

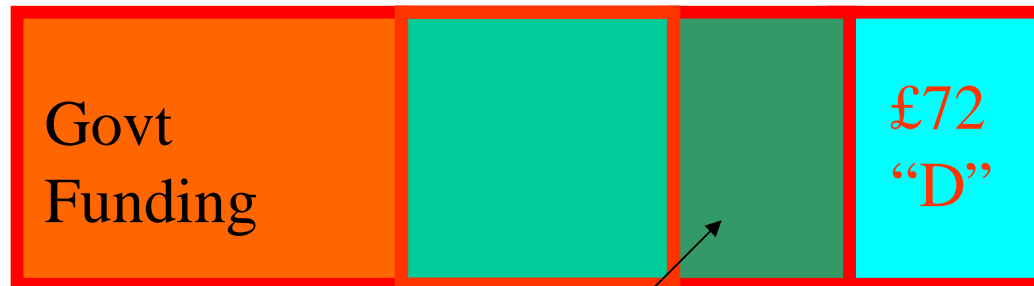
# **TOUGH CHOICES PROGRAMME**

## **LOCAL DELIVERY**

**CONSULTATION WITH PARISH COUNCILS**  
**15 AUGUST 2006**

# NDDC FUNDING OVER TIME

(shown in 2002 to parishes)



