

# Budget and Policy Framework Procedure Rules

## 1. GENERAL

In this part

“executive” and “executive leader” have the same meaning as in Part II of the Local Government Act 2003; and

“plan or strategy” and “working day” have the same meaning as in the Local Authorities (Standing Orders)(England) Regulations 2001.

## 2. THE FRAMEWORK FOR EXECUTIVE DECISIONS

The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the Cabinet to implement it.

## 3. PROCESS OF DEVELOPING THE FRAMEWORK

a) The Cabinet will publicise a timetable for making proposals to the 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. The Chairman of the Scrutiny Committee will also be notified. The consultation period will usually not be less than 6 weeks in each instance.

b) At the end of that period, the Cabinet will then draw up firm proposals having regard to the responses to that consultation. If the Scrutiny Committee wishes to respond to the Cabinet in that consultation process, then it may do so. As the Scrutiny Committee has responsibility for fixing its own work programme, it is open to the Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response from the 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 Cabinet's response.

c) Once the Cabinet has approved the firm proposals, the proper officer will refer them at the earliest opportunity to the Council for decision.

d) Where the Cabinet has submitted a draft plan or strategy 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 in paragraph (e).

e) Before the Council:-

(i) amends the draft plan or strategy;

(ii) 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

(iii) 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 Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

f) Where the Council gives instructions in accordance with paragraph (e), 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 Leader may:-

(i) 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 Council for the Council's consideration; or

- ii) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- g) When the period specified by the Council, referred to in paragraph (f), has expired, the Council must, when;-
- (i) amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
  - (ii) 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
  - (iii) 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 Council's objections and the Cabinet's reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.
- h) Subject to paragraph (l), where, before 8 February in any financial year, the Council's Cabinet submits to the Council for its consideration in relation to the following financial year:-
- (i) estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49 of the Local Government Finance Act 2012;
  - (ii) estimates of other amounts to be used for the purposes of such a calculation;
  - (iii) estimates of such a calculation; or
  - (iv) amounts required to be stated in a precept under Section IV of Part I of the Local Government Finance Act 2012,
- and following consideration of those estimates or amounts the Council has any objection to them, it must take the action set out in paragraph (i).
- i) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph (h), 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 Cabinet's estimates or amounts and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- j) Where the Council gives instructions in accordance with paragraph (i), 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 Leader may:-
- (i) 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 Council for the Council's consideration; or
  - ii) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- k) When the period specified by the Council, referred to in paragraph (j), has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph (h), or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 2012, take into account:-

- (i) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
- (ii) the Cabinet's reasons for those amendments;
- (iii) any disagreement that the Cabinet has with any of the Council's objections; and
- (iv) the Cabinet's reasons for that disagreement,

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

- l) paragraphs (h) to (k) shall not apply in relation to –
  - (i) calculations or substitute calculations which a Council is required to make in accordance with section 52I, 52J, 52T or 52U of the Local Government Finance Act 2012; and
  - (ii) 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 Cabinet, individual Members of the Cabinet and any officers, Area Committees or joint arrangements 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 5 below.
- b) If the Cabinet, individual Members of the Cabinet or 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 Executive 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 or policy framework) shall apply.

#### **5. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- a) The Cabinet, an individual Member of the Cabinet or officers, Area Committees or joint arrangements 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:-
  - i) if it is not practical to convene a quorate meeting of the full Council; and
  - ii) if the Chairman of the Scrutiny 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 Scrutiny Committee's 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 Scrutiny Committee the consent of the Chairman of the Council will be sufficient and in the absence of both the Vice-Chairman will be sufficient.

