

Part 3E

Budget and Policy Framework Procedure Rules

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1. The framework for executive decisions

The Council will be responsible for the adoption of the budget and policy framework. Once a budget or a policy framework is in place, it will be the responsibility of Cabinet to implement it.

2. Process for developing the framework

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

- (a) Cabinet will publicise through the Forward Plan, and other methods, 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 of Scrutiny Committee will also be notified.
- (b) At the end of that period, Cabinet will then draw up firm proposals having regard to the responses to that consultation. If Scrutiny Committee wishes to respond to Cabinet in that consultation process then it may do so. As Scrutiny Committee has responsibility for fixing its own work programme, it is open to Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period.
- (c) Cabinet will take any response from Scrutiny Committee into account in drawing up firm proposals for submission to the Council and its report to the Council will reflect the comments made by consultees and the executive's response.
- (d) Once Cabinet has approved the firm proposals, they shall be referred at the earliest opportunity to the Council for decision.
- (e) Where Cabinet has referred a draft plan or strategy as defined in paragraph 2 of the Local Authorities (Standing Orders) (England) Regulations 2001 ("plan or strategy") to the Council for its consideration and, if following consideration of that draft plan or strategy, the Council has no objections to it, it may make a decision which has immediate effect. Otherwise, if the Council has any objections to it, it must take the action set out in Rule 3 below. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.

3. Where the Council objects to a plan or strategy submitted by Cabinet

- 3.1 This procedure applies in relation to those plans and strategies forming the policy framework of the council as set out in Part 2A of this constitution and to any plan/strategy for the control of the council's borrowing and capital expenditure. Rules 3.2 to 3.5 below have been incorporated into these rules as required by the Local Authorities (Standing Orders) (England) Regulations 2001.
- 3.2 Where 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, it must take the action set out in Rule 3.3.
- 3.3 Subject to 3.6 below, 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 their 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 the Council of any objections which it has to the draft plan or strategy and must give to them instructions requiring Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.
- 3.4 Where the Council gives instructions in accordance with Rule 3.3, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of Cabinet within which the Leader of the Council may:
- (a) submit a revision of the draft plan or strategy as amended by Cabinet (the "revised draft plan or strategy") with Cabinet's reasons for any amendments made to the draft plan or strategy, to the Council for consideration; or
 - (b) inform the Council of any disagreement that Cabinet has with any of the Council's objections and Cabinet's reasons for any such disagreement.
- 3.5 When the period specified by the Council, referred to in Rule 3.4 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 their 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, Cabinet's reasons for those amendments, any disagreement that Cabinet has with any of the Council's objections and Cabinet's reasons for that disagreement, which the Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

- 3.6 Where an amendment to a draft plan or strategy has been submitted, the Leader may indicate on behalf of Cabinet that they accept the amendment. In these circumstances, the amendment will be regarded as incorporated in the draft strategy before the Council and not (for the purposes of Rule 3.2 to 3.5 above) as an objection to it.

4. Where the Council objects to the proposed budget (Council Tax requirement)

- 4.1 This procedure applies to estimates and calculations relating to the revenue budget and Council Tax. Rules 4.2 to 4.5 below have been incorporated into these Standing Orders as required by the Local Authorities (Standing Orders) (England) Regulations 2001. Those paragraphs do not apply to estimates and calculations submitted by Cabinet to the Council where the estimates and calculations were drawn up by Cabinet on or after 8 February in any financial year.
- 4.2 Where, in any financial year, 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 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ 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 Section 40 of the Local Government Finance Act 1992;

and, following consideration of those estimates or amounts, the Council has any objections to them, it must take the action set out in Rule 4.3.

- 4.3 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Rule 4.2.(a) or issues a precept under Section 40 of the Local Government Finance Act 1992, it must inform the Leader of the Council of any objections which it has to Cabinet's estimates or amounts and must give to them instructions requiring the Leader of the Council and Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- 4.4 Where the Council gives instructions in accordance with Rule 4.3, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of Cabinet within which the Leader of the Council may:
- (a) submit a revision of the estimates or amounts as amended by Cabinet ("revised estimates or amounts") which have been reconsidered in accordance with the Council's requirements, with Cabinet's reasons for any amendments made to the estimates or amounts, to the Council for consideration; or
 - (b) inform the Council of any disagreement that Cabinet has with any of the Council's objections and Cabinet's reasons for any such disagreement.
- 4.5 When the period specified by the Council, referred to in paragraph 4.4 has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in Rule 4.2.(a), take into account:
- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
 - (b) Cabinet's reasons for those amendments;
 - (c) any disagreements that Cabinet has with any of the Council's objections; and
 - (d) Cabinet's reasons for that disagreement;
- which the Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

5. Decisions outside the budget or policy framework

Subject to the provisions of Rules 6 to 8, Cabinet, committees of Cabinet, individual members of Cabinet or an officer 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.

If Cabinet, committees of Cabinet, individual members of Cabinet and officers 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 policy framework, then the decision must be referred by that body or person to the Council for decision.