Today  
£10 m

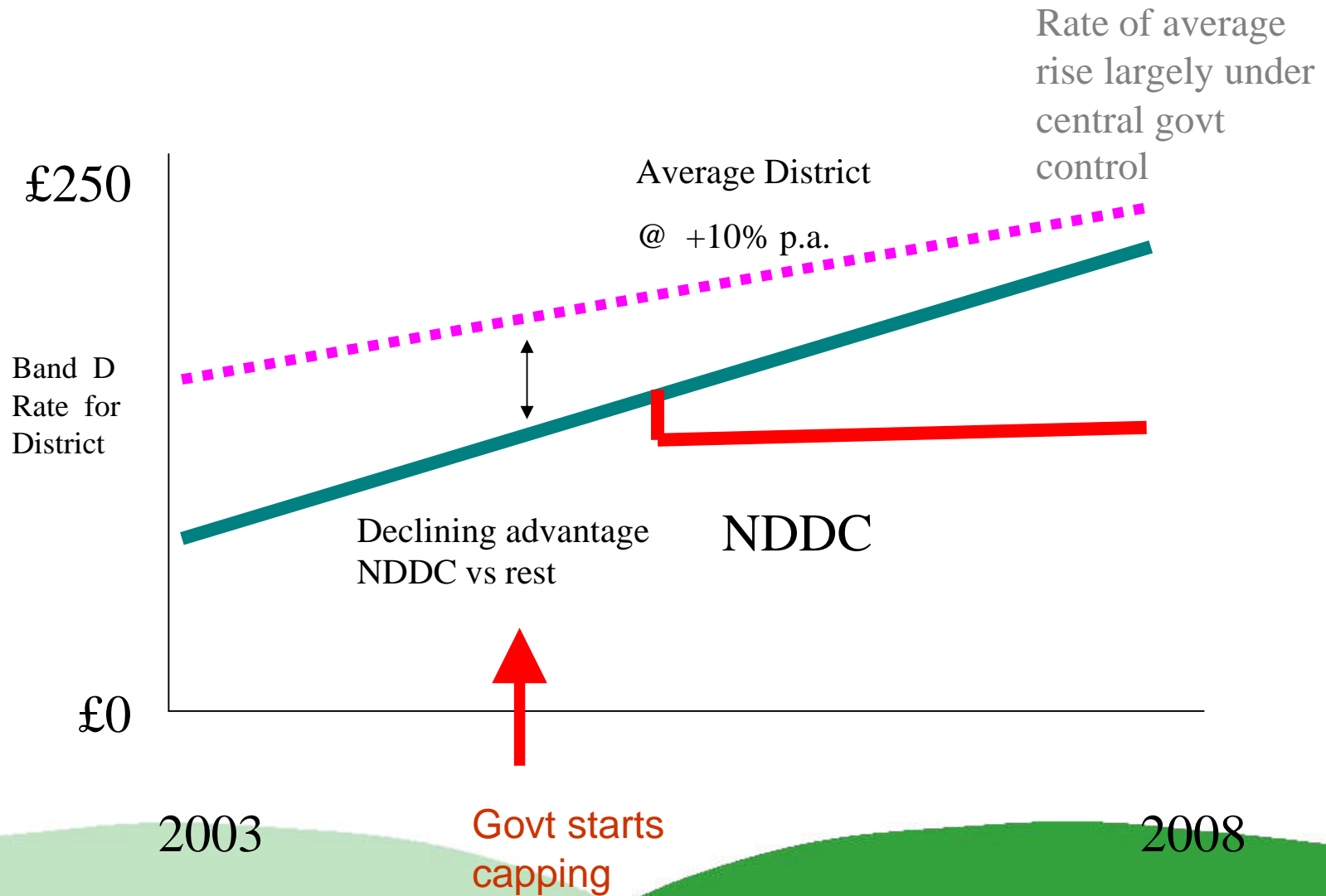
From investment income  
and reserves



**Future**

This shows why we expect high % increases. The extra amount will remain very small, as a proportion of total Council Tax, and as extra money residents pay.

# PROJECTIONS (as at 2002)





# MAIN POINTS

- What has the Government chosen to do about Council tax increases?
- Why is that a particular problem at NDDC?
- If 5% limits on increases continue, what will happen in North Dorset?
- What is the Council doing about it?
- What will be the effects next year?

# WHAT HAS THE GOVERNMENT CHOSEN TO DO?

- Imposed strict limits on Council tax increases for all Councils (5% a year)
- Provides low grant support to Dorset
- Imposed new services on Councils (e.g. Licensing, recycling targets, e-government)

# WHY IS THAT A PARTICULAR PROBLEM AT NORTH DORSET DISTRICT COUNCIL?

- NDDC's Council tax levels are much lower than most Districts: (Band 'D')
  - National average £160 p.a.
  - North Dorset £88 p.a.

(The difference is worth £1,800,000 a year)
- A major source of income for the Council (investment income) is falling rapidly as reserves are used to fill the gap.
- Audit Commission has confirmed that NDDC provides good value for money (e.g. low overhead costs)

# **IF GOVERNMENT CONTINUES TO LIMIT NDDC COUNCIL TAX INCREASES TO 5% pa, WHAT WILL HAPPEN?**

- Over 4 years the Council will need to remove £2.1m from its annual net revenue budget of £8.4m.
- We will be forced to stop funding many services that District Councillors believe should be provided to our local residents.
- No discretion for District Council ... but ...

# WHAT IS THE COUNCIL DOING ABOUT THIS?

- Lobbying central government
- Tough Choices programme
  - Business Transformation
  - Focussed Resources
  - Local Delivery

## **WHAT WILL BE THE EFFECTS IN 2007/8?**

- Limited to < 5% increase in Council Tax
- Budget cuts of £540,000 needed for 2007/08
- £300,000 savings target from Local Delivery, balance of £240,000 from other routes
- Alternative funding or service cuts

