
Provision and deployment of traffic management equipment for emergency works using Council Team	£58	£61
Provision and deployment of traffic management equipment for emergency works using a specialist provider. Initial charge: Up to four hours	£383	£406
Additional charge for weekday work: Four hours to eight hours	£383	£406
Additional charge for weekend work	£383	£406
Additional charge for bank holiday work	£575	£610
Additional charge for work over eight hours	£141	£149
Daily safety checks	£52	£55

Weekly hire of traffic management equipment for each week or part thereof after initial deployment	£129	£137
Recovery of traffic management equipment	£192	£204
New Roads & Street Works Act (NRSWA) - Section 50 Licence / Sewer Connections / Foundation works and other Apparatus (registration and first 200m of inspection)	£1,537	£1,629
Fee to be retained if Licence is cancelled prior to the date it comes into force	£301	£319
Inspection of each additional 200m length of road disturbed	£301	£319
Excavations in the Highway (Opening Up Permit) - per street	£376	£399
Projection Over / Building Under Licence	£451	£478
Administration charge for processing requests for access to streets restricted by automatic bollards within the City Centre, outside of the prescribed times.	76.00	81.00
Street Naming and Numbering request of up to 10 properties	57.00	60.00
Street Naming and Numbering request for each additional property	13.00	14.00
Re-naming of a property or a street (plus legal fees as appropriate)	35.00	37.00
Street Naming and Numbering enquiry	35.00	37.00
Highway Searches / Plans and Enquiries - up to five questions	150.00	159.00
Highway Searches / Plans and Enquiries - each additional question	38.00	40.00
Meeting with third parties to consider the installation / construction of structures in connection with Utility company works / requirements above or below ground. Up to two hours including any travelling time.	150.00	159.00
Meeting with third parties to consider the installation / construction of structures in connection with Utility company works / requirements above or below ground for each additional hour or part thereof.	76.00	81.00
Hire of Signs for Street parties	38.00	40.00
Homewatch Signs - Admin fee per application	76.00	81.00

Homewatch Signs (per sign)	38.00	40.00
Development / Event Signing administration only - noncharitable events	150.00	159.00
Use of MCC furniture for event signs. Up to 2 months - noncharitable events	136.00	144.00
Use of MCC furniture for development signs. Up to 6 months	472.00	500.00
Water Leak Gritting charge	359.00	381.00
Make safe Stop Tap cover with grit	359.00	381.00
Repeat Inspection of Stop Tap covers	76.00	81.00
Public Path order	2573.00	2727.00
Base rate for undertaking works and duties.	76.00	81.00
M Four Communications & Language Support Service		
Face to Face Interpretation	£22 per hour minimum charge 2 hours	£22 per hour minimum charge 2 hours
All Legal Interpretation (Minimum 1 hour, nearest half hour thereafter)	£32 per hour	£32 per hour
Telephone Interpretation - (Minimum 1 hour, nearest half hour thereafter)	£25 per hour	£25 per hour
Travel Expenditure -		
Car Mileage	45p per mile	45p per mile
Travel Time	£12 per hour outside Manchester	£12 per hour outside Manchester
Accessible and Alternative Information Formats – Various Formats	Price on application	Price on application
British Sign Language (Minimum first 3 hours £150)	£75 per hour	£75 per hour
Written Translations – Certificates, Marriage, Birth Death etc Minimum fee upto 00 words	£50 per certificate	£50 per certificate
Generic Written Translations – Minimum fee £30 up to 100 words – Rare languages may be charged at a higher rate – estimate provided	£150 per 1000 English Words	£150 per 1000 English Words

M- Four Design Studios		
Commercial Rates		
Art Direction and Design	£90 per hour	£95 per hour
Design	£90 per hour	£95 per hour
Filming, Editing and Photography	£80 per hour	£85 per hour
Creative Artwork	£70 per hour	£75 per hour
Artwork	£60 per hour	£65 per hour
Proofreading and sub editing	£60 per hour	£65 per hour
Account management	£80 per hour	£85 per hour
Copywriting	£70 per hour	£75 per hour
Partner Rates		
Art Direction and Design	£60 per hour	£65 per hour
Design	£60 per hour	£65 per hour
Filming, Editing and Photography	£50 per hour	£55 per hour
Creative Artwork	£50 per hour	£55 per hour
Artwork	£40 per hour	£45 per hour
Proofreading and sub editing	£40 per hour	£45 per hour
Account Management	£50 per hour	£55 per hour
Copywriting	£50 per hour	£55 per hour
Registrars		
Ceremony Approved Venue Mon-Fri	£500	£500
Ceremony Approved Venue Saturday	£600	£600
Ceremony Approved Venue Sunday	£700	£700
Ceremony Approved Venue Bank Holiday	£700	£700

