

Part 4, Section 3:

Budget and Policy Framework Rules¹

The framework for executive decisions

- 4.3.1 Council is responsible for determining the budget and approving the policy framework² while Overview and Scrutiny Panels are responsible for developing and reviewing policy³.
- 4.3.2 The Leader and Cabinet are responsible for implementing the policy framework within the budget set by the Council. Cabinet may also initiate and approve policy consistent with the policy framework, and make in-year changes to the budget subject to any restrictions imposed by the Council under paragraphs 4.3.4 and 4.3.5 of these Rules.
- 4.3.3 In these Rules 'plan, strategy, budget or precept' means the budget and policy framework set out in Article 4 and matters falling within Schedule 4 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000.

Process for developing the budget and policy framework

Policy

- 4.3.4 The Council is required to include certain policies in its policy framework (see further Article 4⁴) and can choose to include other policies also. The context for all policy development is the Council's Corporate Plan. All policy development must clearly link to and support the desired outcomes of the Corporate Plan. The Leader and Cabinet must be kept informed of, and consulted on, policy development within the Council.
- 4.3.5 The Leader and Cabinet will:
- 4.3.5.1 publish, in the Forward Plan, a timetable⁵ for making proposals to Council for the adoption of any plan, strategy, budget or precept

¹ Part of the standing orders as required by Regulation 3 (i) (b) (ii) and Part II of Schedule 2 to the Local Authorities (Standing Orders) (England) Regulations 2001(as amended).

² Article 4, Part 2 of the Constitution

³ Article 6 (Overview and Scrutiny Panels), Part 2 of the Constitution

⁴ Paragraphs 2.4.5 and 2.4.6

⁵ At least two months prior to the date of adoption

that forms part of the Budget and Policy Framework, including arrangements for consultation. The Chairmen of the Overview and Scrutiny Panels may add consideration of the proposals to their work programme and can investigate, research or report in detail to the Cabinet with recommendations before the end of the consultation period; and

- 4.3.5.2 ensure that proposals for the plan, strategy, budget or precept within the Budget and Policy Framework have been informed by views of local stakeholders as appropriate and in a manner suitable to the matter under consideration with the consultation period generally being not less than 6 weeks; and
 - 4.3.5.3 receive the views of the appropriate overview and scrutiny panel, having conducted such investigations and research as the panel may determine is necessary in preparing a response to the Cabinet; and
 - 4.3.5.4 formulate a final proposal to Council which takes account of responses received during the consultation process and includes any comments the Leader wishes to make.
- 4.3.6 Council may:
- 4.3.6.1 adopt the Cabinet's proposals as recommended; or
 - 4.3.6.2 amend them; or
 - 4.3.6.3 refer them back to the Leader and Cabinet for further consideration; or
 - 4.3.6.4 substitute its own proposals in their place
subject to the provisions of **paragraph 4.3.9** below.
- 4.3.7 In considering the proposed policy framework, the Council will have before it the report from the Leader or Cabinet and the Overview and Scrutiny Panel, including a report of any minority views expressed.
- 4.3.8 The Council's decision on the proposed policy framework must be published and provided to the Leader. The notice of decision will be dated and will either:
- 4.3.8.1 state that the decision will be effective immediately (if the Council accepts the proposals without amendment or if the Leader has consented to any amendment(s) during or following the debate); or (if the Council has any objections to the proposals),
 - 4.3.8.2 specify the objections and instruct the Leader that the Cabinet is required to reconsider, in the light of the objections, the proposals which were submitted to Council. The notice must specify a period

of at least 5 clear days beginning on the day after the Leader receives the notice, within which the Leader may:

4.3.8.2.1 submit for the Council's consideration a revision of the proposal as amended by the Cabinet, with the Cabinet's reasons for any amendments to the draft proposal; or

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

4.3.9 If the Council raises objections to a draft proposal in accordance with **paragraph 4.3.8.2**, the matter will be reconsidered by the Council at its next meeting. The Council must at that meeting, before making its final decision on the matter, take into account:

4.3.9.1 any amendments made to the draft proposals;

4.3.9.2 the reasons for the amendments;

4.3.9.3 any disagreement that the Cabinet has with any of the Council's objections and the reasons for that disagreement

which the Leader has submitted to the Council, or informed the Council of, within the period specified. The Council will make its final decision based on a simple majority. The decision will then be published and take effect immediately.

4.3.10 In approving any part of the Policy Framework, the Council may also specify the extent to which in year changes⁶ to the Policy Framework may be made by the Leader and Cabinet. Any other changes to the policy framework are reserved to the Council.

4.3.11 Chief Officers⁷ may amend the text of approved documents to update factual information, reflect changes in the law or other matters not affecting the substance of the policy or strategy subject to prior notification of such changes to the Leader, any relevant Cabinet Member and the Chairman of the relevant Overview and Scrutiny Panel.

