

Your guide to council tax and spending on services

2014–2015



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 fourth 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 £1,401.25.

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 spending power for 2014/15 has been reduced by 2.9% across England. In Merton the council's spending power has decreased from £170.1m in 2013/14 to £165.9m in 2014/15, or by 2.5%. This decrease means the council has less overall to spend on services for the borough and its residents this year than it did in 2013/14.

Merton spending power	
2013/14	£170.137m
2014/15	£165.908m
Change 2013/14 to 2014/15	-£4.229m (-2.5%)

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 been able to keep all of Merton's libraries open. In fact, thanks to new technology and the support of residents, opening hours at Merton's libraries have increased.

Safeguarding the most vulnerable members of society is a key council priority. £1m a year is being added to the budget to meet the care needs of our oldest residents and unlike some councils we are keeping all of our children's centres open, while targeting services at those most in need.

To ensure Merton continues to be a clean borough to live, work and visit, the council is taking tougher action against people who drop litter, including fines of £75. The council has also introduced a new smartphone app to help report trouble spots.

Ensuring every child can go to a good school near to where they live is a big priority for the council. We have already spent £80m on creating 2,000 new places for primary-aged pupils. An additional 2,000 places will be created at our best schools over the next four years at a cost of £75m to ensure we continue to give our young people the start in life they deserve. There is also £30m in the budget to expand our best secondary schools, with more to follow where needed.

Merton's spending on services

The council tax

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

	2013/14 £	2014/15 £	Increase/ (Decrease) %
Net spending on Merton's local services	1,088.90	1,088.58	(0.03)%
Spending on levies	13.65	13.67	0.1%
Subtotal	1,102.55	1,102.25	(0.03)%
GLA precept	303.00	299.00	(1.3)%
Total	1,405.55	1,401.25	(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 2014/2015.

Funding sources:	£000s	%	£/head*
Non-domestic rates	34,371	22.4%	£159.86
Revenue support grant	39,738	25.8%	£184.83
Collection fund	4,236	2.8%	£19.70
Council tax requirement	75,342	49.0%	£350.43
Budget requirement	153,687	100.0%	£714.82

* based on estimated population of 215,000 in 2014 (Source : ONS)

	2013/14			2014/15		
	Gross expenditure £000s	2013/14 income £000s	Net expenditure £000s	Gross expenditure £000s	2014/15 income £000s	Net expenditure £000s
Corporate Services	136,445	(125,916)	10,529	148,023	(136,738)	11,285
Children, Schools and Families	208,340	(157,628)	50,712	205,862	(157,822)	48,040
Environment and Regeneration	65,625	(39,848)	25,777	63,255	(40,402)	22,853
Community and Housing	91,029	(27,556)	63,473	87,192	(25,859)	61,333
Public Health	8,985	(8,985)	0	9,844	(9,844)	0
Levies	914	0	914	931	0	931
Investments and provisions	26,890	(22,390)	4,500	33,848	(24,603)	9,245
Planned expenditure	538,228	(382,323)	155,905	548,955	(395,268)	153,687
Contribution to reserves			0			0
Net requirement for tax purposes			155,905			153,687

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 2014/15 (including schools, which are funded by Dedicated Schools Grant), together with comparative information for 2013/2014 is shown below.

Merton's spending on services

The change in revenue spending from 2013/14 to 2014/15

	£m
Revenue spending 2013/14	155.905
Savings in service provision	(8.314)
Pay and price increases (net)	2.750
Other corporate adjustments, capital budgets effects, etc.	0.194
Pension fund revaluation	8.347
Service department grants	(5.195)
Budget requirement 2014/15	153.687

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	934.16
B	£40,001–£52,000	7/9	1,089.87
C	£52,001–£68,000	8/9	1,245.56
D	£68,001–£88,000	9/9	1,401.25
E	£88,001–£120,000	11/9	1,712.63
F	£120,001–£160,000	13/9	2,024.03
G	£160,001–£320,000	15/9	2,335.41
H	£320,001 upwards	18/9	2,802.50

If you live within the area of Wimbledon and Putney Common you pay an extra £27.38 (band D) to cover the expenses of the Commons Conservators. Including this charge, the band D charge is £1,428.63.

Levies

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

These are as follows:

	2013/14 £	2014/15 £
Lee Valley Regional Park	219,812	214,338
Environment Agency: Flood defences	157,312	156,933
London Pensions Fund Authority	268,457	266,497
Wimbledon and Putney Commons Conservators	268,515	293,184
Total levies	914,096	930,952

Borrowing

Long-term borrowing to fund the capital programme is estimated to be £117m as at 31 March 2014. The capital expenditure proposals currently show that this is expected to remain at £117m at 31 March 2015.

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 2014/2015 is 2,228. This compares with a total of 2,195 in 2013/14.

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 legal service with three other councils in September 2013 and, as Merton is leading the service and is therefore the employer for all four boroughs, this increased the staffing numbers by over 40 staff.

Council tax and budget information

GREATER LONDON AUTHORITY

Introduction

The Mayor of London, Boris Johnson, is committed to leading a transparent administration. This guide explains how your council tax pays for Greater London Authority (GLA) services. His sixth budget continues to deliver on his promise to reduce council tax and invest in London's infrastructure. For the third year running the Mayor is cutting his part of the council tax. This means it has fallen 24 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 tough but necessary choices to be made while at the same time protecting the 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 £299.00. A band D council taxpayer in the City of London, which has its own police force, will pay £84.48.

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;
- ensuring the London Fire Brigade has sufficient resources to maintain attendance targets at incidents;
- investing £22 billion to upgrade the Tube and deliver both Crossrail and the Northern line Extension;
- improving cycling safety, upgrading London's road network, and introducing up to 600 New Buses;
- 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;
- supporting local businesses and high streets to promote job growth and enhance the public realm;
- delivering 42,000 homes a year for hardworking Londoners and;
- creating 250,000 apprenticeships by 2016 and promoting the London Living Wage.

Council tax (£)	2013/14	Change	2014/15
MOPAC (Met Police)	216.92	-2.40	214.52
LFEP (Fire Brigade)	49.87	+2.55	52.42
GLA and Olympics	33.88	-4.09	29.79
TfL (Transport)	2.33	-0.06	2.27
Total (£)	303.00	-4.00	299.00

Summary of GLA budget

The following tables compare the GLA group's spending for 2014/15 with last year and the reasons for the changes. The reduction in gross expenditure reflects the impact of savings and efficiencies made within the GLA group. Overall the council tax requirement has increased by £8 million which has been invested in 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)	2013/14	Change	2014/15
Gross expenditure	11,243	-206	11,037
Government grants and business rates	-5,108	647	-4,461
Fares, charges and other income	-5,303	-554	-5,857
Use of reserves	-53	121	68
Amount met by council taxpayers (£m)	779	8	787

Changes in spending (£m)	2014/15
2014/15 council tax requirement	779
Inflation	123
Efficiencies and other savings	-349
New investment to improve services	473
Other changes	-239
2014/15 council tax requirement	787

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.

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.