

## **Appendix 12 – Budget and Policy Framework Procedure Rules**

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

### **1. The framework for Budget and Policy Framework decisions.**

1.1 The Full Council approves the Budget and Policy Framework as set out in Article 4 of this Constitution.

### **2. Process for developing the Policy Framework**

2.1 Once a budget or a policy or a strategy within the Policy Framework is in place, it is the responsibility of the Leader to ensure its implementation.

2.2 The process for proposing the adoption or amendment of a plan or a strategy within the Policy Framework is:

(1) When the adoption or amendment of a policy or strategy that forms part of the Policy Framework is to be proposed, the Leader will publish to all Council Members a timetable for making proposals to the Council, and arrangements for consultation on those proposals. This may include a debate by the full Council at the time any draft document is published for consultation.

(2) Before commenting to the Leader or Executive on the topic and proposals, the Scrutiny Committee may:

- (a) take evidence from Cabinet Members and officers
- (b) commission research within budgeted resources
- (c) consult Norfolk organisations and electors or other organisations and persons.

(3) Having considered any report by the Scrutiny Committee, the Leader or Executive will agree proposals for submission to the Council and report to Council on how any recommendations from the Scrutiny Committee have been taken into account.

(4) The Council will consider the proposals and may:

- (a) adopt them
- (b) amend them
- (c) refer them back to the Leader for further consideration
- (d) substitute its own proposals in their place

(5) In considering the matter, the Council will have before it the report

from the Leader or Executive and the Scrutiny Committee, including a report of any minority views expressed in that Committee's debate.

- (6) The Council's decision must be published, and a copy must be given by the Assistant Director of Governance (Democratic and Regulatory Services )to the Leader. The notice of decision will be dated and will either:
  - (a) 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);
  - (b) or (if the Council has any objections to the proposals), specify the objections and instruct the Leader that the Executive is required to reconsider, in the light of the objections, the proposals which were submitted to Council. The notice must specify a period of 5 working days beginning on the day after the Leader receives the notice, within which the Leader may:
    - (i) submit for the Council's consideration a revision of the proposal as amended by the Executive, with the Executive's reasons for any amendments to the draft proposal; or
    - (ii) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for and such disagreement.
- (7) If the Council has raised objections to a draft proposal as in (6) (b) above, 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:
  - (a) any amendments made to the draft proposals
  - (b) the Executive's reasons for the amendments
  - (c) any disagreement that the Executive has with any of the Council's objections and the reasons for that disagreementwhich the Leader has submitted to the Council or informed the Council 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.
- (8) In approving any part of the Policy Framework, the Council may also specify the extent to which amendments, modifications or variations to that part of the Policy Framework may be made by the Executive.
- (9) The Head of Paid Service and 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 changes to the Leader, any relevant Cabinet Member and the Chair of the Scrutiny Committee.

### 3. Procedure for developing the Budget

3.1 The process for proposing the Budget, Council Tax level, Capital Programme and Borrowing is:

- (1) the Leader will publish to all Council Members each autumn a review of the issues relating to the Budget for the next financial year and a timetable of the arrangements for the preparation and agreeing of the Budget;
- (2) these issues may be considered by the Scrutiny Committee, who may make submissions to the Leader in accordance with the timetable;
- (3) the Leader will publish a draft Budget no later than three weeks before the Budget meeting of the Council and will submit the draft Budget to the Scrutiny Committee for consideration prior to its submission to the Council;
- (4) the Council will consider the Leader's budget proposals and may:
  - (a) adopt them
  - (b) amend them
  - (c) refer them back to the Leader for further consideration
  - (d) substitute its own proposals in their place.
- (5) In considering the budget, the Council will have before it the report from the Leader or Cabinet and any comments of the Scrutiny Committee;
- (6) If the Council's budget meeting is held before 8th February, the following procedure will apply:

the Council's decision will be published, and a copy given by the Assistant Director of Governance (Democratic and Regulatory Services )to the Leader no later than the day following the meeting. The notice of decision will be dated and will either:

- (a) 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
- (b) if the Council has any objections to the budgetary proposals, then before it reaches a decision on the budget, it must inform the Leader of the objections and instruct the Leader that the Executive is required to reconsider, in the light of the objections, the budget proposals. The notice will specify a period of five working days beginning on the day after the Leader receives the notice, within which the Leader may:
  - (i) submit for the Council's consideration a revision of the budget proposals as amended by the Executive, which have been reconsidered in accordance with the Council's requirements, with the Executive's reasons for any amendments made to the budget proposals: or

- (ii) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.
- (7) If the Council has raised objections to the draft budget proposals as in (7) (b) above, the matter will be reconsidered by the Council at a meeting to be held no later than 7 working days after the original meeting. The Council must at that meeting, before making a final decision on the budget, take into account:
  - (a) any amendments made to the budget proposals
  - (b) the Executive's reasons for those amendments
  - (c) any disagreement that the Executive has with any of the Council's objections
  - (d) the Executive's 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.

