

## **Section 3 - Budget and policy framework procedure rules**

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### **4.3.1. 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.

### **4.3.2. 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 List of Key Decisions and publishing at the Council's offices 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.
- (b) The Cabinet initial proposals shall be referred to the relevant Scrutiny Committee for further advice and consideration. The Overview and Scrutiny Committee shall report to the Cabinet on the outcome of its deliberations. The Overview and Scrutiny Committee shall have six weeks to respond to the initial proposals of the Cabinet unless the Cabinet considers that there are special factors that make this timescale inappropriate. If it does, it will inform the Overview and Scrutiny Committee of the time for response when the proposals are referred to it.
- (c) Having considered the report of the Overview and Scrutiny Committee, the Cabinet, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the Overview and Scrutiny Committee.
- (d) In reaching a decision, the Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or in principle, substitute its own proposals in their place.
- (e) 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 actions set out in sub-paragraph (f).
- (f) 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 to him instructions requiring the Cabinet to consider, in the light of those objections, the draft plan or strategy submitted to it.

(g) Where the Council gives instructions in accordance with Rule 2(f), it must specify a period of five clear working days beginning on the day after the date on which the Cabinet receives the instructions, within which the Cabinet may:-

(i) submit a revision of the draft plan or strategy as amended by the Cabinet ("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; 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.

(h) When the period specified by the Council, referred to in Rule 2(g), has expired, the Council must make a final decision and 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 a 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 Cabinet submitted to the Council, or informed the Council of, within the period specified.

(i) The Council shall at that meeting make its final decision on the matter by a simple majority of votes cast at the meeting.

(j) The decision shall then be made public in accordance with Article 4, and shall be implemented immediately.

### 4.3.3. Budget Preparation Process

(a) Subject to Rule 3(e) where, before 8 February in any financial year the Cabinet submits to the Council for its consideration in relation to the following financial year:-

- (i) estimates of the amount 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;
- (ii) estimates of other amounts to be used for the purposes of such a calculation;
- (iii) estimates of such a calculation;
- (iv) amounts required to be stated in a precept under of Part 1 of the Local Government Finance Act 1992 and following consideration of those estimates or amounts the Authority has any objections to them, it must take the action set out in Rule 3(b).

(b) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Rule 3(a)(i), or issues a precept under Part 1 of the Local Government Finance Act 1992, it must inform the Cabinet of any objections which it has to the Cabinet's estimates or amounts and must give to the Cabinet instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

(c) Where the Council gives instructions in accordance with Rule 3(b), it must specify a period of at least 5 clear working days beginning on the day after the date on which the Cabinet receives the instructions on behalf of the Cabinet within which the Executive 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.

(d) When the period specified by the Council, referred to in Rule 3(c), has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the Sections referred to in Rule 3(a)(i), or issuing a precept under Part 1 of the Local Government Finance Act 1992 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 disagreements that the Cabinet has with any of the Council's objections; and
  - (iv) The Cabinet's reasons for that disagreement, which the Cabinet submitted to the Council, or informed the Council of, within the period specified.
- (e) Rules 3(a) - (d) shall not apply in relation to:-
- (i) calculations or substitute calculations which the Council is required to make in accordance with Section 52I, 52J, 52T or 52U of the Local Government Finance Act 1992 and
  - (ii) amounts stated in the precept issued to give effect to calculations or substitute calculations made in accordance with Section 52J or 52U of that Act.

#### 4.3.4. Decisions Outside the Budget or Policy Framework

- (a) Subject to the provisions of paragraph 5 (virement) the Cabinet 's, Committees of the Cabinet and 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 4 below.
- (b) If the Cabinet, Committees of the Cabinet, and any officers or joint arrangements discharging executive functions 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/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 4 (urgent decisions outside the budget and policy framework) shall apply.

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

(a) The Cabinet, a Committee 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:

- (i) if it is not practical to convene a quorate meeting of the full Council; and
- (ii) if the Chair of the relevant Overview and Scrutiny Committee agrees that the decision is a matter of urgency, and if a nominated opposition or majority group member of the Committee as appropriate and the leader of the second largest opposition group has been consulted.

The reasons why it is not practical to convene a quorate meeting of full Council and the Chair of the relevant 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 relevant Overview and Scrutiny Committee, 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.

### 4.3.6. In-Year Changes to Policy Framework and Virement

In approving the policy framework, the Council may also specify the degree of in-year changes to the policy framework which may be undertaken by the Cabinet. The extent of virement within the budget which may be undertaken by the Cabinet is included in the Financial Procedure Rules in Part 4 of this Constitution. Any other changes to the policy and budgetary framework are reserved to the Council.

### 4.3.7. Call-in of Decisions Contrary to the Budget or Policy Framework

(a) Where the relevant Overview and Scrutiny Committee is of the opinion that an 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 Finance Officer.

(b) 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 Leader with a copy to every Member of the Council. Regardless of whether the decision is delegated or not, the Leader must decide what action to take in respect of the Monitoring Officer's report and/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 relevant Overview and Scrutiny 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 relevant 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. At the meeting the Council will receive a report on the decision or proposals and the advice of the Monitoring Officer and/or the Chief Finance Officer. The Council may either:

(i) 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

(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 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 Finance Officer.

(e) 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 actions set out in sub-paragraph (f).

(f) 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 to him instructions requiring the Cabinet to consider, in the light of those objections, the draft plan or strategy submitted to it.

(g) Where the Council gives instructions in accordance with Rule 2(f), it must specify a period of five clear 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:-

- (i) submit a revision of the draft plan or strategy as amended by the Cabinet ("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; 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.

(h) When the period specified by the Council, referred to in Rule 2(g), has expired, the Council must make a final decision and 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 a 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/Cabinet Member's reasons for those amendments, any disagreement that the Leader/Cabinet Member has with any of the Council's objections and the Leader/Cabinet Member's reasons for

that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.