

**CANNOCK CHASE COUNCIL**

**COUNCIL**

**15<sup>TH</sup> FEBRUARY 2012**

**JOINT REPORT OF THE HEAD OF FINANCIAL MANAGEMENT AND COUNCIL SOLICITOR**

**2012-13 TO 2014-15 - BUDGET PROCESS – PROCEDURAL ISSUES**

**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 2012-13.

**2. Recommendations**

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| 2.1 That Council notes that the Council will be required to meet on the 29 February to set the overall Council Tax for 2012-13. |
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**3. Summary**

- 3.1 The report details the requirements to set the overall Council Tax for 2012-13 comprising of the District Council Tax requirement and precepts from County, Fire and Police authorities .
- 3.2 The Calendar of Meetings for 2011-12 reflects this with two meetings scheduled for the 15 and 29 February 2012.
- 3.3 In accordance with new arrangements as determined by the Localism Act the Council needs to determine a Council Tax Requirement rather than the traditional Budget Requirement.
- 3.4 Council can, based upon a zero Council Tax increase for 2012-13, determine its requirement in advance of any other relevant reports on the Agenda. Any additional budgetary issues arising from such reports will be subject to further reports.

**4. Key Issues**

- 4.1 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.
- 4.2 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.
- 4.3 This primarily affects the Council Tax Resolution to be made by Council and is a technical rather than procedural issue.

- 4.4 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 as in 2011-12
  - 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)
- 4.5 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
- 4.6 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, 2012 unless all precepting authorities have issued their precepts, and the required calculations in accordance with the Local Government Finance Act, 1992 have been determined.
- 4.7 To date all Parish Precepts have been received and the Major Precepting Authorities are due to determine their precepts as follows:
- |   |                  |
|---|------------------|
| Staffordshire County Council                                | 9 February 2012  |
| Staffordshire Police Authority                              | 8 February 2012  |
| Stoke and Trent and Staffordshire Fire and Police Authority | 14 February 2012 |
- 4.8 The current budget timetable was amended last year to ensure that sufficient time existed between Budget Council Meetings to enable both Cabinet and Council sufficient 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.
- 4.9 The 2011-12 Calendar of meetings timetable being as follows:
- |                       |                   |
|-----------------------|-------------------|
| Council (Budget)      | 15 February, 2012 |
| Cabinet (Provisional) | 22 February, 2012 |
| Council               | 29 February, 2011 |
- 4.10 Annex A details the procedure notes for Council in relation to approving Cannock Chase Council's Budget or Council Tax Requirement.
- 4.11 Members will note that that a report on a Leadership Team Restructure appears elsewhere on the Agenda. The report at this stage, having taken into account Cabinet's Budget Resolution, does not have any direct implications on the Budget Setting process and hence the Budget can be approved in advance of that report. Should the recommendations of the report be amended by Council and Budget implications arise a further report will be required from the Chief Executive on how such issues should be addressed.

**5. Conclusions and Reasons for Recommendations**

- 5.1 The overall level of Council Tax cannot be set before 1 March, 2012 unless all precepting authorities have issued their precepts, and the required calculations in accordance with the Local Government Finance Act 1992 (as amended) have been determined.
- 5.2 At present Stoke on Trent and Staffordshire Fire Authority are due to meet the day before Council and hence a meeting on the 29 February is required to set the overall Council Tax inclusive of Precepts.

**6. Options**

- 6.1 There are no alternative options available to Council in setting the overall Council Tax for 2012-13.

**7. Report Author Details**

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**SCHEDULE OF ADDITIONAL INFORMATION**

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**Section 1**

**Contribution to Council Priorities**

There are no implications arising from the report

**Section 2**

**Contribution to Promoting Community Engagement**

There are no implications arising from the report

**Section 3**

**Financial Implications**

The financial implications have been referred to throughout the report

**Section 4**

**Legal Implications**

The Legal Implications have been referred to throughout the report

**Section 5**

**Human Resource Implications**

There are no implications arising from the report

**Section 6**

**Section 17 (Crime Prevention)**

There are no implications arising from the report

**Section 7**

**Human Rights Act Implications**

There are no implications arising from the report

**Section 8**

**Data Protection Act Implications**

There are no implications arising from the report

**Section 9**

**Risk Management Implications**

In setting a budget in advance of the 1 March the Council would have been responsible for any difference between its estimated Parish Precepts and the actual precept received by 1 March. However all Parish Precepts have been received

**Section 10**

**Equality and Diversity Implications**

There are no implications arising from the report

**Section 11**

**List of Background Papers**

**Section 12**

**Report History**

Council Meeting	Date

**Annexes to Report**

**Annex A Budget and Policy Framework Rules**

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 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 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.