

Section 6 - Budget and Policy Framework Procedure Rules

1. THE FRAMEWORK FOR EXECUTIVE DECISIONS

- 1.1 The Council will be responsible for the adoption of its Budget and Policy Framework. The Executive will be responsible for implementing the Budget and Policy Framework. The Executive will be responsible for initiating Budget and Policy framework proposals, and Council will be responsible for their approval on the recommendation of the Executive.
- 1.2 The Council may, from time to time, review which plans and strategies shall comprise the major policy framework (as listed in in Part 2 Article 4). The Cabinet will usually make recommendations on the plans that should be added or deleted.

2. PROCESS FOR DEVELOPING THE COUNCIL'S BUDGET

- 2.1 The budget setting process will have a four phased approach for developing and recommending budget proposals to Council for approval.
- 2.2 The Council's budget will be reviewed and revised on a rolling basis throughout each financial year. The Cabinet will consider the Council's Budget and Financial Strategy in up to four tranches within that period. The Corporate Resources Director will confirm the number of tranches and the timetable that will apply in the forthcoming financial year by the end of February prior to the start of each financial year.
- 2.3 The four tranche approach will enable identified budget proposals for savings and income generation and actions that mitigate new arising financial pressures to be implemented throughout the financial year. This will therefore enable the Council to benefit from the result of more timely management action.
- 2.4 The Cabinet shall consider the Council's Budget and Financial Strategy in accordance with the tranche plan set out in 2.4 below. This will include consideration of the Revenue Budget, the Asset Investment Strategy, the Treasury Management Strategy and Medium Term Financial Strategy.

Budget Process – Tranche Plan

Meeting	Content	Date
MTFS Tranche 1		
Cabinet	To consider the first tranche of budget proposals for consultation (following approval through CPF and BWG). This report opens the Consultation Period.	
Scrutiny Committee	To formally scrutinise the first tranche of budget proposals	
Audit Committee	To review and approve amendments to the Asset Investment Strategy and Treasury Management Strategy resulting from any capital budget proposals prior to inclusion in the MTFS.	
Cabinet	To recommend the first tranche of budget proposals and amendments to the Asset Investment Strategy and Treasury Management Strategy prior to Council having regard to feedback from the Audit Committee, joint Scrutiny Committee and the public.	
Council	To approve the first tranche of budget proposals, Asset Investment Strategy and Treasury Management Strategy.	July
MTFS Tranche 2		
Cabinet	To consider the second tranche of budget proposals for consultation (following approval through CPF and BWG). This report opens the Consultation Period.	
Scrutiny Committee	To formally scrutinise the second tranche of budget proposals	
Audit Committee	To review and approve amendments to the Asset Investment Strategy and Treasury Management Strategy prior to inclusion in the MTFS.	
Cabinet	To recommend the second tranche of budget proposals and amendments to the Asset Investment Strategy and Treasury Management Strategy prior to Council having regard to feedback from the Audit Committee, joint Scrutiny Committee and the public	
Council	To approve the second tranche of budget proposals, Asset Investment Strategy and Treasury Management Strategy.	October

MTFS Tranche 3

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Cabinet	To consider the third tranche of budget proposals for consultation (following approval through CPF and BWG). This report opens the Consultation Period.	
Scrutiny Committee	To formally scrutinise the third tranche of budget proposals.	
Audit Committee	To review and approve the amendments to the Investment Strategy and Treasury Management Strategy prior to inclusion in the MTFS.	
Cabinet	To recommend the third tranche of budget proposals and amendments to the Asset Investment Strategy and Treasury Management Strategy prior to Council having regard to feedback from the Audit Committee, joint Scrutiny Committee and the public	
Council	To approve the third tranche of budget proposals, Asset Investment Strategy and Treasury Management Strategy	December
MTFS Tranche 4		
Cabinet	To recommend the annual Council Tax Support Scheme to Council, having regard to feedback from Scrutiny and the public. To agree the Council Tax Base, estimated position on the Collection Fund and the NNDR1 Base Position To consider the fourth tranche of budget proposals for consultation (following approval through CPF and BWG). This report opens the Consultation Period.	January
Council	Approve the annual Council Tax Support Scheme	January
Scrutiny Committee	To formally scrutinise the fourth tranche of budget proposals	
Audit Committee	To review and approve the Asset Investment Strategy and Treasury Management Strategy prior to inclusion in the MTFS.	
Cabinet	To recommend the fourth tranche of budget proposals prior to Council having regard to feedback from the audit committee, joint scrutiny committee and the public Include all tranches in a consolidated MTFS for the next three year period from which progress can be measured.	February
Council	To approve the fourth tranche of budget proposals and the overall consolidated MTFS for the year.	February

