



MEETING OF THE CABINET
11 FEBRUARY 2008 - 11.05 AM – 12.39 PM

PRESENT:

Councillor Ray Auger
Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor John Smith
Councillor Mrs Maureen Spencer-Gregson O.B.E.
Councillor Mrs. Linda Neal - Chairman

Chief Executive
Strategic Directors (BA & IY)
Director of Tenancy Services
Corporate Head, Finance & Resources
Corporate Head, Partnerships &
Organisational Development
Monitoring Officer
Financial Services Service Manager
Business Transformation & Information
Management Service Manager
HR&OD Service Manager
Democratic Service Manager

Non-Cabinet Members : Bisnauthsing ;
Craft (present as Chairman of Resources
PDG)

CO66. MINUTES OF THE MEETING HELD ON 7TH JANUARY 2008

The minutes of the Cabinet meeting held on 7 January 2008 were approved as a correct record.



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South Kesteven District Council

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CO67. DECLARATIONS OF INTEREST

No declarations on interest were made.

CO68. BUDGET 2008/2009 AND INDICATIVE BUDGET FOR 2009/10 AND 2010/11:

BUDGET DECISIONS:

General Fund Revenue Estimate

The Cabinet recommends parts a to k to the Council:

- a. to set a General Fund budget requirement of £15.783m for 2008/9 and an indicative target of £16.247m for 2009/10 and £16.766m for 2010/11 (inclusive of special expenses).;**
- b. to set a Council Tax increase of 4.95% for 2008/9**
- c. to approve the revised revenue base estimate for 2007/08; original base estimate for 2008/09: and indicative base estimates for 2009/10 and 2010/11 as detailed in the summary at Appendix A page 1 of report CHFR88;**
- d. to approve the Treasury Management Strategy and the recommendations contained therein provided at Appendix B to report CHFR88;**
- e. to approve increases in Fees and Charges for 2008/09 (in accordance with the Council's Fees and Charges Strategy) and as set out in Appendix C to report CHFR88;**
- f. to approve a revised joining fee of £20 for the Green Waste Collection Scheme applicable to new entrants with effect from 1st April 2008**
- g. to agree that the earlier decision to give notice to Lincolnshire County Council to withdraw District Council support from the Dial A Ride project is not rescinded.**
- h. to take into account in future years Special Expense Areas (SEAs) under/overspending balances when setting the level of the Council Tax for SEAs using a de-minimus level of 10% with effect from the Closure of Accounts for 2007/8.**
- i. to create specific reserves for each of the SEAs to enable contributions to be made to the reserve at outturn and as part of the future council tax setting process to provide for asset renewal in future years.**
- j. to approve the forecast balances of Revenue and Capital Reserves contained at Appendix A page 2 of report CHFR88;**
- k. delegate to the Section 151 Officer, in agreement with the Portfolio Holder for Finance and Assets, agreement of the final Pension Pool contribution rate following attendance at a seminar to present the Actuary's valuation report.**

The Cabinet:

- l. requires the Service Manager for Building Control, in consultation with the Corporate Heads of Finance and Resources and Sustainable Communities, to undertake necessary actions to restore the breakeven position, over a rolling three year cycle, within the new financial year (2008/9).**
- m. notes that preliminary written and on-line feedback from the budget consultation shows broad representation across all the options; following formal briefing to all six Local Forums resulted in five out of the six supporting the 4.95% increase on the SKDC element of the council tax.**

Capital Programme

The Cabinet recommends parts n. to p. to Council:

- n. to approve the revised Capital Programme for 2007/08 and Programme for 2008/09 to 2010/11 detailed at Appendix A page 10-13 of report CHFR88.**
- o. to authorise the funding proposals subject to an annual review of the financing options by the Corporate Head of Finance and Resources, in consultation with the Portfolio Holder, during the preparation of the Statement of Accounts to optimise the use of Council resources.**
- p. to review the policy on the use of Housing Capital Receipts to enable them to be applied to finance the Council's overall capital programme in the most financially advantageous way for the Council as a whole and as recommended by the Corporate Head of Finance and Resources in consultation with the Portfolio Holder for Finance and Assets, subject to the view that in the longer term the capital resources made available to the Council as a housing authority are used for housing purposes.**

Housing Revenue Account (HRA)

- q. The Cabinet notes the outcome of consultation of Tenants on the rent increase proposals.**

The Cabinet recommends parts r to t to Council:

- r. to set dwelling rent increases in accordance with Government guideline rent, but with a cap on individual rent increases, with no rent being increased by more than "Rent + RPI @ 3.91%+ 0.5% + £2" and no rent being reduced resulting in an average increase of 7.79%, providing an average rent of £59.06.**
- s. to set an increase in Garage rents of 4.1%.**
- t. to increase service charges by 3.9% (RPI Sept 2007)**
- u. to commission a review of the cost base and charging**

mechanism for service charges during 2008/9.

