



Nottingham

City Council

Constitution

Article Eight: The Budget and Policy Framework

Draft

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8.1 The Budget and Policy Framework, is the framework within which all decisions must be taken. The Council is responsible for adopting the Budget and Policy Framework based on recommendations from the Executive. Once adopted by Council, the Executive is responsible for the implementation of the framework in relation to Executive matters. The Policy Framework comprises the following plans and strategies:

- The Council Plan
- Community Strategy (The Nottingham Plan)
- Local Transport Plan
- Development Plan
- Licensing Policy
- Gambling Statement of Principles
- Crime and Disorder Reduction Partnership Strategy
- Children and Young People's Plan
- Pay Policy Statement
- Civil Contingencies Plans:
 - Managing an Emergency
 - Pipeline Safety Plan
- Such other plans or strategies as may be specified by the Council as part of the Policy Framework, to include those that:
 - Are significant in terms of the effect on communities living or working across all wards
 - Commit the Council to significant expenditure over and above that already in the budget or over a long period of time
 - Are significant in terms of its effect on the council's priorities
 - Have regional or national significance.

8.2 The Budget and Policy Framework does not include all Council policies which will be subject to approval by the relevant Executive decision maker or Council Committee.

8.3 **Developing the Budget and Policy Framework**

Where there is a requirement to consult on proposals relating to the Budget and Policy Framework the Executive decision maker (usually Executive Board) will develop and publish a timetable for consultation and proper consideration of consultation responses. This will be done through the reporting and notice arrangements as outlined in Article 13 – Access to Information Procedure Rules. The Executive decision maker will then recommend to Full Council the adoption of any document forming part of the Budget and Policy Framework. This timetable will include details of the arrangements for consultation with the public or stakeholders where appropriate. The Chairs of the relevant Overview and Scrutiny Committees will also be notified.

8.4 In relation to proposals associated with the Development Plan, the Executive decision maker will, in consultation with the Planning Committee, develop draft proposals for public consultation which will be submitted to Council for approval or amendment.

- 8.5 At the end of any consultation period, the Executive decision maker will draw up final draft proposals for the plan, strategy or budget. These proposals will have regard to the responses to the consultation and the report to Council will reflect the comments made by consultees and the Executive decision maker's response to the consultation.
- 8.6 The relevant Overview and Scrutiny Committee can inform and support the Executive in making proposals to the Council on any document that forms part of the Budget and Policy Framework. This support includes providing constructive challenge to the responsible Portfolio Holder on policy proposals, exploring options for future policy development and making recommendations on the proposed document. The Overview and Scrutiny Committee is the lead committee for scrutiny of the overall budget.
- 8.7 The Executive decision maker must have regard to any recommendations made by Overview and Scrutiny Committees and its report to Council shall reflect those recommendations and their response to them.
- 8.8 Once the Executive decision maker has finalised its draft proposals, having regard to the comments of the Overview and Scrutiny Committees and other consultees as appropriate, the proposals will be taken to the next available meeting of Full Council for decision.
- 8.9 **Dispute Resolution**
If Full Council has objections to any document forming part of the Budget and Policy Framework it may only amend it, approve it for submission to a Government Department or adopt it if an amendment has been submitted in accordance with Council Standing Orders (Article 12 – Council Standing Orders and Committee Procedures) and the Leader indicates, on behalf of the Executive, that they accept the amendments. In these circumstances the dispute resolution process does not apply.
- 8.10 If the objections cannot be resolved as outlined in paragraph 8.9, Full Council cannot amend, approve for submission to a Government Department or adopt the document until the following process has been followed. It may however make an 'in principle' decision. Full Council will inform the Leader of the objection and instruct the Executive decision maker to reconsider the draft document and specify a date by which the Leader may submit a response. That date must be at least five working days after the date when the Leader receives the instruction to reconsider. If the Leader does not respond within the time specified then the 'in principle' decision takes effect.
- 8.11 When the Executive decision maker reconsiders the draft document it may:
- accept the Council's objections, in which case either the in principle decision takes effect, or the document is referred back to Council in accordance with the timescale outlined in paragraph 8.13
 - make amendments to the draft document, in which case the Leader must submit any revised draft to Full Council together with the Executive decision maker's reasons for those revisions

