

**North Tyneside Council
Report to Cabinet
Date: 4 March 2013**

ITEM 3

**Title: 2013-2015 Financial
Planning and Budget Process:
Consideration of any Objections
to the Cabinet's Proposals**

Portfolios: Elected Mayor Cabinet Member for Finance	Cabinet Members: Mrs Linda Arkley Cllr Judith Wallace
Report from: Finance and Resources Directorate Report Author: Fiona Rooney, (Tel: 643 5724) Strategic Director of Finance and Resources (Chief Finance Officer) Wards affected: All	

1.1 Purpose:

- 1.1.1 This report summarises the next stage in the process for determining the 2013/14 General Fund Revenue Budget, Council Tax Requirement and Council Tax level, the Treasury Management Statement and Annual Investment Strategy for 2013/14 and the 2013-2023 Capital Plan which is required when Council has any objections to the Cabinet's proposals. At the Council meeting held on 27 February 2013, the Council instructed the Elected Mayor to re-consider her proposals. The Elected Mayor is now required to consult Cabinet prior to the next Council meeting that has been scheduled for 5 March 2013.
- 1.1.2 This report forms the basis for that consultation.

1.2 Recommendation(s):

- 1.2.1 Cabinet is recommended to:
- (a) Note the guidance set out in this report (paragraphs 1.5.1 to 1.5.4); and
 - (b) Consider the Objections to the Cabinet's proposals that were agreed by the Council at its meeting on 27 February 2013;

1.3 Forward plan:

- 1.3.1 Twenty eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 9 January 2013.

1.4 Council plan and policy framework:

- 1.4.1 The Budget and Policy Framework Procedure Rules are set out in Part 4.7 of the Authority's Constitution. The Budget is guided by paragraph 4.7.3 covering the process for the preparation, consideration and final approval of the Authority's Council Tax requirement and Council Tax level. The statutory and constitutional requirements for preparing, considering and approving these issues drive the timetable for the Financial Planning and Council Tax setting process of the Council.
- 1.4.2 The development of the Financial Plan and Budget has followed the same timetable as in previous years. The priorities in the Sustainable Community Strategy provide the strategic framework within which budget resources are allocated. Cabinet have also had due regard for the Council Strategic Plan 2012/15 which covers the period for the 2013/14 Financial Plan and Budget.
- 1.4.3 The Financial Planning and Budget process is a fundamental part of the overall governance and assurance framework of the Authority. This in turn provides assurance that is considered as part of preparing the Annual Governance Statement each year.

1.5 Information

Guidance on this Stage in the Process

- 1.5.1 Council, at its meeting on 27 February 2013, further considered the Financial Plan and budget proposals of the Cabinet and has instructed the Elected Mayor to re-consider those proposals.
- 1.5.2 The Elected Mayor must now consult with the Cabinet and may either:
- Revise the Cabinet's proposals to take account of some or all of the objections approved by Council, identifying reasons for such revisions; and / or
 - Determine any disagreement to any objections approved by Council and identify the reasons for such disagreement.
- 1.5.3 This meeting has been called to enable the Elected Mayor to formally consult the Cabinet, as outlined in paragraph 1.5.2 above.
- 1.5.4 The Elected Mayor then submits any revisions / disagreements following consultation with the Cabinet on 4 March 2013, to Council. The Council, at a

meeting to be held on 5 March 2013, will be requested to consider its decision taken on 27 February 2013, in light of the Elected Mayor's response.

Objection Information for Cabinet Consideration

- 1.5.5 Two Notices of Objection were considered at the Council meeting on 27 February 2013, one from the Labour Group and one from the Liberal Democrat Group. Both of the Objections were agreed at the Council meeting on 27 February 2013. These Objections are attached to this report as Appendix 1 (Labour) and Appendix 2 (Liberal Democrat) respectively. In considering these Objections, Cabinet should have due regard to any professional officer advice within this report and available at the Cabinet meeting itself.

1.6 Decision options:

- 1.6.1 Council has instructed the Elected Mayor to re-consider the Cabinet's proposals. The Elected Mayor must consult with the Cabinet and may either:
- Revise the Cabinet's proposals to take account of some or all of the objections approved by Council, identifying reasons for such revisions; and / or
 - Determine any disagreement to any objections approved by Council and identify the reasons for such disagreement.

1.7 Reasons for recommended option:

The reasons for recommendations are mainly legal in nature, as stated in Section 1.5 and 2.2 of this report.

1.8 Appendices:

Appendix 1 – 2013-2015 Financial Planning and Budget Process: Labour Group Notice of Objection

Appendix 2 – 2013-2015 Financial Planning and Budget Process: Liberal Democrat Group Notice of Objection

1.9 Contact officers:

Viv Geary, Head of Legal, Governance and Commercial Services
Tel No 643 5339

Janice Gillespie, Finance Service
Tel No 643 5701

Vicki Dixon, Finance Service
Tel No 643 5723

Geoff Huzzard, Finance Service
Tel No 643 5716

1.10 Background information:

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- (a) [North Tyneside Council's Constitution including the Budget and Policy Framework Procedure Rules.](#)
 - (b) [2013-2015 Financial Planning and Budget Process: 2013/14 Budget Submission to the Authority, Council 7 February 2013.](#)
 - (c) [2013-2015 Financial Planning and Budget Process: Elected Mayor and Cabinet Budget Resolution, Council 21 and 27 February 2013.](#)
 - (d) [2013-2015 Financial Planning and Budget Process: Labour Group Notice of Objection, Council 21 and 27 February 2013](#)
 - (e) [2013-2015 Financial Planning and Budget Process: Liberal Democrat Group Notice of Objection, Council 21 and 27 February 2013.](#)
- [Liberal Democrat Group Notice of Objection-Appendix](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

2.1.1 The Authority must calculate its Council Tax requirement for 2013/14 before 11 March 2013.

2.1.2 All other financial information was contained in the main reports to Council on 7 February 2013 and 21 February 2013, the Labour Group Notice of Objection considered by Council on 21 and 27 February 2013 and the Liberal Democrat Group Notice of Objection considered by Council on 21 and 27 February 2013.

2.2 Legal

2.2.1 The process to be followed for the setting of the budget is set out in the Budget and Policy Framework Procedure Rules in the Authority's Constitution. The rules are based upon statutory requirements and government guidance.

2.3 Community engagement

2.3.1 In accordance with the Budget and Policy Framework Procedure Rules contained in the Authority's Constitution, all Cabinet Members will be consulted in relation to the Authority's objections to the Cabinet's proposals.

2.4 Human rights

2.4.1 Any human rights issues were included in the main reports to Council on 7 February 2013 and 21 February 2013.

2.5 Equalities and diversity

2.5.1 Any equality and diversity issues were included in the main reports to Council on 7 February 2013 and 21 February 2013.

2.6 Risk management

2.6.1 Any risk management issues were included in the main reports to Council on 7 February 2013 and 21 February 2013.

2.7 Crime and disorder

2.7.1 Any crime and disorder issues were included in the main reports to Council on 7 February 2013 and 21 February 2013.

2.8 Environment and sustainability

2.8.1 Any environmental and sustainability issues were included in the main reports to Council on 7 February 2013 and 21 February 2013.

PART 3 - SIGN OFF

- Strategic Director(s) X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager,
Policy and Partnerships X