

North Tyneside Council

Report to Cabinet

Date: 14 May 2012

ITEM 6(h)(i)

Title: **Overview & Scrutiny Response to the 2012/13 Budget and Council Plan Implementation Plan**

Portfolio(s): **Elected Mayor**
Finance

Cabinet Member(s): **Mrs Linda Arkley**
Councillor Mrs J Wallace

Report from **Overview & Scrutiny Committee**

Report Author: **Councillor Bruce Pickard**

Tel: (0191) 643 5313

Wards affected: **All**

PART 1

1.1 Purpose:

The purpose of this report is to set out the views of the Overview & Scrutiny Committee following their Extraordinary Meeting on 9 May 2012. At that meeting Overview & Scrutiny considered the latest legal advice about decision making; and the 2012/13 Budget and Council Plan Implementation Plan.

1.2 Recommendation(s):

It is recommended that Cabinet note the report.

1.3 2012/13 Budget

The overarching feeling of Overview & Scrutiny was that the Council's Budget Setting Process needs to be reviewed.

Following advice provided to the Council on 1 March 2012, the previous legal advice that has been given to the Council's Executive / Non-Executive members since the year 2000 - in relation to the process of setting the Council's budget and the effect of a two thirds majority in support of the Council's alternative proposals - appeared to have been flawed.

The Briefing Note circulated on 1 March 2012 and the number subsequent further Briefings that have been received in relation to the Budget and Council Plan had only compounded Members' concerns regarding the credibility of the legal advice received. In particular the advice Mr James Goudie QC had given to the Committee has in subsequent briefings changed.

The Committee therefore considered the following should take place:

1. That Council should request a report from the Head of Legal, Governance and Commercial Services detailing the options available to the Council to seek clarity on the division of responsibilities between the Council and the Executive in relation to the implementation of budget and Council Plan approved on 1 March 2012.
2. That a chronology be provided to the next Overview & Scrutiny Committee giving information about securing the recent advice of Mr Goudie – concerning the Budget and Council Plan. This should detail who originally asked for the Advice and authority to secure the advice prior to 01 March 2012;
3. That advice be provided in relation to the power of the Cabinet to contract for services the appointment of an interim senior management post as opposed to the Council's power to appoint Chief Officers;
4. That a review be undertaken on the Budget Setting Process.
5. That further clarification is given in respect of the advice provided regarding Ward Community Budgets and particularly the delegation and process to distribute funds to wards.

1.3 Minutes of the Cabinet Meeting of 16 April 2012

It was noted that the minutes of the Cabinet Meeting of 16 April 2012 as submitted to the 9 May Meeting did not reflect the delegation to the Mayor to agree the response to Overview & Scrutiny. It was further noted that there appeared to be an error in the minutes and would be appropriately addressed.

1.4 Council Plan Implementation Plan

The Committee noted the Implementation Plan (as updated at 17 April 2012). The Committee would wait until a Council meeting had an opportunity to consider the legal options available to it in relation to seeking clarification of the responsibilities of the Council and the Executive in respect of the implementation of the Budget and Council Plan before making further comments.

1.5 Contact officers:

The names, titles and contact numbers of the key officer who has contributed to the report and other relevant officers should be set out here in the following format:

Viv Geary, Head of Legal, Governance & Commercial Services, Tel 0191 643 5339

Paul Wheeler, Senior Democratic Services Officer, Tel 0191 643 5318

Neil Tait, Performance & Scrutiny Manager, Tel 0191 643 6461.