

# **4C - POLICY AND BUDGET FRAMEWORK PROCEDURE RULES**

## **RULE 1 – THE FRAMEWORK FOR EXECUTIVE DECISIONS**

The Council will be responsible for the adoption of its Policy and Budget Framework as set out in [Article 4](#). Once the Policy and Budget Framework is in place, it will be the responsibility of the Cabinet and/or officers to implement it and, subject to the provisions below, to act in accordance with it.

## **RULE 2 – PROCESS FOR DEVELOPING THE POLICY AND BUDGET FRAMEWORK AND THE DEFINITION OF THE FRAMEWORK**

The Cabinet will publicise, by including in the forward plan and by other methods, a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the Policy and Budget Framework and its arrangements for consultation after publication of those initial proposals.

The plans and strategies which form the Policy and Budget Framework are as follows:

- Sustainable Community Strategy
- Local Plan/Local Development Framework
- Children and Young Peoples' Plan
- Youth Justice Plan
- Community Safety Plan
- Corporate Plan (including Budget, Financial Plan
- (Joint) Local Transport Plan
- Licensing Authority Policy Statement
- Health & Wellbeing Strategy
- Crime & Disorder Reduction Strategy

For each of the plans and strategies that form the Policy and Budget framework, the Council shall be given an opportunity informally to discuss the emerging plan / strategy and related issues in advance of the Cabinet considering its formal recommendations to the Council.

The consultation process on any of the above plans and strategies will include an invitation to the relevant Overview and Scrutiny Panel to comment. It shall be open to the relevant Overview and Scrutiny Panel to comment as part of the Council's informal consideration of the emerging plan or during the formal consultation period. At the end of the consultation period, the Cabinet will draw up firm proposals having regard to the

responses to that consultation.

Failure of an Overview and Scrutiny Panel to respond or offer views shall not of itself cause any delay in the programming of a particular decision on such matters through the Cabinet and the Council.

The report of the Cabinet to the Council will identify any views given through consultation and the response of the Cabinet to the points raised in such views.

Once the Cabinet has devised firm proposals, the Chief Executive will refer them at the earliest opportunity to the Council for decision.

The Council must then consider whether it has any objection to the Cabinet's proposals. Objections will take the form of suggestions to amend the proposals by the substitution of different proposals, the deletion of proposals or the insertion of new proposals.

The majority of those present and voting may pass a resolution objecting to the Cabinet's proposals. Such resolution will indicate the nature of the objections and will constitute an instruction to the Leader of the Council requiring the Cabinet to re-consider their proposals in the light of those objections.

On receipt of details of the objections, the Council Leader may, on behalf of the Cabinet:

- (a) revise the proposals and notify the Council of the reasons for the revision; or
- (b) inform the Council that the Cabinet disagrees with the Council's objections and explain the reasons for the disagreement.

Once a period of at least 5 clear working days has elapsed following the notification to the Leader of the Council of the objections (in effect starting with the working day after the first Council meeting) the Council will reconvene to consider the Cabinet's response to the objections. When making its final decision on the proposal (which will be by a simple majority) Council will take into account any amendments the Cabinet has made to the proposals and the reasons for such amendments, together with the reasons for any disagreement the Cabinet has with the other objections notified to it.

The Council will then proceed to decide on the proposal in the normal way. The Council will be free to amend the proposals put forward only insofar as the substance of its objections to them has been notified to the Cabinet in accordance with the preceding paragraphs.

It will be a matter for the Council to decide whether or not any changes that are to be proposed to the recommendations put forward by the Cabinet are of such significance as to amount to "objections" to the Cabinet's proposals. The Chief Executive, following consultation with the Monitoring Officer, will offer advice to the meeting in this respect.

### **RULE 3 – DECISIONS OUTSIDE THE POLICY AND BUDGET FRAMEWORK**

The Cabinet, a Committee of the Cabinet, Cabinet Members and any Officers, Area Committees or joint arrangements discharging executive functions (defined under Part 3 of the Constitution) may only take decisions which are in line with the Policy and

Budget Framework. If any of these bodies or persons wishes to make a decision which is contrary to the Policy and Budget Framework, or contrary to or not wholly in accordance with the budget approved by the Council, then that decision may only be taken by the Council, subject to Rule 4 below.

The Monitoring Officer or the Chief Financial Officer shall give advice to the meeting or person making the decision about any proposal that is likely to be contrary to the Policy and Budget Framework. If the advice of either of those officers is that the decision would not be in line with the existing Policy and Budget Framework then the matter must be referred by that body or person to the Council for decision. This shall not apply if the decision is required as a matter of urgency, in which case the provisions within Rule 4 (Urgent decisions outside the Policy and Budget Framework) shall apply.