Tranches 1, 2 and 3

- 2.5 The purpose of tranches one, two and three is to:
- (a) identify new financial pressures arising in the current financial year and take timely actions to contain expenditure within approved budgets
 - (b) identify the likely budget position for the forthcoming financial year prior to the Government providing the financial settlement and
 - (c) to provide an opportunity for directorates to work up budget options at an early stage in consultation with Members and the public.
- 2.6 Directorates will be required to develop and present budget options that will contribute towards containing expenditure within the approved budget for the current financial year and balancing the budget in future financial years. These options will be discussed with Cabinet Members and with a cross party working group set up for the purpose. An outline terms of reference for the group is attached. (Appendix 1).
- 2.7 Within each tranche, Cabinet will formally agree and publish budget proposals for consultation purposes. As part of the consultation process, the Cabinet shall formally consult all scrutiny committees at a joint meeting on these proposals. New capital proposals will potentially require amendment of the Asset Investment Strategy and the Treasury Management Strategy and these will require consideration and approval via the Audit Committee. The Cabinet shall also consult with local stakeholders where relevant (depending on the proposed changes), including residents, partner organisations and business. The Cabinet will then formally consider the final proposals for the each tranche of the budget and the results of the consultation, including the views of the joint Scrutiny Committee and the Audit Committee and make recommendations to Council to approve them.

Tranche 4

- 2.8 Tranche 4 will result in Cabinet making recommendations to Council on further budget proposals to enable Council to set a lawful and balanced budget and to set the Council Tax by 11 March each year. Every Council has a statutory obligation to agree the Council tax by that date. No further decisions will be made at this stage on all budget proposals already agreed prior to Tranche 4.
- 2.9 In January Cabinet will agree and publish its final tranche proposals for consultation purposes. These further budget proposals will again be the subject of consultation following the process outlined in tranches 1 to 3 to ensure that decisions made reflect community and Members' views. In February, following consultation, the final budget proposals and consolidated MTFS report will be considered by Cabinet and presented to Council for consideration and approval.
- 2.10 Details of the Cabinet's consultation process as set out in the tranche plan () shall be included in the Forward Plan.
- 2.11 At any stage during the year, Cabinet Members may also consult and seek advice from any Scrutiny Committees about relevant service issues in relation to the formulation of budget proposals. Scrutiny committees have the ability to develop

their own proposals as part of any themes they are reviewing as part of their work programme. Any such proposals will be reported to Cabinet and Cabinet will formally respond when recommending their budget proposals.

- 2.12 In addition to the requirements of this procedure rule, the Cabinet may also receive and invite comments from any or all Members or persons on its proposals.
- 2.13 The Growth, Environment & Resources Scrutiny Committee will have overall oversight of the Budget and finance issues (and corporate issues such as Council Tax and the Treasury Management Strategy).

3. PROCESS FOR DEVELOPING THE POLICY FRAMEWORK

- 3.1 Where statutory deadlines allow, at least two months before a plan or strategy in the policy framework needs to be adopted by Council, the relevant Scrutiny Committee will consider initial proposals for the plan or strategy. Details of any consultation processes shall be included in relation to each of these matters in the Forward Plan, where the plan or strategy is being recommended by the Cabinet. The consultation process shall be published and available on the Council's website.
- 3.2 Any representations made to the relevant Scrutiny Committee shall be taken into account when considering the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where a Scrutiny Committee has carried out a review of policy, then the outcome of that review will also be considered alongside the initial proposals.
- 3.3 The Scrutiny Committee may consult local stakeholders, any or all Members and any such persons or communities as they shall consider appropriate, allowing a period of four weeks for them to respond to the initial proposals, unless there are special factors that make this timescale inappropriate. If there are, it will inform the consultees of the time for response when the proposals are referred to them.
- 3.4 With the exception of the Corporate priorities, the relevant Scrutiny Committee will submit its proposals, including any views received during the consultation process, to the Cabinet for them to determine and make recommendations to Council.

4. ADOPTION OF BUDGET AND POLICY FRAMEWORK

- 4.1 The Cabinet will consider the comments of the Scrutiny Committees and, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the scrutiny committee.
- 4.2 The Council will consider the proposals of the Cabinet and may adopt them, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Cabinet's proposals and any report from the relevant Scrutiny Committees.

