

APPENDIX 2



Part 4C

Budget and Policy Framework Procedure Rules

PART 4C - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. THE FRAMEWORK FOR EXECUTIVE DECISIONS

The Council will be responsible for the approval and adoption of the Budget and related policies and strategies and the policies, strategies and plans that form the Policy Framework as set out in Article 4 at Part 2 of this Constitution. Once the budget or a Policy Framework item has been formally approved by the Council, it is the responsibility of the Executive to implement it.

2. PROCESS FOR DEVELOPING THE BUDGET AND POLICY FRAMEWORK

- 2.1 The Executive will publicise in the Key Decision Document required by Access to Information Procedure Rules at Part 4B of this Constitution the timetable for making proposals to the Council for the adoption of the Budget and related items and any item within the Policy Framework, including arrangements for consultation on the initial proposals. This includes also any draft policies, strategies or plans included within the scope of the Policy Framework that require the approval of the Council prior to submission to the Secretary of State or any Minister of the Crown for his/her approval. The chairs of Overview and Scrutiny Committees will also be notified of the timetable. The consultation period shall in each instance be not less than 6 weeks unless the Government or other relevant body issues guidelines requiring a shorter period of time.
- 2.2 At the end of the consultation period, the Cabinet will draw up final proposals having regard to the responses to that consultation, including any response from the appropriate Overview and Scrutiny Committee. The Cabinet will take any response into account in drawing up final proposals for submission to the Council, and its report to Council recommending a decision will reflect the comments made by consultees and the Cabinet's response.

3. PROCEDURE FOR CONFLICT RESOLUTION – PLANS AND STRATEGIES

- 3.1 This procedure applies in relation to those plans and strategies forming the policy framework of the Council as set out on Article 4 of this Constitution, 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 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 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 his/her 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 Executive Leader of any objections which it has to the draft plan or strategy and must give to him/her instructions requiring the 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 of Rule 3.3, it must specify a period of at least five working days beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Cabinet within which the Executive 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; 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.

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 his/her 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 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 reasons for that disagreement, which the executive leader 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 Executive Leader may indicate on behalf of the Cabinet that s/he accepts the amendment. In these circumstances, the amendment will be regarded as incorporated in the draft strategy before Council and not (for the purposes of Rules 3.2 to 3.5 above) as an objection to it.

4. PROCEDURE FOR CONFLICT RESOLUTION – REVENUE BUDGET

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 Rules as required by the Local Authorities (Standing Orders) (England) Regulations 2001.

4.2 Where, before 8th February in any financial year, the 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, or 52ZF, the Local Government Finance Act 1992;

(b) estimates of other amounts to be used for the purposes of such a calculation; or

(c) estimates of such a calculation

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.

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), it must inform the Executive Leader of any objections which it has to the Cabinet estimates or amounts and must give to him/her instructions requiring the 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 Executive Leader receives the instructions on behalf of the Cabinet within which the Executive 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 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.

4.5 When the period specified by the Council, referred to in Rule 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) 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 Executive Leader submitted to the Council, or informed the Council of, within the period specified.

Rule 4.2 to 4.4 shall not apply in relation to calculations or substitute calculations which the Council are required to make in accordance with Sections 52 (I) (J) (T) or (U) of the Local Government Finance Act 1992.

4.6 Where estimates and calculations are drawn up by the Cabinet 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.

5. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

5.1 Subject to the provisions of Procedure Rule 7 (Virement), the Cabinet, Committees or Boards of the Cabinet, individual members 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 Procedure Rule 6 below.

5.2 In such cases, the Cabinet, Committees or Boards of the Cabinet, individual members of the Cabinet and any Officers or joint arrangements discharging executive functions shall take advice from the Monitoring Officer and/or the Chief Finance Officer. If the advice of either Officer is that the decision would not be in line with the existing Budget and/or Policy Framework, 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 Procedure Rule 6 (urgent decisions outside the budget or policy framework) shall apply.

6. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

The Cabinet, Committees or Boards of the Cabinet, individual members of the Cabinet and any 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 a relevant Overview and Scrutiny Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of the 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 a relevant Overview and Scrutiny Committee the consent of the Mayor, and in the absence of both the Deputy Mayor, will be sufficient.

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

Virement approvals are contained in 3.6-3.16 of the Financial Procedure Rules.

8. IN-YEAR CHANGES TO POLICY FRAMEWORK

In approving a Policy Framework item, the Council shall specify the extent and nature of any changes to such an item that may be made by the Cabinet. Otherwise, no changes to any policy, plan or strategy which make up the Policy Framework may be made by the Cabinet.

9. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

9.1 Where an Overview and Scrutiny Committee is of the opinion that a key 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 the Executive, 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 and/or the Chief Finance Officer's report and to prepare a report to either:

a) the Council in the event that the Monitoring Officer or the Chief Finance Officer concludes that the decision was a departure from the Budget or

Policy Framework; or

b) to the Overview and Scrutiny Committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure from the Budget or Policy Framework.

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, 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 ten 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 Cabinet decision taker as falling within the existing Budget and Policy Framework and the decision may be implemented with immediate effect; or

b) accept that the decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget but resolve to

amend the Council's Financial Regulations, the Budget or policy concerned to encompass the decision or proposal of the body or individual responsible for that executive function and the decision may be implemented with immediate effect; or

- c) accept that the decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget but does not resolve to amend the Council's Financial Regulations, the Budget or policy concerned to accommodate it and require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Finance Officer .