#### **RULE 4 – URGENT DECISIONS OUTSIDE THE POLICY AND BUDGET FRAMEWORK**

The Cabinet, a Committee of the Cabinet, Cabinet Members, Officers, Area Committees or joint arrangements discharging executive functions may take a decision which is contrary to the Policy and Budget Framework if the decision is a matter of urgency. However, the decision may only be taken:

- i) if it is not practical to convene a meeting of the full Council; and
- ii) if the Chair of the relevant Overview and Scrutiny Panel (or his/her nominee) agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a meeting of full Council must be recorded, along with the decision of the Chair of the Overview and Scrutiny Panel.

Before such a decision is taken the advice of the Chief Executive, the Monitoring Officer and, where relevant, the Chief Financial Officer shall be sought and taken into account.

Following the decision, a full report will be made to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

#### **RULE 5 – REVIEW OF DECISIONS AND PLANNED DECISIONS OUTSIDE THE POLICY AND BUDGET FRAMEWORK**

Where an Overview and Scrutiny Panel believes that an executive decision is, (or if not yet made would be), contrary to the Policy and Budget Framework then it shall seek the advice of the Monitoring Officer and/or the Chief Financial Officer.

In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer and/or Chief Financial Officer shall submit a report 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/Chief Financial Officer's report.

The Cabinet must submit a report on its proposed action:

to Council in the event that the Monitoring Officer or the Chief Financial Officer concludes that the decision was contrary to the Policy and Budget Framework, and

to the appropriate Overview and Scrutiny Panel if the Monitoring Officer or the Chief Financial Officer concludes that the decision was not contrary to the Policy and Budget Framework.

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 Financial Officer is that the decision is or would be contrary to the Policy and Budget Framework, the Overview and Scrutiny Panel will refer the matter to the next ordinary meeting of 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 meeting will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Financial Officer. The report shall also contain the Cabinet's proposals for resolving the relevant Policy and Budget Framework issues.

Any such proposals of the Cabinet shall be dealt with in accordance with the procedures described in Policy and Budget Framework Rule 2 above.

#### **RULE 6 – IN –YEAR CHANGES TO THE POLICY AND BUDGET FRAMEWORK**

There are 3 ways in which a Policy and Budget Framework item can be changed in year, namely:

- on a recommendation of the Cabinet;
- arising from a report of an Overview and Scrutiny Panel
- by a Member tabling an agenda motion for a Council meeting which is then carried on a vote.

Decisions by the Cabinet, and individual Cabinet Member, an Officer, a Committee of the Cabinet, an Area Committee or a Joint Arrangement in discharging an executive function must be in line with the Policy and Budget Framework.

Those bodies and individuals may not make any changes to any plan or strategy that makes up the Policy and Budget Framework except those changes:

- (a) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (b) necessary to ensure compliance with the law, ministerial direction or Government guidance;
- (c) in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration;

- (d) which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change;
- (e) which are allowed by Financial Regulations or by the Budget Management Scheme;
- (f) in targets set in the Best Value Performance Plan against new performance indicators which have not been measured before where in the light of actual experience the target is clearly unrealistic.

In respect of changes to the Policy and Budget Framework made under these provisions, such changes will be reported to the next meeting of the Council.

For those changes to the Policy and Budget Framework which are submitted for approval by the Council, the procedure at Policy and Budget Framework Procedure Rule 2 shall apply.

#### **RULE 7 – SPECIAL PROCEDURE RULES RELATING TO THE BUDGET AND FINANCIAL PLAN ELEMENT OF THE POLICY AND BUDGET FRAMEWORK**

The Council's Budget and Financial Plan forms part of the Council's Policy and Budget Framework. However, good financial management requires that some flexibility for in-year changes is permitted. The Budget Management Scheme within this Constitution provides the parameters for such changes and should be read in conjunction with the Procedural Rules for adopting and amending the Policy and Budget Framework

In-year changes to the Budget and Financial Plan may be made by the Council in response to:

- a) a report and recommendation of the Cabinet
- b) Overview and Scrutiny business
- c) a successful agenda motion from a Councillor (where necessary, following consideration of Officer advice)

In addition, the Budget Management Scheme in this Constitution applies to the Budget and Financial Plan. This is to ensure that Council determines any changes in budgets that are contrary to the Policy and Budget Framework, and that specific items allocated by Council in the Financial Plan and Budget are not used for purposes other than those originally intended whilst allowing fortuitous or unplanned savings to be retained under certain conditions.

In these Budget Management Rules, all references to "Heads of Service" refer also to all senior managers reporting directly to Directors. In addition they also refer to Directors where they have specific responsibility for a budget, e.g. a corporate project.