

# Your Guide to Council Tax and spending on services

2013 – 2014

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# Your council tax

Council tax is a form of local taxation that helps pay for local services such as waste and recycling services, care of the elderly and vulnerable, libraries and much more. The total that you pay each year also includes other amounts charged by other agencies such as the Greater London Authority for London wide services including areas like transport

## Council tax frozen

This year the Merton element of your council tax is being frozen for the third year running. This means that the average charge for a band D property in Merton including Merton's charge and the charge from the Greater London Authority will be £1,405.55.

## Council spending power

The council's spending power is based on the funding it receives from different areas of income such as the council tax residents pay, Government revenue grants and National Health Service funding for areas like social care.

Each year the Government announces how much it is granting local councils and this year the settlement shows the change in spending power for 2013/14 has been reduced by 1.7% across England. In London this spending power has reduced even more, and in Merton the council's spending power has decreased from £171.0m in 2012/13 to £167.8m in 2013/14, or by 1.9%. This decrease means the council has less overall to spend on services for the borough and its residents this year than it did in 2012/13.

### Merton spending power

2012/13 (adjusted)	£171.054m
2013/14	£167.804m
Change 2012/13 to 2013/14	-£3.250m (-1.90%)

## Balancing the budget

The economic outlook for Merton continues to be challenging. Just like most councils up and down the country, the council is having to make very difficult decisions on how it responds to reductions in funding and where it makes the necessary savings.

With sound financial management and continually challenging the way it delivers services to residents, the council has successfully balanced the budget this year. Throughout the whole process of balancing the budget the council has tried, where possible to protect services for residents by implementing ways of delivering services which will reduce back office costs rather than front line staff.

## Investments for the future

Although Merton has faced reduced funding and has had to make savings, its priorities remain making Merton affordable, looking after the most vulnerable in our society, keeping Merton a good place for young people and keeping the borough clean.

Alongside freezing council tax, the council has also made changes such as sharing services with other boroughs which will save money in the longer term too.

To ensure the council can protect the most vulnerable residents in the borough it has created a new council tax support scheme after the government decided to remove the national council tax benefit funding. This will mean those who need help the most can continue to receive it.

Every year the council spends millions of pounds cleaning the streets of rubbish and so it is always looking at ways to try and reduce this. One way the council is aiming to reduce rubbish and the associated costs is with its recent investment in smart bins to help drive down chewing gum and cigarette litter.

Merton is also in the midst of its £81m school expansion programme which will help ensure that every child in the borough can be educated to a high standard near to where they live.

# Merton's spending on services

## The Council Tax

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

	2012/13	2013/14	Increase/ (Decrease)
Spending on Merton's local services	1,094.78	1,092.92	(0.2)%
Spending on Levies	8.21	9.63	17.3%
Subtotal	1,102.99	1,102.55	0.0%
GLA precept	306.72	303.00	(1.2)%
Total	1,409.71	1,405.55	(0.3)%

## How Merton pays for services

The table below shows the main sources which provide the money we plan to spend on services in 2013/2014.

Funding Sources:	£000's	%	£/head*
Non-Domestic Rates	32,020	20.5%	£152.26
Revenue Support Grant	47,221	30.3%	£224.54
Collection Fund	2,545	1.6%	£12.10
Council Tax Requirement	74,119	47.6%	£352.44
Budget Requirement	155,905	100.0%	£741.34

\*based on estimated population of 210,300 in 2013 (source: ONS)

	2012/13			2013/14		
	Gross Expenditure £000's	2012/13 Income £000's	Net Expenditure £000's	Gross Expenditure £000's	2013/14 Income £000's	Net Expenditure £000's
Corporate Services	147,409	(139,081)	8,328	136,445	(125,916)	10,529
Children, Schools, and Families	191,050	(148,754)	42,296	208,340	(157,628)	50,712
Environment and Regeneration	64,998	(36,139)	28,859	65,625	(39,848)	25,777
Community and Housing	91,616	(31,508)	60,108	91,029	(27,556)	63,473
Public Health	0	0	0	8,985	(8,985)	0
Levies	880	0	880	914	0	914
Investments and Provisions	31,458	(23,228)	8,230	26,890	(22,390)	4,500
Planned Expenditure	527,411	(378,710)	148,701	538,228	(382,323)	155,905
Contribution to Reserves			0			0
Net requirement for tax purposes			148,701			155,905

The increase in gross expenditure is mainly due to the transfer of responsibility for public health to local authorities. The increase in net requirement for tax purposes is mainly arises from rolling service department grants into core funding .

