

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

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Reference:

Local Government Act 2000

The Local Authorities (Functions and Responsibilities) (England) Regulations

Chapter 2, DETR Guidance on New Council Constitutions

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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

The process by which the budget and policy framework shall be developed is:

- (a) The Cabinet will publicise by including in 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 budget and policy framework, and its arrangements for consultation after publication of those draft initial proposals. The chairs of Scrutiny Panels will also be notified. The consultation period shall in each instance be not less than 4 weeks unless the requirements of any statutory or government timetable or deadline make this impracticable.
- (b) If a relevant Scrutiny Panel wishes to respond to the Cabinet in that consultation process then it may do so. As Scrutiny Panels have responsibility for fixing their own work programme, it is open to the Scrutiny Panel to investigate, research or report in detail with policy recommendations before the end of the consultation period. At the end of the consultation period the Cabinet will take any response from a Scrutiny Panel and any other responses to the consultation into account in drawing up draft proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Cabinet's response.
- (c) Once the Cabinet has approved the draft proposals, the Head of Democratic and Partnership Services will refer them at the earliest opportunity 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 moved under the Council Procedure Rules, 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 these 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 Where an amendment to a revenue budget has been submitted under the Council Procedure Rules 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 the Council and not (for the purposes of Rules 4.2 to 4.4 above) as an objection to it.
- 4.6 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).
- 4.7 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.

5. Decisions outside the budget or policy framework

- (a) Subject to the provisions of paragraph 7 (virement) the Cabinet, committees of the Cabinet, any 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 full council, then that decision may only be taken by the Council, subject to 6 below.
- (b) If the Cabinet, committees of the Cabinet, any officers, or joint arrangements discharging executive functions want to make such a

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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, through the Cabinet 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

- (a) The Cabinet, a committee of the Cabinet, 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:
 - (i) if it is not practical to convene a quorate meeting of the full Council; and
 - (ii) if the chair 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 chair of the relevant Scrutiny Panel'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 Panel 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.

7. Virement

The rules on virement are included in the Financial Procedure Rules contained in Part 4 of this Constitution.

8. 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, officers 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) authorised by the Council's Financial Procedure Rules;
- (b) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (c) which are 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;
- (f) where, when approving the policy, the Council gave specific authority to the Cabinet to make in-year changes.

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

- (a) Where a Scrutiny Panel is of the opinion that a Cabinet 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 financial officer.
- (b) In respect of functions which are the responsibility of the Cabinet, 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 finance officer conclude that the decision was a departure, and to the Scrutiny Panel 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

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 Scrutiny Panel 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. If the matter cannot await the next ordinary meeting of the Council, the Council shall meet within 5 working days of the request by the Scrutiny Panel. 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 Cabinet 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.