Ceremony – Register Office Mon – Fri	£225	£225
Ceremony – Register Office Saturday am	£350	£350
Ceremony – Register Office Saturday pm	£350	£350
Births, Death, marriage or Civil Partnership Certificates		
Standard Service – Issued at time of registration, or within 15 days of request		
Birth, Death and Marriage Certificate issued by a Registrar or Superintendent Registrar	£11	£11
Civil Partnership Certificate issued by Local Registration Authority	£11	£11
Priority Service – Issued on or before next working day 9orders up to 3pm)		
Birth, Death and Marriage Certificate issued by a Registrar or Superintendent Registrar	£35	£35
Civil Partnership Certificate issued by Local Registration Authority	£35	£35
Fees For marriage		
Entry of each notice of marriage for persons subject to Home Office Referral and Investigation scheme	£47	£47
Entry of each notice of Marriage for all other persons	£35	£35
Consideration by Superintendent Registrar of divorce outside British Isles	£50	£50
Consideration by Registrar General of divorce outside British Isles	£75	£75
Attendance at the Ceremony		
At the register office	£46	£46
At a registered building – Charge is set by Local Authority where venue is located	£86	£86
Fees for the Conversion of a Civil Partnership into Marriage		
At a Register Office	£45	£45
Two stage procedure on other premises		

Completing the declaration	£27	£27
Signing the declaration in a religious building registered for same sex marriage	£91	£91
Fees payable for Changes to Initial Registration		
Change of Forename added within 12 months of birth registration	£40	£40
Consideration by Registrar/Superintendent Registrar of a correction	£75	£75
Consideration by Registrar General of a correction	£90	£90
Fees for Searches in Indexes		
General Search – search by the applicant in indexes for not more than 6 hours - - note no fee payable if a specific index is specified.	£18	£18

**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee – 11 January 2024

Subject: Overview Report

Report of: Governance and Scrutiny Support Unit

Summary

This report provides the following information:

- Recommendations Monitor
- Key Decisions
- Work Programme

Recommendation

The Committee is invited to discuss and note the information provided and agree the work programme.

Wards Affected: All

Contact Officer:

Name: Charlotte Lynch
Position: Governance and Scrutiny Team Leader
Telephone: 0161 219 2119
E-mail: charlotte.lynch@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy, please contact one of the contact officers above.

None

1. Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

There are currently no outstanding recommendations.

2. Key Decisions

The Council is required to publish details of key decisions that will be taken at least 28 days before the decision is due to be taken. Details of key decisions that are due to be taken are published on a monthly basis in the Register of Key Decisions.

A key decision, as defined in the Council's Constitution is an executive decision, which is likely:

- To result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates, or
- To be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the city.

The Council Constitution defines 'significant' as being expenditure or savings (including the loss of income or capital receipts) in excess of £500k, providing that is not more than 10% of the gross operating expenditure for any budget heading in the in the Council's Revenue Budget Book, and subject to other defined exceptions.

An extract of the most recent Register of Key Decisions, published on **2 January 2024**, containing details of the decisions under the Committee's remit is included below. This is to keep members informed of what decisions are being taken and, where appropriate, include in the work programme of the Committee.

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Officer Contact
Corporate Core					
Irish World Heritage Centre - Loan re-financing and restructuring (2023/05/15A) To agree to the restructuring and refinancing of existing loan	City Treasurer (Deputy Chief Executive)	Not before 13th Sep 2023		Part B report to the Executive	Sarah Narici, Head of Programme Office sarah.narici@manchester.gov.uk

finance arrangements to ensure that there is an affordable and sustainable agreement in place between the Council and the Irish Diaspora Foundation Limited.					
<p>TC979 Archival Storage, Non-Archival Storage and Scanning Framework (2023/06/08C)</p> <p>To seek approval to appoint a supplier to provide TC979 Framework for Archival Storage, Non-Archival Storage and Scanning</p> <p>The framework is split into 3 Lots as follows: Lot 1: Archival Storage Lot 2: Semi Active Records (Non-Archival) Lot 3: Scanning and Storage of Planning and Building Control Records and other Council Departments</p>	City Treasurer (Deputy Chief Executive)	Not before 8th Jul 2023		Report and recommendation	
<p>Enterprise Resource Planning Software (2023/10/06A)</p>	City Treasurer (Deputy Chief Executive)	Not before 3rd Nov 2023		Report and Recommendation	Tom Wilkinson, Deputy City Treasurer tom.wilkinson@manchester.gov