Budget

4.3.12 As part of the budget preparations each Autumn a report will be presented to Cabinet on the proposed process and timeline for the preparation of the next years budget. Following that each January, Cabinet will consider the Draft Budget for consultation. Followed by the Final Budget in February, which will then be submitted for consideration by Council. The Draft

⁶ amendments, modifications or variation

⁷ see further the **Officer Scheme of Delegation** at Part 3 of this Constitution

Budget will review the issues relating to the Budget for the forthcoming financial year, and in relation to the next years budget include:

- 4.3.12.1 the allocation of financial resources to different services and projects;
- 4.3.12.2 proposed contingency funds;
- 4.3.12.3 the Council Tax base;
- 4.3.12.4 setting the Council Tax;
- 4.3.12.5 decisions relating to the:
 - 4.3.12.5.1 control of the Council's borrowing requirement,
 - 4.3.12.5.2 control of its capital expenditure
- 4.3.13 Provided Cabinet submits its Budget Proposals to Council (and Council considers it) before the end of February for the following financial year, if, having considered the Budget Proposals, Council has any objections to them, it must apply the provisions of **paragraph 4.3.9**.
- 4.3.14 In approving the budget framework, the Council will also specify the extent of virement within the budget. Any other changes to the budgetary framework are reserved to the Council.
- 4.3.15 A recorded vote will be held for any decision made in relation to the Budget Proposals, including in respect of amendments⁸.
- 4.3.16 Where the Council makes Budget Proposals which do not reflect the Cabinet's estimates or amounts, the decision to use different estimates or amounts can only be made with a two thirds majority⁹ of the councillors present and voting on the question at a meeting of the Council.

Virement

- 4.3.17 The Council shall have directorate budgets as specified from year to year in the Annual Budget approved by Council and other budget headings which may from time to time be appropriate.
- 4.3.18 Steps taken by the Cabinet, a committee of the Cabinet, an officer, or joint arrangements discharging executive functions to implement Council policy shall not result in those budgets allocated to each directorate budget being exceeded unless to meet statutory obligations or in exceptional circumstances (all such instances of potential overspend are to be

⁸ Regulation 15 of Schedule 2 of the Local Authorities (Standing Orders)(England) Regulations 2001

⁹ Regulation 12 of Schedule 2 of the Local Authorities (Standing Orders)(England) Regulations 2001

immediately reported to the Chief Financial Officer and reported in the next quarterly financial performance report). However, such bodies or individuals shall be entitled to vary between budgets subject to the virement controls set by Council.

In-year changes to the budget and policy framework

- 4.3.19 The responsibility for agreeing the Budget and Policy Framework lies with Council, and decisions by the Cabinet, a committee of the Cabinet, officer, or joint arrangements discharging executive functions must conform to it. No changes to any policy and strategy which make up the budget and policy framework may be made by those bodies or individuals except those changes:
- 4.3.19.1 which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint; or
 - 4.3.19.2 which are necessary to ensure compliance with the law, ministerial direction or government guidance; or
 - 4.3.19.3 where, when approving the framework, the Council gave specific authority to the Cabinet to make in-year changes.
- 4.3.20 The Chief Officers may amend the text of approved documents to update information, reflect changes in the law or other matters not affecting the substance of the policy or strategy subject to prior notification of such to the Leader, any relevant Cabinet Member and the Chairs of the relevant Overview and Scrutiny Panels.

Decisions outside of the budget or policy framework

- 4.3.21 Subject to the provisions of paragraph 4.3.6, the Cabinet, 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 Council, then the decision may only be taken by Council.
- 4.3.22 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 / 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 in accordance with paragraphs 4.4.45 to 4.4.51 of the **Executive Procedure Rules** unless the decision is a matter of urgency, in which case the provisions in paragraph 4.3.24 apply.

Urgent decisions outside the budget or policy framework

4.3.23 The Cabinet, Committees 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 Council if the decision is a matter of urgency. However, the decision may only be taken in compliance with the provisions of paragraphs 4.4.52 to 4.4.54 of **the Executive Procedure Rules**.

Call-in of decisions outside the budget or policy framework

4.3.24 Where an Overview and Scrutiny Panel is of the opinion that an executive decision is, or if made would be, contrary to the Policy Framework, or contrary to / not wholly in accordance with the Council's Budget, then it shall seek advice from the Monitoring Officer and / or Chief Finance Officer.

4.3.25 Decisions which are outside of the budget or policy framework are reported to Council in accordance with the procedure set out in **paragraphs 4.5.70 to 4.5.72** of the **Overview and Scrutiny Procedure Rules** (see further Part 4, Section 4 of this constitution).