

Guide to council tax and spending on services

How your council tax is calculated and how it is spent 2015/16

The council tax

Council tax is made up of three parts. The following shows the figures for band D.

	2015/16 £	2016/17 £	Increase/ (Decrease) %
Net spending on Merton's local services	1,088.96	1,089.25	0.00%
Spending on levies	13.29	13.00	(2.20%)
Subtotal	1,102.25	1,102.25	0.00%
GLA precept	295.00	276.00	(6.40%)
Total	1,397.25	1,378.25	(1.40%)

How Merton pays for services

The table below shows the main sources which provide the money we plan to spend on services in 2016/2017.

Funding sources	£000s	%	£/head*
Non-domestic rates	35,052	25.30%	164.41
Revenue support grant	23,157	16.70%	108.61
Collection fund	1,479	1.10%	6.94
Council tax requirement	78,920	56.90%	370.17
Budget requirement	138,608	100.00%	650.13

* based on estimated population of 213,200 in 2016 (source: ONS)

Under the localism arrangements and following the introduction of the business rates retention scheme, business rates are shared 50% to central government, 30% to the council and 20% to the Greater London Authority (GLA). In addition, Government Revenue Support Grant is allocated using information on the population, social structure and other demographic characteristics of the authority. Income raised from the council tax is used to fund the balance of expenditure.

Medium Term Financial Strategy (MTFS)

Merton's Medium Term Financial Strategy sets out details for the next four years.

Spending on services provided by Merton

Merton uses the funds that are raised from Government, businesses and the council tax to finance the costs of services we provide. The amounts we plan to spend on these services in 2016/17 (excluding schools, which are funded by Dedicated Schools Grant), together with comparative information for 2015/2016, is shown below.

Gross expenditure £000s	2015/16		Gross expenditure £000s	2016/17		
	Income £000s	Net expenditure £000s		Income £000s	Net expenditure £000s	
Corporate Services	146,290	(132,266)	14,024	143,986	(132,628)	11,358
Children, Schools and Families	236,092	(185,198)	50,894	216,663	(166,480)	50,183
Environment and Regeneration	67,689	(43,704)	23,985	66,794	(45,564)	21,230
Community and Housing	89,282	(27,882)	61,400	83,948	(27,730)	56,218
Levies	925	0	925	928	0	928
Investments and provisions	31,329	30,850	479	25,979	(28,981)	(3,002)
Planned expenditure	571,607	358,200	151,707	538,298	(401,383)	136,915
Contribution to/(from) reserves	(4,991)	(4,991)	1,693	0	1,693	
Net requirement for tax purposes	571,607	353,209	146,716	539,991	(401,383)	138,608
Public Health	10,047	(9,727)	320	11,897	(11,481)	416

The change in revenue spending from 2015/16 to 2016/17

	£m
Revenue spending 2015/16	146.716
Savings in service provision	(15.956)
Pay and price increases (net)	1.990
Other corporate adjustments, capital budgets effects, etc.	0.965
Employers NI Changes	1.458
Grants and Other Income	0.547
Appropriations to/(from) reserves	2.888
Budget requirement 2016/17	138.608

The charge and bands

The council tax uses the band D charge as its basis. We work out all other bands from the band D charge as follows:

Band	Property value (on 1 April 1991)	Proportion of band D charge	Council tax
A	Up to £40,000	6/9	£918.83
B	£40,001–£52,000	7/9	£1,071.98
C	£52,001–£68,000	8/9	£1,225.11
D	£68,001–£88,000	9/9	£1,378.25
E	£88,001–£120,000	11/9	£1,684.52
F	£120,001–£160,000	13/9	£1,990.81
G	£160,001–£320,000	15/9	£2,297.08
H	£320,001 upwards	18/9	£2,756.50

If you live within the area of Wimbledon and Putney Common you pay an extra charge to cover the expenses of the Commons Conservators.

The charges, including the GLA precept, are listed on the Council Tax Charges and Bands page.

Levies

Included within our spending plans are levies that we have to pay to certain bodies outside council control. These are as follows:

	2015/16 £	2016/17 £
Lee Valley Regional Park	209,004	203,789
Environment Agency: Flood defences	159,411	162,130
London Pensions Fund Authority	264,295	261,580
Wimbledon and Putney Commons Conservators	292,946	300,042
Total levies	925,656	927,541

Borrowing

Long-term borrowing to fund the capital programme is estimated to be £117m as at 31 March 2016. The capital expenditure proposals currently show that this is expected to remain at £117m at 31 March 2017. The interest charges arising on this amount are financed from the council's resources.

People employed

The estimated number of staff we employ (calculated on a full-time basis) for 2016/2017 is 2,113. This compares with a total of 2,246 in 2015/2016.

Greater London Authority services

This guide explains how your council tax pays for Greater London Authority (GLA) services:

Your Council Tax and the Greater London Authority (2016-17)

Empty Homes Premium

Properties that have stood unoccupied and substantially unfurnished for at least 2 years are subject to a 150% council tax charge from 1 April 2015.

Reductions, appeals and support

If you think there has been a mistake calculating your bill, or that your home is in the wrong valuation band, please see Council Tax Appeals.

You might be entitled to a reduced bill depending on who lives in the property: see Council Tax Discounts and Reductions.

Some types of property are exempt from council tax: see Council Tax Exemptions.

If you are on a low income you may be entitled to Council Tax Support.