

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

Budget & 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 of this Constitution. Once the budget or policy within the framework is in place, it will be the responsibility of the Cabinet to implement it.
- 1.2 The Cabinet will be responsible for developing, adopting and implementing all other policies.

2. Process for developing the framework

- 2.1 The Cabinet will publicise through the forward plan and other methods, a time table for making proposals to the council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework and its arrangements for consultation after publication of that timetable.
- 2.2 Consultation may include the submission to the council of an early issues paper on any proposed strategy or plan for debate.
- 2.3 The Chairs of the Overview and Scrutiny Management Committee and any relevant panel will also be notified. The consultation period shall in each instance be not less than four weeks, unless the requirements of any statutory or government time table or other deadline make this impracticable.
- 2.4 At the end of that period, the Cabinet will draw up draft proposals having regard to the responses to that consultation. As part of its consideration of the proposals, it is open to the Overview and Scrutiny Management Committee or panel to consult, investigate, research or report in detail with policy recommendations. The Cabinet will take any such response into account in drawing up the firm proposals for submission to the council and its report to the council will reflect the comments made by consultees and the Cabinet's response.
- 2.5 Once the Cabinet has approved the firm proposals, the Chief Executive will refer them to the council for decision.

3. Procedure for conflict resolution - plans and strategies

- 3.1 This procedure applies in relation to those plans and strategies forming the policy framework of the council as set out in Article 4 of this Constitution.
- 3.2 Where the Cabinet 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, before taking any further decision in relation to it, inform the Leader of those objections and must

require the Cabinet to reconsider the draft plan or strategy within no less than 5 working days after the date the Leader receives that information and those instructions.

3.3 Within that period, the Leader may:-

- (a) Submit to the council a revision of the draft plan or strategy as amended by the Cabinet, with the Cabinet's reasons for any amendments; 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.

3.4 When that period has expired, the council must, when making any further decision relating to the relevant 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 has submitted to the council or informed the council of within the period specified.

3.5 Where an amendment to a draft plan or strategy has been submitted under Council Procedure Rule 13(9), 14(8) or 14(14), the Leader may at any time, whether before or after a vote on the amendment has been taken, indicate on behalf of the Cabinet that he/she accepts the amendment. In these circumstances, the amendment will be regarded as incorporated in the draft strategy before Council and not (for the purposes of rules 3.2 to 3.4 above) as an objection to it.

4. Procedure for conflict resolution - revenue budget

4.1 This procedure applies to the estimates and calculations relating to the revenue budget and Council tax specified in paragraph 6 of Part II of Schedule 2 to the Local Authorities (Standing Orders) (England) Regulations 2001 ("a revenue budget").

4.2 Subject to Rule 4.5 where before 8th February in any financial year, the Cabinet submits to the council for its consideration a revenue budget in relation to the following financial year and following consideration of that budget, the council has any objections to it, it must, before taking any further decision on that budget, inform the Leader of those objections and must require the Cabinet to reconsider the revenue budget, within no less than 5 working days after the date the Leader receives that information and those instructions.

4.3 Within that period the Leader may:

- (a) submit to the council a revision of the revenue budget as amended by the Cabinet with the Cabinet's reasons for any amendments; or

- (b) inform the council of any disagreement which the Cabinet has with any of the council's objections and the Cabinet's reasons for any such disagreement
- 4.4 When that period has expired, the council must when making any further decision relating to the revenue budget, take into account any amendments made to it that are included in any revised revenue budget, 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.
- 4.5 Rules 4.2 to 4.4 shall not apply in relation to calculations or substitute calculations which the council is required to make in accordance with Sections 52 (I), 52 (J), 52 (T) or 52 (U) of the Local Government Finance Act 1992 (provisions relating to Council Tax capping).
- 4.6 Where a revenue budget is submitted to the council by the Cabinet on or after 8th February in any financial year, the procedure in paragraphs 4.2 to 4.4 will not apply.
- 4.7 Where an amendment to a revenue budget has been submitted under Council Procedure Rule 18 the Leader may at any time, whether before or after a vote on the amendment has been taken, indicate on behalf of the Cabinet that he/she accepts the amendment. In these circumstances, the amendment will be regarded as incorporated in the revenue budget before Council and not (for the purposes of Rules 4.2 to 4.4 above) as an objection to it.

5. Decisions outside the budget or policy framework

- 5.1 Subject to the provisions of Rules 7 (virement) and 8 (mid-year changes) the Cabinet, committees of the Cabinet, individual members of the Cabinet and any area committees, officers 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 the council, then that decision may only be taken by the council, subject to Rule 6 below.
- 5.2 If such bodies or persons want to make such a decision, they shall take advice from the monitoring officer, and/or the chief financial officer and any other relevant 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 the former 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 6 (urgent decisions outside the budget and policy framework) shall apply.

6. Urgent decisions outside the budget or policy framework

- 6.1 The Cabinet, committees of the Cabinet, individual members of the Cabinet, or officers 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 after taking reasonable steps to seek advice from the monitoring officer and/or the chief financial officer, and:
- (i) if it is not practical to convene a quorate meeting of the full Council; and
 - (ii) if the chair of the Overview and Scrutiny Management Committee or of a relevant scrutiny panel 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 relevant scrutiny chair'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 relevant scrutiny chair, the consent of the Mayor and, in the absence of both, the Deputy Mayor, will be sufficient.

- 6.2 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.

7. Virement

Virement (the transfer of resources from one activity within the budget to another) is permitted in accordance with the provisions of Rule 2 of the Financial Procedure Rules set out in Part 4 of the Constitution. Variation of the capital programme is permitted in accordance with the provisions of Rule 3 of those Rules. Any virement or variation which is not permitted by those Rules must be approved by the council.

8. Mid-year changes to policy framework

- 8.1 The responsibility for agreeing the budget and policy framework lies with the council, and decisions by the Cabinet, individual members of the Cabinet, or officers or joint arrangements discharging executive functions must be in line with it. No changes to any plan or strategy which make up the policy framework or decisions which are not in accordance with it may be made by those bodies or individuals except those changes or decisions:
- (a) which are permitted by the terms of the plan or strategy itself or by a decision of the council at the time of its adoption;
 - (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.

8.2 The Cabinet may also make changes to the detail of any such plan or strategy if the change will have the effect of furthering any one or more target, objective or desired outcome specified in that plan or strategy. The record of such decision must specify the relevant target etc. and say in what way it will have that effect.

8.3 If a decision is taken and implemented which is subsequently determined to be outside the budget or policy framework or permitted decisions, that will not affect the validity of that decision.

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

9.1 The procedures for call-in of such decisions is set out in Rule 19 of the Overview and Scrutiny Procedure Rules.