

Report of:	Head of Finance and Council Solicitor
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Portfolio Leader:	Leader of Council
Key Decision:	No
Report Track:	Council: 11/02/15

COUNCIL
11 FEBRUARY, 2015
2015-16 TO 2017-18 BUDGET PROCESS - PROCEDURAL RULES

1 Purpose of Report

- 1.1 To confirm to Members the Timetable and Procedural Issues for determining the Budget and overall levels of Council Tax for 2015-16.

2 Recommendations

- 2.1 That Council notes the timetable for the setting of the budget for 2015-16.
- 2.2 That the overall level of Council Tax will be set at Council's meeting on the 25 February, 2015 following determination of Cannock Chase's Council Tax requirement in accordance with the procedural rules (attached at Appendix A).

3 Key Issues and Reasons for Recommendation

- 3.1 In setting a budget for any year the Council must comply with the Budget and Council Tax setting requirements as reflected in the Local Government Finance Act, 1992 as amended by the Localism Act, 2011.
- 3.2 In accordance with regulations the Council is required to:
- a) Calculate its Council Tax Requirement (Section 31A) – Replacing budget requirement (Section 32) and determination of the District Council element of Council Tax (Section 33).
 - b) Set the overall level of Council Tax inclusive of Staffordshire County Council; Police and Crime Commissioner Staffordshire; Stoke on Trent & Staffordshire Fire, Police, and other precepts (Section 30).

- 3.3 The overall level of Council Tax must be set before 11 March each year; however, the overall level of Council Tax cannot be set before 1 March, 2015 unless all precepting authorities have issued their precepts, and the required calculations in accordance with the Local Government Finance Act, 1992 have been determined.
- 3.4 The budget timetable reflects these arrangements and also provides sufficient time between Budget Council Meetings to enable both Cabinet and Council time to undertake their duties if a budget was referred back to Cabinet and to enable the necessary calculations to be undertaken following receipt of Precepts.
- 3.5 The 2014-15 Calendar of meetings timetable being as follows:
- Council (Budget) 11 February, 2015
 - Cabinet (Provisional) 18 February, 2015
 - Council 25 February, 2015
- 3.6 Appendix A details the procedure notes for Council in relation to approving Cannock Chase Council's Budget or Council Tax Requirement.

4 Relationship to Corporate Priorities

- 4.1 Not applicable.

5 Report Detail

- 5.1 In setting a budget for any year the Council must comply with the Budget and Council Tax setting requirements as reflected in the Local Government Finance Act 1992 as amended by the Localism Act 2011.
- 5.2 The Localism Act 2011 has made significant changes to the 1992 Act with the main impact for setting a Council Tax being that a billing authority (Cannock Chase Council) is required to calculate a Council tax Requirement rather than a Budget Requirement.
- 5.3 This primarily affects the Council Tax Resolution to be made by Council and is a technical rather than procedural issue.
- 5.4 In accordance with regulations the Council is required to:
- a) Calculate its Council Tax Requirement (Section 31A) – Replacing budget requirement (Section 32) and determination of the District Council element of Council Tax (Section 33)
 - b) Set the overall level of Council Tax inclusive of Staffordshire County Council; Staffordshire Police; Stoke on Trent & Staffordshire Fire, Police, and other precepts (Section 30)

- 5.5 The determination of the Council Tax Requirement (Requirement a) is a function of all authorities however Requirement b) is purely a function of this Council as a billing authority
- 5.6 The overall level of Council Tax must be set before the 11 March each year; however, the overall level of Council Tax cannot be set before 1 March, 2015 unless all precepting authorities have issued their precepts, and the required calculations in accordance with the Local Government Finance Act, 1992 have been determined.
- 5.7 As at the date of writing this report the Office of Police and Crime Commissioner precept and the majority of Parish Precepts have been formally received and the other Major Precepting Authorities are due to determine their precepts as follows:
- Staffordshire County Council 12 February 2015
 - Stoke on Trent and Staffs. Fire and Rescue Service 16 February 2015

