

<b>Joint Report of:</b>	<b>Head of Finance and Council Solicitor</b>
<b>Contact Officers:</b>	<b>Bob Kean Alistair Welch</b>
<b>Telephone Nos:</b>	<b>01543 464334 01785 619204</b>
<b>Portfolio Leader:</b>	<b>Leader of Council</b>
<b>Key Decision:</b>	<b>No</b>
<b>Report Track:</b>	<b>Council: 20/02/19</b>

**COUNCIL**  
**20 FEBRUARY, 2019**  
**2019 - 20 TO 2021 - 22 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 2019-20.

**2 Recommendations**

That:

- 2.1 Council notes the timetable for the setting of the budget for 2019-20.
- 2.2 The overall level of Council Tax will be set at Council's meeting on 6 March, 2019, following determination of Cannock Chase's Council Tax requirement in accordance with the procedural rules (attached at Appendix 1).

**3 Key Issues and Reasons for Recommendation**

Key Issues

- 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; the Staffordshire Commissioner for Police, Fire & Rescue and Crime; and other precepts (Section 30).

#### Reasons for Recommendations

- 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, 2019 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 2018-19 Calendar of meetings timetable being as follows:
- Council (Budget) 20 February, 2019
  - Cabinet (Provisional) 27 February, 2019
  - Council 6 March, 2019
- 3.6 Appendix 1 details the procedure notes for Council in relation to approving Cannock Chase Council's Budget and 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 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 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; the Staffordshire Commissioner for Police, Fire & Rescue and Crime; 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, 2019 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 majority of Parish Precepts have been formally received and the Major Precepting Authorities are due to determine their precepts as follows:
- Staffordshire County Council: 14 February, 2019

A separate approval process exists in relation to the Office of the Staffordshire Commissioner for Police, Fire & Rescue and Crime; however, it is expected this will be received in advance of the Council Tax Budget Setting Meeting of the 6 March, 2019.

## **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 1: Budget and Policy Framework Procedure Rules (Part 4, Section 29, of the Council's Constitution)

**Previous Consideration**

None.

**Background Papers**

None.

## **Constitution Part 4, Section 29 – Budget and Policy Framework Procedure Rules**

### **PROCESS FOR DEVELOPING THE FRAMEWORK**

- 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 Executive to implement it.

#### 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 Customers & Corporate Scrutiny Committee and the 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 10 working 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 Managing Director 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 requests 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. Any alternative proposals submitted will be circulated to all Councillors 4 working days before the First Council meeting.

#### 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 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 10 working 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 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.

**Decisions Outside the Budget or Policy Framework**

- 3.1 Subject to the provisions of financial regulations, the Executive and any officers discharging executive 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 sections 3.2 – 3.4 below.

#### Emergency Provisions

- 3.2 The Executive or an Officer may only 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, and:
- (a) it is not practical to convene a quorate meeting of the full Council; and
  - (b) the Chairman or, in the Chairman's absence, the Vice-Chairman of the Scrutiny Committee agrees, in writing, that the decision is a matter of urgency.
- 3.3 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.
- 3.4 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.
- 3.5 Failure to comply with these provisions will render the decision liable to the Call-in procedure ( Part 4 - Section 31)

#### **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 Executive and officers must be in line with it. No changes to the policy framework may be made by the Executive or officers except those changes:
- (a) which will result in the closure or discontinuance of a service or part of service to meet an approved budgetary constraint only (as apposed to a Policy change);
  - (b) which are necessary to ensure compliance with the law, ministerial direction or government guidance;
  - (c) where the existing policy document is silent on the matter under consideration.