

Your guide to council tax and spending on services

2015–2016



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 fifth year running. This means that the charge for a band D property in Merton including Merton's charge and the charge from the Greater London Authority will be £1,397.25.

Balancing the budget

Central government has reduced funding to local authorities by 40%. Over the next four years, the council is faced with having to make £32 million in savings across all its services. However, the council has decided that adult social care and children's services should take a smaller share of the cuts. In addition, the council is investing an extra £1m into children's social care to protect the most vulnerable children.

The level of cuts required means that the council has had to review all its services to find savings. It has used its good financial management to find new ways of delivering services at less cost to council tax payers. By working together with neighbouring boroughs Kingston, Sutton and Richmond through the South London Waste Partnership, the council intends to save over £1m a year on managing parks and open spaces as well as waste. The council will ensure a new contract with environmental services specialists will give good value to tax payers with no impact on residents. The Cabinet has also found a way to make the adult education service more affordable by working with other local education providers to continue to offer good quality adult education in the borough.

Despite the government's cuts to the council's funding and the difficult decisions to be made, Merton's good financial management means it has been able to keep all its libraries, children's centres and day centres open, when other councils are closing theirs. The council has also protected the weekly refuse collection.

Investing in Merton's future

The council's business-like approach to making services more affordable means it is able to invest in Merton. Examples of forthcoming major investment include:

- £1 million extra a year for children's services which will help with safeguarding children in the borough including Looked After Children, ensuring they are supported in their family-based and wider placements.
- £73m up to 2018/19 on expanding school provision and creating 5,000 extra places across primary and secondary level. £41m is allocated to be spent on expanding secondary schools. Harris Morden, Harris Merton and St Mark's Academy have been earmarked for expansion to accommodate the increasing number of school children in the borough.
- £11m to build a new leisure centre for Morden, replacing the current expensive to maintain building with a new affordable pool that will cost less for the council to look after and to operate.
- Working with a developer to build a new West Barnes Library which will come at no cost to the taxpayer and will be cheaper for the council to run and maintain than the current ageing building.
- An estimated £14 million over the coming years to revitalise the borough's town centres, including £5 million for Mitcham, £1.5 million for Colliers Wood, £3.3 million for the proposed Morden town centre regeneration scheme and £3.2m for Wimbledon Town Centre. By investing in town centres the council also hopes to create job opportunities for residents and for young people in particular.

Merton's spending on services

The council tax

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

	2014/15 £	2015/16 £	Increase/ (Decrease) %
Net spending on Merton's local services	1,088.58	1,088.96	(0.0)%
Spending on levies	13.67	13.29	(2.8)%
Subtotal	1,102.25	1,102.25	(0.0)%
GLA precept	299.00	295.00	(1.3)%
Total	1,401.25	1,397.25	(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 2015/2016.

Funding sources:	£000s	%	£/head*
Non-domestic rates	34,820	23.7%	£158.56
Revenue support grant	30,425	20.8%	£138.55
Collection fund	4,420	3.0%	£20.13
Council tax requirement	77,051	52.5%	£350.87
Budget requirement	146,716	100.0%	£668.11

* based on estimated population of 219,600 in 2015 (source: ONS)

	2014/15			2015/16		
	Gross expenditure £000s	2014/15 income £000s	Net expenditure £000s	Gross expenditure £000s	2015/16 income £000s	Net expenditure £000s
Corporate Services	148,023	(136,738)	11,285	146,290	(132,266)	14,024
Children, Schools and Families	205,862	(157,822)	48,040	236,092	(185,198)	50,894
Environment and Regeneration	63,255	(40,402)	22,853	67,689	(43,704)	23,985
Community and Housing	87,192	(25,859)	61,333	89,282	(27,882)	61,400
Levies	931	0	931	925	0	925
Investments and provisions	33,848	(24,603)	9,245	31,329	30,850	479
Planned expenditure	539,111	(385,424)	153,687	571,607	419,900	151,707
Contribution to/(from) reserves					4,991	(4,991)
Net requirement for tax purposes	539,111	(385,424)	153,687	571,607	424,891	146,716
Public Health	9,844	(9,844)	0	10,047	(9,727)	320

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 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 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 2015/16 (excluding schools, which are funded by Dedicated Schools Grant), together with comparative information for 2014/2015 is shown below.

