

PART 4C BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The framework for executive decisions

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 Cabinet to implement it.

2. Process for developing the framework

Before starting the process of developing or amending the Council's budget and policy framework, the Leader in consultation with the chair of the relevant scrutiny committee shall prepare a detailed process for the development of the framework (including a timetable) in accordance with the following principles.

Principles

- (a) Development of the policy framework needs to be an inclusive process involving Cabinet and Scrutiny committees.
- (b) Before a plan/strategy/budget needs to be adopted, the Cabinet may publish initial proposals for the budget and policy framework, having first canvassed the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. Details of the Cabinet's consultation process shall be included in the forward plan. Any representations made to the Cabinet shall be taken into account in formulating the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where a scrutiny committee has carried out a review of policy, then the outcome of that review will be reported to the Cabinet and considered in the preparation of initial proposals.
- (c) The Cabinet's initial proposals may be referred to the relevant scrutiny committee for further advice and consideration. The scrutiny committee may canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Cabinet. The scrutiny committee shall report to the Cabinet on the outcome of its deliberations.
- (d) The Cabinet shall also consider whether its initial proposals should be referred to the relevant area committee(s) for further advice and consideration. The area committee(s) may canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Cabinet or a scrutiny committee. The area committee(s) shall report to the Cabinet on the outcome of its deliberations.
- (e) Having considered the report of the scrutiny committee and area committee(s), the Cabinet, if it considers it appropriate, may amend its proposals before they are approved.

- (f) If the plan/strategy is one that does not require approval by full Council, Cabinet may approve it.
- (g) If the plan/strategy is one that requires approval by full Council (or Council has directed that it should be referred to it), Cabinet shall submit them to full Council for consideration. It will also report to Council on how it has taken into account any recommendations from the scrutiny committee or area committee(s)
- (h) The Council will consider the proposals of the Cabinet and may adopt them, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Cabinet's proposals and any report from any relevant scrutiny committee or area committee(s).
- (i) Council and Cabinet will proceed in accordance with the mandatory standing order set out at the end of this Part.
- (j) 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 budget and policy framework which may be undertaken by the Cabinet, in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the budget and policy framework are reserved to the Council.

3. Decisions outside the budget or policy framework

- (a) Subject to the provisions of paragraph 5 (virement) the Cabinet, committee of the Cabinet, individual members of the Cabinet and any officers, area committee(s) or joint arrangements 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 4 below.
- (b) If the Cabinet, committees of the Cabinet, individual members of the Cabinet and any officers, area committee(s) or joint arrangements discharging executive functions want to make such a decision, they shall take advice from the 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 either 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 4 (urgent decisions outside the budget and policy framework) shall apply.
- (c) This paragraph only applies to the policy and budget framework approved by the Council after the adoption of executive arrangements.

4. Urgent decisions outside the budget or policy framework

- (a) The Cabinet, a committee of the Cabinet, an individual member of the Cabinet or officers, area committee(s) or joint arrangements 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; and
- ii) if the chair of a relevant scrutiny committee agrees that the decision is a matter of urgency.

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 chair of the Council, and in the absence of both the vice-chair, 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.

5. Virement

Steps taken by the Cabinet, a committee of the Cabinet, an individual member of the Cabinet or officers, area committee(s) or joint arrangements discharging executive functions to implement Council policy shall not exceed those budgets allocated to particular budget head except as permitted under Financial Regulations or specified by Council when approving the budget.

6. In-year changes to policy framework

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet, an individual member of the Cabinet or officers, area committee(s) or joint arrangements 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 those changes:

- (a) where permitted under Financial Regulations or to the degree specified by Council when approving the budget and policy framework.
- (b) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (c) necessary to ensure compliance with the law, ministerial direction or government guidance;
- (d) in relation to the policy framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration.
- (e) which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change.

7. Call-in of decisions outside the budget or policy framework

- (a) Where either (i) 7 non-executive members (which may include the statutory education representatives if the matter being called in is an

education matter on which they would be entitled to vote), or (ii) the Chair and Vice-Chair of a relevant scrutiny committee and one other non-executive member are 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 they shall make a call-in request with their reasons to the proper officer who will refer it to the Monitoring Officer and/or Chief Financial Officer for their advice.

- (b) In respect of functions which are the responsibility of the Cabinet and subject to (c), the Monitoring Officer's report and/or Chief Financial Officer's report shall be to the Cabinet with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet 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 Financial Officer conclude that the decision was a departure, and to the relevant overview and scrutiny committee if the Monitoring Officer or the Chief Financial 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 Financial 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 Cabinet shall 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. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Financial 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) amend the council's financial regulations 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) 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, require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Financial Officer.

MANDATORY STANDING ORDER RELATING TO THE APPROVAL OF THE BUDGET AND POLICY FRAMEWORK

1. In this Part -

"executive" and "executive leader" have the same meaning as in Part II of the Local Government Act 2000; and

"plan or strategy †" and "working day ‡" have the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001.

2. Where the executive of the authority has submitted a draft plan or strategy to the authority for its consideration and, following consideration of that draft plan or strategy, the authority has any objections to it, the authority must take the action set out in paragraph 3.

3. Before the authority -

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

4. Where the authority gives instructions in accordance with paragraph 3, it must specify a period of at least five working days beginning on the day after the date on which the executive leader receives the instructions on behalf of the executive within which the executive leader may

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(a) submit a revision of the draft plan or strategy as amended by the executive (the "revised draft plan or strategy"), with the executive's reasons for any amendments made to the draft plan or strategy, to the authority for the authority's consideration; or

(b) inform the authority of any disagreement that the executive has with any of the authority's objections and the executive's reasons for any such disagreement.

5. When the period specified by the authority, referred to in paragraph 4, has expired, the authority 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 executive's reasons for those amendments, any disagreement that the executive has with any of the authority's objections and the executive's reasons for that disagreement, which the executive leader submitted to the authority, or informed the authority of, within the period specified.

6. Subject to paragraph 10, where, before 8th February in any financial year, the authority's executive submits to the authority 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 31A, 31B and 34 to 36A or 42A, 42B and 45 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 those estimates or amounts the authority has any objections to them, it must take the action set out in paragraph 7.

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

8. Where the authority gives instructions in accordance with paragraph 7, it must specify a period of at least five working days beginning on the day after the date on which the executive leader receives the instructions on behalf of the executive within which the executive leader may -

- (a) submit a revision of the estimates or amounts as amended by the executive ("revised estimates or amounts"), which have been reconsidered in accordance with the authority's requirements, with the executive's reasons for any amendments made to the estimates or amounts, to the authority for the authority's consideration; or
- (b) inform the authority of any disagreement that the executive has with any of the authority's objections and the executive's reasons for any such disagreement.

9. When the period specified by the authority, referred to in paragraph 8, has expired, the authority must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 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 executive's reasons for those amendments;

- (c) any disagreement that the executive has with any of the authority's objections; and
- (d) the executive's reasons for that disagreement,

which the executive leader submitted to the authority, or informed the authority of, within the period specified.

- † (a) a plan or strategy specified in Article 4.01 of the Council's constitution
- (b) a plan or strategy for the control of the Council's borrowing or capital expenditure
- (c) any other plan or strategy whose adoption or approval the Council has determined that it should deal with

‡ any day which is not a Saturday, a Sunday, Christmas Eve, Christmas Day, Maundy Thursday, Good Friday, a bank holiday in England or a day appointed for public thanksgiving or mourning.