

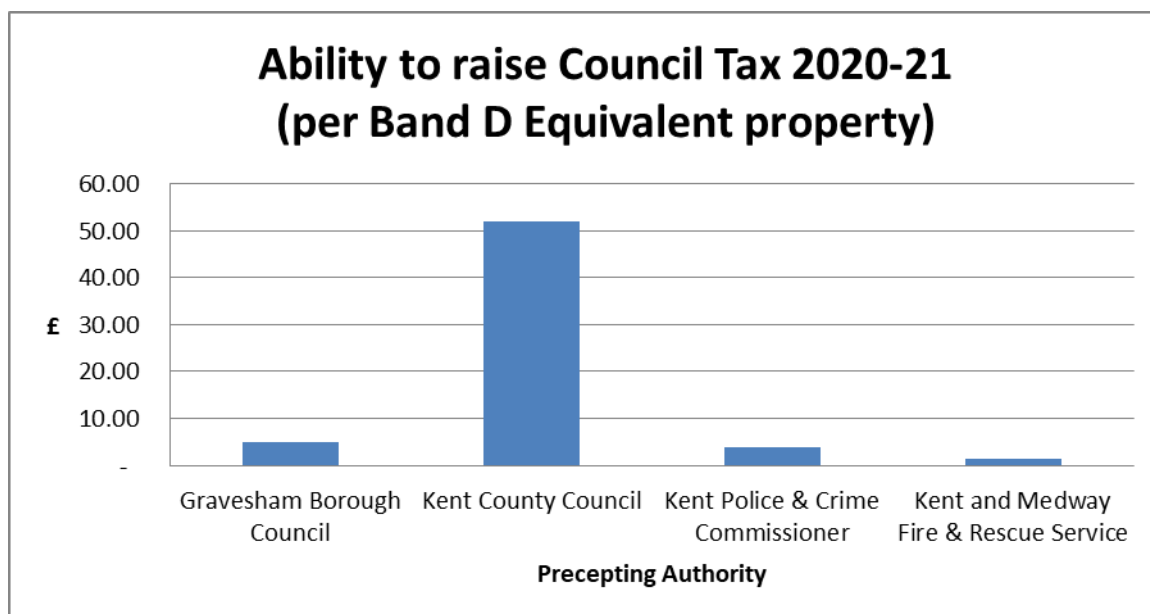
### Section Five – Council Tax

1. 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.
2. Gravesham's level of Council Tax in 2019-20 was the 65th highest within the list of the 192 England shire district councils (68th highest of 201 shire district councils in 2018-19).
3. The table below details the respective Council Tax levels being charged by all District Authorities within Kent during 2019-20; this shows that Gravesham's current Council Tax level is below the average level charged within Kent (£203.13 compared to an average of £206.39).

Local Authority	2019-20 Council Tax for the Authority (Band D) £	Council Tax change (%)
<b>KENT</b>		
Ashford	162.50	3.17%
Canterbury	211.32	2.98%
Dartford	177.75	2.86%
Dover	187.29	2.71%
Folkestone & Hythe	263.34	1.92%
<b>Gravesham</b>	<b>203.13</b>	2.97%
Maidstone	260.46	2.99%
Sevenoaks	215.01	2.97%
Swale	174.42	2.70%
Thanet	233.19	2.98%
Tonbridge & Malling	209.50	2.99%
Tunbridge Wells	178.76	2.99%
<b>Average</b>	<b>206.39</b>	<b>2.85%</b>

4. The council has undertaken a critical review of its council tax base to analyse movements in the tax base between 2019-20 and 2020-21. This has resulted in an increase in the tax base of 1.19% in 2020-21 compared to that of 2019-20, principally derived from anticipated growth in new dwellings in the borough and the impact of the Council Tax Reduction Scheme.

5. The Provisional Finance Settlement sets out that, for 2020-21, 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 4%, incorporating a 2% threshold for general spending and 2% relating to the social care precept.
  - **Kent Police & Crime Commissioner** – permitted to raise council tax by up to 2%.
  - **Kent and Medway Fire and Rescue Service** – permitted to raise council tax by up to 2%.
6. 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:



7. The referendum principles permit Gravesham Borough Council to increase its council tax by 2.44% to £208.08 (£4.95 or less than 10 pence per week for a Band D property).
8. Appendix 5a shows in graphical form the effect of freezing council tax in 2020-21 versus the implementation of a 2.44% 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 £1,697,660.
9. Modelling showing the consequential impact on the MTFP of increasing council tax by £4.95 (2.44%) and £0 (effectively freezing council tax) is presented at Appendix 5b and 5c.