

# North Tyneside Council Report to Council Date: 5 March 2013

## ITEM 3

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

Portfolio(s): Elected Mayor  
Finance

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

Report from Directorate: Chief Executive's Office

Report Author: Ms V Geary, Head of Law and Governance (Tel: 643 5339)  
Mr D Brown, Law and Governance (Tel: 634 5358)

Wards affected: All

### PART 1

#### 1.1 Purpose:

This is a holding report summarising the next stage in the process for determining the 2013/14 General Fund Revenue Budget (including the Dedicated Schools Grant), Council Tax requirement and Council Tax level for 2013/14, the 2013 – 2023 Capital Plan (including prudential indicators for 2013/14 and the proposed Minimum Revenue Provision Policy) and the Treasury Management Statement and Annual Investment Strategy for 2013/14) in the event that the Council agrees any objections to the Cabinet's proposals at its reconvened meeting on 27 February 2013.

#### 1.2 Recommendation(s):

It is recommended that Council:

- (a) Notes the guidance set out in this report; and
- (b) Considers a further report on the outcome of the reconvened Council meeting to be held on 27 February 2013.

#### 1.3 Forward plan:

This report was first included on 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 Council's Constitution. The Budget is guided by Part 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 ultimately 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 Communities 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 Council. This in turn provides assurance that is considered as part of preparing the Annual Governance Statement each year. Feedback through the Annual Governance Statement and the Overview and Scrutiny Committee's report into the 2012-2015 Financial Planning and Budget process has been used to inform this year's process.

## **1.5 Information:**

### **Details**

- 1.5.1 In accordance with the Budget and Policy Framework Procedure Rules contained in the Constitution, the Council, at its reconvened meeting on 27 February 2013, will consider the proposals of the Cabinet and two Notices of objection received to those proposals.
- 1.5.2 In the event that the Council objects and instructs the Mayor to reconsider the Cabinet's proposals, the Mayor must consult with the Cabinet in relation to those objections and she will do so at an Extraordinary Cabinet meeting to be held on 4 March 2013. The Elected Mayor may:
- (a) in whole or in part revise the proposals to take account of any objection and instructions approved by the Council identifying reasons for such revisions; and/or
  - (b) determine any disagreement to any objections and instructions approved by the Council and identify the reasons for such disagreement.
- 1.5.4 The Elected Mayor is required to give notice of any revisions/disagreements and these will be considered at this further Council meeting whereupon a final determination will be made on the Authority's Council Tax requirement and Council Tax level for 2013/14.
- 1.5.5 At this further meeting, where any proposal of the full Council in respect of the Council Tax requirement and associated Council Tax level does not accord with the Cabinet's proposals in that respect (including any revised proposals submitted by the Elected Mayor) then the Cabinet's proposals will prevail unless at the meeting of the Council a two thirds majority of the Members present vote to impose the full Council's own proposals.

## **1.6 Decision options:**

The Council will consider the Elected Mayor's revisions/disagreements and will make a final determination on the 2013/14 General Fund Revenue Budget (including the Dedicated Schools Grant), Council Tax requirement and Council Tax level for 2013/14, the 2013 – 2023 Capital Plan (including prudential indicators for 2013/14 and the proposed Minimum Revenue Provision Policy) and the Treasury Management Statement and Annual Investment Strategy for 2013/14). Where any proposal of the full Council in respect of the Council Tax requirement and associated Council Tax level does not accord with the Cabinet's proposals in that respect (including any revised proposals submitted by the Elected Mayor) then the Cabinet's proposals will prevail unless at the meeting of the Council a two thirds majority of the Members present, vote to impose the Council's own proposals.

## **1.7 Reasons for recommended option:**

To make a final determination in relation to the 2013/14 General Fund Revenue Budget (including the Dedicated Schools Grant), Council Tax requirement and Council Tax level for 2013/14, the 2013 – 2023 Capital Plan (including prudential indicators for 2013/14 and the proposed Minimum Revenue Provision Policy) and the Treasury Management Statement and Annual Investment Strategy for 2013/14) in accordance with the Council's constitution, statutory requirements and CIPFA guidance.

## **1.8 Appendices:**

None.

## **1.9 Contact officers:**

Fiona Rooney, Strategic Director of Finance and Resources (Chief Finance Officer)  
(Tel. 643 5724)  
David Brown, Law and Governance (Tel. 643 5358)

## **1.10 Background information:**

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

North Tyneside Council's Constitution.  
Local Government Act 2000  
Local Government Finance Act 1992  
Localism Act 2011  
CIPFA Prudential Code for Capital Finance in Local Authorities 2011  
CIPFA Treasury Management Code 2011

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

The financial implications will be covered in the main report. The Council must calculate its Council Tax requirement for 2013/14 by 11 March 2013.

### **2.2 Legal**

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

### **2.3 Consultation/community engagement**

In accordance with the Budget and Policy Framework Procedure Rules contained in the Council's Constitution, all Cabinet members will be consulted in relation to any objections to the Cabinet's proposals that are agreed by full Council.

### **2.4 Human rights**

Any human rights issues will be included in the main report.

### **2.5 Equalities and diversity**

Any equalities and diversity issues will be included in the main report.

### **2.6 Risk management**

Any risk management issues will be included in the main report.

### **2.7 Crime and disorder**

Any crime and disorder issues will be included in the main report.

### **2.8 Environment and sustainability**

Any environment and sustainability issues will be included in the main report.

## **PART 3 - SIGN OFF**

- Chief Finance Officer

- Monitoring Officer

- Strategic Manager Policy and Partnerships