

## **SECTION 16**

### 16. Budget and Policy Framework Procedure Rules

#### The Framework for Executive Decisions

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Section 4. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Cabinet to implement it.

#### Process for Developing the Framework and the Budget

- 16.2.1 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.
- 16.2.2 The Cabinet may undertake consultation with Committees and local stakeholders as deemed appropriate by Cabinet. 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 the Overview and Scrutiny Committee has carried out a statutory Scrutiny function then the outcome of that review will be reported to the Cabinet and considered in the preparation of initial proposals. Finance, Audit and Risk Committee has specific functions reserved to it under its Terms of Reference and shall deal with these matters accordingly.
- 16.2.3 The Cabinet develops its proposals for the plan, strategy or budget, having due regard to previously approved Priorities as appropriate, and seeks the views from Member budget workshops and Committees as deemed appropriate by Cabinet (including Overview and Scrutiny Committee or Finance Audit and Risk Committee for matters within the Terms of Reference of those Committees). The proposals will be referred by sending a copy to the Proper Officer who will forward them to the Chair of the relevant Committee. The Committee may canvass the views of local stakeholders if it considers it appropriate, having particular regard not to duplicate any consultation carried out by the Cabinet. The Committees consulted shall report to Cabinet on the outcome of their deliberations. Committees shall have 4 to 6 weeks to respond to the initial proposals of the Cabinet unless the Cabinet considers that there are special factors that make the timescale inappropriate. If it does, it will inform the Committee of the time for response when the proposals are referred to it.
- 16.2.4 The Cabinet will consider the views of those consulted and may amend its proposals before making recommendations to the full Council for consideration. It will report to the Council how it has taken into account any recommendations from the Member budget workshops and Committee(s) consulted.
- 16.2.5 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 Overview and Scrutiny Committee or Finance, Audit and Risk Committee.

16.2.6 In respect of the preparation of the Budget or a plan, policy or strategy forming part of the Strategic Framework, the Cabinet has a right to ask the Council to reconsider any proposed decision which runs counter to the Cabinet's proposals for either Budget or plans.

16.2.7 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 take the action set out in paragraph 16.2.8.

16.2.8 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 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;
- (c) 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 the rationale for such objections) and must give to them instructions requiring the Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

16.2.9 Where the Council gives instructions in accordance with paragraph 16.2.8, 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 on behalf of the Cabinet within which the Leader may:

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

When the period specified by the Council, referred to in paragraph 16.2.9, 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 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. The Council will then meet again to consider any objections from Cabinet and will make its final decision on the matter on the basis of a simple majority.

16.2.10 Subject to paragraph 16.2.14, where, if estimates are prepared before 8th February in any financial year, the Council's 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 32 to 37 or 43 to 49, of the Local Government Finance Act 1992 or any other applicable legislation;
- (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 or any other applicable legislation,

and following consideration of those estimates or amounts the Council has any objections to them, it must take the action set out in paragraph 16.2.12.

16.2.11 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 16.2.10(a), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Cabinet's estimates or amounts and must give to instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

16.2.12 Where the Council gives instructions in accordance with paragraph 16.2.11, 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 on behalf of the Cabinet within which the Cabinet Leader may:

- (a) 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
- (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.

16.2.13 When the period specified by the Council, referred to in paragraph 16.2.12, has expired, the Council must, when making calculations (whether originally or by way of substitute in accordance with the sections referred to in paragraph 16.2.10(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 Cabinet's reasons for those amendments;
- (c) any disagreement that the Cabinet has with any of the Council's objections; and
- (d) the Cabinet's reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.

16.2.14 Paragraphs 16.2.11 to 16.2.13 shall not apply in relation to:

- (a) calculations or substitute calculations which a 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; and
- (b) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52(J) or 52(U) of that Act.

#### Decisions Outside the Budget or Policy Framework

16.3.1 Subject to the provisions of paragraph 16.4 (Urgent Decisions Outside the Budget or Policy Framework) any Committees, whether they be: the Cabinet, Area Committees, Overview and Scrutiny Committee (to the extent that it makes such decisions), Finance, Audit and Risk Committee; or individual members of the Cabinet, or any Officers 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 full Council, subject to paragraph 16.4 below.

- 16.3.2 It is the responsibility of the decision-taker to 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.
- 16.3.3 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 16.4 (Urgent Decisions Outside the Budget or Policy Framework) shall apply.

#### Urgent Decisions Outside the Budget or Policy Framework

- 16.4.1 The Cabinet, a committee of the Cabinet, an individual member 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:
- (a) if it is not practical to convene a quorate meeting of the Full Council; and
  - (b) if the Chair of Overview and Scrutiny Committee agrees that the decision is a matter of urgency.
- 16.4.2 The reasons why it is not practical to convene a quorate meeting of Full Council and the Chair of the Overview and 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 the Overview and Scrutiny Committee the consent of the Head of Paid Service will be sufficient. The Chair of Overview and Scrutiny Committee should receive copies of any individual Executive delegated decision that could be subject to call-in. Delegated decisions must be taken, recorded and published in accordance with the Council's Guidance on the statutory requirements and procedures.
- 16.4.3 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.

#### Virement

Steps taken by the Cabinet, a committee of the Cabinet, individual members of the Cabinet or Officers or joint arrangements discharging Executive Functions to implement Council policy, shall not exceed those budgets allocated to each budget head. In the event that virement across budget heads or budgets becomes necessary or desirable, it shall be carried out in accordance with the Financial Regulations in Section 19 of this Constitution.

## 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 or joint arrangements discharging Executive Functions must be in line with it. No changes to any policy or strategy which make up the Policy Framework may be made by those bodies or individuals except those changes:

- 16.6.1 which will result in the consequential closure or discontinuance of a discretionary service or part of service to meet a budgetary constraint;
- 16.6.2 necessary to ensure compliance with the law, ministerial direction or government guidance;
- 16.6.3 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; or
- 16.6.4 for which provision is made within the relevant budget or policy.

## Call-In of decisions Contrary to the Budget or Policy Framework

- 16.7.1 Where the Overview and Scrutiny 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.
- 16.7.2 In respect of functions which are the responsibility of the Cabinet, 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 or Chief Finance 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 Finance, Audit and Risk Committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure.
- 16.7.3 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, the Overview and Scrutiny 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 20 working days of the request by the Overview and Scrutiny 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 either:

- (a) 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
- (b) 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
- (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 the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer or Chief Finance Officer.