

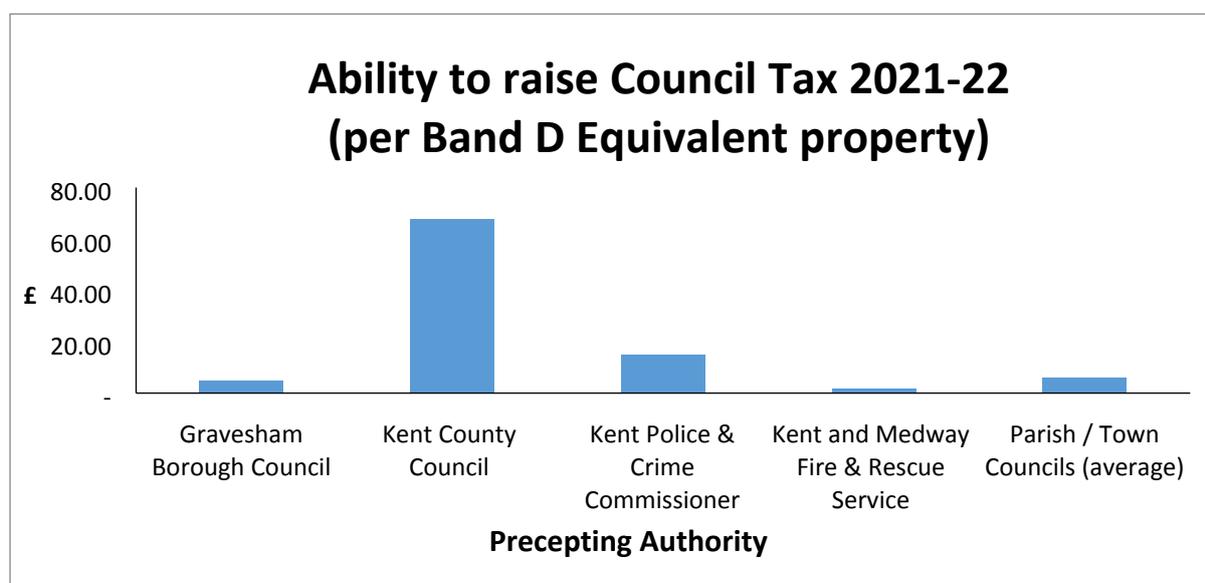
Section Five – Council Tax

1. The council has undertaken a critical review of its council tax base to analyse movements in the tax base between 2020-21 and 2021-22, acknowledging the impact of the COVID-19 Pandemic on growth in dwellings in the borough and demand for council tax support. This has resulted in a small anticipated increase in the tax base of 0.26% for 2021-22 compared to that of 2020-21.
2. The Provisional Finance Settlement announcement indicated the continued flexibility for district councils in setting council tax levels by permitting district councils to raise council tax by 2% or up to and including £5 (whichever is higher) without triggering the requirement for referendum.
3. The table below details the respective Council Tax levels being charged by all District Authorities within Kent during 2020-21; this shows that Gravesham's current Council Tax level is below the average level charged within Kent (£208.08 compared to an average of £211.00).

Local Authority	2020-21 Council Tax (Band D) £	Council Tax change (%)
KENT		
Ashford	167.50	3.08
Canterbury	216.27	2.34
Dartford	181.35	2.03
Dover	192.24	2.64
Folkestone & Hythe	268.37	1.91
Gravesham	208.08	2.44
Maidstone	265.59	1.97
Sevenoaks	219.96	2.30
Swale	179.37	2.84
Thanet	238.14	2.12
Tonbridge & Malling	214.50	2.39
Tunbridge Wells	183.76	2.80
Average	211.00	2.40

4. The Provisional Finance Settlement sets out that, for 2021-22, there continues to be differential limits that will trigger the need for a council tax referendum for each precepting authorities for the borough:
 - **Gravesham Borough Council** – permitted to raise council tax by 2% or up to and including £5 (whichever is higher).
 - **Kent County Council** – permitted to raise council tax by up to 5%, incorporating a 2% threshold for general spending and 3% relating to the social care precept.
 - **Kent Police & Crime Commissioner** – permitted to raise council tax by up to £15.
 - **Kent and Medway Fire and Rescue Service** – permitted to raise council tax by up to 2%.

- **Parish / Town Councils** – No referendum principals set but are expected to ‘show restraint’ when setting precept levels. Planned increases at Band D level range from c.2% for Shorne and Higham to c.42.86% for Cobham with an average increase of £5.95.
5. The application of these differentials means that each precepting authority has differing abilities to generate council tax revenues. The graph below demonstrates each precepting authority’s ability to generate council tax if they were to maximise increases within their respective referendum threshold. In the case of parish / town councils this is shown as an average planned increase.



6. The referendum principles permit Gravesham Borough Council to increase its council tax by 2.38% to £213.03 (£4.95 or less than 10 pence per week for a Band D property).
7. Appendix 5a shows in graphical form the effect of freezing council tax in 2021-22 versus the implementation of a 2.38% increase to the council tax. The graph shows that over the course of the current Medium Term Financial Plan period, such a decision would see total Council Tax income reduced by £1,702,150.
8. Modelling showing the consequential impact on the MTFP of increasing council tax by £4.95 (2.38%) and £0 (effectively freezing council tax) is presented at Appendix 5b and 5c.