

Budget and Policy Framework Procedure Rules

1. The Framework for Cabinet Decisions

The Council will be responsible for the approval or adoption of its Budget and of each plan and/or strategy comprised in the policy framework. Once a budget, plan or strategy is in place, it will be the responsibility of the Cabinet to implement it.

2. Process for Developing the Framework

The process by which the budget and each plan and/or strategy comprised in the policy framework shall be developed is as follows:

- (a) The Cabinet will prepare proposals for the budget, plan or strategy in hand in accordance with a timetable which has regard to the steps which will be required to be undertaken in relation to that budget, plan or strategy and the date by which it must have been approved or adopted in accordance with the law, ministerial direction, government guidance or other relevant requirement.
- (b) In preparing the proposals the Cabinet will canvass the views of members of the public, local stakeholders and others as appropriate and in a manner suitable to the budget, plan or strategy under consideration. Any representations made to the Cabinet shall be taken into account in formulating the proposals, and shall be reflected in any report dealing with them. If the matter is one where a Scrutiny Committee has previously carried out a review of policy, then the outcome of that review will be taken into account in the preparation of the proposals.
- (c) Before the Cabinet finalises its proposals for submission to the Council, the relevant Overview and Scrutiny Committee shall be invited to consider and advise the Cabinet on the formulation of the proposals. For this purpose, the Proper Officer will place an appropriate item, with such draft proposals and other supporting information as may be available, on the agenda of the relevant Overview and Scrutiny Committee. The Scrutiny Committee may canvass the views of any person or persons, if it considers it appropriate to do so having regard to the need not to duplicate any consultation carried out by the Cabinet.
- (d) The Proper Officer will ensure that the Scrutiny Committee is given the opportunity in time, and with sufficient information, to consider the item and report to the Cabinet on the outcome of its deliberations before the date specified in the Forward Plan on which the Cabinet expects to finalise its proposals for submission to the Council.

- (e) The Cabinet shall take into account any recommendations from the Scrutiny Committee in finalising its proposals for submission to the Council for consideration. In submitting the proposals the Cabinet will report to the Council on how it has taken into account any recommendations from the Scrutiny Committee.
- (f) Subject to paragraphs (g) to (o) below¹, the Council, having considered the proposals of the Cabinet, 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 the relevant Overview and Scrutiny Committee.

Council objections to submitted plan or strategy

- (g) Where the Council has any objections to a draft plan or strategy submitted to it by the Cabinet, before the Authority –
 - (i) amends the draft plan or strategy;
 - (ii) approves the plan or strategy for the purpose of its submission to the Secretary of State or any Minister of the Crown for his/her approval (whether or not in the form of a draft) if it is one of which any part is required to be so submitted; or
 - (iii) adopts the plan or strategy (with or without modification),it must inform the Leader of the Council of those objections and must give to him/her instructions requiring the Cabinet to reconsider the draft plan or strategy, in the light of those objections.
- (h) Where the Authority gives instructions in accordance with paragraph (g) above, 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 Cabinet within which the Leader may:
 - (i) 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 its 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.
- (i) When the period specified by the Council in accordance with paragraph (h) above 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

¹ Paragraphs (g) to (m) are prescribed by *The Local Authorities (Standing Orders) (England) Regulations 2001*

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 of the Council submitted to the Council, or informed the Council of, within the period specified. The Council shall make its final decision on the basis of the majority of members present and voting at the meeting and the decision shall be effective immediately.

Council objections to submitted budget proposals

- (j) Subject to paragraph (n) below, 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 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 and 52ZJ 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; or
 - (iv) amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,and following consideration of those estimates or amounts the Council has any objections² to them, it must take the action set out in paragraph (k) below.
- (k) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph (j)(i), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of the Council of any objections which it has to the Cabinet's 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.
- (l) Where the Authority gives instructions in accordance with paragraph (k) above, 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 Cabinet within which the Leader may:

² 'Objections' under this section is to be taken as meaning that the objection is to the basis of the calculation and not to the budget proposals.