To award a contract for new Enterprise Resource Planning software to support finance, HR, procurement and related functions.					.uk
TC473 - Supply of Gas (2023/10/13A) To implement a new framework to allow for future call-off contracts for the supply of gas to MCC's corporate estate, and for associated organisations (e.g. Manchester schools etc).	City Treasurer (Deputy Chief Executive)	Not before 13th Nov 2023		Report and recommendation	
Council Tax Balance for 2023/24 (2023/11/3B) Agree the estimated council tax surplus or deficit for 2023/24	City Treasurer (Deputy Chief Executive)	Not before 3rd Dec 2023		Council Tax Balance report	Neil Doherty, Group Finance Lead - Revenue neil.doherty1@manchester.gov.uk
Business Rates Balance for 2023/24 (2023/11/3C)	City Treasurer (Deputy Chief Executive)	Not before 3rd Dec 2023		Business Rates Balance report	Neil Doherty, Group Finance Lead - Revenue neil.doherty1@manchester.gov.uk

Council Tax Base for 2024/25 (2023/11/3D)	City Treasurer (Deputy Chief Executive)	Not before 3rd Dec 2023		Council Tax Base report	Neil Doherty, Group Finance Lead - Revenue neil.doherty1@manchester.gov.uk
Business Rates Base for 2024/25 (2023/11/3E)	City Treasurer (Deputy Chief Executive)	Not before 3rd Dec 2023		Business Rates Base report	Neil Doherty, Group Finance Lead - Revenue neil.doherty1@manchester.gov.uk
Development and Growth					
39 Deansgate Speakers House - Granting of over-riding lease (2022/04/12A) Approval to the granting of over-riding lease for 250 years with additional land to facilitate redevelopment of the site, as consented under planning application 131314/FO/2021	Strategic Director (Growth and Development)	Not before 11th May 2022		Confidential report and recommendations	Ken Richards, Principal Development Surveyor ken.richards@manchester.gov.uk
Disposal of site of former Chorlton Leisure Centre for residential development (21/05/13A) Approval to the terms for the leasehold disposal of	Strategic Director (Growth and Development)	Not before 3rd Jul 2023		Report to the Strategic Director of Growth and Development	Mike Robertson, Principal Development Surveyor mike.robertson@manchester.gov.uk

the site of the former Chorlton Leisure Centre for residential development.					
<p>Restructure of existing multiple ground leases at Manchester Science Park into a new overriding single head lease (2021/07/16A)</p> <p>Restructure of existing multiple ground leases at Manchester Science Park into a new overriding single head lease.</p>	Strategic Director (Growth and Development)	Not before 1st Sep 2023		Report and recommendations	Mike Robertson, Principal Development Surveyor mike.robertson@manchester.gov.uk
<p>Disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS (2022/05/19A)</p> <p>Approval to the terms for the leasehold disposal of the former Gala Bingo, Rowlandsway, Manchester, M22 5RS.</p>	Strategic Director (Growth and Development)	Not before 19th Jun 2022		Report to the Strategic Director of Growth and Development	Joe Martin, Senior Development Surveyor joe.martin@manchester.gov.uk
<p>Land at Kelbrook Road (2022/11/14A)</p> <p>Approval to dispose of land at Kelbrook Road for</p>	Strategic Director (Growth and Development)	4 Jan 2023		Report to the Strategic Director – Growth & Development	Thomas Pyatt, Senior Development Surveyor Tel: 0161 234 5469 thomas.pyatt@manchester.gov.uk

development					
<p>Disposal of land at the back of Ancoats, Manchester (2023/03/23A)</p> <p>To approve the disposal of land bounded by Naval Street, Radium Street, Poland Street and Jersey Street</p>	Strategic Director (Growth and Development)	23 Apr 2023		Briefing Note	Bhavesh Chauhan, Principal Development Surveyor bhavesh.chauhan@manchester.gov.uk
<p>The disposal of land at Store Street Manchester (2023/04/25A)</p> <p>To approve the disposal of land at Store Street, Manchester.</p>	Strategic Director (Growth and Development)	Not before 25th May 2023		Briefing Note	
<p>Factory International Works (2023/06/28A)</p> <p>To approve capital funding for Factory International for works to achieve static completion</p>	Executive, City Treasurer (Deputy Chief Executive)	26 Jul 2023		Report to Executive	Rebecca Heron, Strategic Director (Growth and Development) rebecca.heron@manchester.gov.uk
<p>Promotion Agreement for disposal of land (2023/06/29A)</p> <p>To approve the terms agreed for entering into a</p>	Strategic Director (Growth and Development)	Not before 28th Jul 2023		Delegated approval report to the Strategic Director of Growth and Development	Mike Robertson, Principal Development Surveyor mike.robertson@manchester.gov.uk

