

Section 21 – Budget and Policy Framework Rules

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Part 1 - General

1 The framework for Executive decisions

The Council will be responsible for the adoption of its budget and policy framework as set out below. Once a budget or a policy framework is in place, it will be the responsibility of the Executive to implement it.

1.1 Meaning of Policy Framework

The Policy Framework means the following three categories of plans and strategies:

- a) Those required by law to be adopted by the Council, namely:
 - Development Plan documents
 - Licensing Authority Gambling Statement of Policy
 - The Capital Strategy and any plan or strategy for the control of the Authority's borrowing and investments.

- b) Those which the Council has chosen to adopt as part of the Policy Framework, namely:
 - Gedling Plan
- c) Any plan or strategy required by law to be sent to a Minister of the Crown for approval.

The Executive will be responsible for adopting all other plans and strategies, unless reserved to Council or specified as a non-executive function by law.

1.2 Budget

The Budget includes the allocation of financial resources to the delivery of the Gedling Plan and different services and projects, proposed contingency funds, determining the Council tax base, setting the Council tax level, decisions relating to the control of the Council's borrowing requirements, investments, the control of its capital expenditure and the setting of expenditure and virement limits.

2 Process for developing the Policy Framework

2.1 Development of the Policy Framework

The process by which the Policy Framework shall be developed is:

- i. The Executive will publicise by including in the Forward Plan a timetable for making proposals to the Council for the adoption of any plan or strategy that forms part of the Policy Framework, and its arrangements for consultation after publication of the initial proposals. The Chair of the Overview and Scrutiny Committee will also be notified.
- ii. At the end of the consultation period, the Executive will draw up firm proposals having regard to the responses to the consultation. If the Overview and Scrutiny Committee wishes to respond to the Executive in that consultation process then it may do so. As the Overview and Scrutiny Committee has responsibility for fixing its own work programme, it is open to the Overview and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period, having particular regard not to duplicate any consultation carried out by the Executive. The Overview and Scrutiny Committee shall report to the Executive on the outcome of its deliberations.
- iii. The Executive will take any response from the Overview and Scrutiny Committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Executive's response.
- iv. Once the Executive has approved the firm proposals, it will refer them at the earliest opportunity to the Council.

2.2 Dispute Resolution - Policy Framework

2.2.1 Where the Executive has submitted a draft plan or strategy that forms part of the Policy Framework to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out below.

2.2.2 Before the 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 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 any objections which it has to the draft plan or strategy and must give to him instructions requiring the Executive to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

2.2.3 Where the Council gives such instructions 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 Executive within which the Leader may:

- a) submit a revision of the draft plan or strategy as amended by the Executive (the "revised draft policy or strategy") with the Executive's reasons for any amendments made to the draft plan or strategy, to the Council for the Council's consideration; or
- b) 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.

2.2.4 When the period specified by the Council, in its instructions to the Leader has expired, the 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 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 Executive's reasons for those amendments, any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.

3 Process for developing the Budget

3.1 Development of the Budget

The process by which the Budget shall be developed is:

- i. The Executive will publicise by including in the Forward Plan, a timetable for making proposals to the Council for the adoption of the budget and its arrangements for consultation after publication of the initial proposal. The Chair of the Overview and Scrutiny Committee will also be notified.
- ii. The Executive can, if it wishes, invite views from the Overview and Scrutiny Committee on priorities and suggestions for growth prior to preparation of the budget. The Executive can, if it wishes, invite comment from the Overview and Scrutiny Committee on the draft budget prior to its consideration by Cabinet.
- iii. At the end of the consultation period, the Executive will draw up firm proposals having regard to the responses to the consultation. If the Overview and Scrutiny Committee wishes to respond to the Executive in that consultation process then it may do so. The Overview and Scrutiny Committee shall report to the Executive on the outcome of its deliberations.
- iv. The Executive will take any response from the Overview and Scrutiny into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Executive's response.
- v. Firm proposals will be approved by the Executive no later than 21st February relating to the budget for the following financial year. Once the Executive has approved the firm proposals, it will refer them at the earliest opportunity to the Council for adoption.
- vi. Subject to paragraph 3.2.4, where, before 8th February in any financial year, the Executive submits to the 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 and 52ZJ of the Local Government Finance Act 1992;
 - (b) estimates of other amounts to be used for the purposes of such a calculation;

- (c) estimates of such a calculation; or
- (d) amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,

and following consideration of those estimates or amounts the Council has any objections to them; it must take the action set out in paragraph 3.2 below.

