



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

**PRESENT:**

**Councillor Terl 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 2<sup>nd</sup> 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 2<sup>nd</sup> 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 23<sup>rd</sup> 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 2<sup>nd</sup> 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 2<sup>nd</sup> March 2006.**

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

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