promotion agreement to dispose of land for residential development					
<p>Disposal of Elizabeth Yarwood Court, Kincardine Road, Manchester, M13 9SY (2023/07/24A)</p> <p>Approval of terms for disposal of site to facilitate commercial development</p>	Strategic Director (Growth and Development)	Not before 22nd Aug 2023		Report to the Strategic Director of Growth and Development	Joe Martin, Senior Development Surveyor joe.martin@manchester.gov.uk
<p>Disposal of land at Upper Brook Street, Manchester, M13 9XH (2023/07/24B)</p> <p>Approval of terms for disposal of land to facilitate mixed use development.</p>	Strategic Director (Growth and Development)	Not before 22nd Aug 2023		Report to the Strategic Director of Growth and Development	Joe Martin, Senior Development Surveyor joe.martin@manchester.gov.uk
<p>Disposal of land at Hinchley Road, Charlestown, Manchester, M9 7FG (2023/08/21A)</p> <p>Approval to the freehold disposal of land at Hinchley Road for residential development.</p>	Strategic Director (Growth and Development)	Not before 21st Sep 2023		Report and Recommendation	
<p>Land at 1-7 Gorton Road, M11 (22/08/2023A)</p>	Strategic Director	Not before 22nd Sep		Report & Heads of Terms	

Grant a Deed of Variation to the existing lease of land that will consent to subletting and change of use.	(Growth and Development)	2023			
Disposal of land at Carmoor Road, Manchester, M13 0FB (2023/09/13A) Approval of terms for disposal of land to facilitate development of Purpose Built Student Accommodation.	Strategic Director (Growth and Development)	Not before 12th Oct 2023		Report to the Strategic Director of Growth and Development	Joe Martin, Senior Development Surveyor joe.martin@manchester.gov.uk
Disposal of Land at Lord North Street (2023/10/12A) To agree the disposal of land at Lord North Street on a 250-year leasehold interest to facilitate redevelopment for employment use.	Strategic Director (Growth and Development)	Not before 12th Nov 2023		Delegated Decision Report to Head of Development and Director of Strategic Housing & Development	
Disposal of land at the former Central Retail Park site (2023/11/07A) Approval to the disposal of c5.5 acres of the site.	Executive	17 Jan 2024		Report of the Strategic Director of Growth and Development	David Norbury, Strategic Lead Development City Centre david.norbury@manchester.gov.uk

<p>Disposal of land at the junction of Moorcroft Road and Sledmoor Road, Brooklands, Wythenshawe (2023/11/14B)</p> <p>Approval of terms for disposal of land to facilitate affordable residential development.</p>	<p>Strategic Director (Growth and Development)</p>	<p>Not before 13th Dec 2023</p>		<p>Report to the Strategic Director of Growth and Development</p>	<p>Jamie Ferguson, Development Surveyor Jamie.ferguson@manchester.gov.uk</p>
<p>Acquisition for Leasehold Investment, Holt Town (2023/11/14C)</p> <p>Approval to the acquisition of a Leasehold Investment for the purposes of Land Assembly re Holt Town NDF</p>	<p>Strategic Director (Growth and Development)</p>	<p>Not before 12th Dec 2023</p>		<p>Report to the Strategic Director (Growth and Development)</p>	
<p>Neighbourhoods</p>					
<p>TC1101 - RentSense Data Analytical Service (2023/12/08A)</p> <p>To appoint a supplier to provide software which will aid the recovery of rent arrears.</p>	<p>Deputy City Treasurer</p>	<p>Not before 13th Dec 2023</p>		<p>Report & Recommendation</p>	<p>Peter Schofield, Head of Integrated Commissioning and Procurement peter.schofield@manchester.gov.uk</p>

3. Resources and Governance Scrutiny Committee - Work Programme – December 2023

Thursday 11 January 2024, 10:00am (Report deadline Friday 29 December 2023 **to account for Bank Holiday**)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Budget Settlement 2024/25	To receive a report on the Provisional Local Government Finance Settlement to outline the impact on the Council's budget position for 2024/25.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Sam McArdle	
Changes to Council Tax Charges for Unfurnished and Empty Properties and Second Homes	To receive an update on the government's proposals to exempt categories of dwellings from the council tax premiums, following public consultation.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Charles Metcalfe	
Council Tax Support Scheme Consultation Responses	To receive an update on the public consultation responses to the approved Council Tax Support Scheme recommendations.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Matthew Hassall Charles Metcalfe	
Cost of Living and Anti-Poverty Support	To receive a report on the Council's cost of living and anti-poverty support schemes, with particular reference to Local Housing Allowance and the impact of any changes to this.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen Matthew Hassall	
Outcome of Feasibility Study into the use of Enforcement	To receive a report that presents the outcome of a Feasibility Study into the use of Enforcement Agents, as recommended by the Committee.	Cllr Akbar (Finance and Resources)	Carol Culley Lee Owen	See minutes of 7 Sept 2023 meeting.

