

THE DRAFT BUDGET

Every February Dover District Council proposes a draft budget that looks ahead to the next financial year, from 1st April to 31st March. It gives both the national and local context in which the Council's budget is set.

This update is informing residents and businesses on the budget proposals put forward by the Council's management team and Cabinet members.

The draft budget for the financial year 2019-20 has just been published and the full details are available at:

www.dover.gov.uk/Corporate-Information/Financial-Information/Budgets--Accounts.aspx

The full budget document is a long and detailed document. While this makes it a challenging read, we do need to include every detail about our finances in the interests of effective decision making and transparency.

To ensure that our finances are accessible, we have produced this summary document so that residents and businesses with an interest can make informed comments on our proposals if they wish to do so.

There is no questionnaire to complete, we just ask for your feedback by email or post using the addresses at the end of the document.

THE BUDGET PROCESS

Dover District Council's Cabinet agreed the draft budget on 4th February and it is available to view on the Council's website. Residents and businesses are now invited to comment on the proposals. The Council's Scrutiny committee will look at the document in detail, as part of the annual democratic process, and its comments are reported back to Cabinet. The final budget will be presented to Cabinet and Council for consideration in early March.

FINANCIAL CLIMATE

Our draft budget has been presented to members after the publication of the Government's provisional local government financial settlement for consultation. It is also set against the backdrop of the negotiations to leave the European Union, which continues to cause financial uncertainty.

As the Council anticipated some years ago, central government funding, known as revenue support grant, will cease after the 2019/20 financial year.

With the reduction in government funding to local authorities we, along with many other councils, are looking to find innovative ways to generate income and protect services. As part of this, the Council has invested in a number of key sites in the district including B&Q Whitfield, Whitfield Court Business Park and the former Co-op site in Dover.



New businesses open in the former Co-op site, Dover

These investments provide rents and business rates, bringing us additional income. With Government's revenue support grant funding coming to an end, it is vital that we take these innovative steps so that we can continue delivering cost-effective services that our residents expect, and enhance the future of the district.

Retention of Business Rates

For 2018/19, we have been part of a Kent-wide pilot to trial 100% business rates growth retention at a local level. This pilot is forecast to generate the Council over £750k extra business rates for 2018/19. This has been set aside to fund projects, including the property renovation grants scheme which we have set up to support the District's town centres.

Unfortunately, the Kent scheme has not been included in the Government's proposals for 2019/20 pilot schemes.

New Homes Bonus

New Homes Bonus (NHB) is calculated on the number of properties that have been completed in a year. An amount is paid to the Council for a period of four years per property, with an additional amount paid for properties classed as affordable. This funding stream is under review by Government and we are currently forecasting that this will be reduced to zero over a four-year period.

With the Council projecting a receipt of £1.7m in the 2019-20 financial year, the potential removal of NHB will have a significant negative impact on our ability to balance future budgets.

Housing Revenue Account

The Housing Revenue Account (HRA) is a separate account into which rent paid by tenants living in the Council's housing stock is collected. The money received in this account is ring-fenced for the use of management, maintenance, repairs and upgrading of these properties.

In 2015, the Government instructed councils to apply a 1% reduction in social housing rents in each of the next four years. This meant there was an identified reduction in our HRA income of £7m over that period. This reduced the ability of the HRA to put aside funds to progress its housing development plans. However, as action has been taken to revise the HRA budgets, alongside the Government's right-to-buy retention scheme (which enables the Council to retain income from right-to-buy sales to invest in additional housing), we are now investing in some key housing schemes across the district including:

- ▶ Nine new build properties in Capel-le-Ferne;
- ▶ A mixed tenure development of 65 units at the former William Muge and Snelgrove sheltered housing sites in Dover;
- ▶ The refurbishment of Norman Tailyour House, Deal, to provide 18 self-contained flats; and
- ▶ The development of interim housing on sites in Dover and Deal.

