

ISLE OF ANGLESEY COUNTY COUNCIL

REPORT TO:	EXECUTIVE AND COUNTY COUNCIL
DATE:	29 NOVEMBER 2019 and 10 DECEMBER 2019
SUBJECT:	COUNCIL CONSTITUTION – BUDGET SETTING PROCESS
PORTFOLIO HOLDER(S):	COUNCILLOR LLINOS MEDI HUWS
HEAD OF SERVICE:	MARC JONES, DIRECTOR OF FUNCTION (RESOURCES)
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LOCAL MEMBERS:	n/a

A - Recommendation/s and reason/s

Due to a number of reasons, most notably the general election on 12 December 2019, the provisional and final Local Government settlement for 2020/21 will be announced much later this year than the normal timetable. The provisional settlement will not be announced until 16 December 2019 with the final settlement not being announced until 25 February 2020.

The delay in announcing the settlement has required Officers to revise the budget setting timetable, whilst trying to comply with the requirements of the Council's Constitution.

The following table outlines the proposed timetable and whether it complies with the Council's Constitution or not.

Budget Process Stage	Proposed Date	Constitution Requirement	Does the Proposal Comply with the Constitution
Pre Budget Statement announced by Executive	Completed 16 September 2019	Para 4.3.2.2.1 – Pre Budget Statement announced by Executive before 30 September.	Yes
Scrutiny Committee to consider Initial Budget Proposals	13 January 2020 (a.m.)	Para 4.3.2.2.4 – Executive shall take account of representations from the Corporate Scrutiny Committee before framing its Initial Budget Proposals.	Yes
Executive to publish Initial Budget Proposals	13 January 2020 (p.m.)	Para 4.3.2.2.5 – Initial Budget Proposals to be published before 15 January.	Yes
Initial Budget proposals to be considered by the Corporate Scrutiny Committee	26 or 27 February 2020 (date to be confirmed)	Para 4.3.2.2.8 – At least 2 weeks before the date on which the annual budget is to be adopted by the Council, the Corporate Scrutiny Committee shall consider the Initial Budget Proposals.	No
Final Budget Proposals to be announced by the Executive	2 March 2020	Para 4.3.2.2.9 – At least one week before the date on which the annual budget is to be adopted by the Council, the Executive, having considered the responses of the Corporate Scrutiny Committee and the outcomes of the consultation undertaken, will publish its Final Budget Proposals.	Yes

Budget Process Stage	Proposed Date	Constitution Requirement	Does the Proposal Comply with the Constitution
Final Budget adopted by Council	10 March 2020	The Local Government Finance Act 1992 states that the amount of Council Tax must be set before 11 March in the financial year preceding that for which it is set.	Yes – complies with the statutory requirement.

The Council will set the annual budget and Council Tax for 2020/21 at its meeting on the 10 March 2020. The date for setting the annual budget and Council Tax is not specified in the Council's Constitution but the Local Government Finance Act 1992 (paragraph 30 (6)) states that the amount of Council Tax must be set before 11 March in the financial year preceding that for which it is set.

From the table above, it can be seen that the proposed timetable complies with the Council's Constitution apart from one item, i.e. that the proposed date for the Corporate Scrutiny Committee to consider the Executive's Initial Budget Proposal is not at least two weeks before the date when the annual budget is set.

To comply with the Council's Constitution, the meeting of the Corporate Scrutiny Committee could take place on or before 24 February 2020, but this is at least one day before the Welsh Government publish the final Local Government settlement and, as a result, the Corporate Scrutiny Committee would be considering the budget without knowing the final financial settlement for the Council. This piece of information will be key to setting the annual budget and it would be difficult for the Scrutiny Committee to undertake meaningful scrutiny of the budget proposals without this information.

Recommendation

The Council is requested to suspend paragraph 4.3.2.2.8 of the Council's Constitution for the 2020/21 budget setting process and to allow the Corporate Scrutiny Committee to consider the Executive's Initial Budget Proposals, less than 2 weeks before the date the annual budget is adopted by the Council on 10 March 2020.

B - What other options did you consider and why did you reject them and/or opt for this option?

To comply with the Constitution as drafted and holding the meeting of the Corporate Scrutiny Committee at least 2 weeks before the date on which the annual budget is set. This option is rejected because the Scrutiny Committee meeting would have to take place before the final local government settlement is announced by the Welsh Government on 25 February 2020. This would undermine the valuable contribution of Scrutiny to the budget setting process.

Holding a meeting within the two weeks prior to the budget being set. This would not be in accordance with the Constitution and thus could lead to a challenge in relation to the annual budget and/or council tax.

C - Why is this a decision for the Executive?

Paragraph 2.15.2.1 of the Constitution details: "Changes to the Constitution will only be approved by the full Council after consideration of the proposal by the Executive." Due to the urgency of this matter, the Leader is asked to exercise her delegated authority to make this recommendation to full Council.

CH - Is this decision consistent with policy approved by the full Council?

Yes

D - Is this decision within the budget approved by the Council?

Not applicable

DD - Who did you consult?		What did they say?
1	Chief Executive / Strategic Leadership Team (SLT) (mandatory)	The matter has been discussed fully with the Chief Executive and the SLT and the proposal has been agreed by them.
2	Finance / Section 151 (mandatory)	Author of the report.
3	Legal / Monitoring Officer (mandatory)	The report has been prepared following the receipt of advice from the Monitoring Officer and the report has been agreed with the Monitoring Officer.
4	Human Resources (HR)	N/A
5	Property	N/A
6	Information Communication Technology (ICT)	N/A
7	Scrutiny	N/A
8	Local Members	N/A
9	Any external bodies / other/s	The full Executive has been consulted with particular involvement by the Finance Portfolio Holder and the Corporate Business Portfolio Holder.
E - Risks and any mitigation (if relevant)		
1	Economic	
2	Anti-poverty	
3	Crime and Disorder	
4	Environmental	
5	Equalities	
6	Outcome Agreements	
7	Other	Setting the Council Tax contrary to the requirements of the Council's own constitution may lead to a challenge that the annual budget and council tax have not been legally set. By approving the recommendation, the risk is nullified.
F - Appendices:		
FF - Background papers (please contact the author of the Report for any further information):		