Agents				
Sales Fees and Charges	To review the Council's commercial activities through trading operations and the setting of fees and charges.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Paul Hindle	
Commercial Activity Update	To receive a report on the performance of the portfolio of Council commercial activities, including companies, Joint Ventures, loans, equity investments and development agreements.	Cllr Akbar (Finance and Resources) Cllr White (Housing and Development)	Carol Culley Tom Wilkinson Sarah Narici David Lynch David Lord	Part A and Part B report
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Thursday 8 February 2024, 10:00am (Report deadline Monday 29 January 2024)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Elections Act 2022 Update	To receive an update on the position of Tranche 2 changes that have been implemented following the Elections Act 2022, including changes to absent voting, postal vote handling and a timescale for future changes.	Cllr Craig (Leader)	Fiona Ledden Clare Travers	
Our Manchester Strategy	To receive a report on the scope of the refreshed Our Manchester Strategy.	Cllr Craig (Leader)	James Binks	
Revenue Budget Update and Corporate Core Budget Proposals 2024/25	To receive and consider the final 2024/25 budget proposals that will go onto February Budget Executive and Scrutiny and March Council.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson Paul Hindle	
Housing Revenue Account 2024/25 to 2026/27	To receive a report on the Housing Revenue Account (HRA) budget for 2024/25 and a refresh of the 30-year business plan.	Cllr White (Housing and Development)	Carol Culley Tom Wilkinson Dave Ashmore	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

Monday 26 February 2024, 10:00am – BUDGET (Report deadline Wednesday 14 February 2024)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
The Council's Budget 2024/25	To receive an update on the Council's financial position following scrutiny of the draft budget proposals and Directorate budget plans by all Scrutiny Committees.	Cllr Akbar (Finance and Resources)	Carol Culley Tom Wilkinson	

Thursday 7 March 2024, 10:00am (Report deadline Monday 26 February 2024)

Item	Purpose	Executive Member	Strategic Director/Lead Officer	Comments
Manchester Heat Network Business Plan Update	To receive a performance update and the 2023/24 business plan for the Manchester Heat Network Special Purpose Vehicle (SPV), which is wholly owned by the Council. This report will also outline the SPV's approach to securing new customers to the network and the decarbonisation of the asset.	Cllr Akbar (Finance and Resources) Cllr Rawlins (Environment and Transport)	Carol Culley Tom Wilkinson Sarah Narici	Deferred from January 2024 with Chair's approval.
Manchester City Council Connections with the Greater Manchester Combined Authority (GMCA)	To update the committee on Manchester's connections with GMCA in terms of partnerships, governance, and financial arrangements.	Cllr Craig (Leader) Cllr Akbar (Finance and Resources)	Carol Culley James Binks Tom Wilkinson	
Manchester City Council Connections with the Greater Manchester Integrated Care System and the Manchester Locality	To update the committee on Manchester's links with the Greater Manchester Integrated Care System, including governance and financial arrangements.	Cllr Akbar (Finance and Resources) Cllr T Robinson (Healthy Manchester and Adult Social Care)	Carol Culley James Binks Tom Wilkinson	
Major Contracts Update	To receive an in-depth update on the Council's key contracts, its approach to procurement of these contracts and assessments of how to source	Cllr Akbar (Finance and Resources)	Peter Schofield Mark Leaver	

	contracts due for renewal and/or extension. The committee also previously requested that this include information on each major contract and whether insourcing would be viable.			
Progress on Council Motions over last 12 months	To receive an update on the progress made in respect of motions that have been passed before Manchester City Council since the last update in March 2023.	Councillor Craig (Leader) Councillor Rahman (Statutory Deputy Leader)	Fiona Ledden	
Overview Report	The monthly report includes the recommendations monitor, relevant key decisions, the Committee's work programme and any items for information.	N/A	Scrutiny Support	

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**Manchester City Council
Report for Information**

Report to: Resources and Governance Scrutiny Committee - 11 January 2024

Subject: Commercial Activity, Investments and Governance (Part A)

Report of: Deputy Chief Executive & City Treasurer

Summary

The Council is involved in a wide range of commercial activities, including, but not limited to, provision of loans to third parties, Joint Ventures, investments into a range of initiatives and property transactions. This report provides an overview the governance and assurance activity which take place before, during and post completion of commercial transactions.

