

Council Tax

- 1.1 The draft budget and Medium Term Financial Plan (MTFP) includes the precept KCC plans to make from Council Tax. This is based on the final taxbase provided by District Councils and is an increase in taxbase of 1.58%. Precepting authorities must notify their precept by 28th February so that District Councils can issue Council Tax bills prior to the start of the financial year.
- 1.2 Table 1 shows the main changes to the taxbase and the impact of this on the County precept between 2018-19 and 2019-20, including the proposed Council Tax increase (the maximum permitted without triggering a referendum) and the proposed additional Social Care Levy. The taxbase is calculated as the number of band D equivalent properties, we have therefore used the band D rate in these calculations.

Table 1	2018-19		2019-20							
	Notified Band D Equivalent Taxbase	Precept @ £1,237.68	Provisional Band D Equivalent Taxbase used for draft Budget	Precept @ £1,274.76 (up to 3% referendum limit)	Precept @ £1,299.42 (including Social Care Levy)	Change in Band D Equivalent Taxbase	Change in Precept	Change in Precept due to Taxbase	Change in Precept due to Tax Rate up to Referendum Limit	Change in Precept due to Social Care Levy
		£000s		£000s	£000s		£000s	£000s	£000s	£000s
Ashford	45,680.00	56,537.2	46,500.00	56,112.5	60,423.0	820.00	3,885.8	1,014.9	1,724.2	1,146.7
Canterbury	49,764.97	61,593.1	50,206.55	60,585.2	65,239.4	441.58	3,646.3	546.5	1,861.7	1,238.1
Dartford	36,685.06	45,404.4	37,747.03	45,550.1	49,049.2	1,061.97	3,644.8	1,314.4	1,399.7	930.8
Dover	37,962.69	46,985.7	38,526.26	46,490.4	50,061.8	563.57	3,076.1	697.5	1,428.6	950.1
Folkestone & Hythe*	38,312.22	47,418.3	39,057.21	47,131.1	50,751.7	744.99	3,333.4	922.1	1,448.2	963.2
Gravesham	33,988.23	42,066.6	33,930.46	40,944.6	44,089.9	-57.77	2,023.3	-71.5	1,258.1	836.7
Maidstone	60,921.60	75,401.4	62,033.40	74,856.9	80,607.4	1,111.80	5,206.0	1,376.1	2,300.2	1,529.7
Sevenoaks	49,902.89	61,763.8	50,772.34	61,268.0	65,974.6	869.45	4,210.8	1,076.1	1,882.6	1,252.0
Swale	46,590.79	57,664.5	47,344.08	57,131.0	61,519.8	753.29	3,855.3	932.3	1,755.5	1,167.5
Thanet	42,904.67	53,102.3	43,763.27	52,810.0	56,866.9	858.60	3,764.6	1,062.7	1,622.7	1,079.2
Tonbridge & Malling	49,924.51	61,790.6	50,820.61	61,326.2	66,037.3	896.10	4,246.7	1,109.1	1,884.4	1,253.2
Tunbridge Wells	45,252.08	56,007.6	45,693.60	55,139.4	59,375.2	441.52	3,367.6	546.5	1,694.3	1,126.8
Total	537,889.71	665,735.5	546,394.81	659,345.5	709,996.3	8,505.10	44,260.8	10,526.6	20,260.3	13,474.1

*On 1 April 2018, Shepway District Council changed its name to Folkestone and Hythe District Council

(Figures subject to rounding)

- 1.3 The overall taxbase has increased by 1.58% which is more than the 1% we forecast when we launched the budget consultation in October 2018, and the 1.5% we estimated in the draft Budget Book. We will analyse the underlying reasons for the change in the taxbase, e.g. new dwellings, change in discounts, etc to help inform future financial planning.
- 1.4 The taxbase includes the impact of local decisions on the level of Council Tax discounts for working age tax payers in receipt of benefits/on low incomes through Council Tax Reduction Scheme (CTRS) and other additional local discretion on Council Tax discounts and exemptions on empty properties permitted under the Local Government Finance Act 2012. KCC have a three year agreement with Districts covering local CTRS's and the impact on the County Council taxbase. As part of this agreement KCC pays a proportion of the county's share of the tax yield to individual District Councils towards local collection costs and to incentivise maximum collection.

