

Part Three, Section C

Budget and Policy Framework

Standing Orders

The Framework for Executive Decisions

1. The **Full Council** will be responsible for the adoption of the **Budget and Policy Framework**. Once a budget or a policy framework is in place, it will be the responsibility of the **Cabinet** to implement it.

Process for developing the framework

2. The process by which the **Budget and Policy Framework** shall be developed is:
 - a. the **Cabinet** will publicise through the Forward Plan and other methods a timetable for making proposals to the **Full Council** for the adoption of any plan, strategy or budget that forms part of the **Budget and Policy Framework**, and its arrangements for consultation after publication of those initial proposals;
 - b. all Councillors, including the Chairmen of the Audit Committee and Overview & Scrutiny Committee will also be notified. The consultation period shall in each instance be not less than 4 weeks, unless the requirements of any statutory timetable/deadline make this impracticable; and
 - c. the Audit Committee and Overview & Scrutiny Committee have responsibility for fixing their own work programme, and will need to take into account the Forward Plan in doing so. As part of its consideration of the proposals it is open to the Audit Committee and Overview & Scrutiny Committee to consult, investigate, research or report in detail with policy recommendations. Once the Audit Committee and Overview & Scrutiny Committee have made recommendations, the draft proposals will be considered by the Council for decision at the earliest opportunity.

Procedure for Conflict Resolution - Plans and Strategies

3. This procedure applies in relation to those plans and strategies forming the policy framework of the Council as set out in **Part 2** of this Constitution and to any plan/strategy for the control of the Council's borrowing and capital expenditure. Paragraphs 4 to below have been incorporated into these Codes as required by the Local Authorities (Standing Orders) (England) Regulations 2001.
4. Where the **Cabinet** has submitted a draft plan or strategy to the **Full Council** for its consideration and, following consideration of that draft plan or strategy, the **Full Council** has any objections to it, the **Full Council** must take the action set out in paragraph 5.
5. Subject to 8 below, before the **Full 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 **Leader** of the Council 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.

- 6. Where the **Full Council** gives instructions in accordance with paragraph 5, it must specify a period of at least five clear 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 of the Council 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 **Full Council** for the Full Council’s consideration; or
- b. inform the **Full Council** of any disagreement that the **Cabinet** has with any of the Full Council’s objections and the Cabinet’s reasons for any such disagreement.

- 7. When the period specified by the **Full Council**, referred to in paragraph 6 has expired, the Full 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 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 Full 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.

- 8. Where an amendment to a draft plan or strategy has been submitted under Council Standing Orders, the **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 **Full Council** and not (for the purposes of Standing Order 4 to 7 above) as an objection to it.

Procedure for Conflict Resolution - Revenue Budget

9. This procedure applies to estimates and calculations relating to the revenue budget and Council Tax. Paragraphs 10 to 13 below have been incorporated into these Standing Orders as required by the Local Authorities (Standing Orders) (England) Regulations 2001. Those paragraphs do not apply to estimates and calculations submitted by the **Cabinet** to the **Full Council** where the estimates and calculations were drawn up by the Cabinet on or after 8th February in any financial year.
10. Where, in any financial year, the **Cabinet** submits to the **Full 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, 42A, 42B, 45 to 49, 52ZF, 52ZJ of 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 paragraph 11.
11. Before the **Full Council** makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 10), it must inform the **Leader** 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 Full Council's requirements.
12. Where the **Full Council** gives instructions in accordance with paragraph 11, it must specify a period of at least five working days beginning on the day after the date on which the **Leader** receives the instructions on behalf of the **Cabinet** within which the Cabinet 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's reasons for any amendments made to the estimates or amounts, to the **Full Council** for the Full Council's consideration; or
 - b. inform the **Full Council** of any disagreement that the **Cabinet** has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
13. When the period specified by the **Full Council**, referred to in paragraph 11 has expired, the Full Council must, when making calculations (whether originally or by

way of substitute) in accordance with the sections referred to in paragraph 10) 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 disagreements that the Cabinet has with any of the Full Council's objections, and
- d. the Cabinet's reasons for that disagreement,

which the **Leader** submitted to the Council, or informed the Council of, within the period specified.

14. Where estimates and calculations are drawn up by the **Cabinet** on or after 8th February in any financial year and are submitted to the **Full Council** for their consideration, the procedure in paragraphs 10 to 13 will not apply. In these circumstances the estimates and calculations will be submitted to the Overview & Scrutiny Committee, together with amendments submitted in accordance with Council Standing Orders. Where the Overview & Scrutiny Committee has any objection to the estimates and calculations, it will report such objections to the Full Council, the **Leader** and the appropriate **Cabinet member**. The Leader and/or the appropriate Cabinet member will report to the Full Council whether they agree or disagree with any objection of the Overview & Scrutiny Committee.

Decisions Outside the Budget or Policy Framework

15. Subject to the provisions of Standing Orders 17 to 24, the **Cabinet**, committees of the Cabinet, individual **Cabinet members** and officers 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 Full Council.
16. If the **Cabinet**, committees of the Cabinet, individual **Cabinet members** and officers 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 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 Policy Framework**, then the decision must be referred by that body or person to the **Full Council** for decision.

