

# Part 4(c) – Budget and Policy Framework Procedure Rules

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# Part 4(c) – Budget and Policy Framework Procedure Rules

## 1. The Framework for Executive Decisions

1.1 The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Executive to implement it.

- (a) The Executive will publicise at the Council's offices and on its web-site (as an adjunct to the Forward Plan) a Timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the Policy and Budget Framework and its arrangements for consultation after publication of Initial Proposals.

The consultation period on the initial proposals of the Executive shall be not less than 3 weeks and the relevant Scrutiny Committee(s) shall be given the opportunity to consider and comment on these Initial Proposals.

- (b) At the end of the consultation period referred to in (a) the Executive shall consider any responses received from a Scrutiny Committee(s) or any other person or body and take such responses into account in drawing up Firm Proposals for direct submission to the Council. These Firm Proposals will reflect the comments made by consultees and the Executive's response.
- (c) Once the Executive has approved the firm proposals, the Chief Executive and the Monitoring Officer will refer them at the earliest opportunity to the Council for decision.
- (d) In reaching a decision, the Council may adopt the Executive's proposals, amend them, refer them back to the Executive for further consideration, or in principle, substitute its own proposals in their place.
- (e) If it accepts the recommendation of the Executive without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.
- (f) The decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader.

1.2 Where the Executive has submitted a draft plan or strategy to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out in paragraph 1.3 below.

1.3 Before the Council:

- (a) amends the draft plan or strategy;
- (b) approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or
- (c) adopts (with or without modification) the plan or strategy

it must inform the Leader of any objections which it has to the draft plan or strategy and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

**1.4** Where the Council gives instructions in accordance with paragraph 1.3, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions within which the Leader may:

- (a)** submit a revision of the draft plan or strategy as amended by the Cabinet (the “revised draft plan or strategy”), with the Cabinet’s reasons for any amendments made to the draft plan or strategy, to the Council for its consideration; or
- (b)** inform the Council of any disagreement that the Cabinet has with any of the Council’s objections and the Cabinet’s reasons for any such disagreement.

**1.5** When the period specified by the authority, referred to in paragraph 1.4, has expired, the Council must, when:

- (a)** amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
- (b)** approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted; or
- (c)** adopting (with or without modification) the plan or strategy

take into account any amendments made to the draft plan or strategy that are included in any revised draft plan or strategy, the Cabinet’s reasons for those amendments, any disagreement that the Cabinet has with any of the Council’s objections and the Cabinet’s reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.

**1.6** Subject to paragraph 1.10, where, before 8th February in any financial year, the Cabinet submits to the Council for its consideration in relation to the following financial year:

- (a)** estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992;
- (b)** estimates of other amounts to be used for the purposes of such a calculation;
- (c)** estimates of such a calculation; or
- (d)** amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992

and following consideration of these estimates or amounts the Council has any objections to them, it must take the action set out in paragraph 1.7.

**1.7** Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in sub-paragraph (6)(a), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Cabinet’s estimates or amounts and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the authority’s requirements.

**1.8** Where the Council gives instructions in accordance with paragraph 1.7, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Cabinet within which the Leader may:

- (a)** submit a revision of the estimates or amounts as amended by the Cabinet (“revised estimates or amounts”), which have been reconsidered in accordance with the Council’s requirements, with the Cabinet’s reasons for any amendments made to the estimates or amounts, to the Council for the Council’s consideration; or

- (b) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.

**1.9** When the period specified by the Council, referred to in paragraph 1.8, has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in subparagraph (6) (a), or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:

- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
- (b) the Cabinet's reasons for those amendments;
- (c) any disagreement that the Cabinet has with any of the Council's objections; and
- (d) the Cabinet's reasons for that disagreement,

which the Leader submitted to the Council, or informed the Council of, within the period specified.

**1.10** Paragraphs 1.6 – 1.9 shall not apply in relation to:

- (a) calculations or substitute calculations which an authority is required to make in accordance with section 52I, 52J, 52T or 52U of the Local Government Finance Act 1992; and
- (b) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52J or 52U of that Act.