This report is accompanied by Part B report, which goes into more detail about the Council's commercial ventures.

Recommendations

The Committee is recommended to note the content of the report and comment and / or question the information presented to the Committee, as appropriate.

Wards Affected: All

<p>Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city</p>	<p>This report does not present information or propose decisions that have direct implications for the delivery of the Council's zero-carbon targets.</p>
<p>Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments</p>	<p>Consideration of equality, diversity and inclusion issues for Manchester residents, communities and businesses have been taken into account in the development and delivery of the specific schemes covered in the accompanying Part B report.</p>

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Through a number of the commercial activities and / or companies that the Council wholly owns or is a party to, jobs have been created and will continue to create employment opportunities across a wide range of sectors.
A highly skilled city: world class and home grown talent sustaining the city's economic success	It is anticipated that the commercial activities outlined with the report will act as a catalyst for investment through supporting infrastructure, innovation and people, providing a significant boost to the future economic growth for the local area.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The commercial activities which the Council is a party to, primarily through Joint Venture arrangements deliver positive socio-economic changes for communities.
A liveable and low carbon city: a destination of choice to live, visit, work	A number of the commercial activities and investments act as a catalyst for regeneration.
A connected city: world class infrastructure and connectivity to drive growth	Infrastructure improvements are an integral part of commercial activities the Council are a partner in delivering to ensure that opportunities are accessible to all.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

There are no direct capital consequences arising specifically from this report.

Financial Consequences – Capital

There are no direct capital consequences arising specifically from this report.

Contact Officers:

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 E-mail: carol.culley@manchester.gov.uk

Name: Tom Wilkinson
 Position: Deputy City Treasurer
 Telephone: 07714 769347

E-mail: tom.wilkinson@manchester.gov.uk

Name: Sarah Narici

Position: Head of Commercial Governance, Assurance and Initiatives

Telephone: 07971 384491

E-mail: sarah.narici@manchester.gov.uk

Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Resources & Governance Scrutiny Committee: Tuesday 7th September 2021 – Spend and financing of external wholly owned organisations.
- Audit Committee: Tuesday 14th June 2022 – Register of Significant Partnerships
- Resources & Governance Scrutiny Committee: Thursday 25th May 2023 - Commercial Activity, Investments and Governance
- Audit Committee: Tuesday 13th June 2023 – Register of Significant Partnerships

1. Introduction

- 1.1 This report provides an overview of commercial activity which Manchester City Council is a party to. The report details the range of commercial endeavours covering a broad spectrum of activities such as wholly owned companies and Joint Ventures, development agreements, loan arrangements and equity investments into various ventures.
- 1.2 The sections below cover a number of aspects related to commercial activities including:
- Governance, assurance and oversight structures
 - Summary of key Joint Venture arrangements
 - Activities to close companies that are no longer required
 - An overview of the Council's commercial loan, equity and shareholding portfolio
 - A summary of the work being undertaken on the commercial and development estate
 - Regulation of commercial activity
 - Reflections on the review of Public Interest and Best Value reports into other Local Authority commercial activities

2. Background

- 2.1 For a number of years, Manchester City Council has been a party to a range of commercial activities through the ownership and investment into a number of different companies, Joint Ventures and charities. Each of these entities undertake different types of activities that provide economic and social benefits to the City and support the Council's policy aims. These arrangements vary in scale and complexity, as well as level of turnover. The Council has provided loan and equity funding, as well as entering into a number of commercial arrangements linked to its land holdings. Some of these have direct connections to companies, others are bespoke, standalone arrangements.
- 2.2 To ensure that there is robust oversight of commercial and company activity and performance, in 2018 the Council established a Commercial Governance service. The objectives were to ensure corporate co-ordination and oversight of commercial activities. The service also incorporates the company secretarial function of Manchester Professional Services Limited (MPSL) to ensure robust shareholder governance in place for commercial ventures. It is to be noted that MPSL is a wholly owned council company established specifically for this purpose, which supports 36 different entities.
- 2.3 The Commercial Governance service provides a corporate co-ordination and oversight function for companies, joint ventures and charities which the Council is involved in. This is to ensure that there is independent and assured oversight of activity, information is held in one centralised place, bringing together information from both legal and finance, as well as standardising processes and embedding good practice. An example of this to refine and

standardised processes to review companies and create a 'house style' financial model for current and potential future investments.

