

# Appendix 0

## Budget and Policy Framework Procedure Rules

References:

Chapter 2, DETR Guidance

The Local Authorities (Functions and Responsibilities) (England) Regulations 2000

### 1. The framework for decisions

References in these rules to the statutory policy framework are to the plans and strategies required by law to be adopted by the Council and set out in Article 4.

The Council will be responsible for the adoption of its statutory policy framework.

**Note** : this refers to the statutory policies that comprise the Policy Framework as set out in regulations that have to be agreed by full Council.

The Council will be responsible for adopting its budget prepared in accordance with the Financial Planning Rules in Part 4 of the Constitution.

The Executive will be responsible for the adoption of all other policies including those listed in Part 3 of the Constitution (section 3 - responsibility for Executive functions).

**Note:** this includes all the other statutory plans, and any policies that do not form part of the statutory Policy Framework

Once a budget or a policy within the statutory policy framework is in place, it will be the responsibility of the Executive to implement it.

### 2. Meetings to develop budget and policy

The Executive will develop the policy and budget framework, normally at private meetings attended by members of the Executive and relevant officers.

These meetings will –

- **Policy** – hold general discussions, receive briefings and consider draft reports and advice from political assistants on policy initiatives that the Executive wishes to promote and draft policies that the Executive is developing.
- **Budget** – hold general discussions receive briefings and consider draft reports and advice from officers (including political assistants) in order to prepare draft estimates of income and expenditure.

Private meetings of the Executive will comply with the Access to Information Procedure Rules in Part 4 of the Constitution, and will be separate from public meetings of the Executive.

### 3. Procedure for policy development

The procedure for developing policies before they are submitted to Council, and policies that are not submitted to Council, shall be at the discretion of the Executive, but the following procedure will usually be followed.

- (a) The Executive may initiate a new policy proposal, or a review of an existing policy, by undertaking consultation with the public and/or persons affected by it before referring it to Council or developing it in detail.
- (b) With or without such consultation, the Executive may refer the proposal or review to Council for discussion. Opposition Groups, Overview and Scrutiny Committees may also refer policy proposals to Council.

**Note:** discussion at Council is optional, but will normally be appropriate for major policies or reviews

- (c) With or without prior discussion at Council, the Executive will publish policy proposals that it intends to promote by including references to them in the Forward Plan and notifying Chairmen of Overview and Scrutiny Committees at a meeting which will normally be arranged in April each year, following publication of the draft Corporate Plan for consideration by Cabinet. Where this is known, this will include the arrangements for publicising and consulting on the proposals and the timetable for decisions on them.

The relevant Overview and Scrutiny Committees will then consider and identify the policies to whose development they wish to contribute for inclusion in their work programmes for submission to Council. Once the programmes have been approved by the Council, the Chairmen will formally notify the Leader. The Overview and Scrutiny Committees should indicate timescales and methodology for carrying out their research and should not delay the work of the Executive.

The Executive will not take decisions to introduce policies where the Overview and Scrutiny Committees have indicated an interest unless they consider that the overview and scrutiny processes are unreasonably and unnecessarily delaying their work.

- (d) If during the year the Executive include other proposed policies in the Forward Plan, the leader will advise the Chairman of the relevant Overview and Scrutiny Committee who will arrange for the Overview and Scrutiny Committee to consider whether it wishes to be involved in the development process without delay, in accordance with (b) above.
- (e) The Executive may use other methods of consultation as well.
- (f) The Executive will take into account any comments made by an overview and scrutiny committee before either approving the new policy or, in the case of a policy that is within the statutory policy framework, deciding to refer it to full Council for adoption.

- (g) The Executive may decide to repeat any part of the process if it wishes to make a change to the proposal, but need not do so.

#### **4. Procedure for budget preparation**

The Executive will follow the process set out in the Financial Standing Orders in Part 4 of the Constitution, or a similar process determined by it. This will include the following elements.