Under the localism arrangements and introduction of the business rates retention scheme, there has been a change to the funding regime for local authorities. From 2013/14 business rates will be shared 50% to central government, 30% to the council and 20% to the 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 has a MTFS which sets out details for the next four years. This can be viewed on Merton's website at [www.merton.gov.uk/finance](http://www.merton.gov.uk/finance)

## 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 2013/14 (excluding schools, which are funded by Dedicated Schools Grant), together with comparative information for 2012/2013 is shown below.

## Merton's spending on services

The change in revenue spending from 2012/13 to 2013/14

	£m
Revenue Spending 2012/13	148,701
Savings in Service Provision	(11,598)
Pay and Price increases	3,336
Other Corporate adjustments, capital budgets effects, etc.	0.689
Service department grants rolled in to core funding	14,727
Budget Requirement 2013/14	155.905

### 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. The charges, including the GLA precept, are as follows:

	Property Value	Proportion of D Band Charge	Council Tax
A	up to £40,000	6/9	937.03
B	£40,001- £52,000	7/9	1,093.21
C	£52,001- £68,000	8/9	1,249.37
D	£68,001- £88,000	9/9	1,405.55
E	£88,001- £120,000	11/9	1,717.89
F	£120,001-£160,000	13/9	2,030.24
G	£160,001-£320,000	15/9	2,342.58
h	£320,001 upwards	18/9	2,811.10

If you live within the area of Wimbledon and Putney Common you pay an extra £27.84 (Band D) to cover the expenses of the Commons Conservators Including this charge, the Band D charge is £1,433.39.

### Levies

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

These are as follows:

	2012/13	2013/14
Lee Valley Regional Park	214,792	219,812
Environment Agency:	145,928	157,312
Flood Defences	252,821	268,457
London Pensions Fund Authority	266,901	268,515
Wimbledon and Putney Commons Conservators	880,442	914,096

### Borrowing

Long-term borrowing to fund the capital programme is estimated to be £117m as at 31 March 2013. The capital expenditure proposals currently show that this is expected to remain at £117m at 31 March 2014.

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 2013/2014 is 2,159

This compares with a total of 2,116 in 2012/2013 at the time the budget was set.

This predicted number has increased slightly due to the changes being made to the way the council works and the added responsibilities it is taking on over the coming year. For instance the transfer of responsibility for public health from the NHS to the council from 1 April 2013 will have a future impact.

# Council tax and budget information

## GREATER LONDON AUTHORITY

### Introduction

The Mayor of London is committed to leading a transparent administration. This guide explains how your council tax pays for GLA services. For the second year running the Mayor is reducing his part of the council tax. This means it has fallen 20 per cent in real terms since 2008.

In the current economic climate the public sector must do more with less. This year's budget requires some tough but necessary choices, including proposals to rationalise the Metropolitan Police and London Fire Brigade estates. The Mayor believes the proposals for the police will result in equivalent or better public access. The Mayor believes the proposals for the Fire Brigade will actually increase the number of boroughs that will fall within its target for response times - these are already amongst the best in the UK.

### Council tax and budget information

The GLA group's share of the council tax for a typical band D property has been reduced to £303.00. Residents of the City of London – which has its own police force - will pay £86.08. The table below shows how the council tax (at band D) is allocated.

### Investing in frontline services

The Mayor has put value for money at the very heart of his administration and has controlled costs tightly as well as ruthlessly cutting out waste. His budget will protect vital front line services by:

- investing in frontline policing by maintaining officer numbers at or around 32,000;
- maintaining existing targets for how quickly fire engines attend incidents;
- investing £22 billion to upgrade the Tube and deliver Crossrail, improving cycling safety, upgrading London's road network and delivering up to 600 New Buses for London;
- maintaining existing concessionary travel schemes in full, including free 24 hour travel for the over 60s, the disabled and eligible war veterans;
- investing £231 million to support London's local places and promote economic growth;
- ensuring a long term legacy from the 2012 Olympics and transforming the Olympic Park; and
- delivering 55,000 affordable homes and creating 200,000 jobs over the course of his Mayoral term.