Urgent Decisions Outside the Policy Framework

17. The **Cabinet**, a committee of the Cabinet, an individual **Cabinet member** or an officer may take a decision which is contrary to the Council's policy framework if the decision is a matter of urgency. However, the decision may only be taken if:

- a. Either the **Chief Executive**, the **Chief Finance Officer** or the **Monitoring Officer** advise in writing that the legal or financial position of the Council or the interests of the Council and/or the residents of the District would be prejudiced if the matter were not determined before the next scheduled **Full Council** meeting, and
 - b. The Chairman of the Overview & Scrutiny Committee (or in their absence the Mayor of the Council or, in the absence of both, the Deputy Mayor of the Council) agrees that the decision is a matter of urgency.
18. The advice of the **Chief Executive**, **Chief Finance Officer** or **Monitoring Officer** and the consent of the Chairman of the Overview & Scrutiny Committee (or, if relevant, the Mayor of the Council or Deputy Mayor of the Council) to the decision being taken as a matter of urgency must be noted on the record of the decision.
19. Following the decision, the decision taker will provide a full report to the next available **Full Council** meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

Virement and In-Year Changes to the Budget

20. Steps taken by the **Cabinet**, a committee of the Cabinet, an individual **Cabinet member** or an officer to implement Council policy shall not exceed those budgets allocated to each budget heading, subject to paragraphs 21 to 23 below.
21. Such bodies or individuals shall be entitled to vire across budget headings as follows:

21.1 Capital

- (a) a **Chief Officer** may vire capital up to £25,000 across budget headings (or, up to £100,000 with the approval of the **Chief Finance Officer**, in consultation with the Cabinet member for Finance);
- (b) the **Cabinet** may vire capital up to £100,000 across budget headings or up to £250,000 from a revenue budget heading (including unallocated contingency) to capital with the approval of the **Chief Finance Officer**; and
- (c) any individual or cumulative capital **virement** above £250,000 shall require the approval of **Full Council**.

21.2 Revenue

- (a) a Chief Officer may vire revenue up to £50,000 across budget headings with the approval of the **Chief Finance Officer**;
- (b) the Cabinet may vire revenue up to £100,000 across budget headings with the approval of the **Chief Finance Officer**; and

- (c) any individual or cumulative revenue **virement** above £100,000 shall require the approval of **Full Council**.

22. The **Cabinet** may:

- 22.1 increase capital or revenue expenditure in-year by use of reserves (in addition to the use of reserves planned in the budget calculations), provided that such use of reserves do not exceed £1,000,000 in aggregate in a financial year and provided that the **Chief Finance Officer** has certified in writing that such use of reserves would not cause the Council's overall reserves to fall below a prudent level. Any such use of reserves shall be reported to the next meeting of Full Council; and
- 22.2 increase the capital budget provided that additional expenditure can be funded through:
- a. additional external resources;
 - b. additional capital receipts; and
 - c. additional credit approvals.

23. The **Chief Executive** may exercise any of the powers of the **Cabinet** under 21 and 22, in consultation with the **Leader**, the **Cabinet member** for Finance and the **Chief Finance Officer** where the legal or financial position of the Council or the interests of the residents of District would be prejudiced if the matter were not determined before the next scheduled Cabinet meeting. The Chief Executive will report any such decision to the Chairman of Overview & Scrutiny and the next meeting of the Cabinet.

In-year Changes to Policy Framework

24. The responsibility for agreeing the policy framework lies with the **Full Council**, and decisions by the **Cabinet**, a committee of the Cabinet, an individual **Cabinet member** or an officer must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except those changes which are necessary to ensure compliance with the law, ministerial direction or government guidance, or where the existing policy document is silent on the matter under consideration.

Call-in of Decisions Outside the Budget or Policy Framework

25. Where the Overview & Scrutiny Committee is of the opinion that a **Cabinet** 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 Finance Officer**.
26. 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 to the Cabinet with a copy to every Councillor. Regardless of whether the decision is delegated or

not, the Cabinet must consider the report of the relevant officer and decide what action to take in respect of the report. Where the advice concluded that there was a departure from the Budget or Policy Framework, the Cabinet must report to **Full Council** on the action it intends taking. Where there was no such departure, the Cabinet must report to the Overview & Scrutiny Committee on any action to be taken.

27. 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 & Scrutiny Committee may refer the matter to **Full Council**. In such cases, no further action will be taken in respect of the decision or its implementation until Full Council has met and considered the matter. 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 Full Council may either:
- a. endorse a decision or proposal of the Cabinet 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 Full Council be minuted and circulated to all Councillors in the normal way;
 - b. amend the Council's **Financial Procedure Rules** or policy concerned to encompass the decision or proposal of the body or individual responsible for that Cabinet function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Full Council be minuted and circulated to all Councillors in the normal way; or
 - c. where the Full 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 Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer and/or Chief Finance Officer.