

BUDGET 2005/2006
SECTION B - STATEMENT BY
CHIEF FINANCIAL OFFICER

ROBUSTNESS AND ADEQUACY OF
BUDGET AND RESERVES

The purpose of this statement is to comply with the Local Government Act 2003. In presenting the budget to the Council the Executive must take account of the advice of the Director of Finance and Strategic Resources in relation to the robustness and adequacy of the budget and reserves.

For 2005/06 I can advise the Council that the budget presented to the Council is robust in its formulation and the level of reserves adequate for the organisation.

Risks to the Budget

In formulating my opinion the following risks and factors have been taken into account.

- (i) The Government will cap the level of increase for Local Authorities. The Government does have reserve capping powers and has indicated it will use them to reduce Council Tax bills in some areas. No criteria has been issued, but letters received from the Local Government Minister have been strongly worded.

South Kesteven is a low taxing Council being in the bottom 30 in the country. The proposed increase is 5% at Band D per annum in line with the Government target. Given no Government guidelines have been received for capping, any resultant capping could be found from balances. In considering my assessment I have taken account of the various consultation meetings and surveys that indicate the proposed increase is acceptable. The cost of rebilling if capping did occur would be £50,000

- (ii) The estimates assume that the Pest Control Service will be self financing. Given the charges likely to be charged, careful budget monitoring will be put in place, to take corrective action if required.
- (iii) The level of Supporting People Grant received in respect of the Warden Service in the Housing Revenue Account is under discussion with the Supporting People Team. If the required level of grant is not received corrective action may be required.

I have not received any other requests to assess alternative budget proposals and therefore any proposals have not been considered for adequacy and robustness.

J Blair
Director of Finance and Strategic Resources