Council Tax (£)	2012-13	Change	2013-14
MOPAC (Met Police)	228.10	-11.18	216.92
LFEPa (Fire Brigade)	39.54	10.33	49.87
GLA and Olympics	37.11	-3.23	33.88
TfL (Transport)	1.97	0.36	2.33
<b>Total (£)</b>	<b>306.72</b>	<b>-3.72</b>	<b>303.00</b>

## Summary of GLA budget

The following tables compare the GLA group's spending for 2013-14 with last year and the reasons for the changes. The change in gross expenditure reflects the impact of the phasing of transport investment and savings within the GLA group. Overall the council tax requirement has fallen by £156 million. This is due to the impact of council tax benefit changes and the effect of the band D precept reduction of £3.72. Find out more about the budget on our website: [www.london.gov.uk](http://www.london.gov.uk) (tel: 020 7983 4000).

<b>How the GLA budget is funded (£m)</b>	<b>2012-13</b>	<b>Change</b>	<b>2013-14</b>
Gross expenditure	11,039	204	11,243
Government grants and business rates	-5,039	-69	-5,108
Fares, charges and other income	-4,931	-362	-5,293
Use of reserves	-124	71	-53
Surplus in council tax collection funds	-10	0	-10
<b>Amount met by council taxpayers</b>	<b>935</b>	<b>-156</b>	<b>779</b>

<b>Changes in Spending (£m)</b>	<b>2013-14</b>
2012-13 council tax requirement	935
Inflation	81
Efficiencies and other savings	-421
New investment to improve services	377
Other changes (including income growth)	-193
<b>2013-14 council tax requirement</b>	<b>779</b>

# Council tax reductions

## Valuation of properties

If you have a query about your property band contact the Listing Officer of the Valuation Office at: 2nd Floor, 1 Francis Grove, Wimbledon London SW19 4DT. Telephone 03000 501 501 or visit their website at: <http://www.voa.gov.uk>

A new process for handling council tax proposals and appeals in England was introduced on 1 April 2008 giving taxpayers the option of deciding whether they want a valuation tribunal to look at the case after the Valuation Office Agency (VOA) has reviewed the banding. The new process means the VOA will review a banding and give a formal written decision. You then have up to three months to consider and can, if you so choose, appeal direct to the valuation tribunal. Some of the reasons you can challenge the banding of your property include:

- There has been a “material reduction” in value such as physical adaptation for a disabled person or if part of the property is demolished or changes to the physical area.
- Property converted into flats.
- Separately banded properties have been merged (e.g flats merged into one house).
- If you have bought a property, or been granted a lease for seven years or more, and the property’s value has increased because it was extended by the previous occupier. If your property becomes, or ceases to be, a “composite” property, (property containing both domestic and non-domestic parts), such as a shop or public house with living accommodation.
- If the balance between domestic and non-domestic use within the property changes.
- If you are a new taxpayer you have six months within which to challenge the valuation band of your property as long as the Valuation Tribunal or High Court has not previously considered a challenge by a previous occupier on the same basis.
- If the Listing Officer advises you that they have altered the entry for your property in the Council Tax Valuation List, you have six months to appeal if you do not agree with the change.
- If the Valuation Tribunal or High Court has made a decision relevant to your property, you

may appeal within six months of the date of that decision, if the Listing Officer has not reflected that decision in your valuation band.

## Reduction for the disabled

If anyone needs special facilities to meet needs related to a disability, you might be entitled to a reduced bill. We may reduce the bill to that of a property in the band below. You can only apply for a discount or relief (reduction) on your bill if you do not already have one. Please send any claims to: Corporate Services Department, Merton Civic Centre, London Road, Morden SM4 5DX.

