



Press Briefing on DDC's Financial Plans

Public finances are under extreme pressure – the Government's deficit is projected to be in the order of £175 billion and this will impact on everyone who lives, studies and works in the District.

Dover District Council (DDC) is a low taxing, low spending authority with the third lowest Council Tax in Kent, and one of the lowest like for like levels of spend per resident across England. Because of this low cost position, the impacts of public finance pressures will be very challenging.

In the coming years government grant will reduce quite severely, income from services and interest on investments is currently static or falling and Council house sales remain low. At the same time DDC expects to face increasing costs that are outside of its control, such as free Bus Passes, climate change demands and the costs of recycling. In addition to all of these critical issues, in a period of recession the Council understands the financial pressures on residents and will continue to minimise increases in Council Tax. The projected impact of these pressures is around £800,000.

Taken together, these pressures mean that without firm action, DDC's budget would be in deficit next year (2010/11) by around £800,000, rising to £2.3m by 2012/13, and its general reserves would run out in 2011.

DDC continues to create high levels of savings in its operations without impacting on service delivery, such as sharing its Human Resources and audit support across East Kent, reducing the number of staff it has, and introducing innovative ways of working through electronic services, reducing the costs of postage and sharing staff with other East Kent local authorities.

Plans are also beginning to take shape to see how much more the Council can do to keep its costs down, including continuing to hold pay awards down in line with national public sector levels, sharing waste services with Shepway District Council and other partners, working with Thanet District Council to reduce the costs of benefits and continuing to re-align staff levels.

However, even with current annual projected savings and efficiencies of £500,000, the impact on DDC from reductions in national public sector finances is expected to be so severe that it will not be able to pay for all the services currently provided. It therefore has to make difficult choices about what it can and can't afford to do and how other organisations and communities can do more to help their localities.

DDC will continue to prioritise frontline service delivery within a customer first culture. As a minimum it will continue to find frontline economies and efficiency improvements in how it operates to improve productivity and reduce costs. But new ways of delivering local services will have to be found or some services will have to stop to find additional annual savings of around £400,000. DDC will work with local communities to seek different ways of delivering and funding services that are important to local communities.

The way services have been provided over the last generation will not be sustainable for the next generation. The Council's aspirations and ambitions will see new and innovative partnerships, increased support to make communities self reliant, shared services and increased local service delivery.