Priority Plans

- v. The Cabinet accepts the Strategic Management team's recommendation that the Priority Plans attached at appendix D to report CHFR88 are recommended for approval by Council as part of the approval of the Budget proposals.**

ADDITIONAL DECISIONS:

- (1) That the Corporate Head, Finance & Resources write to the Audit Commission to seek clarification on why district councils are facing an increase of 14% in Audit Commission fees when the Government has stated it is reducing the number of inspections and this council in particular will not see any increase activity in 2008/09 for this increased fee;**
- (2) In relation to the bids for growth, the Economic portfolio holder wishes to examine and approve the business case for the dedicated team to assess major planning applications which has been costed at £140,000 per annum with 2% associated pay inflation in future years.**

Considerations/Reasons for budget related decisions:

- (1) Report number CHFR88 by the Corporate Head, Finance & Resources which contained detailed budget proposals on:
 - Revenue and Capital Expenditure together with the potential use of reserves
 - Proposals regarding the setting of the Council Tax
 - The Treasury Management Strategy for the Council
 - The level of fees and charges,
 - and provided advice to Councillors on the robustness of the Budget proposals and adequacy of balances and reserves as required by the Local Government Act 2003;
- (2) The budget proposals had been prepared on the basis of principle 4 of the Council's medium term financial strategy "to maintain a sustainable revenue budget";
- (3) The budget has continued to redirect resources to priority areas and has provided for new statutory functions, in particular the introduction of the national bus concessionary fares scheme;
- (4) The proposals have regard to accounting requirements and external factors affecting the budget together with uncontrollable inflationary factors. Service Managers were asked to find 4.5% efficiencies on their controllable costs to enable the Council to meet the governments overall efficiency target of 3%;
- (5) Noting the 2008/09 bids for growth and service investment identified within the Priority Plans attached at appendix D to the report;
- (6) In relation to special expense areas, the budget has been prepared on

the basis of full recovery of costs;

(7) The balanced budget has been achieved at a time when current and future resources are tight. The Council faces further budgetary pressures from pay, pensions and the government's efficiency agenda;

(8) Subject to the delivery of the projected capital programme in the current financial year, the Council is planning to fully utilize its capital reserves. This will mean that overall the total general fund and HRA reserves are projected to reduce by 54.5% over the three year period of the Local Government Settlement. This will not be repeatable in future years and will also have an impact on the Council's interest earning capacity in the future;

(9) The outcome of the Local Government Settlement provided for just a 1.9%, 1.5% and 1.2% increase in Formula Grant for each of the three years of the settlement respectively and will need to be reflected in a revision of the medium term financial strategy to enable the continued application and redirection of resources as required to provide a sustainable budget;

(10) Noting the comments of the Resources PDG and acknowledgement of work undertaken by the PDG on fees and charges;

(11) The speech commending the budget proposals by the Resources & Assets Portfolio Holder.

Considerations/Reasons for additional decisions:

- (1) The Audit Commission has been told by the Government to reduce its costs by 30%; the Government has advised local government that the number and depth of inspections will be reduced but district councils are now facing significant increased charges for inspection activity;
- (2) The Cabinet has yet to see a business case for the proposed dedicated development control team to deal with major applications. In view of the additional funds sought, the Cabinet wish to examine the business case before approval is given.

CO69. ICT STRATEGY 2008-12

DECISION:

- (1) To approve in principle the ICT Strategy for 2008-2012 as circulated with report number POI 10 subject to the Access and Engagement portfolio holder being satisfied with the Equality Impact Assessment when prepared;**
- (2) That delegated authority be granted to the Strategic Director, in consultation with the Access & Engagement portfolio holder, to make any minor amendments to the strategy considered necessary, including the outcome of the equalities impact assessment, the population of the performance indicator data (to reflect individual service business needs), completion of timelines for actions, and**

testing of technical and price specification against the Lincolnshire shared procurement service.

Considerations/Reasons for decision:

- (1) Report number POI 10 submitted by the Portfolio Holder for Access & Engagement and the appended draft strategy drawn up following a review to ensure that it was fit for purpose to deliver the identified needs and objectives of the authority;
- (2) The financial implications arising from the strategy have been incorporated into the proposed budgets for both capital and revenue for the next three financial years;
- (3) The strategy is approved in principle as it has yet to be subject to an equality impact assessment. Final approval is the subject of delegated authority to the Strategic Director in consultation with the portfolio holder;
- (4) Noting that specific performance management data is yet to be populated and that these targets should be based on a range to reflect the different services' individual ICT business needs.

Other options considered and assessed:

The importance of the ICT services for the Council implies that the production and implementation of the strategy is a key component in the delivery of brilliant services to the public, therefore it is considered that there is no option to produce a strategy for adoption by the Cabinet as a local choice function.