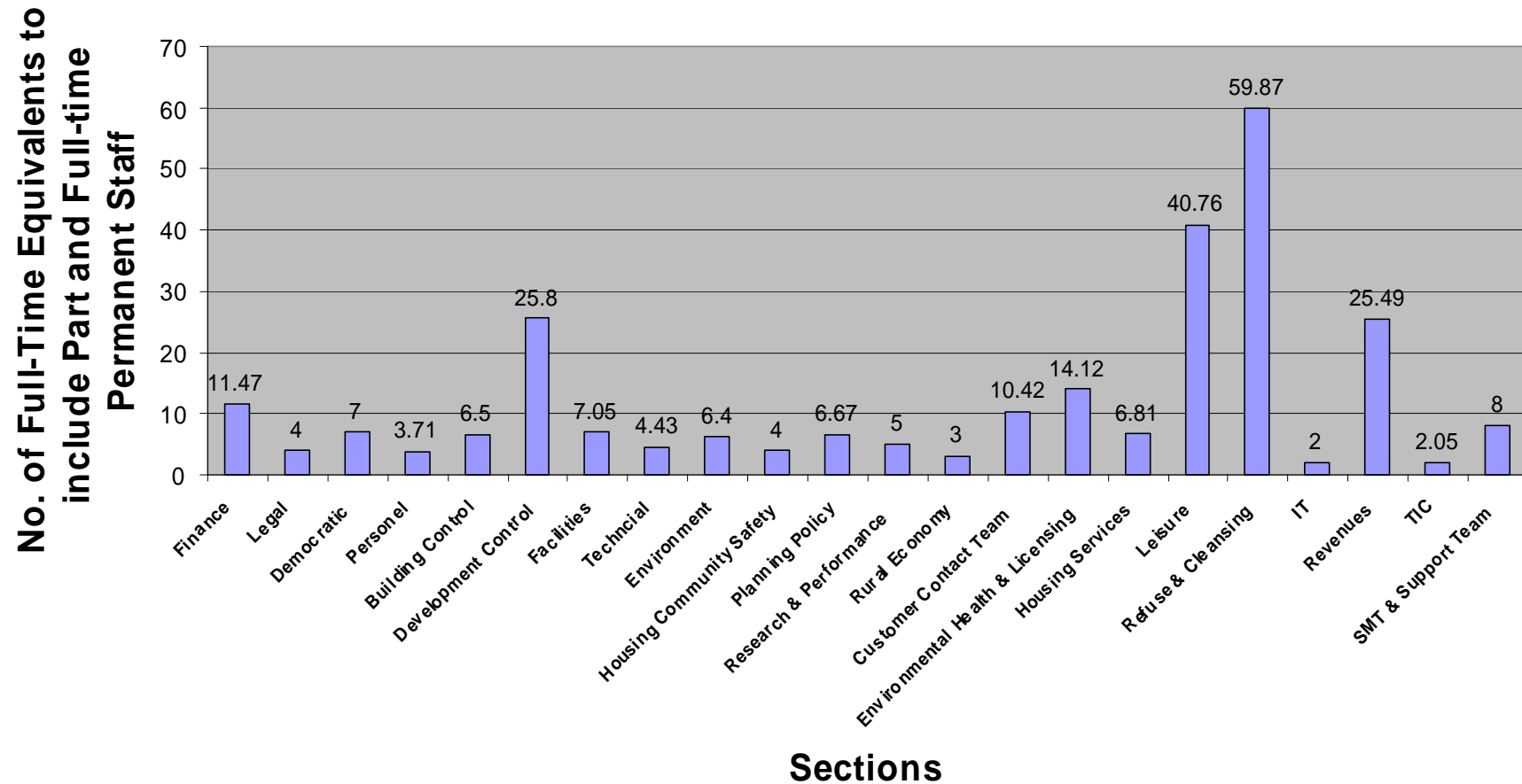
## **LOCAL DELIVERY: PROJECT AIM**

To retain local discretionary services, where there is explicit local support for them, through alternative funding or different service provider/s

# **SERVICES (discretionary)**

- leisure centres;
- car parking;
- public conveniences;
- markets;
- street cleansing;
- amenity areas;
- CAB funding;
- Countryside Ranger service;
- environmental initiatives;
- community development workers;
- economic development;
- sports development; and
- arts grants

# North Dorset District Council Staffing



# **DISCRETION, CHOICE AND COMMITMENT**

- **Local Choice**
- **Try / test viability overall**
- **Commit, and budget**

# SHORT & MEDIUM TERM PROPOSALS

- Transfer of services not practical by April 2007
- Medium term project with work starting now
- Seek alternative funding for 07/08 budget ... default: alternative is sufficient, service cuts to meet budget shortfall.

# PROJECT TIMETABLE 07/08 BUDGET

- Defining Aims, Objectives and Action Plan;
- Group formation and data collection (end July 06);
- Negotiation (by end Sept 06);
- Commitments in principle (mid Oct 06);
- Commitments confirmed (before March 07);  
and
- Implementation (April 07 onwards)

# WORKING GROUP

- Member Representatives (Cllr Roake and Cllr Milsted)
- District Council staff (as necessary)
- 1 rep from each Town Council
- 1 rep from each Community Partnership
- 1 rep from DAPTC (representing Parishes)
- Town Clerks

# PARISH COUNCILS

- Through DAPTC (David Webb) and Northern Area
- Introductory meeting
- Negotiations and commitment in principle
- Agreement and budget setting

# NEGOTIATION

Between July and September 06 the Working Group, Officer Group and Town/Parish Council Groups will work to:

- agree in broad terms the services of interest;
- collect information (particularly financial, legal, asset related, previous studies, staffing);
- identify options and assess responsibilities and risks
- select and agree preferred option/s;
- agree a timetable for next steps (e.g. status of organisations, TUPE, transfer proposal/business case);
- agree financial implications for 2007/08 budget setting

# **AGREEMENT IN PRINCIPLE**

By mid October 2006 agreement must be reached in principle for the shared services, funding and budget setting for 2007/08.

At this stage, any shortfall of funding commitment will translate to firm plans for service cuts, and any relevant redundancy notices will have to be prepared.