- (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.
- (m) When the period specified by the Council in accordance with paragraph (l) above has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph (j)(i), or issuing a precept under Chapter IV of Part I 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 disagreement that the Cabinet has with any of the Council's objections; and
 - (iv) the 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. The Council shall make its final decision on the basis of the majority of members present and voting at the meeting and the decision shall be effective immediately.

- (n) Where the Council intends to make a calculation of Council Tax for a financial year that exceeds the limit specified by the Secretary of State for the year in question (under Section 52ZC of the Local Government Finance Act 1992) then the Council must comply with the provisions set out in Chapter 4ZA³ of the Local Government Finance Act 1992.
- (o) In the foregoing paragraphs of this Rule "working day" means any day which is not a Saturday, a Sunday, Christmas Eve, Christmas Day, Maundy Thursday, Good Friday, a bank holiday in England or a day appointed for public thanksgiving or mourning (and "bank holiday" means a day to be observed as such under section 1 of and Schedule 1 to the Banking and Financial Dealings Act 1971).

³ As amended by the Local Audit and Accountability Act 2014 (Section 41). This amended Chapter 4ZA to include the cost of levies within a billing or major precepting authority's calculation of whether its council tax is excessive, and so requires a council tax referendum to be held. In effect, this amends the meaning of 'relevant basic amount of council tax' which is the primary trigger for council tax referendums from the previous definition which excluded levies, to one that includes levies.

3. Budget Virements and In-Year Changes to the Policy Framework

In approving a budget, plan or strategy, the Council will specify the extent of virement within the budget and degree of in-year changes to the plan or strategy which may be undertaken by the Cabinet. The virement rules are set out at Part 3.3 of this Constitution. Any other changes to the budget or policy framework are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction, or government guidance.

4. Decisions Outside the Budget or Policy Framework

- (a) Subject to any permitted virement and in-year changes as mentioned in paragraph 3, anybody or person discharging functions may only take decisions which are in line with the Budget and Policy Framework. Any decision, which is contrary to or not wholly in accordance with the Budget or Policy Framework as approved by the Council, may, subject to paragraph 5 below, only be taken by the Council.
- (b) If anybody or person discharging functions wishes to make a decision which may be contrary to or not wholly in accordance with the budget or policy framework as approved by the Council, they or s/he shall take advice from the Monitoring Officer and/or the Chief Finance Officer. If the advice of either of those officers is that the decision would not be in accordance 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 5 shall apply.

5. Urgent Decisions Outside the Budget or Policy Framework

- (a) The Cabinet and any other body or person discharging executive functions may take a decision which is contrary to or not wholly in accordance with the budget or policy framework as approved by the 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 consent has been given to the decision being taken as a matter of urgency by the Chair and Deputy Chair of relevant Overview and Scrutiny Committee (or by the Chair and/or Vice-Chair of the Council in the absence of one or both of them).

The reasons why it is not practical to convene a quorate meeting of full Council, and why consent was given to the decision being taken as a matter of urgency, must be noted on the record of the decision.

- (b) Following the decision, the decision maker will make a full report to the next Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

6. Call In of Decisions Outside the Budget or Policy Framework

- (a) Where the relevant Overview and Scrutiny Committee is of the opinion that a decision is, or if made would be, contrary to or not wholly in accordance with the Budget or Policy Framework as approved by the Council, 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 sent 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 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 or not wholly in accordance with the budget or policy framework as approved by the Council, 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 a report of 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 decision maker as falling within the existing budget and policy framework.* In this case no further action is required, save that the decision of the Council shall be minuted and circulated to all councillors in the normal way; **OR**
 - (ii) *amend the budget or policy framework to accommodate the decision or proposal of the body or person responsible for that function and agree the decision with immediate effect.* In this case, no further action is required save that the decision of the Council shall 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 or not wholly in accordance with the budget or policy framework as approved by the Council, and does not amend the existing budget or policy framework to accommodate it, require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer or the Chief Finance Officer.*