

BUDGET

I present the Budget and Medium Term Financial Plan strategy report for your attention.

The budget proposals follow significant consultation with Cllrs, indeed we have seen the most extensive level of meetings, discussions, task and finish groups and of course both scrutiny committees. I thank all those involved and Cllrs Taylor and Bartlett for the scrutiny process.

The headline is of course the increase in annual council tax which will be just under 3%. In addition this council will take the Social Care Precept of just under 2% to ensure the funding of Social Care. The actual figure of uplift is 4.996%. In financial terms it is £1.82 per week on a band D property. Set out in 11.4 you will see that we are anticipating significant growth in business rates and 5% increase in fees and charges with 3.2% for inflation and recent figures support that assumption as inflation comes under control and falls from the heights of 10+% to the most recent 4% for the 12 months to December 2023.

There has been much made of Govt announcements which appear to indicate significant additional funding giving our core spending power a uplift of 6.5% however, despite the press, in fact to achieve this we have to take the maximum in council tax increase and this equates to 66% of the up lift, so perhaps not quite the saviour of local Govt, more of save yourself.

Many councils are funding via Revenue Support Grant from local Govt, many councils receiving millions of pounds, not the case for Dorset we are to receive the grand sum of £698,000 this year an enormous up lift of £43,000. For the benefit of members we have produced a graph at 13.14, you will see Leicester receiving £35.6M and you probably just see us as a tiny red bar, hence the arrow, almost at the bottom. This is why the Leader spends so much lobbying for fairer funding, its not a myth as you can see it is out there.

Section 16 of the strategy sets out the process that has been taken with regard to the MTFP and how we have progressed over the last few months. The original gap was identified at £13.815M, however, this escalated to the point in November 2023 when I reported an increased position of £23M.

Over the last few months we have worked with all directorates to consider how a balanced budget can be achieved and in the report we present our criteria that will enable us to do that.

We include substantial increases in budgets for all directors as set out in and in particular place were we have seen the most pressure over the last year. It is very exposed to inflation and it is important that it is funded adequately to maintain and protect services.

But lets talk about the one thing that appears to have had more attention than anything else and that is the element of the budget attributed to Our Future Council **£12,040,831**.

This is work that it would have been a natural progression for this council, I would have liked to start this work at least a year earlier, maybe even 2, but there was something called Covid that delayed much of what would have been a normal work stream. The point of LGR was to protect the services provided by Dorset Councils to the community, it was not an option to continue in the format pre LGR, there was too much financial pressure particularly on the old County structure to allow it to continue. The business plan of LGR was to enable a stable structure of local Govt moving forward but with the understanding that this had to be underpinned by substantial savings, Our Future Council is an extension of that work.

Some tell me they are worried about the level of money included in this budget, but I refer to this administrations track record, savings of over £96M to ensure that the principle of LGR protected Dorset enabling support and continuation of all services, in year budgets closely adhering to their projected outcomes. Not a reduction in reserves but a solid increase in the General Fund throughout the period to maintain this councils 10% reserve of Council Tax, that is correct not a reduction in reserves. You have to consider that each year has an element of money for reserves when the budget falls short in year that element is reduced.

The work on Our Future Councils is part of the councils invest to save policy, we have included the original figure of £12M which as per the addendum to the budget is now just above the £8M figure as a prudent assessment of what we would hope to save, not a target, if we want to use targets we can use £20M+ because our aim with this work is to address the longer term requirements of this councils MTFP. I have stressed throughout the time that I have been in this position that we are dealing with the long term financial security of Dorset not in year shortages and this work is part of that aim.

At the half year stage in 2024 the Section 151 officer to review the work and assess at that time if it is on target, if not I give an assurance that we would re structure the budget, however, I do not believe that this will be necessary and this work would not be in the budget if any doubt existed.

I propose the budget papers to this meeting.