

## The Budget and the Policy Framework Procedure Rules

### 1. The Framework for Executive Decisions

- (1) In accordance with Article 4 of the Constitution, the Council is responsible for the adoption of its policy framework and the budget. Article 2 makes it the responsibility of the Cabinet to implement them.
- (2) The Council is required by the Local Authorities (Standing Orders) (England) Regulations 2001 to have a procedure for agreeing plans and strategies formulated by the Cabinet.

### 2. Process for Developing the Framework

- (1) The Cabinet will publicise, by inclusion in the Council's Forward Plan, a timetable for making proposals to the Council for the adoption of the budget or any plan or strategy that forms part of the policy framework, and its arrangements for consultation after publication of such initial proposals.
- (2) The Chairman of the Scrutiny Panel will be notified of such proposals referred to in Rule 2(1) above.
- (3) The consultation period shall in each instance be not less than two weeks.
- (4) At the end of the consultation period, the Cabinet will prepare a report to the Council, having regard to the responses received to the consultation and the Cabinet's views on the responses.
- (5) Once the Cabinet has prepared its report, the Proper Officer will refer it at the earliest opportunity to the Council for decision.
- (6) Taking account of relevant legal requirements, (in particular those which require the Council to adopt a budget within a statutory timescale), the Council will consider the Cabinet's proposals contained in its report and may adopt them, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place.
- (7) The Council's decision shall be published in accordance with the Constitution and a copy shall be passed to the Leader of the Council.
- (8) If the Council adopts the Cabinet's proposals without amendment, the decision shall become effective immediately.
- (9) If the Council amends the Cabinet's proposals or substitutes its own proposals in their place, its decision shall become effective on the expiry of five working days after the date of publication of the notice of decision, unless the Leader of the Council objects to it in that period.

- (10) If the Leader of the Council objects to the Council's decision, he/she shall give written notice to the Proper Officer to that effect prior to the date upon which the decision is to become effective. The written notice must give the reason for the objection.
- (11) Where a written notice is received by the Proper Officer, he/she shall convene a further meeting of the Council to reconsider its decision. This meeting must take place within ten days of the receipt of the Leader of the Council's written objection. The decision shall not be effective pending the meeting.
- (12) The Council shall at that meeting reconsider its original decision and the Leader of the Council's objections and make a final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with the Constitution and shall be implemented immediately.

### **3. Decisions Outside the Policy Framework and/or the Budget**

- (1) Subject to the provisions of Financial Procedure Rules the Cabinet, individual members of the Cabinet, Panels, Committees, Officers, or joint arrangements discharging executive functions may only take decisions which are in line with the policy framework and budget.
- (2) If the Cabinet, individual members of the Cabinet, Panels, Committees, Officers, or joint arrangements discharging executive functions want to make a decision which they consider may be contrary to the policy framework and/or budget they shall take advice from the Monitoring Officer and/or the Chief Finance Officer.
- (3) If the advice of either of these officers is that the decision would not be in accordance with the existing policy framework or the budget, then the decision must be referred by that body or person to the Council for determination, unless the decision is a matter of urgency, in which case the provisions in Rule 4 (urgent decisions outside the Policy Framework and or Budget) shall apply.

### **4. Urgent Decisions outside the Policy Framework and/or the Budget**

- (1) The Cabinet, individual members of the Cabinet, Panels, Committees, Officers, 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. Such an urgent decision may only be taken if:
  - (a) it is not practical to convene a quorate meeting of the full Council;
  - (b) in the case of a Cabinet decision, the Chairman of the Scrutiny Panel agrees that the decision needs to be taken as a matter of urgency; and
  - (c) in the case of a decision by an individual Cabinet Member or officer making a key decision, the chairman of the Scrutiny Panel agrees that the decision needs to be taken as a matter of urgency.
- (2) The decision notice must specify the reasons why it was not practical to convene a quorate meeting of the full Council and that the Chairman of the Scrutiny Panel gave consent to the decision being taken as a matter of urgency.

- (3) Following the decision, a full report will be made to the next Council meeting explaining the decision, the reasons for it and why the decision was taken as a matter of urgency.