CO70. TENANT AND RESIDENT INVOLVEMENT STRATEGY AND COMPACT AGREEMENT

DECISION:

- (1) That approval be given in principle to the adoption of the Tenant and Resident Involvement Strategy and Compact Agreement as circulated with report number TSE0028, subject to the Housing portfolio holder's satisfaction with the completed equality impact assessment;**
- (2) Delegated authority be granted to the Director of Tenancy Services in consultation with the portfolio holder to approve the final strategy and compact agreement which is to include a clear explanation of how the Compact Chest annual budget will be managed and spent.**

Considerations/Reasons for decision:

- (1) The area of tenant participation has now evolved into resident involvement involving whole communities. There is currently no tenant and resident involvement strategy to help the authority deliver this change in focus and the existing Compact

- Agreement required updating to reflect the change in focus;
- (2) Best practice in this service obtained from other Beacon authorities and guidance issued by the Department of Communities and Local Government;
 - (3) Noting consultation undertaken on the draft document by the tenant groups and representatives of all neighbourhood groups
 - (4) Noting that the Resources PDG is supportive of the initiatives contained within the document and that feedback will be given to the PDG and the Housing Consultative Group on progress;
 - (5) The strategy needs to make clear and explicit how the management of the Compact Chest annual budget will be undertaken.

Other options considered and assessed:

When developing this Strategy and Compact Agreement all examples of best practice have been considered and included as appropriate.

The Housing Consultative Group considered the Strategy using the Value for Money framework assessment. The document was scored as follows -

- Developing the strategy scores an 'A'* for effectiveness. This is because having an effective strategy is essential to the delivery of effective tenant and resident involvement.
- The score for efficiency is 'C'* as having an up-to-date strategy is in line with good practice.
- The score for economy is 'E'* as the strategy has not yet impacted on service economy and we have not yet carried out any work to assess the impact on our costs.

*Definition of scores:

A = the activity is essential to the delivery of an outcome from the corporate plan.

C = the approach will ensure that the organization will be externally assessed as being in line with good practice in this area of work.

E = this approach has no impact on the service economy, or no work has been done to assess its impact.

CO71. NEW LOOK PENSIONS SCHEME POLICY STATEMENT

DECISION:

- (1) **To recommend to Council the adoption of the policy statement detailed in appendix 1 to report HR&OD95 (as amended);**
- (2) **To recommend to Council the adoption of the discretions detailed in section 3 of the policy statement and the requirement that they be formally notified to the pension scheme administrators;**
- (3) **To note that the policy statement is subject to the outcomes of the consultation with the unions;**
- (4) **To note that the policy statement may be subject to further changes arising from guidance issued by the Department for Communities & Local Government and the Local Government Employers.**

Considerations/reasons for decision:

- (1) Details of changes to the local government pension scheme resulting from primary legislation passed in April 2007 as outlined in report HR&OD95. The new legislation changes the basis of the scheme as well as its practical operation;
- (2) Noting the amendments to the original report as circulated with the agenda as outlined at the meeting by the Corporate Governance & Housing portfolio holder (specifically at paras 3.1 of the covering report; paras 2.6, 3.4, 3.5, 5.6, and, 5.12 of the Statement of Pensions Policy at appendix 1);
- (3) The SKDC Statement of Pensions Policy "New Look scheme 2008 will be effective from 1st April 2008; to enable the effective introduction of the scheme, the Council is required to restate its discretions alongside the scheme changes;
- (4) Definitive guidance is still awaited on some of the details of the scheme and legislation may result in further amendments to the scheme. The Cabinet notes that, in this event, a further report will be presented to a future meeting;
- (5) Noting advice given at the meeting by the Section 151 officer regarding the minimum employee contribution of 6.3% and the need to formalize the previous arrangements for the early release of pension to include particular safeguards when individual cases are assessed.

CO72. DRAFT CODE OF CORPORATE GOVERNANCE

DECISION: To approve the draft Code of Corporate Governance as appended to report CEX386 for consultation purposes.

Considerations/Reasons for decision:

- (1) Report number CEX386 by the Chief Executive explaining that the Council's statement of internal control required the preparation of a Code of Corporate Governance. This code is also a requirement under the Accounts and Audit Regulations

- 2006;
- (2) The draft document had been prepared on the basis of the CIPFA/SOLACE framework which sets out the six principles of corporate governance. These principles had been reflected within the draft code as presented but the specific commitments under each principle had been adapted to reflect the circumstances of this Council;
 - (3) Noting the comments of the Monitoring Officer and Section 151 officer who had both been consulted on the process of producing the action plan and code.

CO73. ITEMS RAISED BY CABINET MEMBERS INCLUDING REPORTS ON KEY AND NON KEY DECISIONS TAKEN UNDER DELEGATED POWERS.

Councillor Mrs Frances Cartwright

Non key decision: street naming

DECISION:

That approval is granted for the following name in order to provide postal addresses for the new residential development at:-

THE BLADES – development to the rear of 1-3 Market Place, Market Deeping.

[11.02.08]

DATES DECISIONS EFFECTIVE:

Minute numbers 68 and 71 are policy framework proposals and stand referred to the next meeting of the Council on 3rd March 2008. All other decisions made on 11 February 2008 can be implemented on 20 February 2008 unless subject to call-in by the Chairman of the Scrutiny Committee or five members of the Council.

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