6 Implications

6.1 Financial

The Financial Implications have been referred to throughout the report

6.2 Legal

The Legal Implications have been referred to throughout the report

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

None

6.8 Equality & Diversity

None

6.9 Best Value

None

7 Appendices to the Report

Appendix A Budget and Policy Framework Rules

Previous Consideration

Background Papers

Process for Developing the Framework

Pre-Adoption Policy

- 2.1 The Cabinet shall publicise in the Council's Annual Schedule of Meetings a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework, and its arrangements for consultation after publication of those initial proposals. The Scrutiny Committee and Shadow Cabinet shall be consulted as part of this process.
- 2.2 At the end of the consultation period, the Cabinet will draw up firm proposals having regard to the responses received. The Managing Director (as Proper Officer) shall summons a Council meeting (called the First Council meeting) to consider the Cabinet proposals within 14 calendar days after the Cabinet have resolved on its proposals.
- 2.3 At least 5 working days prior to the First Council meeting any Political Group and/or any member of the Council shall advise the Proper Officer of any alternatives to the Cabinet proposals which are to be presented at the First Council meeting. Each Political Group/Council Member shall only present one alternative proposal as a request for a referral back to the Cabinet by the Council. Such request shall detail the reasons for the alternative/referral back to Cabinet and must have the effect of providing the Council with a "balanced budget" as determined by the S.151 officer.

The First Council Meeting

- 2.4 In reaching a decision, the Council may:-
 - (a) Adopt the Cabinet's proposals as presented.
 - (b) Consider the previously advised alternative proposals (referred to in 2.3 above) as a request for a referral back of the proposals to the Cabinet for consideration.
 - (c) Following advice from the S.151 Officer, approve and/or determine aspects of the Budget /Policy framework as required to comply with statutory requirements and/or Ministerial/Governmental guidance/requirements. The S.151 officer will advise the Council at the meeting of the minimum decisions and resolutions the Council must make at that meeting.
 - (d) When considering the alternative budgets referred to in 2.4 (b) the Council shall consider each alternative budget presented by the Political Group/Council Members individually. Each alternative proposal shall be moved and if seconded shall be debated. At the conclusion of the debate on that individual motion a vote shall be taken as to whether the Council wishes to refer that alternative proposal to the Cabinet for consideration. This process shall apply to each alternative proposal in turn. No

amendments to the alternative proposals previously advised (in accordance with 2.3) shall be allowed.

- 2.5 Where the Council resolves in accordance with paragraph 2.4(b) to refer alternative proposals back to the Cabinet for re-consideration, the Managing Director shall make the necessary arrangements for the Cabinet to meet as soon as practicably possible and will also summons a Second Council meeting (the Second Council meeting) to consider the Cabinet's response to the matters referred back to it for consideration. The Second Council meeting shall take place within 7 calendar days of the First Council meeting.

The Second Council Meeting

- 2.6 The Managing Director will call a Council meeting (the Second Council meeting) to consider:-

- (a) the Cabinet proposals following the referral back from the First Council meeting;
- (b) adopting (with or without modification) the plan or strategy;
- (c) such decisions required to comply with statutory requirements and/or Ministerial/Governmental guidance/requirements as advised by the S.151 officer.

- 2.7 At the Second Council meeting where there is no consensus on the matters before Council and the S.151 Officer advises that the Council is required to make decisions in accordance with 2.6(c) above, the Council shall continue to meet until such matters (as specified by the S.151 Officer) are determined. Council Procedure Rules shall apply to this meeting. The Council shall only consider the Cabinet's Budget and those alternative proposals presented to the Council for consideration at the First Council meeting.

(Note: An example of a requirement to pass a resolution in law as advised by the S.151 Officer may include the setting of a lawful budget by a certain date, or the determination of the Council Tax.)

- 2.8 In approving the budget and policy framework, the Council will also specify if it wishes to limit the extent of variation within the budget in any way other than that specified in financial regulations, and the degree of in-year changes to the policy framework which may be undertaken by the cabinet, in accordance with section 4 of these Rules (in-year adjustments). Any other changes to the policy and budgetary framework are reserved to the Council.