

Part 3.3

Budget and Policy Framework and Procedure Rules

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The Council is responsible for the adoption of the Budget and Policy Framework as set out in Part Three of the constitution “Council”. This sets out the broad financial envelope and the policy framework for decisions made by the Executive. Once the budget and policy framework are in place, it will be the responsibility of the Executive to implement it.

1. How the Framework is developed

- 1.1. The Executive will publicise, by including in the Forward Plan, 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. The relevant Executive Advisory Panel shall have already provided an essential role in developing the proposal.
- 1.2. The Executive will notify all members of how it will undertake consultation after publication of initial proposals. The Chair of the relevant Scrutiny Committee will also be notified. The consultation period in each instance shall be not less than 4 weeks unless the requirements of any statutory timetable/ deadline make this impracticable.
- 1.3. If the relevant Scrutiny Committee wishes to respond to the Executive in that consultation process, then it may do so. The relevant Scrutiny Committee may investigate, research or report in detail with policy recommendations before the end of the consultation period. The Executive will take any response from the relevant 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.
- 1.4. Once the Executive has approved draft proposals, the Monitoring Officer will refer them at the earliest opportunity to the Council for decision.

2. Process for Conflict Resolution - Plans and Strategies

- 2.1. This procedure applies in relation to those plans and strategies forming the policy framework of the Council as set out above and to any plan/strategy for the control of the Council’s borrowing and capital expenditure. The following paragraphs have been incorporated as required by the Local Authorities (Standing Orders)(England) Regulations 2001.

2.2. Where the Executive 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 the following paragraph.

2.3. Subject to paragraph 3.6 below, before the Council:

- amends the draft plan or strategy;
- approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his/her 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
- adopts (with or without modification) the plan or strategy

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

2.4. Where the Council gives instructions in accordance with paragraph 3.3, it must specify a period of at least five working days beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Executive within which the Executive Leader may:

- submit a revision of the draft plan or strategy as amended by the Executive (the “revised draft plan 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
- 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.

2.5. When the period specified by the Council, referred to in paragraph 3.4 has expired, the Council must, when:

- amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
- approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his/her 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
- 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 Executive Leader submitted to the Council, or informed the Council of, within the period specified.

- 2.6. Where an amendment to a draft plan or strategy has been in accordance with the Meeting Procedure Rules, the Leader may indicate on behalf of the Executive that s/he accepts the amendment. In these circumstances, the amendment will be regarded as incorporated in the draft strategy before Council and not (for the purposes of Rules 2.2 to 2.5 above) as an objection to it.

3. Procedure for Conflict Resolution - Revenue Budget

- 3.1. This procedure applies to estimates and calculations relating to the revenue budget and council tax. Paragraphs 3.2 to 3.5 below have been incorporated into these Rules as required by the Local Authorities (Standing Orders)(England) Regulations 2001. Those paragraphs do not apply to estimates and calculations submitted by the Executive to the Council where the estimates and calculations were drawn up by the Executive on or after 8th February in any financial year.
- 3.2. Where, before 8th February in any financial year, the Executive submits to the Council for its consideration in relation to the following financial year:-
 - 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, or 52ZF, the Local Government Finance Act 1992;
 - estimates of other amounts to be used for the purposes of such a calculation; or
 - estimates of such a calculation and following consideration of those estimates or amounts the Council has any objections to them, it must take the action set out in paragraph 3.3.
- 3.3. Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 3.2, it must inform the Executive Leader of any objections which it has to the Executive's estimates or amounts and must give to him/her instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- 3.4. Where the Council gives instructions in accordance with paragraph 3.3, it must specify a period of at least five working days beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Executive within which the Executive Leader may:

