

## **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. Developing the Budget and Policy Framework**

The process by which the Budget and Policy Framework shall be developed and revised is:

- (a) The Cabinet will publicise 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 initial proposals. The Chair and Vice Chair of the Co-ordinating Committee will also be notified. Consultation will take place in a manner and to the extent that is appropriate in the circumstances.
- (b) In relation to proposals associated with the preparation of or alterations to the Development Plan the Executive will develop draft proposals for the purpose of public consultation in accordance with regulations 10 to 22 of the Town and Country Planning (Development Plans) (England) Regulation 1999. The draft consultation proposals will be submitted to Council for approval or amendment.
- (c) At the end of the consultation period, the Cabinet will draw up firm proposals for plans and the budget having regard to the responses to that consultation. The Cabinet's report to Council will reflect the comments made by consultees and the Cabinet's response.
- (d) Once the Cabinet has approved the firm proposals, the Chief Executive will refer them at the earliest opportunity to the Council for decision.

#### **3. Adoption of plans and strategies**

- (a) Where the process at Paragraph 2 results in the Leader or Cabinet submitting 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 (b).
- (b) Before the Council—
  - (i) amends the draft plan or strategy;

- (ii) 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
- (iii) 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 instructions requiring the Leader or Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

- (c). Where the Council gives instructions in accordance with paragraph (b), 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 or Cabinet may—
  - (i) submit a revision of the draft plan or strategy as amended by the Leader or Cabinet (the “revised draft plan or strategy”), with the Leader or Cabinet’s reasons for any amendments made to the draft plan or strategy, to the Council for the Council’s consideration; or
  - (ii) inform the Council of any disagreement that the Leader or Cabinet has with any of the Council’s objections and the Leader or Cabinet’s reasons for any such disagreement.
- (d) When the period specified by the Council, referred to in paragraph (c), has expired, the Council must, when—
  - (i) amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
  - (ii) 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
  - (iii) 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 Leader or Cabinet’s reasons for those amendments, any disagreement that the Leader or Cabinet has with any of the Council’s objections and the Leader or Cabinet’s reasons for that disagreement, which the Leader or Cabinet submitted to the Council, or informed the Council of, within the period specified.

#### **4. Adoption of the Budget**

- (a) The process at Paragraph 2 will result in Cabinet making recommendations to Council on budget proposals and estimates in relation to the following financial year to a Budget Decision meeting of Council to enable the Council to set a lawful and balanced budget and to set the Council Tax by 11<sup>th</sup> March each year. Every Council has a statutory obligation to agree the Council tax by that date.

- (b) The Budget Decision meeting of Council will only consider:
- (i) the Cabinet's Budget Recommendations/Minutes, which shall include any additional paragraphs/ recommendations (e.g. those relating to precepts), together with any other recommendation(s)/minute(s) from the last relevant Cabinet meeting held before the meeting of Council (and/or any other relevant Cabinet meeting) that require approval by the Council; and
  - (ii) any objections to those Recommendations, Alternative Budget Proposal(s) or Amendment(s) to the Cabinet's Budget Recommendations/Minutes referred to at (i).
- (c) Where the Council, following consideration of those estimates or amounts, has any objections to them, it must take the action set out in paragraph (d). Where those objections take the form of a proposal to move a substantial amendment or amendments which amount to an alternative budget decision to be adopted by the Council, they may only do so provided they give notice in writing of the proposed amendment(s) to the Monitoring Officer no later than **12 noon three working days before the Council meeting** (not including the day of the meeting).
- (d) Before the Council makes a Budget Decision, it must inform the Leader of any objections which it has to the Cabinet's estimates or amounts and must give to the Leader instructions requiring the Leader and Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- (e) Where the Council gives instructions in accordance with paragraph (d), it must specify a period of at least five working days beginning on the day after the date on which the Cabinet leader receives the instructions on behalf of the Cabinet within which the Cabinet leader may—
- (i) 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
  - (ii) 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.
- (f) When the period specified by the Council, referred to in paragraph (e), has expired, the Council must, when making a Budget Decision, take into account—
- (i) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
  - (ii) the Cabinet's reasons for those amendments;

- (iii) any disagreement that the Cabinet has with any of the Council's objections; and
- (iv) the Cabinet's reasons for that disagreement,

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

- (g) Immediately after any vote is taken at a Budget Decision meeting of the Council there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.
- (h) Within these Rules "Budget Decision" means a meeting of the full Council:
  - (i) at which it makes a calculation (whether originally or by way of substitute) in accordance with any of sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government Finance Act 1992;
  - (ii) which includes a meeting where making the calculation or issuing the precept as the case may be was included as an item of business on the agenda for that meeting; and
  - (ii) in respect of which references to a vote are references to a vote on any decision related to the making of the calculation.

## **5. Decisions outside the budget or policy framework**

- (a) Any person or body exercising executive functions must normally act within the budget and policy framework. A decision is outside the budget and policy framework if it is contrary to the policy framework set out in Article 4 of the Constitution or contrary to or not wholly in accordance with the budget as defined in Article 4.
- (b) Urgent decisions outside the budget or policy framework may be made in the circumstances described in paragraph 5 below.
- (c) Virement will be possible to the extent described in the Council's Financial Procedure Rules.
- (d) In any other circumstances if a person or body exercising executive functions wishes to make a decision which is outside the budget or policy framework, then that decision may only be taken by the Council. It is the duty of the person or body who wishes to make the decision to refer it to Council.
- (e) In any case if a person or body wishes to make a decision which appears to be outside the budget or policy framework they shall take advice from the Monitoring Officer and/or the Chief Finance Officer. Those officers shall advise as to whether the proposed decision would in fact 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. The only exception to this is if the decision is a matter of urgency. In that 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**

This procedure covers decisions contrary to the policy framework and contrary to or not wholly in accordance with the budget.

- (a) Any person or body 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 and Vice Chair of a Scrutiny agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council must be noted on the record of the decision. The consent of the Chair and Vice Chair of a Scrutiny Committee whose terms of reference would allow it to scrutinise the proposed decision shall suffice as to the decision being taken as a matter of urgency must also be noted on that record. In the absence of the Chair and Vice Chair of the Scrutiny Committee the consent of the 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 Council's Financial Procedure Rules set out procedures and limitations on virement within budget heads.

## **8. In-year changes to policy framework**

All decisions in relation to executive functions must be in line with the policy framework. Only the Council can change any policy or strategy which is part of the framework except that the Cabinet may make changes:

- (a) to give effect to a ministerial requirement in relation to any plan or strategy submitted to him for approval;
- (b) if so authorised by the Council when approving or adopting the plan or strategy.

- (c) Any decisions subject to the provisions of paragraph 5 above.

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

- (a) Where the Co-ordinating 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 Executive functions, the Monitoring Officer's report and/or Chief Finance 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 Co-ordinating 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 Coordinating 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 14 days of the request by the Co-ordinating 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:
  - (i) endorse a decision or proposal of the Cabinet 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 Procedure Rules or policy concerned to encompass the decision or proposal of the body or individual responsible for that Cabinet 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 or Chief Finance Officer.