- 2.4 Furthermore, Commercial Governance proactively reviews the Best Value and Public Interest reports into Local Authority commercial ventures, as well as regular engagement with external consultancies who have been charged with undertaking assessments / supporting Councils with their commercial portfolios, to review any lessons learnt from these experiences and any further areas of improvement which Manchester can apply. It should be noted that there have been no specific weaknesses found in the way in which the Council operates or structures its commercial activities but there is no room for complacency and this has provided an opportunity to further strengthen practices.
- 2.5 There are a number of ways in which the Council applies commercial governance and assurance, with the sections below providing an overview of the key tools which are used to provide appropriate assurance.

Commercial Board

- 2.6 The Council's Commercial Board, chaired by the Deputy Chief Executive and City Treasurer, was established in late 2018 with an initial focus on major projects and significant investments to ensure that there was alignment with corporate priorities, value for money delivered and benefits realisation achieved. Over time, the remit of the Commercial Board has expanded to cover matters such as procurement, including waivers and direct awards, income generating contracts fees and charges and spend on agency staff. Furthermore, the implementation of the Subsidy Control Act, also sits under the remit of the Commercial Board, with the working group providing an update report at each meeting. It is to be noted that the Commercial Board doesn't have any formal decision-making powers and acts in a capacity of oversight / monitoring, providing a key a check and challenge function prior to commercial proposals being progressed for decision making through agreed constitutional governance routes.

Directorship Training

- 2.7 The Council has co-produced a company Director training programme with CIPFA which all Members and Officers fulfilling a Directorship role are required to attend. At present, the Council has 62 seats on a wide range of company Boards. Three successful training cohorts have already been completed, with 24 Members and Officers attending the sessions. The Directorship training takes place once a year, post May Elections, to ensure that any Members who may have had a change in portfolio or assigned other duties attend receive the training at the start of their tenure. It is to be noted that a lack of sufficient training for those undertaking a company Director role has been highlighted as a key issue in a number of Best Value and Public Interest reports into failings in the operation of Local Authority commercial ventures.

Shareholder Panel

- 2.8 The Council's Shareholder Panel meets on a monthly basis to review the performance of various entities, provides assurance on compliance with Shareholder Agreements, has oversight of company reviews and looks to resolve any emerging issues in relation the operation of any of the companies, Joint Ventures or charities which the Council is involved with. The Shareholder Panel is chaired by the Deputy City Treasurer and involves representative from Commercial Governance, Financial Management and Legal Services. There is a clearly defined action plan which the Shareholder Panel is delivering against, which progress reported to the Commercial Board on a bi-annual basis. Focus of late has been around regulation of some company governance matters and closures of entities that ae no longer required by the Council.

Entity Specific Monitoring Groups

- 2.9 Sitting alongside the Shareholder Panel are a handful of entity specific monitoring groups which have been or are in the process of being established. These groups review in a lot more detail the activities of companies or shareholding we have in place due to scale or complexity of these arrangements. The groups cover:
- Manchester Airport Group – due to the scale and complexity of shareholding arrangements.
 - Manchester Energy Network – primarily focussed on the finance and structure of the SPV given lessons learnt from other councils and their energy ventures.
 - This City – a group is to be established to have oversight of the activities being undertaken by the Council's wholly owned housing delivery vehicle, given the critical stage it's at in terms of looking to bring forward the next phase of development.
- 2.10 The entity monitoring groups involves a range of officers from Commercial Governance, Finance and Legal, as well as other officers who have corporate lead responsibility for the entities in attendance to present to provide an update and respond to questions to provide appropriate Shareholder assurance.

Due Diligence Framework

- 2.11 The Due Diligence Framework (DDF) was designed to provide enhanced financial and reputational assurance for the Council. The framework and supporting monitoring forms are incorporated into existing approaches and formalise the way the Council conducts due diligence in relation to certain types of arrangements with third parties. The arrangements that the framework currently covers are:
- Loan and Equity Investments – Commercial Governance
 - Contracts – Integrated Commissioning and Procurement (IC&P)

- Development agreements and Land Transactions – Development Team
- 2.12 There is a multi-disciplinary working group that maintains regular oversight of the implementation of the DDF and met in May 2023 to undertake the annual review of the framework and associated forms to ensure that the documents remain fit for purpose.
- 2.13 As part of the annual review, it was identified that there was a need to increase the awareness of the framework across the Council and therefore to achieve this, the DDF and monitoring forms have been presented to the Development Management Team and Gold Contract Managers, outlining the purpose, how to complete the forms and the benefits to the services and the Council. A further presentation to the Commercial Legal team is to take place shortly to embed understanding of which DDF forms client services should have completed before instructing or entering into formal contracts / legal agreements.

