

Council Budgets 2012-13

The Situation in Dorset:

DCC still has a £15million pa shortfall in revenue.

500 full time DCC posts have been removed.

A further cut in central grant is anticipated but has not been budgeted for.

However, 75% of DCC revenue is raised by local taxation so this development will not be so serious for DCC as for other local councils where in extreme examples only 25% of revenue comes from local taxation.

The freezing of Council Tax generates a further £5 million shortfall that will eventually have to be made up from taxation or grant .

Cllr Spenser Flower, who is responsible for these matters, believes he has established better control over DCC capital accounts and intends to ensure that any future borrowing does not produce a corresponding increase in servicing revenue.

DCC hopes to obtain at least 90p in the £ back on Icelandic funds.

CBC Budget Review 2012-13: The main facts to emerge were:

Central Government funding has been reduced by £513,000 over the past two years. The next two years should see further reductions of £140,000. CBC believe that further, additional cuts may be forthcoming.

The Council Tax for 2012-13 remains frozen for another year. In that year there will be no pay increases although employer's pension contributions will increase by 1%. It is anticipated that Council Tax will rise by 2.5% in 2013-14. CBC believes that 2013-14 and 2015-16 will both be challenging years.

Under new legislation any proposed Council Tax increase over 3.5% will force a referendum in that council's area. That is something CBC wishes to avoid.

CBC 2012-13 budget includes £100,000 towards the provision of superfast broadband locally, something much welcomed by the business community.

Revenue savings in 2011-12 were £358,000 and in 2012-13 will be a further £113,000. CBC's target is total savings of £688,000 over five years, thus leaving £217,000 still to be found. This target is higher than *the current* target set by Central Government.

The national change to the way in which business rates are administered should be good news for CBC. However CBC reported that DCC has misunderstood the impact it will have upon them and are re-assessing their already difficult situation.

A national reduction of 10% in Council Tax benefits (to be renamed a discount) will come into force in 2012-13. Pensioners, and some other vulnerable groups, will be protected from this development.