

CANNOCK CHASE COUNCIL

COUNCIL

21 JANUARY, 2008

REPORT OF THE CONSTITUTION WORKING GROUP  
CHANGES TO THE BUDGET AND POLICY FRAMEWORK

**1. Purpose of Report**

- 1.1 This report outlines the second piece of work undertaken by the Constitution Working Group in examining changes to the Council's Policy and Budgetary Framework. The Constitution Working Group's changes are marked as track changes to the Constitution at Annex 1. The Constitution Working Group has considered the current version of the Council's Policy and Budgetary Framework. It has been clear from previous practice that greater clarity is required to both facilitate the voice of alternative groups / councillors at the budget meeting whilst still ensuring the Council discharges its statutory obligations in setting a lawful budget within required timescales.
- 1.2 The changes proposed by the Working Group endeavour to elongate the budgetary consultation process by allowing more time between the Cabinet, announcement of it, Budget proposals and the Council meeting. The changes proposed also require any alternative budgets to be limited to one per political group/Councillor. The alternative budgets that are to be presented by those groups / members are to be shared with the Cabinet prior to the Council meeting. It is considered that prior warning of suggested amendments can assist both officers and the Cabinet to consider the alternatives prior to the Council meeting as opposed to having to adjourn the Council meeting to take further advice.
- 1.3 For illustrative purposes, the suggested timetable for the budget setting process during the last quarter of 2008-09 is attached as Annex 2. This indicative timetable indicates how practically, the changes to the budget setting process manifest themselves in terms of public and councillor consultation, advanced notification of alternative proposals and the regularity of meetings.
- 1.4 At the first Council meeting where the Cabinet present their Budget for consideration the process of dealing with the pre-notified alternative proposals are explained in 2.4 (d) of Annex 1. In essence, each proposed alternative from the political groups/Councillors will be considered in turn. Only one alternative proposal may be presented by any Group or individual member and no amendments are permitted.
- 1.5 If at the First Council meeting, alternative proposals are referred back to Cabinet for consideration, then the Second Council meeting will be called. The Second Council meeting shall continue to meet to set the budget (as advised by the S.151 Officer) but the determination

on the budget shall be restricted to the Cabinet proposals and any alternative proposals that were presented at the First Council meeting.

2. **Recommendation(s)**

Council is recommended to adopt the changes to the Constitution as specified in Annex 1.

3. **Conclusions and Reason(s) for the Recommendation(s)**

Council is recommended to adopt the changes specified at Annex 1, as the process given more clarity to all members who wish to engage in the Budget process. It is likely that the process will need to be reviewed in future years.

**REPORT INDEX**

<b>Background</b>	<b>Section 1</b>
<p>This report is the final piece of work to be undertaken by the Working Group on reviewing the Constitution.</p>	
<b>Details of Matters to be Considered</b>	<b>Section 2</b>
<p>The matter for consideration are specified in the report.</p>	
<b>Contribution to CHASE</b>	<b>Section 3</b>
<p>A more transparent and engaging Budget setting process should support all the CHASE objectives as public accountability and corporate commitments are more openly debated.</p>	
<b>Financial Implications</b>	<b>Section 4</b>
<p>None arising directly from these changes.</p>	
<b>Human Resource Implications</b>	<b>Section 5</b>
<p>None arising directly from this report.</p>	
<b>Legal Implications</b>	<b>Section 6</b>
<p>None arising directly from this report.</p>	
<b>Section 17 (Crime Prevention)</b>	<b>Section 7</b>
<p>None arising directly from this report.</p>	
<b>Human Rights Act Implications</b>	<b>Section 8</b>
<p>None arising directly from this report.</p>	
<b>Data Protection Act Implications</b>	<b>Section 9</b>
<p>None arising directly from this report.</p>	
<b>Risk Management Implications</b>	<b>Section 10</b>

None arising directly from this report.

**Equality and Diversity Implications**

**Section 11**

None arising directly from this report.

**Section 12**

**Other Options Considered**

The Working Group debated at length the merits of changes to the processes. These options have been consolidated into a consensus approach to the draft annexed to this report.

**List of Background Papers**

**Section 13**

The Constitution

**Annexes to the Report**

Proposed changes to the Policy and Budgetary Framework.

Annex 1

Indicative meetings and process timetable.

Annex 2

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**DRAFT TIMETABLE FOR BUDGET PROCESS**  
**(in anticipation of changes in the process being agreed)**

14/1	Public Budget Consultations	6pm
26/1	Delivering Change Panel	4pm
29/1	Delivering Change Panel	4pm
5/2	Cabinet/DMT	4pm
9/2	Shadow Cabinet	2pm
12/2	Cabinet	4pm
16/2	Shadow Cabinet	4pm
18/2	Deadline for alternative Budget	
25/2	Council	
26/2	Cabinet	4pm
4/3	Council	

# *PART 4*

## *SECTION 41*

# *BUDGET AND POLICY FRAMEWORK PROCEDURE RULES*

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*Draft 4 – January 2009*

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# *The Framework for Cabinet Decisions*

- 1.1 The Council will be responsible for the adoption of its budget and policy. Once a budget or a policy framework is in place, it will be the responsibility of the cabinet to implement it.