These are additional to the projects already completed, including the refurbishment of properties in Folkestone Road, Dover to provide 9 flats and the purchase of 18 former 'right-to-buy' properties to add to the Council's housing stock.



New build properties in Capel-Le-Ferne



Completed refurbishments in Folkestone Road, Dover

Influences

While the Council's current financial position is stable, there are some major influences on the 2019/20 budget.

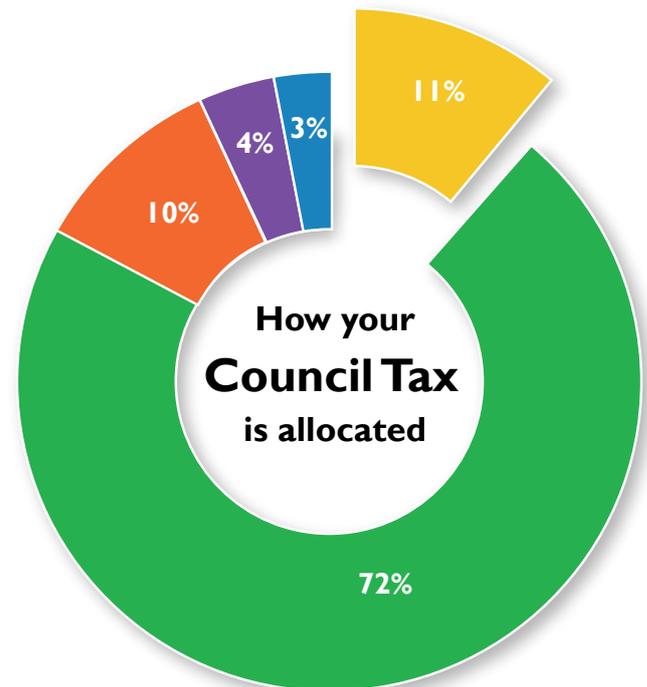
- ▶ The uncertainty caused by the negotiations to leave the European Union, and departure in March 2019.
- ▶ Reduction and ending of the Government's Revenue Support Grant funding.
- ▶ Inflationary pressures, which mean the Council needs to find additional funds every year to maintain services at current levels.
- ▶ Additional resources allocated to tourism, enforcement, apprenticeships and digital services.
- ▶ The continued 1% reductions faced by the Housing Revenue Account for social housing rents.
- ▶ The need to act entrepreneurially and seize commercial opportunities that will secure additional revenue streams for the future.
- ▶ Government proposals associated with the retention of business rates, and the future of the scheme.
- ▶ The Council's intention to continue delivering cost-effective services across the district, whilst keeping council tax the lowest in East Kent.
- ▶ The need to attract jobs and businesses to the district through regeneration and supporting economic development.



Council Tax

Council tax is a local tax on residential properties that helps to pay for local services provided by Kent County Council (KCC), Dover District Council (DDC), Kent Police, Kent & Medway Fire and Rescue Service (KFRS) and town & parish councils.

Dover District Council is responsible for collecting the council tax payments made by our residents. We keep approximately 11p out of every £1 you pay to provide our services and distribute the rest to KCC, Kent Police, KFRS and the towns & parishes councils, as illustrated below.



- Dover District Council
- Kent County Council
- The Police & Crime Commissioner for Kent
- Kent & Medway Fire & Rescue Authority
- Town & Parish Councils (average)

* Data drawn from 2018/19
Average Band D Council Tax Bill allocation

The amount of council tax you have to pay depends on the property band that your home is in. This is based on the value of your property and is determined by the Valuation Office Agency.

For 2019/20, Cabinet proposes to increase the DDC element of your council tax bill by £4.95 for a band D property. This is below the full £5.47 (equivalent to 3%) permitted by Government and means that DDC's Council Tax remains the lowest in East Kent.

Council Tax Support Scheme

There are no planned changes to the council tax support scheme for 2019-20. This scheme sees people of working age being incentivised to return to work, while protecting those who find returning to work more challenging, such as disabled claimants.

