

Part 3 – Section 4 – Budget and Policy Framework Procedure Rules

1 THE FRAMEWORK FOR EXECUTIVE DECISIONS

- 1.1 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 the executive to implement it.

2 PROCESS FOR DEVELOPING THE FRAMEWORK

- 2.1 The process by which the Budget and Policy Framework shall be developed is:
- 2.1.1 the Executive 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 chairs of Overview and Scrutiny Committees will also be notified. The consultation period shall in each instance be not less than four weeks;
 - 2.1.2 At the end of that period, the Executive will then draw up firm proposals having regard to the responses to that consultation. If a relevant Overview and Scrutiny Committee wishes to respond to the Executive in that consultation process then it may do so. As the Overview and Scrutiny Committees have responsibility for fixing their own work programme, it is open to the Overview and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period.
 - 2.1.3 The Executive will take any response from an Overview and Scrutiny Committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the executive's response.
 - 2.1.4 Once the Executive has approved the firm proposals, they shall be referred at the earliest opportunity to the Council for decision.
 - 2.1.5 Where the Executive 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, the Council may make a decision which has immediate effect. Otherwise, if the Council has any objections to it, the Council 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.

1 PROCEDURE FOR CONFLICT RESOLUTION - PLANS AND STRATEGIES

- 1.1 This procedure applies in relation to those plans and strategies forming the policy framework of the Council as set out in **Part 2** 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.
- 1.2 Where the Executive 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 Rule 3.3.
- 1.3 Subject to 3.6 below, before the Council:
 - 1.3.1 amends the draft plan or strategy;
 - 1.3.2 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
 - 1.3.3 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 the Executive to reconsider, in the light of those objections, the draft plan or strategy submitted to it.
- 1.4 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 the Executive within which the Leader of the Council may:
 - 1.4.1 submit a revision of the draft plan or strategy as amended by the Executive (the "revised draft plan or strategy") with the Executive's reasons for any amendments made to the draft plan or strategy, to the Council for the Council's consideration; or
 - 1.4.2 inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.
- 1.5 When the period specified by the Council, referred to in Rule 3.4 has expired, the Council must, when:
 - 1.5.1 amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
 - 1.5.2 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

1.5.3 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 Executive's reasons for those amendments, any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for that disagreement, which the Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

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

2 PROCEDURE FOR CONFLICT RESOLUTION - REVENUE BUDGET

2.1 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 the Executive to the Council where the estimates and calculations were drawn up by the Executive on or after 8th February in any financial year.

2.2 Where, in any financial year, the Executive submits to the Council for its consideration in relation to the following financial year:

2.2.1 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;

2.2.2 estimates of other amounts to be used for the purposes of such a calculation;

2.2.3 estimates of such a calculation; or

4.2.4 amounts required to be stated in a precept under s40 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.

2.3 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Rule 4.2.1), or issues a precept under s40 of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Executive's estimates or

amounts and must give to them instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

2.4 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 receives the instructions on behalf of the Executive within which the Leader may:

2.4.1 submit a revision of the estimates or amounts as amended by the Executive ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Executive's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or

2.4.2 inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

2.5 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 4.2.1) take into account:

2.5.1 any amendments to the estimates or amounts that are included in any revised estimates or amounts;

2.5.2 the Executive's reasons for those amendments;

2.5.3 any disagreements that the Executive has with any of the Council's objections, and

2.5.4 the Executive's reasons for that disagreement,

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

2.6 Where estimates and calculations are drawn up by the Executive on or after 8th February in any financial year and are submitted to the Council for their consideration, the procedure in Rules 4.2 to 4.5 will not apply. In these circumstances the estimates and calculations will be submitted to the relevant Overview & Scrutiny Committee, together with amendments submitted. Where the Overview & Scrutiny Committee has any objection to the estimates and calculations, it will report such objections to the Council, the Leader and the appropriate Executive Councillor. The Leader and/or the appropriate Executive Councillor will report to the Council whether they agree or disagree with any objection of the Overview & Scrutiny Committee.

3 DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

3.1 Subject to the provisions of Rules 6 to 8, the Executive, committees of the Executive, individual Executive Councillors and 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 Council, then that decision may only be taken by the Council.

- 3.2 If the Executive, committees of the Executive, individual Executive Councillors 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.

4 URGENT DECISIONS OUTSIDE THE POLICY FRAMEWORK

- 4.1 The Executive, a committee of the Executive, an individual Executive Councillor 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:

4.1.1 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 of the District would be prejudiced if the matter were not determined before the next scheduled Council meeting;

4.1.2 The Chair of the Overview & Scrutiny Committee (or in their absence the Chair of the Council or, in the absence of both, the Deputy Chair of the Council) agrees that the decision is a matter of urgency; and

4.1.3 It is not practical to convene a quorate meeting of Council.

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

- 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, why it was not practical to convene a quorate meeting of Council and why the decision was treated as a matter of urgency.

5 VIREMENT AND IN-YEAR CHANGES TO THE BUDGET

- 5.1 Steps taken by the Executive, a committee of the Executive, an individual Executive Councillor or an officer to implement Council policy shall not exceed those budgets allocated to each budget heading, subject to Rules 7.2 to 7.4 below.

- 5.2 Such bodies or individuals shall be entitled to **vire** across budget headings in accordance with the limits set out in the Financial Procedure Rules.
- 5.3 The Executive may:
- 5.3.1 increase capital or revenue expenditure in-year by use of reserves (in addition to the use of reserves planned in the budget calculations), provided that such use of reserves do not exceed £500,000 in aggregate in a financial year and provided that the Chief Finance Officer has certified in writing that such use of reserves would not cause the Council's overall reserves to fall below a prudent level. Any such use of reserves shall be reported to the next meeting of Council; and
 - 5.3.2 increase the capital budget provided that additional expenditure can be funded through:
 - (a) additional external resources;
 - (b) additional capital receipts; and
 - (c) additional credit approvals.
- 5.4 The Chief Executive may exercise any of the powers of the Executive under 7.2 and 7.3, in consultation with the Leader, the Executive Councillor for Finance and the Chief Finance Officer where the legal or financial position of the Council or the interests of the Members of the Public of the Council's area would be prejudiced if the matter were not determined before the next scheduled Executive meeting. The Chief Executive will report any such decision to the Chair of Overview & Scrutiny and the next meeting of the Executive.

6 IN-YEAR CHANGES TO POLICY FRAMEWORK

- 6.1 The responsibility for agreeing the policy framework lies with the Council, and decisions by the Executive, a committee of the Executive, an individual Executive Councillor 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.

7 CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

- 7.1 Where the Overview & 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.

- 7.2 In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief Finance Officer's report shall be to the Executive with a copy to every Councillor. Regardless of whether the decision is delegated or not, the Executive 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, the Executive must report to Council on the action it intends taking. Where there was no such departure, the Executive must report to the Overview & Scrutiny Committee on any action to be taken.
- 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 & 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 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:
- 7.3.1 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;
 - 7.3.2 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
 - 7.3.3 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, it will require the Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer and/or Chief Finance Officer.