Alternatively, telephone the number on your bill. If your bill shows that we have given you a discount or relief and your circumstances change, you must tell us immediately. If you do not, you may face a penalty charge.

Other reductions are available through discounts, exemptions and Council Tax Support as shown on the pages that follow.

## Appeals

You can appeal against your council tax if you think your property is exempt, or there has been a mistake calculating your bill. If you want to appeal you must tell us in writing, stating the reasons. You must continue to pay your bill while we deal with your claim. We will refund you any money you have overpaid if your appeal is successful.

If unsuccessful we will give you details of an independent tribunal, which you can refer your appeal to.

## Discounts

You may be entitled to a 25% discount off your council tax bill if you are the only person (aged 18 or over) living in a property. Council tax is worked out by assuming that at least two adults are living in the property. However, there are some people we don’t include when working out how many adults live in the property, they are known as disregarded persons. In these cases it may allow you to receive a discount even if you do not live alone.

Disregarded persons include:

- full-time students, student nurses, apprentices and youth training trainees
- 18 and 19 year olds who are at, or who have just left, school or college

- patients in hospital
- people being looked after in care homes
- people staying in certain hostels or night shelters
- care workers on low pay (usually for charities)
- people who care for someone with a disability who is not their husband, wife, partner, or a child under 18
- members of visiting Armed Forces and certain international institutions
- foreign diplomats
- members of religious communities (such as monks and nuns)
- people in detention
- the severely mentally impaired
- If all residents living in a property fall under one or more of the discount categories, we treat the property as being empty and give a 50% discount. For the purpose of council tax, a 'resident' means a person aged 18 or over who has their only or main residence in the property concerned. Therefore we do not consider people under 18 and people in any of the discount categories when we decide how much tax you should pay.

From 1 April 2013, we no longer grant reductions for the following empty properties:

- uninhabitable
- empty properties either furnished or unfurnished

## Exemptions

Certain categories of homes are exempt from council tax. These are:

Class B: Empty property owned by a registered charity. Exemption can be allowed for up to six months.

Class D: Empty property where liable person is detained in prison or in hospital.

Class E: Empty property previously occupied by a person now residing in a care home, hospital or hostel.

Class F: Empty property where the liable person has died or where less than six months has passed since probate.

Class G: Occupation prohibited by law.

Class H: Empty property held for a minister of religion.

Class I: Empty property where liable person is

living elsewhere to receive personal care.

Class J: Empty property where liable person living elsewhere to provide personal care.

Class K: Dwellings left empty by a student.

Class L: Empty property where mortgagee in possession.

Class M: Students' halls of residence.

Class N: Occupied only by students or students and their non-British spouses, civil partners or dependants.

Class O: UK armed forces accommodation.

Class P: Person liable is a member (or dependant of a member) of visiting forces accommodation.

Class Q: Empty property where the liable person is in bankruptcy.

Class R: Empty caravan pitch or boat mooring.

Class S: Occupied by under eighteen year olds only.

Class T: Empty annexe to an occupied property commonly known as "granny annexe".

Class U: Occupied by severely mentally impaired persons only.

Class V: Property that is the main residence of a person with diplomatic privilege or immunity.

Class W: Annexe occupied by dependant relative.

## Discount/exemption warning

It is an offence to accept a discount or exemption on your bill that you are not entitled to. You are required by law to tell us within 21 days of a change, if you are no longer entitled to a discount or exemption. If you do not tell us and have no reasonable excuse it may result in a penalty of £50.00 being issued against you. If therefore your bill shows a reduction that you believe you are not entitled to, please contact us straight away.

## Council tax support scheme.

If you are on a low income or income support you may be entitled to council tax support. The amount of support you get depends on:

- how much money you have coming in;
- the amount of savings you have;
- your personal circumstances; and
- how much council tax you pay.

If you want to apply for assistance contact the Benefit Service at the Civic Centre or phone 020 8274 4903.

## Data Protection

Your personal information will be held and used in accordance with the requirements of the Data

Protection Act 1998. We are under a duty to protect the public funds that we administer and, to this end, may use any information we hold in relation to council tax for the prevention and detection of fraud. We may also share this information with other bodies responsible for auditing or administering public funds for these purposes.