- 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
 - 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.
- 3.5. Where the period specified by the Council, referred to in paragraph 3.4 has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 3.2 take into account:
- any amendments to the estimates or amounts that are included in any revised estimates or amounts;
 - the Executive’s reasons for those amendments;
 - any disagreements that the Executive has with any of the Council’s objections, and
 - the Executive’s reasons for that disagreement, which the Executive Leader submitted to the Council, or informed the Council of, within the period specified.
- 3.6. Where estimates and calculations are drawn up by the Executive on or after 8th February in any financial year and are submitted to the Council for their consideration, the procedure in paragraphs 3.2 to 3.5 will not apply. In these circumstances the estimates and calculations will be submitted to the relevant Scrutiny Committee, together with amendments submitted in accordance with the Meeting Procedure Rules. Where the relevant Scrutiny Committee has any objection to the estimates and calculations, it will report such objections to the Council, the Leader and the lead Executive member. The Leader will report to the Council whether they agree or disagree with any objection of the relevant Scrutiny Committee.
- 3.7. Immediately after any vote is taken at a budget decision meeting where the calculation set out in paragraph 3.2 is made, including a meeting where making the calculation was included as an item of business on the agenda for that meeting, there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting. In this paragraph, references to a vote are references to a vote on any decision related to the making of the calculation.

4. Decisions outside the Budget or Policy Framework

- 4.1. Subject to the provisions of paragraph 7 and Financial Regulations in relation to the budget, and paragraphs 6 and 8 in relation to the policy framework, 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.
- 4.2. If the Executive, committees of the Executive, individual members of the Executive and any officers, discharging Executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Finance 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 not authorised by paragraph 7 or Financial Regulations, then the decision must be referred by that body or person to the Council for decision. If the advice of the Monitoring Officer is that the decision would be contrary to the policy framework and not authorised by paragraph 8, 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 of paragraph 5 apply.

5. Urgent Decisions Outside the Policy Framework

- 5.1 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 if the decision is a matter of urgency. However, the decision may only be taken if:
 - either the Chief Executive, the Chief Finance Officer or the Monitoring Officer advise in writing that the legal or financial position of the Council or the interests of the Council and/or the residents of North Northamptonshire would be significantly affected if the matter were not determined before the next scheduled Council meeting, and
 - the Chair of the relevant Scrutiny Committee (or in their absence the Chairman of the Council) agrees that the decision is a matter of urgency.
- 5.2 The advice of the Chief Executive, Chief Finance Officer or Monitoring Officer and the consent of the Chair of the relevant Scrutiny Committee (or, if relevant, the Chairman of the Council) to the decision being taken as a matter of urgency must be noted on the record of the decision.

- 5.3 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

- 6.1 The scheme of virement is set out in the Financial Procedure Rules.

7. In-year Changes to Policy Framework

- 7.1. The responsibility for agreeing the policy framework lies with the Council, and decisions by the Executive, a committee of the executive, an individual member of the Executive or officers, discharging executive functions must be in line with it. Subject to paragraph 6, no changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except those changes which are necessary to ensure compliance with the law, national emergencies, ministerial direction or government guidance, or where the existing policy document is silent on the matter under consideration. Where such a change is made, they shall be recorded and published as a decision.

8. Call-in of decisions outside the Budget and Policy Framework

- 8.1. Council can only consider call-in decisions or proposed decisions which relate to an executive decision which is contrary to the Policy Framework or contrary to or not wholly in accordance with the budget. Where Councillors are of the opinion that this is the case, they shall seek advice from the Monitoring Officer and/or Chief Financial Officer.
- 8.2. 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/or Chief Financial Officer's report and to prepare a report to Council in the event that the Monitoring Officer and/or the Chief Financial Officer conclude that the decision was a departure; and to the relevant Scrutiny Committee if the Monitoring Officer and/or the Chief Financial Officer conclude that the decision was not a departure.
- 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, Councillors may, in accordance with the call-in procedure set out in the Scrutiny Procedure Rules, refer the matter to Council.
- 8.4. 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 10 working days of the request by members of the

relevant Scrutiny Committee unless the Leader of the Council, or in their absence the Deputy Leader, agrees that the Council need not necessarily meet within the specified period. 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.

8.5. The Council may either:

- 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; or
- amend the Council's financial regulations or policy concerned to encompass the decision or proposal of the executive function decision taker 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
- 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/Chief Finance Officer.

**End of Budget and Policy Framework
March 2021**