

Cllr P Batstone's speech.

I second The Leaders 's proposal for a Council Tax of £5 on a Band D property and linked recommendations.

The Leader has outlined the national picture and what this authority has achieved in recent years. My job is to remind you of the detail which brings us to this point, detail which most of you are already very familiar with, and which is well set out in the Budget Update report before you.

North Dorset District Council has been and remains one of the lowest Council Tax raising authorities in the country, in the lowest ten. However when local precepts are included the combined Council Tax for the District is close to the English average, and indeed the average for those local precepts in 2016/17 was the second highest in the country. That is at least in part due to the transferring of services to our parishes and towns under the Tough Choices programme.

Our misfortune, if that is the right word, is that the District was a low Council Taxing authority way back before capping and then, when that was introduced, we were locked into a low taxing regime. Negotiations with government, which Councillor Croney played a key part in, have enabled us to ask for £5 on a band D property, the charge for us over the year being £129.96. The 2017-18 budget assumes a 0.9% increase in the number of Band D equivalent properties to 25,910 across the District, and a collection rate over the year of 97.5%.

We are very clear that this is a balanced budget focussing on this year alone, to keep future options open for whatever local government structures are put in place thereafter. The Council has accepted the government's offer of a four year financial settlement. Sadly this was not an act of generosity on their part, rather more on the lines of "better the devil you know" on our part, with a further reduction in Revenue Support Grant for this coming year of £395,000, £183,00 reduction in 2018/19 and "you owe us" £54,000 in 2019/20.

Central government has made much of promising 100% retention of the Business Rate to compensate for the loss of RSG but colleagues must remember that this is a national promise - I liken it to spreading butter on a piece of toast with holes in it. North Dorset remains in the safety net in any case so for the foreseeable future there is nothing to be gained. There has been much in the press in the past week about the

national revaluation of business rates coming in this April which is causing deep grief to many businesses and certainly concern to those of us working to improve the viability of our local economy.

We are promised additional new responsibilities as part of the scheme - I am not sure if that is a promise or, more probably a threat.

Prior to preparing these comments I was re-reading the Financial Health Check prepared for us by the LGA and in particular was drawn to the comments about our rurality - we are apparently one of the two most rural Districts in the country. That benefits us by £170,000 of Rural Funding in the coming year, a loss of £57,000 in 2018/19 and in the following year we get £57,000 back again. The logic of this I do not understand. When you look around the district it would seem we have a goodly number of small businesses operating, but often based in people's homes, thus contributing very little to our business rate income. Our opportunities for growing our business rate base are not great for many years to come.

The New Homes Bonus offered some hope to North Dorset. However the national pot has been reduced by £241 million which is going to pay for Adult Social Care. This is being achieved by moving to five year payments for existing and future New Homes Bonus allocations in the year to come, and then to four year payments from 2018/19, with a national baseline of 0.4% for 2017/18 below which allocations will not be made.

The government has retained the option of adjusting the baseline in future years and is also considering withholding payments for homes built following an appeal. The net effect of all this for North Dorset, as you see in appendix 2 of the Budget Report is an increase in 2018/19 of almost £100,00 and a decrease of almost £200,000 the following year.

We have been allocated just short of £240,000 for Community-led Housing Developments which sounds quite exciting, and potentially creative, 50% having been received and put into an earmarked reserve whilst an action plan is produced whereon the remaining 50% will be released.

Touching on reserves, a Councillor in another place achieved considerable press coverage a couple of weeks ago by adding up all the local authority reserves across Dorset and demanding that they be spent forthwith to keep Council taxes down. He failed to appreciate the point that reserves are what they say they are - being held

against future need whilst providing a source of income.

We have a cautious approach to our reserves, the substantial part of which are earmarked against known risks or scheduled to be used in delivering identified savings. In 2016/17 we adopted a new strategy for investing those reserves, aiming to strike an appropriate balance between risk and return. In particular we are using sums available for longer-term investment to diversify into more secure and/ or higher yielding asset classes.

Returns have increased with an income budget of £200,000 being proposed.

We have a modest capital programme for the coming year, concerned with refurbishment of our carparks but also, most importantly continuing our investment in superfast broadband, although I do fear that the developments in technology will outpace the fiberoptic cable implementation programme. Also we need to consider robust investment opportunities to increase our asset base and thus our income, and must set up a safe but responsive mechanism for that to happen.

In summary, we are where we are. We have a balanced budget for the coming year. In the longer term we have in place the Stronger Together Transformation Programme to address the reduction in resources. This has already delivered significant savings and a further £418,000 can be built into 2017/18. Budget options before the Council today deliver £345,00 of savings and income in the coming year to achieve that balanced budget. I commend all the recommendations to you and second the Leader's proposal.