- b) Following the decision, the decision taker will provide a 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**

- a) The Council shall have the following budget heads:

<b>ECONOMY AND PLANNING</b>	<b>ENVIRONMENT</b>	<b>LEISURE AND COMMUNITIES</b>
<ul style="list-style-type: none"> <li>• Community Development (HDC)</li> <li>• Workspace Management</li> <li>• Business Grants</li> <li>• Environmental Grants and Initiatives</li> <li>• Business and Economy</li> <li>• Grants and Subscriptions</li> <li>• Information Management</li> <li>• Development Management</li> <li>• Planning Policy</li> <li>• Registered Social Landlords</li> <li>• Land Charges</li> <li>• Housing Services</li> <li>• Housing Strategy</li> <li>• Housing Standards</li> <li>• Homelessness</li> <li>• Private Sector Housing Renewal</li> <li>• Housing Advice</li> <li>• Building Control Partnership</li> <li>• Communications</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency Planning</li> <li>• Operational Services</li> <li>• Street Cleansing</li> <li>• Waste Collection</li> <li>• Recycling</li> <li>• Environmental Health</li> <li>• Food Safety</li> <li>• Pest Control</li> <li>• Public Health</li> <li>• Environmental Health Licensing</li> <li>• Pollution Reduction</li> <li>• Health and Safety at Work</li> </ul>	<ul style="list-style-type: none"> <li>• CCTV</li> <li>• Community Safety (HDC)</li> <li>• Community Safety (Partnership)</li> <li>• Arts Development</li> <li>• Lifestyles</li> <li>• Hambleton Forum</li> <li>• Sports Development and Community Recreation</li> <li>• Northallerton Leisure Centre</li> <li>• Stokesley Leisure Centre</li> <li>• Bedale Leisure Centre</li> <li>• Thirsk Swimming Pool</li> <li>• Thirsk All Weather Pitch</li> <li>• Galtres Centre</li> <li>• Open Spaces</li> <li>• Leisure Services</li> <li>• Facilities Unit</li> <li>• Design and Maintenance</li> <li>• Administrative Buildings</li> <li>• Defences Against Flooding</li> <li>• Cemeteries and Closed Churchyards</li> <li>• Off Street Parking</li> <li>• Footway Lighting</li> <li>• Market Undertakings</li> <li>• Depots</li> <li>• Visitor Centres</li> <li>• Word of James Herriot</li> </ul>
<b>FINANCE AND COMMERCIAL</b>	<b>LAW AND GOVERNANCE</b>	
<ul style="list-style-type: none"> <li>• Customer Services</li> <li>• Public Transport</li> <li>• Payroll</li> <li>• Business Support</li> <li>• Interest and Investment Income</li> <li>• Corporate Management</li> <li>• Non Distributed Costs</li> <li>• Corporate Management and Support</li> <li>• Resources</li> <li>• Housing Benefits</li> <li>• Local Tax Collection</li> <li>• Revenues and Benefits Services</li> <li>• Reprographics</li> <li>• ICT Services</li> <li>• Commercialisation</li> </ul>	<ul style="list-style-type: none"> <li>• Legal Services</li> <li>• Democratic Services</li> <li>• Committee Services</li> <li>• Elections</li> <li>• Personnel</li> <li>• Licensing</li> </ul>	

- b) Steps taken by the Cabinet, an individual member of the Cabinet or officers, or joint arrangements 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 where each individual virement does not exceed that specified in the Financial Procedure Rules. Beyond that limit, approval to any virement across budget heads shall require the approval of the full Council.

## **7. IN-YEAR CHANGES TO POLICY FRAMEWORK**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, an individual Member of the Cabinet or officers, Area Committees or joint arrangements discharging Executive functions 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:

- a) necessary to ensure compliance with the law, ministerial direction or Government guidance;
- b) in relation to the policy framework in respect of a policy which would normally be agreed by the Council following consultation, but where the existing policy document is silent on the matter under consideration.

## **8. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- a) Where the 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 Financial Officer.
- b) In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Chief Financial Officer's report shall be 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 report and to prepare a report to Council in the event that the Monitoring Officer or the S151 Officer conclude that the decision was a departure, and to the Scrutiny Committee if the Monitoring Officer or the S151 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 S151 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 Scrutiny Committee may refer the matter to 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 shall meet within 21 days of the request by the 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 Cabinet 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 Cabinet 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 and/or the S151 Officer.