

Council Tax in East Dorset 2018/19

A guide to the 2018/19 Council Tax in East Dorset.



Why Council Tax has changed

East Dorset District Council is sensitive to the strength of public feeling relating to increases in taxation. However, the council is facing significant financial challenges in setting the annual budgets due to reductions in government funding and exposure to risks concerning the Localisation of Council Tax Support and Retention of Business Rates.

East Dorset District Council no longer receives any central government support in the form of Revenue Support Grant. For comparison, the Council received £1,814,000 Revenue Support Grant in 2013/14. In addition to the cessation of government support through Revenue Support Grant, the government has announced that as part of the national deficit reduction programme this Council will pay over a contribution of £980,000 to central government from 2019/20.

The funding pressures that the Council faces and will continue to face are significant. The Council's Medium Term Financial Strategy projects further savings required of £527,000 in 2019/20 in order to balance the books, with total savings of £1,125,000 required over the next five years. Should the government continue to reduce the resources available to lower tier councils this forecast position could deteriorate.

East Dorset is increasing its Council Tax by £6.34 (2.99%) for a Band D property for 2018/19 as a result of the financial challenges it faces. This equates to an increase of 12 pence per week for a Band D property. A Band D property in East Dorset will pay £218.66 for East Dorset's element of their Council Tax bill. The government is no longer offering councils grants to freeze their Council Tax.

Despite the financial challenges the council remains ambitious and will continue to seek opportunities to provide further resilience to its financial position in order that services are protected.

At the time of setting the Council Tax for 2018/19 the council awaits the final decision from the Secretary of State on whether they support local government reorganisation in Dorset from 1 April 2019. If local government reorganisation does go ahead then two new unitary authorities would be created from the existing nine councils in Dorset with the aim of achieving efficiencies in the provision of public services in Dorset.

Spending on major projects

The council plans to spend £4.5m on major projects over the next five years. This includes £1.6m on affordable housing and temporary accommodation, £1.3m additional investment in community & leisure facilities in the District, and £1.3m in maintaining the council's assets.

Where the money is spent

2017/18 Net £000	Where the money is spent	2018/19 Expenditure £000	2018/19 Income £000	2018/19 NET £000
1,160	Growth & economy	1,565	(511)	1,054
863	Finance	17,857	(16,957)	900
2,268	Property & engineering	3,022	(814)	2,208
1,812	Housing & health	2,708	(811)	1,897
2,293	Community & leisure	5,252	(2,723)	2,529
771	Legal & democratic	776	(1)	775
958	Organisational development	949	0	949
276	Pension lump sum payment	280	0	280
10,401	Cost of providing services	32,409	(21,817)	10,592
(726)	Reverse capital charges			(726)
(41)	Investment income			(56)
279	Transfer to / (from) reserves			369
9,913	Net expenditure			10,179
0	Revenue support grant			0
(1,939)	Retained business rate income			(1,847)
(109)	Surplus on collection fund			(87)
7,865	Expenditure met from Council Tax			8,245

Why demand on Council Tax has changed

Why demand On Council Tax has changed	£000
Met by Council Tax payers 2017/18	7,865
Increases in income	(225)
Savings identified through budget process	(132)
Savings arising from joint working	(137)
Investment in services	460
Decreases in income	414
Met by Council Tax payers 2018/19	8,245