For more details about the Council's council tax support scheme please visit:

www.dover.gov.uk/Benefits/Council-Tax-Support

The Corporate Plan

The Council's Corporate Plan 2016-2020 sets out our direction and priorities. There are four key priority areas:

- ▶ Priority One: **Thriving Economy**
- ▶ Priority Two: **Clean, Green and Safe Environment**
- ▶ Priority Three: **Healthier People and Communities**
- ▶ Priority Four: **Smarter Council**

Like all councils, we have to manage with increasingly limited resources, while at the same time continuing to be ambitious for our area, our residents and businesses. This means focusing our resources where there is most need and working with other public organisations, businesses, local groups and residents to achieve our aims and those of our communities.

There are a lot of exciting opportunities for economic growth and new investment in the district.

We will continue promoting the area at local and national levels to realise our ambition to become a place where people want to live, work, invest and visit.

To view our corporate plan, please visit:

www.dover.gov.uk/corporateplan



Regeneration Projects

Underlining our commitment to a thriving economy, we continue to enable and deliver strong economic development across the district. This is notable in the large-scale projects that are bringing opportunities for residents, delivering new jobs, housing, retail and cultural facilities.

An update on these projects follows:

St James Retail & Development

We have worked with our development partner, Bond City, on a prime 8-acre site to transform the retail and leisure offer in the heart of Dover town centre.

St James includes parking for 445 cars, M&S Foodhall, Next, Iceland Food Warehouse, Entertainer toy store, multiplex Cineworld cinema, Travelodge hotel, fitness centre, national chain restaurants, along with a further retail units ranging in size.

The initial opening of the development took place during February 2018 with a wider launch around Easter 2018.



Discovery Park Enterprise Zone

We are fully engaged in the Enterprise Zone (EZ) Programme at both a national and local level. Significant progress has been made at Discovery Park, which is recognised as one of the flagship EZ's in the country. Discovery Park is one of Europe's leading science and technology business parks with 1.5 million sq. ft. of world class Research & Development facilities, premium office space, and bespoke warehousing. It is home to over 150 companies, from international pharmaceutical companies to biotech entrepreneurs, and employs over 3,000 people. The foundations for future investment in the site have also been put in place through the submission and resolution to approve a comprehensive site wide Masterplan, funding further essential infrastructure.



Dover District Leisure Centre

Structural completion of the new £26 million Dover District Leisure Centre took place just nine months after the ground-breaking in October 2017 and on time for an opening in February 2019.

Local people and contractors have played a key role in building the new leisure centre, hiring over 100 construction workers on site including six apprentices. Over 55% of total order values have been placed with Kent-based contractors.

This exciting new facility includes the first county-standard, eight-lane competition swimming pool in Kent, a four court sports hall, 120 station health & fitness suite, clip 'n' climb, two outdoor 3G pitches and parking for 250 cars.

Kearsney Abbey and Russell Gardens

In 2016, we submitted a successful £3.1m bid to the Heritage Lottery Fund/Big Lottery Fund 'Parks for People' programme for a major scheme of restoration and improvement works at Russell Gardens and Kearsney Abbey. The project team are continuing with the phased programme and additional members of staff were appointed in 2018 to extend engagement with park users and the local community. Phases of clearance work have taken place in Russell Gardens during the winter of 2017 & 2018 by our in-house grounds maintenance team. The buildings work started in autumn 2018 and the landscape works are due to start in spring 2019. A temporary café opened in autumn 2018 to provide refreshments to park users during the building phase. The project is due to complete in June 2020.

Town Centre Business Grants

Our new grant scheme offers up to £10,000 to bring commercial properties back into use, or to upgrade or improve the appearance of commercial properties within designated town centre areas in Dover, Deal and Sandwich. To date, the grant scheme has successfully supported a range of businesses including a beauty salon, cafés and an art house.





Budget Update 2019/20

To comment on the draft budget please contact:

finance@dover.gov.uk

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