Appendix 9

- 1.5 We are proposing to increase council tax by 4.99% to help balance the 2019-20 budget. This 4.99% increase is made up of a 2.996% general increase, which is below the referendum limit announced in the final local government finance settlement, and a further 1.992% for the Adult Social Care Levy. The Adult Social Care Levy is an additional levy councils can raise from Council Tax to support Adult Social Care spending. The impact of each of these proposed increases on individual bands is set out in Table 2. Table 3 shows the cumulative impact of the Adult Social Care Levy Since it was introduced in 2016-17.

Table 2	Proportion of Band D Tax Rate	2018-19 (incl. Social Care Levy)	2019-20 (excl. increase in Social Care Levy)	2019-20 (incl. increase in Social Care Levy)
Band A	6/9	£825.12	£849.84	£866.28
Band B	7/9	£962.64	£991.48	£1,010.66
Band C	8/9	£1,100.16	£1,133.12	£1,155.04
Band D	9/9	£1,237.68	£1,274.76	£1,299.42
Band E	11/9	£1,512.72	£1,558.04	£1,588.18
Band F	13/9	£1,787.76	£1,841.32	£1,876.94
Band G	15/9	£2,062.80	£2,124.60	£2,165.70
Band H	18/9	£2,475.36	£2,549.52	£2,598.84

Table 3	2016-17	2017-18	2018-19	2019-20
Band D excl. Social Care Levy	£1,111.77	£1,134.36	£1,169.64	£1,206.72
Band D Social Care Levy	£21.78	£44.46	£68.04	£92.70
Band D Total	£1,133.55	£1,178.82	£1,237.68	£1,299.42

Appendix 9

- 1.6 There are more homes in band C than in any other band in Kent. The 4.99% increase in Council Tax equates to approximately £1.05 extra per week for a band C household. Table 4 illustrates how Council Tax has changed since last year for a band C property. The general Council Tax and the Social Care Levy will be shown as two separate lines on the Council Tax bill as shown in Table 4. Other authorities i.e. Police, Fire & Rescue, Districts, Parish and Town Councils are responsible for setting their own share of council tax as part of the overall bill. The final council tax bills will be based on the tax rates set by each of the relevant authorities.

Typical Council Tax Bill Breakdown	Proposed % increase on 2018-19 Council Tax bill	Proposed Amount for Band C
Kent County Council	2.996%	£1,072.64 (The share of Council Tax that Kent County Council will receive in 2019-20. This amount does not include the 2% increase for adult social care funding from 2016-17, 2017-18 & 2018-19)
Kent County Council (for Adult Social Care funding)	1.992% (Kent County Council's share of Council Tax will increase by 4.99% in 2018-19, which is this amount and the amount above)	£82.40 (This is the 2% increase for adult social care funding for 2019-20 added to the 2% increase for adult social care funding from 2016-17, 2017-18 and 2018-19. The Government requires all local authorities to show the adult social care funding increase in this way on Council Tax bills.)
Kent Police and Crime Commissioner	14.19%	£171.69 (This assumes the maximum increase of £24 to a Band D property)
Kent and Medway Fire and Rescue Council	2.89%	£69.12
Parish Council	These amounts will vary depending on which district council you pay your council tax to	
Total		

- 1.7 Council Tax is used to provide services to the residents of Kent. Table 5 provides a notional breakdown of how we are planning to spend the Council Tax collected from a band C property. The only element of Council Tax that is ring-fenced for a specific purpose is the Adult Social Care Levy, the remaining council tax is not a hypothecated tax.

Service	Band C	%
Adults & Older People	£441.89	38.26%
Other Children's Services	£27.86	2.41%
Children's Social Care	£183.84	15.92%
Community Services	£16.96	1.47%
Other Direct Services to the Public	£25.34	2.19%
Financing Items	£123.38	10.68%
Highways	£39.68	3.44%
Schools' Services	£4.51	0.39%
Transport Services	£85.72	7.42%
Waste Management	£88.96	7.70%
Management Support & Overheads	£106.58	9.23%
Unallocated	£10.33	0.89%
Total	£1,155.04	100.00%