



MEETING OF THE CABINET
10 FEBRUARY 2006 - 10.32 AM – 11.02 AM

PRESENT:

Councillor Teri Bryant
Councillor Ray Auger
Councillor Mrs Frances Cartwright

Councillor Mrs. Linda Neal – Leader / Chairman

Chief Executive
Director of Finance & Strategic Resources
Finance Manager
Principal Accountant
Member Services Manager

Non Cabinet Councillors : Councillor Wilks

CO125.APOLOGIES

Apologies for absence were received from Councillors Paul Carpenter and John Smith.

CO126.DECLARATIONS OF INTEREST

There were no declarations of interest made.

CO127.BUDGET 2006/07

DECISION:

(1) To recommend to Council a Council Tax increase of 4.82% for

- 2006/07 and an overall average increase of 4.9% which including Parishes and Special Expense Areas;**
- (2) To recommend the Budget for 2006/07 to the Council at its meeting on 2nd March 2006, including the General Fund Revenue Account, the Housing Revenue Account and the Capital Programme and Capital Financing Report;**
 - (3) To explain any amendments and addendums from the papers, attached to report CAB5, and to add the required resolutions for major precepting authorities at the Council meeting on 2nd March 2006;**
 - (4) To recommend that all service plans are approved and published on the Council's intranet to underpin the budget sheets;**
 - (5) To approve the use of reserves as detailed in report CAB5;**
 - (6) To recommend that work be done during the year to establish a maximum subsidy per Council Taxpayer across the district for the operation of the Arts Centres so that it could be considered for budget inclusion next year;**
 - (7) To recommend that the Council re-scores the Financial Services function to a category B priority and amends Council Tax collection to a category Y service.**

Considerations/Reasons for Decision:

- (1) Report number CAB5 and accompanying enclosures submitted by the Assets & Resources Portfolio holder, Councillor Bryant covering:
 - Background to Budget Development
 - Local Government Settlement 2006/07
 - Government Guidance on Council Tax increases 2006/07
 - External Financing
 - Overall Budget Requirement
 - Integration of Service Planning and Budgets
 - Investments, Savings and Efficiencies
 - Capital Programme and Financing
 - Reserves
 - Budget Consultation
 - Financial Services – Impact of Use of Resources
 - Recommendations
- (2) Noting that the integration of service planning with the Budget coupled with the roll out of a new focused financial management process will help ensure excellent services can be delivered efficiently and effectively;
- (3) South Kesteven received relatively the second lowest external funding support in Lincolnshire. This puts pressure on the Council in delivering quality services without receiving the additional resources other Councils get;
- (4) Noting feedback resulting from different ways of consulting the community on the budget proposals. All members had been given an unfettered opportunity to be involved in the process;
- (5) The level of the capital programme at over £8m depicts the investment being directly made into the Council's priority services;

- (6) Statement from the Director of Finance and Strategic Resources (Responsible Financial Officer) that the budget for 2006/07 as presented is robust in its formulation and the level of reserves adequate for the organisation. The proposed increase in council tax of 4.9% at Band D is in line with the government target;
- (7) Noting an oral update from the Director of Finance and Strategic Resources that the authority has been awarded a special grant of £273,000 from the Local Authority Business Growth Initiative, payable on 23rd February 2006;
- (8) The Cabinet considers that the re-classification of Financial Services is necessary having regard to the service underpinning the provision of other services and a level 3 score will be required under the Use of Resources assessment in order for the authority to achieve “excellent” CPA score;
- (9) Noting that whilst amendments would be necessary before the report is presented to Council on 2nd March 2006, these would not alter the overall recommendations on the Council Tax;
- (10) The Cabinet endorsed the portfolio holder’s thanks to all staff, particularly those from Financial Services, and members for their efforts during the budget preparation process.

Date Decision effective: Minute CO127 is a policy framework proposal and stands referred to the full Council on 2nd March 2006.

**South Kesteven District Council, Council Offices, St. Peter’s Hill, Grantham,
Lincolnshire NG31 6PZ**

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