Merton's spending on services

The change in revenue spending from 2014/15 to 2015/16

	£m
Revenue spending 2014/15	153.687
Savings in service provision	(4.976)
Pay and price increases (net)	3.509
Other corporate adjustments, capital budgets effects, etc.	(0.478)
Pension fund	(9.392)
Service department grants (excl. DSG)	4.366
Budget requirement 2015/16	146.716

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	931.50
B	£40,001–£52,000	7/9	1,086.75
C	£52,001–£68,000	8/9	1,242.00
D	£68,001–£88,000	9/9	1,397.25
E	£88,001–£120,000	11/9	1,707.75
F	£120,001–£160,000	13/9	2,018.25
G	£160,001–£320,000	15/9	2,328.75
H	£320,001 upwards	18/9	2,794.50

If you live within the area of Wimbledon and Putney Common you pay an extra £26.93 (band D) to cover the expenses of the Commons Conservators. Including this charge, the band D charge is £1,424.18.

Levies

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

These are as follows:

	2014/15 £	2015/16 £
Lee Valley Regional Park	214,338	209,004
Environment Agency: Flood defences	156,933	159,411
London Pensions Fund Authority	266,497	264,295
Wimbledon and Putney Commons Conservators	293,184	292,946
Total levies	930,952	925,656

Borrowing

Long-term borrowing to fund the capital programme is estimated to be £117m as at 31 March 2015. The capital expenditure proposals currently show that this is expected to remain at £117m at 31 March 2016.

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 2015/2016 is 2,246.

This compares with a total of 2,228 in 2014/2015.

This predicted number has increased slightly due to the changes being made to the way the council works and the added responsibilities it has taken on over the past year.

For instance Merton established a joint regulatory service with Richmond Council in October 2014. Merton is leading the shared service and is therefore the employer for both boroughs.

Council tax and budget information

GREATER LONDON AUTHORITY

Introduction

The Mayor of London, Boris Johnson, is committed to achieving value for money for Londoners and delivering economic growth. This guide explains how your council tax pays for Greater London Authority (GLA) services. His seventh budget continues to deliver on his promise to reduce council tax and invest in London's infrastructure. For the fourth year running the Mayor is cutting his part of the council tax. This means it has fallen 28 per cent in real terms since 2008. He is also on course to meet his commitment to reduce it by ten per cent in cash terms during his second term.

In the current financial climate the public sector must do more with less. This year's budget has required some difficult choices to be made while at the same time seeking to protect key services Londoners expect from the Mayor – safer streets, investment in transport infrastructure and affordable housing.

Council tax and budget information

The GLA share of the council tax for a typical band D property has been reduced to £295.00. A band D council taxpayer in the City of London, which has its own police force, will pay £86.13.

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 cut out waste. His budget will protect vital front line services by:

- investing in frontline policing by maintaining officer numbers at or around 32,000 with an additional 2,600 officers deployed in local Safer Neighbourhood Teams;
- ensuring the London Fire Brigade has sufficient resources to maintain attendance targets at incidents;
- investing £22 billion to upgrade the Tube with the introduction of a 24 hour weekend service on key lines from September;
- investing £913 million in cycling and £4 billion in London's roads;
- in partnership with London boroughs maintaining existing concessionary travel schemes in full, including free 24 hour travel for the over 60s, the disabled and eligible war veterans with discounts on travelcards for apprentices;
- delivering around 100,000 affordable homes over the Mayor's two terms; and
- creating up to 250,000 apprenticeships by 2016 and promoting the London Living Wage.

Council tax (£)	2014/15	Change	2015/16
MOPAC (Met Police)	214.52	(5.65)	208.87
LFEP (Fire Brigade)	52.42	(1.57)	50.85
GLA and Olympics	29.79	3.28	33.07
TfL (Transport)	2.27	(0.06)	2.21
Total (£)	299.00	(4.00)	295.00

Summary of GLA budget

The following tables compare the GLA group's spending for 2015/16 with last year and the reasons for the changes. The increase in gross expenditure reflects the impact of additional investment in transport. Overall the council tax requirement has increased by £14 million due to the impact of London's growing population. The additional funds raised will be invested in services such as policing, fire services, apprenticeships and regeneration. Find out more about the budget on our website: www.london.gov.uk (tel: 020 7983 4000).

How the GLA budget is funded (£m)	2014/15	Change	2015/16
Gross expenditure	11,037	414	11,451
Government grants and retained business rates	(4,461)	235	(4,226)
Fares, charges and other income	(5,857)	(507)	(6,364)
Use of reserves	68	(128)	(60)
Amount met by council taxpayers (£m)	787	14	801

Changes in spending (£m)	2015/16
2014/15 council tax requirement	787
Inflation	241
Efficiencies and other savings	(446)
New investment to improve services	604
Other changes	(385)
2015/16 council tax requirement	801

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: 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 adaption 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.

Empty Homes Premium

Changes to council tax legislation allows councils to levy an empty homes premium of no more than 50% of the full council tax on long term empty properties (properties that have stood unoccupied and substantially unfurnished for at least 2 years). The council has set a premium of 50% from 1 April 2015 which means that such properties will be subject to a 150% council tax charge from 1 April 2015.

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 £70.00 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.