- (a) The Executive will publish draft budget headlines for discussion at Cabinet
- (b) The Executive will arrange detailed consultation with the Budget and Performance Overview and Scrutiny Committee, the public and others where necessary
- (c) The Executive will take into account any comments made during consultation, and including any made by the Chairman of the Budget and Performance Overview and Scrutiny Committee at the meeting of Cabinet, before deciding to refer the final budget proposals to full Council for adoption.

#### **5. Adoption of budget and policies within the statutory framework**

- (a) In the case of a policy that is within the statutory policy framework, and the final budget proposals (both of which are referred to full Council for adoption) the Council may
- adopt the proposals
  - amend the proposals
  - refer the proposals back to the Executive
  - in principle, substitute its own proposals
- (b) If it accepts the recommendation of the Executive without amendment, the Council may make a decision which has immediate effect. Otherwise it may only make an in-principle decision. In either case the decision will be made on the basis of a simple majority of votes cast at the meeting
- (c) The decision will be published and notified to the Leader.
- (d) An in-principle decision will automatically become effective 7 days from the Council's decision, unless the Leader informs the Head of Governance in writing within 5 days that he/she objects and gives reasons why.
- (e) In that case the Head of Governance will place the matter on the agenda for the next Council meeting (and request the Mayor to summon an extraordinary Council meeting if necessary to meet a statutory deadline). The Council will be required to reconsider its decision and the Leader's written submission. The Council may:
- approve the Executive's recommendation by a simple majority of votes cast at the meeting; or

- approve a different decision, which does not accord with the recommendation of the Executive, by a simple majority.
- (f) The decision shall then be made public and implemented immediately.

## 6. **Decisions outside the budget or statutory policy framework**

- (a) Subject to the provisions of paragraphs 3.8 and 6.6 of Part 3 of the Council's Constitution (virement) and paragraph 8 (in year changes to the statutory policy framework) the Executive, committees of the executive, individual members of the executive and any officers, area committees or joint arrangements discharging executive functions may only take decisions which are not contrary to the budget and statutory policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the statutory 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 8 below.
- (b) If the Executive, committees of the executive, individual members of the executive and any officers, area committees or joint arrangements discharging executive functions want to make such a decision, they shall take advice from the monitoring officer and/or the chief financial officer as to whether the decision they want to make would be contrary to the statutory 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/or statutory 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 7 (urgent decisions outside the budget and statutory policy framework) shall apply.

## 7. **Urgent decisions outside the budget or statutory policy framework**

- (a) The Executive, a committee of the executive, an individual member of the executive or officers, area committees or joint arrangements discharging executive functions may take a decision which is contrary to the Council's statutory 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:
- (i) if it is not practical to convene a quorate meeting of the full Council; and
  - (ii) if the chairman of the Business Management Overview and Scrutiny sub-Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the Chairman of the Business Management Overview and Scrutiny Committees 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 Chairman of the Business Management Overview and Scrutiny

Committee the consent of the Mayor, and in the absence of both the Deputy Mayor, will be sufficient.

- (b) 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.

## **8. In-year changes to the policy framework**

The responsibility for agreeing the budget and statutory policy framework lies with the Council, and decisions by the Executive, a committee of the Executive, an individual member of the executive or officers, Area sub-Committees or joint arrangements discharging executive functions must not conflict with it. No changes to any policy and strategy which make up the statutory policy framework may be made by those bodies or individuals 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.

## **9. Call-in of decisions outside the budget or policy framework**

- (a) Where, upon a Call-in, the Business Management Overview and 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 financial officer.
- (b) 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 sent to the executive with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the executive 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 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 financial 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

the next meeting of the 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. At the meeting the Council will receive a report of the decision or proposals and the advice of the monitoring officer and/or the chief financial officer. The Council may either:

(i) 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.

Or

(ii) amend the council's financial regulations 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

(iii) 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, require the executive to reconsider the matter in accordance with the advice of either the monitoring officer/chief financial officer.