- disagree with the Council's objections, in which case the Leader must inform the Full Council that the Executive decision maker disagrees with the Council's objections and explain why.
- 8.12 If appropriate, the Executive may involve the relevant Overview and Scrutiny Committee in such reconsideration.
- 8.13 If the Leader submits a revised draft of the document, or if he/she informs Full Council that the Executive decision maker disagrees with Full Council's objections, then a further Full Council meeting must be arranged within 14 working days. Full Council must then consider the submissions made by the Leader on behalf of the Executive decision maker before adopting, amending or approving the document.
- 8.14 If, before 8 February in any financial year:
- Executive Board submits estimates (as required by the Local Government Finance Act 1992) to enable the budget requirement and basic amount of its Council tax to be calculated, to Full Council and
 - the Full Council objects to those estimates
- Full Council may not make amendments to those estimates until it has informed the Leader of its objections and allowed him/her time to respond. It may however make an 'in principle' decision.
- 8.15 Paragraph 8.14 shall not apply in relation to calculations or substitute calculations which the Council is required to make in accordance with sections 52I, 52J, 52T or 52U of the Local Government Finance Act 1992 (provisions relating to Council Tax capping) and 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.
- 8.16 **Decisions Outside the Budget and Policy Framework**
Any person or body exercising Executive functions must normally act within the Budget and Policy Framework. Executive decision makers may, without reference to Full Council, take any decision which is contrary to or not wholly in accordance with the budget or capital programme, provided that any additional costs incurred can be offset by additional (unforeseen) income, contingency funds (reserves and balances) or savings from elsewhere within the budgetary allocations to functions which are the responsibility of the Executive. Urgent decisions outside the budget or policy framework may be made in the circumstances described in paragraph 8.19-8.20. Virement will be possible to the extent described in Article 17 - Financial Regulations.
- 8.17 In any other circumstances if a person or body exercising executive functions wishes to make a decision which is outside the budget or policy framework, that decision may only be taken following agreement from Full Council. It is the duty of the person or body who wishes to make the decision to refer the matter to Full Council.
- 8.18 If an Executive decision maker wishes to make a decision which appears to be outside the Budget or Policy Framework they shall take advice from the

Monitoring Officer and/or the Chief Finance Officer. Those officers shall advise whether the proposed decision would in fact 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 to the Council for decision except where the decision is a matter of urgency in which case the provisions in paragraph 8.19- 8.20 shall apply.

8.19 Urgent Decisions Outside the Budget or Policy Framework

Any Executive decision maker 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:

- if it is not practical to convene a quorate meeting of the full Council; and
- if the Chair of the Overview and 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 agreement of the Chair of the Overview and Scrutiny Committee must be noted on the record of the decision. In the absence of the Chair of the Overview and Scrutiny Committee the consent of the Vice-Chair of the Overview and Scrutiny Committee, or in his/her absence the consent of the Lord Mayor is required.

8.20 Following the decision, the decision maker 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.

8.21 Virement

The scheme of virement shall enable Executive decision makers to manage budgets with a degree of flexibility within the overall Policy Framework determined by Council.

8.22 Steps taken by Executive decisions makers to implement Council policy must not exceed the budgets allocated to each budget head. However, such decision makers shall be entitled to vire across budget heads in accordance with the process and limits as set out in Article 17 – Financial Regulations.

8.23 In-Year Changes to Policy Framework

All decisions in relation to Executive functions must be in line with the policy framework. Only Full Council can change any policy or strategy which is part of the framework except in the following circumstances where Executive decision makers may make changes:

- to give effect to a ministerial requirement in relation to any plan or strategy submitted to a Minister for approval; and/or
- if authorised by Full Council when approving or adopting the plan or strategy.

8.24 Call-In of Decisions Outside the Budget or Policy Framework

Where an Overview and Scrutiny Committee is of the opinion that a proposed or actual Executive decision would materially depart from the Budget and/or

Policy Framework, it shall seek advice from the Monitoring Officer and/ or the Chief Finance Officer who shall, where appropriate, prepare a report setting out their advice on the matter.

- 8.25 In respect of functions which are Executive functions, the Monitoring Officer's report and/or Chief Finance Officer's report shall be to the Executive Board with a copy to every member of the Council. Regardless of whether the decision is delegated or not, Executive Board 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 Chief Finance Officer conclude that the decision was a departure, and to the Overview and Scrutiny Call-in Sub-Committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure.
- 8.26 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 Finance 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 Overview and Scrutiny Call-in Sub-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 14 days of the request by the Overview and Scrutiny Call-in Sub-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 Finance Officer. Further information on the Call-in process can be found in Article 11 – Overview and Scrutiny.
- 8.27 The Council may either:
- endorse a decision or proposal of the decision taker as falling within the existing budget and policy framework. In this case no further action is required, save that the decision of Full Council must be minuted and circulated to all Councillors in the normal way, or
 - amend the Council's Standing Orders, Financial Regulations, budget 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 Full Council must be minuted and circulated all Councillors in the normal way or
 - where Full 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 it does not amend the existing budget or framework to accommodate this, it must require the Executive Board to reconsider the matter in accordance with the advice of either the Monitoring Officer or Chief Finance Officer.