**1.11** (a) In approving the Budget and Policy Framework, the Council will also specify the extent of virement within the Budget and degree of in-year changes to the Policy Framework which may be undertaken by the Cabinet, in accordance with these Rules (virement and in-year adjustments) and the Financial Procedure Rules in **Part 4(f)**. Any other changes to the policy and budgetary framework are reserved to the Council.

- (b) The Executive will in addition to the above provisions consult the scrutiny committees regularly in the process of preparing the draft budget and draft plans and strategies and, where appropriate, stakeholders. In particular, the views of Scrutiny Committees shall be obtained before Cabinet proposals are published. In the case of the Development Plan, the Executive will consult both the Policy & Resources Scrutiny Committee and the Development Control Committee.

## **2. Decisions outside the Budget or Policy Framework**

- (a) Subject to the provisions of paragraph 4 (virement) and paragraph 3 below the Executive and any officers discharging Executive functions may only take decisions which are in line with the Budget and Policy Framework. If any of these bodies or persons wishes to make a decision which is contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget approved by full Council, then that decision may only be taken by the Council, subject to paragraph 3 below.
- (b) If the Executive and any officers discharging Executive functions want to make such a decision, they shall take advice from the Chief Executive and / or Monitoring Officer and / or the Chief Finance Officer as to whether the decision they want to make would be contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget. If the advice of any of those officers is that the decision would not be in line with the existing Budget and / or Policy Framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 3 (urgent decisions outside the Budget and Policy Framework) shall apply.

### **3. Urgent decisions outside the Budget or Policy Framework**

- (a) The Executive discharging Executive functions, may take a decision which is contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the Budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
- (i) if it is not practical to convene a quorate meeting of the full Council;
  - (ii) if the chairman of a relevant scrutiny committee agrees that the decision is a matter of urgency; and
  - (iii) the matter has first been discussed with the Chief Executive and the Chief Finance Officer.

The reasons why it is not practical to convene a quorate meeting of full Council and the chair of the relevant scrutiny committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the chair of a relevant scrutiny committee the consent of the Mayor, and in the absence of both the Deputy Mayor, will be sufficient.

- (b) Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

### **4. Virement**

The Financial Procedure Rules in **Part 4(f)** set out the arrangements for authorising virement between budget heads. Virements of expenditure permitted under the Financial Procedure Rules shall be deemed to be expenditure within the Council's Budget.

### **5. In-year changes to Policy Framework**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Executive or officers discharging Executive functions must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except as set out in paragraphs 2, 3 and 4 above.

### **6. Call-in of decisions outside the Budget or Policy Framework**

- (a) Where a scrutiny committee is of the opinion that an Executive decision is, or if made would be, contrary to the Policy Framework, or contrary to or not wholly in accordance with the Council's Budget, then it shall seek advice from the Monitoring Officer and / or Chief Finance Officer.
- (b) In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and / or Chief Finance Officer's report shall be to the Executive with a copy to every Councillor. Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take in respect of the Monitoring Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Finance Officer conclude that the decision was a departure, and to the scrutiny committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure.

- (c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and / or the Chief Finance Officer is that the decision is or would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, the scrutiny committee may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within 21 days of the request by the scrutiny committee. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and / or the Chief Finance Officer. The Council may either:
- (i) endorse a decision or proposal of the Executive decision taker as falling within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
  - (ii) agree that an exception be made to the Financial Procedure Rules in **Part 4(f)** or policy concerned to encompass the decision or proposal of the body or individual responsible for that Executive function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all Councillors in the normal way; or
  - (iii) require the Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer / Chief Finance Officer where the Council accepts that the decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, and does not amend the existing framework to accommodate it.

**Note:** These Rules incorporate the provisions of the Local Authorities (Standing Orders) (England) Regulations 2001.

## **7. Advice to Group Leaders in Budget Presentation**

During the preparation of the Budget or alternative Budgets leading to the Council's Annual Budget Setting Meeting (ABSM), the Strategic Director (Finance & Resources) (or his staff) will provide Group Leaders (and / or their nominated members) with information which they request – and in particular he will confirm that any proposals would not produce an unbalanced or unsound budget, if he is satisfied that this is the case.

This information will be given in confidence and it will not be copied to any other Group.

Councillors receiving such information shall not share that information outside the Group or outside the Council.