6. Urgent decisions outside the policy framework

Cabinet, a committee of Cabinet, an individual member of Cabinet or an officer may take a decision which is contrary to the council's policy framework if the decision is a matter of urgency. However, the decision may only be taken if:

- (a) It is not practical to convene a quorate meeting of the Council;
- (b) The Chair of Scrutiny Committee (or in their absence the Mayor or, in the absence of both, the Deputy Mayor) agrees that the decision is a matter of urgency; [and
- (c) Either the Chief Executive, the Chief Finance Officer or the Monitoring Officer advise in writing that the legal or financial position of the council or the interests of the council and/or the members of the public would be prejudiced if the matter were not determined before the next scheduled the Council meeting.]

The [advice of the Chief Executive, the Chief Finance Officer or the Monitoring Officer and the] consent of the Chair of Scrutiny Committee (or, if relevant, the Chair or the Deputy Chair of the Council) to the decision being taken as a matter of urgency must be noted on the record of the decision.

Leaders of the party groups, or their deputies shall be informed immediately that this decision has been taken and provided with a summary of the reasons.

Following the decision, the decision taker will provide a full report to the next available the Council meeting explaining the decision, the reasons for it, why it was not practical to convene a quorate meeting of the Council and why the decision was treated as a matter of urgency.

7. Virement and in-year changes to the budget

- 7.1 Cabinet may not determine a matter that is contrary to, or not wholly in accordance with, the authority's budget or the plan or strategy for the time being approved or adopted by the authority in relation to their borrowing or capital expenditure if not authorised by these Rules or by a meeting of the Council.
- 7.2 Steps taken by Cabinet, a committee of Cabinet, an individual member of Cabinet or an officer to implement Council policy shall not exceed those budgets allocated to each budget heading, subject to Rules 7.3 to 7.5 below.
- 7.3 Such bodies or individuals shall be entitled to vire across budget headings as following limits:
 - (a) Sums up to and including **£20,000** (revenue or capital) may be vired upon the approval of the relevant Chief Officer in consultation with the Chief Finance Officer.
 - (b) Sums over **£20,000** and up to and including **£75,000¹** (revenue or capital) may be vired upon the approval of Cabinet on the recommendation of the relevant Chief Officer and advice of the Chief Finance Officer.
 - (c) For sums over (more than) **£75,000²** (revenue or capital) the approval of the Council is required upon recommendation of Cabinet.

Further detail is set out in the Finance Procedure Rules. Should the limits and provisions recorded above conflict in any way with those set out in the Finance Procedure Rules, these rules as set out in the Budget and Policy Framework Procedure Rules shall prevail.

- 7.4 The Chief Executive may exercise any of the powers of Cabinet under 7.2 and 7.3, in consultation with the Leader of the Council, the Portfolio Holder for Finance and Performance and the Chief Finance Officer where the legal or financial position of the Council or the interests of the members of the public would be prejudiced if the matter were not determined before the next scheduled Cabinet meeting. The Chief Executive will report any such decision to the Chair of Scrutiny Committee and the next meeting of Cabinet.

- 7.5 In the event that virement across budget heads or budgets becomes necessary or desirable, it shall be carried out in accordance with the Financial Procedure Rules. Should the provisions of the Financial Procedure Rules and these standing orders conflict in any way, the content of these standing orders shall prevail.

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- 1 *Cabinet may act contrary to the budget only where there is a constitutional provision allowing that. This standing order sets out by how much (or how much and how often) it is Cabinet, rather than an officer or the Council, who is to approve a virement from one budget head to another in-year.*
- 2 *The virement of this sum or more will require the approval of the Council before it can take place. These standing orders establish that, in effect, any change above this sum is acknowledged to be a variation to the budget made for that year and that only Full Council can make that change.*

8. In-year changes to policy framework

The responsibility for agreeing the policy framework lies with the Council, and decisions by Cabinet, a committee of Cabinet an individual member of Cabinet or an officer 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 which are necessary to ensure compliance with the law, ministerial direction or government guidance, or where the existing policy document is silent on the matter under consideration.

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

- 9.1 Where Scrutiny Committee 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 the Chief Finance Officer.
- 9.2 In respect of functions which are the responsibility of Cabinet, the Monitoring Officer's report and/or the Chief Finance Officer's report shall be to Cabinet with a copy to every councillor. Regardless of whether the decision is delegated or not, Cabinet must consider the report of the relevant officer and decide what action to take in respect of the report. Where the advice concluded that there was a departure from the Budget or Policy Framework, Cabinet must report to the Council on the action it intends taking. Where there was no such departure, Cabinet must report to Scrutiny Committee on any action to be taken.
- 9.3 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, Scrutiny Committee may refer the matter to the 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 Finance Officer. The Council may either:

- (a) endorse a decision or proposal of 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;
- (b) amend the council's Finance 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
- (c) 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 Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer and/or the Chief Finance Officer.

ANNEX

Plans and Strategies adopted as part of the Budget and Policy Framework

Corporate Strategy
Best Value Performance Plan
Sustainable Community Strategy
Crime and Disorder Reduction Strategy
Local Development Framework
Food Service Plan
Statement of Licensing Policy
Housing Strategy
Local Agenda 21 Strategy
Medium Term Financial Strategy
Capital Strategy
Asset Management Plan
Customer Services Strategy