## **5. Call-in of Decisions outside the Policy Framework and/or the Budget**

- (1) Where the Scrutiny Panel is of the opinion that a 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 the Chief Finance Officer.
- (2) In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer and/or Chief Finance Officer's report shall be to the Cabinet and a copy made available to every Councillor. Regardless of whether the decision is delegated to an individual Cabinet Member or to an Officer, the Cabinet must meet to decide what action to take in respect of this Officer's report.
- (3) The Cabinet must prepare a report to Council in the event that the Monitoring Officer and/or Chief Finance Officer conclude that the decision was a departure, and to the Scrutiny Panel if the Monitoring Officer and/or Chief Finance Officer conclude that the decision was not a departure.
- (4) 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 Chief Finance Officer is that the decision is, or would be contrary to, or not wholly in accordance with the policy framework and/or budget, the Scrutiny Panel 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.
- (5) The Council shall meet within ten working days of the request by the Scrutiny Panel. At the meeting it will receive a report which sets out both the decision sought and the advice of the Monitoring Officer and/or Chief Finance Officer.
- (6) The Council may either:
  - (a) endorse a decision or proposal of the decision taker as falling within the Policy Framework and/or existing budget. In this case no further action is required, save that the decision be minuted and made available to all Councillors in the normal way; or
  - (b) amend the Council's Financial Procedure Rules and/or the 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 made available to all Councillors in the normal way; or
  - (c) where the Council accepts that the decision or proposal is contrary to the Policy Framework, or contrary to/ not wholly in accordance with the budget and does not agree to change either to accommodate it, require the Cabinet to reconsider the matter in accordance with the advice of the Monitoring Officer and/or Chief Finance Officer.

## 6. Procedure for the adoption and/or amendment of plans and strategies by the full Council

In these rules "plan or strategy" means:

- The Community Strategy
- Crime and Disorder Reduction Strategy (Community Safety Strategy)
- Local Transport Plan
- Plans and strategies which together comprise the Development Plan
- The Council's Strategic Plan
- The Plan and Strategy which comprise the Housing Investment Programme
- Local Agenda 21 Strategy
- Local Choice Plans and Strategies
- A plan or strategy for the control of the Council's borrowing or capital expenditure
- The Budget
- Local Code of Corporate Governance
- Risk Management Strategy
- Anti-Fraud and Corruption Policy
- Travellers Policy
- Tackling Homelessness - Colchester's Review and Strategy

(1) Where the Cabinet has submitted a draft plan or strategy to the full Council and, following its consideration of it, the full Council has any objections, the full Council must take the action set out below.

(2) Before the full 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 draft plan or strategy,

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

(3) Where the Cabinet is to reconsider the draft plan or strategy, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of the Cabinet within which the Leader of the Council may -

- (a) submit a revision of the draft budget 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 full Council; or
- (b) inform the full Council of any disagreement that the Cabinet has with any of the full Council's objections and the reasons for any such disagreement.

- (4) When the period specified by the full Council, referred to in rule 6(2) above, has expired, the full Council must, when -
- (a) amending the draft plan or strategy or 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 of which any part is required to be so submitted; or
  - (c) adopting 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 full Council's objections and the Cabinet's reasons for that disagreement, which the Leader of the Council submitted to the full Council within the period specified.

- (5) Subject to rule 6(8), where, before 8th February in any financial year, the Cabinet submits to the full 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 32 to 37 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 full Council has any objections to them; it must take the action set out in rule 6(6) below.

- (6) Before the full Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in rule 6(4)(a) above, or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of the Council of any objections which it has to the Cabinet's estimates or amounts and must give to him/her instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the full Council's requirements.
- (7) Where the full Council gives instructions in accordance with rule 6(5) above, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of the Cabinet within which the Leader of the Council may -
- (a) 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 full Council's requirements, with

the Cabinet's reasons for any amendments made to the estimates or amounts, to the full Council for its consideration; or

- (b) inform the full Council of any disagreement that the Cabinet has with any of the full Council's objections and the Cabinet's reasons for any such disagreement.
- (8) When the period specified by the full Council has expired, the full Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in rule 6(4)(a) above, 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 Cabinet's reasons for those amendments;
  - (c) any disagreement that the Cabinet has with any of the full Council's objections; and
  - (d) the Cabinet's reasons for that disagreement,

which the Leader of the Council submitted to the full Council within the period specified.