- 4.3 Where at a Council meeting a Member wishes to move a substantial amendment or amendments which amount to an alternative Budget to be adopted by the Council, they may only do so provided they give notice in writing of the proposed amendment(s) to the Proper Officer no later than 10 am three working days before the Council meeting (not including the day of the meeting). A substantial amendment, or amendments which amount to an alternative budget, is deemed to be one that proposes a different level of council tax. Any other amendments must comply with the rules relating to amendments to motions in the Council Standing Orders. Such notice shall be circulated to all Members and the alternative proposal(s) will be dealt with as amendments in the order they are received by the Proper Officer.
- 4.4 The Council's decision will be published on the Council's website. The Proper Officer will notify the Leader of the Council's decision and a copy shall be given to the Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Cabinet's proposals without amendment) or (if the Cabinet's proposals are not accepted without amendment), that the Council's decision will become effective on the expiry of five working days after the publication of the notice of decision, unless the Leader objects to it in that period.
- 4.5 If the Leader objects to the decision of the Council, he or she shall give written notice to the Proper Officer to that effect prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Proper Officer shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.
- 4.6 The Council meeting must take place within 10 working days of the receipt of the Leader's written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection, which shall be available in writing for the Council.
- 4.7 The Council shall at that meeting make its final decision which shall be published on the Council's website, and shall be implemented immediately.
- 4.8 These procedures only applies to plan which relate to executive functions. Plans that relate to non-executive functions will be reported to the relevant committee prior to submission to Council.

5. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

- 5.1 Subject to the provisions of paragraph 6 below, the Executive may only take decisions which are in line with the Budget and Policy Framework. If the Executive 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 the Council, then that decision may only be taken by the Council. In approving the Medium Term Financial Strategy, the Council will specify the level of virement within the budget. Any other changes to the Budget and Policy Framework are reserved to the Council.
- 5.2 The Executive shall take advice from the Monitoring Officer and/or the Chief Financial Officer as to whether a decision 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 the Executive to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 6 below apply.

6. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

6.1 The Executive 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 the Council if the decision is a matter of urgency. A decision will be urgent if any delay likely to be caused in taking it would seriously prejudice the Council's or the public's interests. However, the decision may only be taken:

- (a) if it is not practical to convene a quorate meeting of the full Council;
- (b) if the Chair of the Growth, Environment & Resources Scrutiny Committee agrees that the decision is a matter of urgency;
- (c) In the absence of the Chair of the Growth, Environment & Resources Scrutiny Committee, the Chair of the Scrutiny Committee relevant to the decision must give consent;
- (d) In the absence of both Chairs, the consent of the Mayor or Deputy Mayor will suffice.

6.2 The reasons for urgency and why it is not practical to convene a quorate meeting of the Council and the Chairman of the relevant scrutiny committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision

6.3 Following the decision, the decision taker will provide a full report to the next Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

7. IN-YEAR CHANGES TO BUDGET OR POLICY FRAMEWORK

7.1 Changes to the Budget may be made by the Executive where those changes:

- (a) are necessary to ensure compliance with the law, ministerial direction or government guidance;
- (b) where the changes do not exceed virement limits set by Council;
- (c) follow a decision to spend less than the budget allocated by Council (R (Buck)v Doncaster MBC (2013)).

7.2 Changes to the Budget may be made by the Executive where those changes are in respect of:

- (a) 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.
- (b) two or more policies which conflict with one another on the matter under consideration.

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

- 8.1 Where a 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.
- 8.2 Where the Monitoring Officer and/or Chief Financial Officer are of the opinion that the decision in question is contrary to the Policy Framework or contrary to or not wholly in accordance with the Council's Budget then they shall prepare a report 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.
- 8.3 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, a 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:
- (a) endorse a decision or proposal of the Executive decision taken 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 Members in the normal way;
 - (b) 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 Members in the normal way;
 - (c) 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 Cabinet to reconsider the matter in accordance with the advice of the Monitoring Officer and/or Chief Financial Officer.

Budget Working Group - Terms of Reference

Objective

A cross party working group of members reviewing council spend and services with a view to recommending a sustainable, balanced budget to Cabinet and the medium term.

The primary purpose of the Working Group is to address the funding gap for the next financial year

Purpose

- To review the Council's budgets
- To review budget proposals presented by senior officers
- To identify income and efficiencies
- To recommend a budget for following financial year to Cabinet within available resources
- To advise the Cabinet on a Medium Term Financial Strategy for following financial year

Constitution & powers

The budget working group shall comprise up to 12 members. Group Leaders are automatically nominated to the Group and may each nominate 1 further member. The Cabinet Member for Resources will also attend. Substitution arrangements will not apply. Working Group meetings will begin with a financial briefing in July followed by monthly meetings held within 10 working days of Cabinet Policy Forum. Meetings may be held more frequently as the Group sees fit.

The Budget Working Group is an informal meeting of members and officers to which the Access to Information rules shall not apply.

The Working Group shall appoint a Chair and Vice-Chair at its first meeting

The quorum of the Working Group shall be 3 members

Meetings of the Working Group will be supported by a senior officer of the Finance team and administered by the Leader's executive support assistant, with confidential briefing papers being issued in advance of the meeting. CMT will attend as necessary to present and discuss proposals, and respond to Group queries.

Note:

Members agree to retain the confidentiality of the budget working papers until proposals are published for the Cabinet meeting. Confidentiality is of particular importance as the impact of the proposals will directly affect employees and public services.

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