3.2 Dispute Resolution - Budget

3.2.1 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 3.1(vi), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Executive's estimates or amounts and must give to him instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

3.2.2 Where the Council gives instructions in accordance with paragraph 3.2.1, 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 Executive within which the Leader may:

- (a) submit a revision of the estimates or amounts as amended by the Executive ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Executive's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or
- (b) 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.

3.2.3 When the period specified by the Council, referred to in paragraph 3.2.2, has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 3.1(vi) or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:

- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
- (b) the Executive's reasons for those amendments;
- (c) any disagreement that the Executive has with any of the Council's objections; and

(d) the Executive's reasons for that disagreement,

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

3.2.4 Paragraphs 3.2.1 – 3.2.3 shall not apply in relation to:

- (a) calculations or substitute calculations which an authority is required to make in accordance with section 52I, 52J, 52T, or 52U of the Local Government Finance Act 1992; and
- (b) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52J or 52U of that Act.

4 Decisions outside the Budget or Policy Framework

- a) Subject to the provisions of paragraph 6 (virement) the Executive, committees of the Executive, individual members of the Executive and any officers 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 full Council, then that decision may only be taken by the Council, subject to paragraph 4(b) below.
- b) If the Executive, committees of the Executive, individual members of the Executive and any officers 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 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 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 5 (urgent decisions outside the budget and policy framework) shall apply.

5 Urgent decisions outside the Budget and Policy Framework

- a) The Executive, a committee of the Executive, an individual member of the Executive or officers 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 full Council if the decision is a matter of urgency. However, the decision may only be taken:

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- i. if it is not practical to convene a quorate meeting of the full Council; and
 - ii. if the Chair of the Overview and Scrutiny Committee agrees that the decision is a matter of urgency.
- b) The reasons why it is not practical to convene a quorate meeting of full Council and the consent of the Chair of the Overview and Scrutiny Committee to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chair of the Overview and Scrutiny Committee the consent of the Mayor or, in the absence of both, the Deputy Mayor, will be sufficient.
- c) 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.

6 Virement

Steps taken by the Executive, a committee of the Executive an individual member of the Executive or officers discharging Executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, such bodies or individuals shall be entitled to vire across budget heads in accordance with Financial Rules. Beyond limits specified in the Financial Rules, Virement across budget heads shall require the approval of Council.

7 In-year changes to the Policy Framework

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Executive, committees of the Executive, individual Members of the Executive and officers, discharging Executive functions must be in line with it. No change to any policy or strategy which make up the 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 a service to meet a budgetary constraint;
- b) Which are necessary to ensure compliance with the law, ministerial direction or government guidance;
- c) In relation to the policy framework which would normally be agreed by the Council following consultation, but are required because the existing policy document is silent on a matter under consideration.

Any such changes to any plan or strategy which make up the policy framework must be reported to the next ordinary Council meeting.

8 Call-in of decisions outside the Budget or Policy Framework

- a) Where the 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 Financial Officer's report shall be 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 Financial Officer conclude that the decision was a departure, and to the Overview and Scrutiny Committee if the Monitoring Officer or the Chief Financial 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 request the Mayor to call an extraordinary meeting of the Council to consider the matter. 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 shall meet within 20 working days of the request by the Overview and Scrutiny Committee, at the meeting it 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;
 - (ii) amend the Council's Financial Rules, having regard to advice from the Chief Financial Officer, 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

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framework to accommodate it, require the Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Financial Officer.