# 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 Chief Executive (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 Chief Executive 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

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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.

a 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 Proper Officer 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 Chief Executive 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 virement 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.

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<#>Where there is a resolution objecting to the cabinet's proposals, before the Council¶  
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# *Decisions Outside the Budget or Policy Framework*

- 3.1 Subject to the provisions of financial regulations, the cabinet and any officers discharging cabinet functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by full Council, then that decision may only be taken by the Council, subject to section 4 below.
- 3.2 The cabinet or an officer may take a decision which is contrary to the Council's policy framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
- a if it is not practical to convene a quorate meeting of the full Council; and
  - b if the chairman or, in ~~the chairman's~~ absence, the vice-chairman of the scrutiny committee agrees that the decision is a matter of urgency.

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The reasons why it is not practical to convene a quorate meeting of full Council and the chair of the scrutiny committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision.

- 3.3 Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

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# *In-year Changes to Policy Framework*

- 4.1 The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the cabinet and officers must be in line with it. No changes to the policy framework may be made by those bodies or individuals except those changes:
- a which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint only (as apposed to a Policy change);
  - b necessary to ensure compliance with the law, ministerial direction or government guidance;
  - c in relation to the policy framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration.

# Call-in of Decisions Outside the Budget or Policy Framework

5.1 Where scrutiny committee is of the opinion that ~~a~~ cabinet decision would be contrary to the policy framework, or contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the monitoring officer and/or section 151 officer as appropriate.

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5.2 If the advice from the monitoring officer and/or section 151 officer is that the decision would be contrary to the policy framework or contrary to or not wholly in accordance with the budget, the scrutiny committee may refer the matter to Council in accordance with the council's call-in procedure. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within 10 working days of the call in request. At the meeting it will receive a report of the decision or proposals and the advice of the monitoring officer and/or the section 151 officer. The Council may either:

a endorse the proposal of the cabinet as falling within the existing budget and policy framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all councillors in the normal way;

*Or*

b amend the council's financial regulations or policy concerned to encompass the decision or proposal of the body or individual responsible for that cabinet function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all councillors in the normal way;

*Or*

c where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to or not wholly in accordance with the budget, and does not amend the existing framework to accommodate it, require the cabinet to reconsider the matter in accordance with the advice of either the monitoring officer and/or section 151 officer.

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In reaching a decision, the Council may adopt the cabinet's proposals. If the Council makes a resolution objecting to the cabinet's proposals, it must take the action set out in paragraphs 2.5 to 2.12 below. If there are no objections the Council may immediately adopt the proposals, subject to any statutory restrictions. The decision, even if it is to object, will be publicised in accordance with Article 4 and a copy given to the Leader.

Where there is a resolution objecting to the cabinet's proposals, before the Council

amends the cabinet's proposals;

approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any cabinet proposals (whether or not in the form of a draft) of which any part is required to be so submitted; or

adopts (with or without modification) the proposals

it must inform the Leader of any objections which it has to the cabinet proposals and must give the Leader instructions requiring the Cabinet to reconsider, in the light of those objections, the cabinet proposals submitted to it.

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it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Cabinet within which the Leader may –

submit a revision of the cabinet proposals as amended by the Cabinet (the "revised cabinet proposals"), with the Cabinet's reasons for any amendments made to the cabinet proposals, to the Council for the Council's consideration; or

inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.

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convene after the period specified by the Council, referred to in paragraph 2.6, has expired to consider -

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amending the cabinet proposals or, if there is one, the revised cabinet proposals

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approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted; or

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and in those considerations shall take into account any amendments made to the original cabinet proposals that are included in any revised cabinet proposals, the Cabinet's reasons for those amendments, any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.

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Subject to paragraph 2.12 below, where, before 8<sup>th</sup> February in any financial year, the Cabinet submits to the Council for its consideration in relation to the following financial year:

estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992;

estimates of other amounts to be used for the purposes of such a calculation;

estimates of such a calculation; or

amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,

and following consideration of those estimates or amounts the Council has any objections to them, it must take the action set out in paragraph 2.9.

Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 2.8a, or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Cabinet's estimates or amounts and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

Where the Council gives instructions in accordance with paragraph 2.9, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Cabinet within which the Leader may –

submit a revision of the estimates or amounts as amended by the Cabinet ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Cabinet's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or