- (8) If the Council's budget meeting is held on or after 8th February, there will be no provision for objections to be referred to the Executive and the Council's decisions on the budget will be final and based on a simple majority.

#### **4. Decisions at variance with the framework**

- 4.1 The Leader, the Cabinet, the Council's Committees, Cabinet Members and any officers, Joint Committees or bodies discharging executive functions of the Council under joint arrangements cannot take decisions which would be:
  - (1) contrary to the Policy Framework (unless the Council has delegated to the Executive the power to vary the plan or strategy in question);
  - (2) contrary to or not wholly in accordance with the budget and provisions in Contract Standing Orders or Financial Regulations in respect of the budget;
  - (3) contrary to or not wholly in accordance with the plan or strategy for the control of the Council's capital expenditure or borrowing and provisions in Contract Standing Orders or Financial Regulations in respect of such a plan or strategy;

All decisions described in (1), (2) and (3) above can only be taken by the full Council except in the circumstances set out in the Urgent Decisions at Variance to the Budget and Policy Framework process as below.

- 4.2 If the Leader, the Cabinet, the Council's Committees, individual Cabinet Members and any officers, Joint Committees or bodies discharging executive functions want to make a decision that they consider might be contrary to the budget and policy framework, they must take advice from the Monitoring

Officer (in the case of the policy framework) and/or Chief Finance Officer (in the case of the budget) as to whether the decision they want make would be contrary to the policy framework or contrary to or not wholly in accordance with the budget.

- 4.3 If, following consultation with the Head of Paid Service and relevant Chief Officer, the advice of either of Monitoring Officer or Chief Finance Officer is that the decision would not be in line with the existing budget and/or policy framework, then the proposed decision must be referred by the Leader or Executive to the Council, unless the decision is a matter of urgency, in which case the procedure below in paragraph 3.9 will apply.
- 4.4 Also, if following consultation with the Head of Paid Service and relevant Chief Officer, the Monitoring Officer or Chief Finance Officer consider that a proposed decision is not in line with the budget and/or policy framework, irrespective of whether they have been consulted by the decision-taker, that decision may only be taken by the Council.
- 4.5 The procedure to be used in such circumstances is:
- (1) If the decision is one that would otherwise be taken by an officer it must instead be referred to the Leader or Executive;
  - (2) The Leader or Executive will refer the matter with a recommendation to the Council to decide;
  - (3) The matter will be considered at the next meeting of the Council when the Council may:
    - (a) agree the decision be taken
    - (b) amend the Budget or Policy Framework to reflect the decision
    - (c) reject the proposed decision
    - (d) ask the Leader or Executive to reconsider the matter.
  - (4) In the event of a decision being referred back to the Leader or Executive by the Council, the Leader or Executive must reconsider the matter on the basis of a report setting out the comments expressed and confirm, rescind or amend the decision in the light of those comments. The reconsidered decision will be reported back to the full Council for further consideration. The decision taken by the full Council will be final based on a simple majority.
- 4.6 A decision will not take effect until the process set out in sub-paragraphs (1)-(4) above has been completed.
- 4.7 If, following advice from the Head of Paid Service, Monitoring Officer, Chief Finance Officer or relevant Chief Officer, the Scrutiny Committee consider that a decision which has been taken is contrary to the policy and/or budget framework, it may refer the decision to Council. In such cases the Council could either:

- (1) determine that the decision was contrary to the policy and/or budget framework and therefore a matter for Council to decide and take the decision itself; or
- (2) determine that the decision was not contrary to the policy and/or budget framework and therefore a matter for the Executive to decide. In this case, the Council would have the option of requesting that the decision maker reconsider the decision if it believed that a different decision would have been more appropriate.

## **5. Urgent Decisions at Variance to the Budget and Policy Framework**

5.1 If a decision at variance to the budget and policy framework has to be taken for reasons of urgency before the procedures set out above would otherwise be completed, it may be taken provided that the Chair of the Scrutiny Committee has been consulted and the following procedure is followed:

- (1) The Head of Paid Service or relevant Chief Officer, in consultation with the Monitoring Officer agree that the making of the decision is a matter of urgency and cannot reasonably be deferred; and
- (2) the individual or body by whom the decision is to be made obtains from the Chair of the Scrutiny Committee, or if that person is unable to act, from the Chair of the Council or, in their absence, from the Vice-Chair, agreement in writing that the decision needs to be made as a matter of urgency
- (3) the individual or body by whom the decision is made must submit, as soon as reasonably practical after the decision has been made, a report to the full Council giving details of:
  - (a) the decision;
  - (b) the reasons why it was urgent;
  - (c) the reasons for the decision

If agreement is not obtained as in (2) above, the matter must be referred to the full Council for decision.