

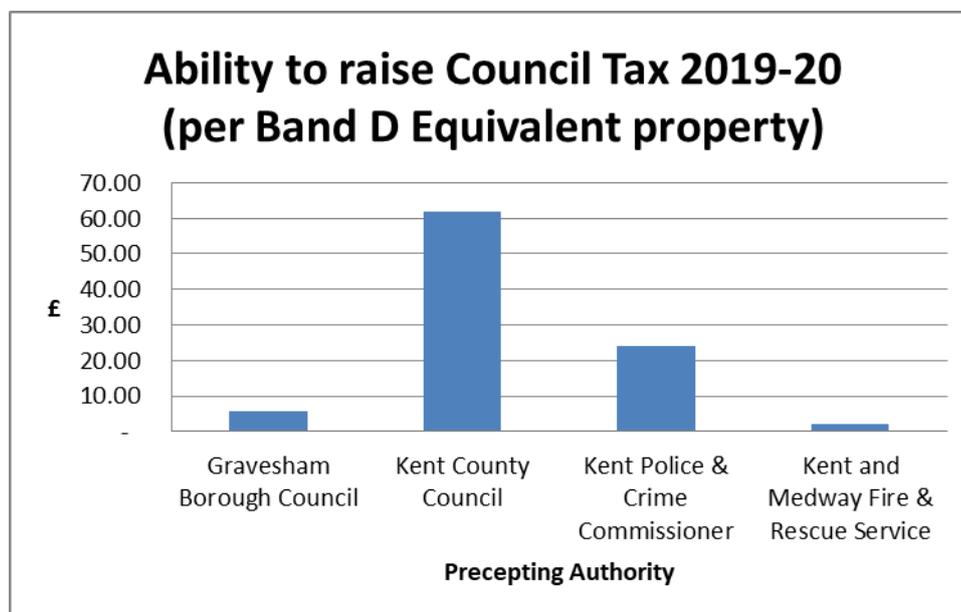
Section Five – Council Tax

1. The Provisional Finance Settlement announcement confirmed the continued flexibility for district councils in setting council tax levels by permitting district councils to raise council tax by 3% or up to and including £5 (whichever is higher) without triggering the requirement for referendum. Gravesham's level of Council Tax in 2018-19 was the 68th highest within the list of the 201 England district councils (68th highest in 2017-18).
2. The table below details the respective Council Tax levels being charged by all District Authorities within Kent during 2018-19; this shows that Gravesham's current Council Tax level is below the average level charged within Kent (£197.28 compared to an average of £200.71).

Local Authority	2018-19 Council Tax for the Authority (Band D) £	Council Tax change (%)
KENT		
Ashford	157.50	2.27%
Canterbury	205.20	2.98%
Dartford	172.80	2.95%
Dover	182.34	2.79%
Folkestone & Hythe	258.39	2.98%
Gravesham	197.28	2.96%
Maidstone	252.90	2.97%
Sevenoaks	208.80	2.97%
Swale	169.83	3.00%
Thanet	226.44	2.99%
Tonbridge & Malling	203.42	2.99%
Tunbridge Wells	173.57	2.95%
Average	200.71	2.90%

3. The council has undertaken a critical review of its council tax base to analyse movements in the tax base between 2018-19 and 2019-20. This has resulted in a slight reduction in the tax base of 0.17% in 2019-20 compared to that of 2018-19, principally derived from lower than anticipated growth in new dwellings in the borough, the impact of the Council Tax Reduction Scheme and an increase in the level of discounts and exemptions applied to individual accounts.

4. The Provisional Finance Settlement sets out that, for 2019-20, 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 3% or up to and including £5 (whichever is higher).
 - **Kent County Council** – permitted to raise council tax by up to 5%, incorporating a 3% threshold for general spending and 2% relating to the social care precept.
 - **Kent Police & Crime Commissioner** – permitted to raise council tax by £24.
 - **Kent and Medway Fire and Rescue Service** – permitted to raise council tax by up to 3%.
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:



6. The referendum principles permit Gravesham Borough Council to increase its council tax by 2.97% to £203.13 (£5.85 or 11 pence per week for a Band D property). This limits the council's ability to raise council
7. Appendix 4a shows in graphical form the effect of freezing council tax in 2019-20 versus the implementation of a 2.97% 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 £1,985,030.
8. Modelling showing the consequential impact on the MTFP of increasing council tax by 2.97% and £0 (effectively freezing council tax) is presented at Appendix 4b and 4c.