Register of Significant Partnerships

- 2.14 The Register of Significant Partnerships is an annual assurance process undertaken on partnership arrangements that are considered to be of the highest significance, could result in material implications to the financial position / reputation of the Council or to the delivery of corporate and Our Manchester objectives. These arrangements include; Joint Ventures, wholly owned companies, statutory groups, Private Finance Initiatives (PFIs) as well as a variety of other types of collaborative structures. The partnerships have varied approaches to governance which are deemed appropriate to their scale, legal status and delivery objectives.
- 2.15 Through the process, the partnerships are rated based upon the information provided by the officers completing the form. The assessment ratings are: substantial, reasonable, limited and weak. The rating is generated on the assessment on areas such as finance, audit, risk and governance. At present, there are 47 partnerships on the register which is reported to Audit Committee on a bi-annual basis; one report on the assessment of all entities received in June and an update report on those rated as reasonable, limited or weak in November.

3. Commercial Activities

- 3.1 Due to the commercially sensitive and confidential nature of section 3, this is being treated as a Part B item. The areas which the Part B report covers are:
- Companies that are included in Council group accounts outlining their structures and financial arrangements which the Council has in place with these entities
 - An overview of some of the Joint Ventures which the Council is a party to and their current status
 - Details of the companies which the Council either wholly owns or is a party to that are intended to be closed over the next 12 months

- A schedule of the Council's loan, shareholding and equity portfolio
- Details on any guarantees the Council provides to third parties
- An overview of the development estate including asset performance and impacts on the development estate

4. Regulation of Commercial Activity

4.1 The commercial activities of Councils are regulated in a range of ways through a number of interdependent codes and regulations, including the Treasury Management Code, the CIPFA Prudential Code, the CIPFA Financial Management code and PWLB guidance, all designed to ensure sound financial management of long-term assets and liabilities held by the Council.

4.2 Recent revisions to CIPFA's Prudential Code, the risk management framework local authorities should follow to manage debt and investments, require authorities to include within their Capital and Treasury Management Strategies the approach that they take in relation to non-treasury management investments, including equity and loans to third parties.

4.3 The Code includes two specific categories of non-treasury investments:

- being service investments that are made to support service provision and for which the return on the investment is not the primary reason for it, and
- commercial investments where the yield on the investment is the primary reason.

4.4 The Council does not make commercial investments, as defined by the Code. The activities noted above have been undertaken to support service provision and regeneration activities within the City of Manchester, and whilst there are commercial elements of the investments they are not held solely for financial return and yield.

4.5 The commercial activities detailed above are classed as assets and form part of the Council's annual accounts and are therefore reviewed regularly. All shareholdings and equity investments are valued on an annual basis using the latest financial information available for each company, and for loans an annual assessment is made of any potential losses for bad debts.

5. Public Interest and Best Value Reports

5.1 Public Interest and Best Value reports into Council commercial ventures, issued between 2020 and 2023, have highlighted a number of material issues with regards to Local Authority oversight and monitoring of such activities. These reports have often drawn attention to Local Authorities' pursuit of an objectives with no effective scrutiny and challenge before or during the implementation of the commercial initiative. The reasons for the failure of Local Authority companies are wide-ranging but seemingly, there are two key themes running throughout:

- Ineffective governance arrangements; and

- Propositions that are fundamentally challenged from the outset.

- 5.2 This has provided some salutary lessons for councils about conducting appropriate due diligence when investing and lending to third parties. Undertaking robust due diligence, with support from an appropriately qualified external advisory team, when required, is absolutely critical.
- 5.3 These reports further underline the importance in the governance safeguards which have been put in place and outlined.

6. Risk Management

- 6.1 Robust risk management is a key tool that needs to be deployed effectively to ensure that any emerging issues are addressed in a timely way to effectively negate any impacts for the Council. As part of the assessment for any commercial activity and investments, a thorough assessment of potential risks is undertaken and outlined as part of the decision-making process. Detailed risk registers are also in place and reported at the relevant Board meetings.
- 6.2 Through the Council's Commercial Board, Shareholder Panel and Due Diligence Framework, these routes provide further risk management and oversight to ensure that the Council's interests are protected.

7. Conclusions

- 7.1 The Council has become a party to a broad range of commercial arrangements that have been facilitated through, for example, equity investments, development agreements and company structures. These arrangements all vary in size, scale and complexity, all of which have some form of potential for material implications for the Council's finances and / or reputation if not managed and monitored correctly. Through the continual improvement of the processes that have already established and further embedding of the importance of assurance and due diligence throughout the lifetime of transactions, it provides senior leadership with the confidence that Manchester won't be in a similar position to those councils where commercial activities have failed and resulted in government intervention.

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