

CSection 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 two phased approach for developing and recommending budget proposals to Council for approval.
- 2.2 The Council's budget will be reviewed and reported on twice throughout each financial year. The Cabinet will consider the Council's Budget and Financial Strategy on both occasions. The Corporate Resources Director will confirm the number of phases and the timetable that will apply in the forthcoming financial year by the end of March prior to the start of each financial year.
- 2.3 This approach will enable identified budget proposals for savings and income generation and actions that mitigate new arising financial pressures to be implemented earlier in 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 Budget setting 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 (MTFS).

Budget setting plan

MEETING	CONTENT	DATE
PHASE ONE		
Cabinet	To consider the first phase of budget proposals for consultation (following approval through CPF and BWG). The publication of the report commences the Consultation period.	Summer/ Autumn
Scrutiny Committee	To formally scrutinise the first phase of budget proposals	Summer/ Autumn

Cabinet	To recommend the first phase of budget proposals to Council having regard to feedback from the joint scrutiny committee and stakeholders	Summer/ Autumn
Council	To approve the first phase of budget proposals	Summer/ Autumn
PHASE TWO		
Cabinet	To agree: <ul style="list-style-type: none"> • Council Tax base and estimated position on the Collection Fund; • NNDR1 (Business Rates position); • Any changes proposed to the Council Tax Support Scheme. 	January
Cabinet	To consider the final phase of budget proposals and the MTFs report for consultation (following approval through CPF and BWG). The publication of the report commences the Consultation period.	February
Scrutiny Committee	To formally scrutinise the final phase of budget proposals	February
Audit Committee	To review and approve the Asset Investment Strategy and Treasury Management Strategy prior to inclusion in the MTFs.	January/February
Cabinet	To recommend the MTFs including the revenue budget and Council Tax rates to Council having regard to feedback from the joint scrutiny committee and stakeholder consultation	February
Council	Approve the consolidated MTFs, including the revenue and capital budget and Council Tax Resolution.	March

PHASE ONE

2.5 The purpose of phase one is:

- (a) identify new financial pressures arising in the current financial year and take timely actions to contain expenditure within approved budgets
- (b) to 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 directors to work up budget proposals at an early stage in consultation with Members and relevant stakeholders, and allow sufficient time for the delivery and implementation of budget proposals, in advance of the forthcoming financial year.

2.6 Directorates will be required to develop and present budget proposals 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 Phase one Cabinet will formally publish budget proposals and if required, will be subject to a consultation process, which will commence at this time. As part of the consultation process, the Cabinet shall formally consult all scrutiny committees at a joint meeting on these proposals. The Cabinet shall also consult with local stakeholders, including residents, partner organisations and businesses.
- 2.8. Cabinet will then formally consider the budget proposals and the results of the consultation, including the views of the joint scrutiny committee and make recommendations to Council to agree them.

PHASE TWO

- 2.9 Phase two will result in Cabinet making recommendations to Council on further budget proposals and the consolidated MTFS Report, 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.
- 2.10 In January, Cabinet will formally publish its second phase of budget proposals and the consolidated MTFS and if required, will be subject to a consultation process, which will commence at this time. As part of the consultation process, the Cabinet shall formally consult on the further budget proposals with all scrutiny committees at a joint meeting on these proposals. The Cabinet shall also consult with local stakeholders, including residents, partner organisations and businesses, the same process outlined in Phase one to ensure that decisions made reflect community and Members' views
- 2.11 Following consultation, the final budget proposals and consolidated MTFS report will be considered by Cabinet and presented to Council for consideration and approval. This will be required to take place no later than 11 March.
- 2.12 Details of the Cabinet's consultation process as set out within the budget plan shall be included in the Forward Plan.
- 2.13 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.
- 2.14 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.
- 2.15 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 expenditure and services with a view to recommending a sustainable, balanced budget to Cabinet for the next financial year and the medium term.

This will also include reviewing the current year financial position with a view to making recommendations to be incorporated as part of a revised budget, in order to strengthen the current financial position and deliver savings and efficiencies at the earliest opportunity.

The primary purpose of the Budget Working Group (BWG) is to address the funding gap and deliver a robust and sustainable budget.

Purpose

- To review the Council's budgets;
- To review budget proposals presented by senior officers;
- To identify savings, income generation 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;
- To advise the Cabinet on a revised budget position for the current financial year

Where a presented proposal is opposed by the BWG, the group will need to nominate (or volunteer) members of the group, to work with officers to bring an alternative proposal to the following meeting. This will need to evidence the same level of financial benefit, or more in order to replace the original proposal.

Constitution & powers

The BWG shall comprise of:

- Group Leaders are automatically nominated;
- One nominate member from each group;
- The Cabinet Member for Finance.

Substitution arrangements will not apply.

BWG meetings will begin with a financial briefing at the start of the budget setting process followed by regular meetings throughout the process. This will usually be held within 10 working days of Cabinet Policy Forum. Meetings may be held more or less frequently as the Group sees fit.

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

The Budget 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. The Corporate Management Team 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

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