

# Standing Orders – Budget and Policy Framework

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### Standing Order

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**F1. The Framework for Executive Decisions**

F1.1 The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once the budget and policy framework is in place, it will be the responsibility of the CabinetExecutive to implement it.

**F2. Process for Developing the Revenue Budget**

- F2.1 Normally, at least four months before the Council's budget meeting, the elected MayorCabinet will publicise, by including in the Forward Plan, a timetable in accordance with which it will make proposals for the authority's overall financial approach to service expenditure levels and local taxation for the next following year and publish initial proposals for the budget, having taken into account any budget formulation work carried out by the Overview and Scrutiny Board and any issues raised during any State of the Borough debate.
- F2.2 The elected MayorCabinet's initial budget proposals will then be sent to the all the members of the Overview and Scrutiny Board for consideration and to all appropriate external consultees. Details of the consultation process shall be included in the Forward Plan and the consultation period shall normally be not less than six weeks.
- F2.3 If the Overview and Scrutiny Board wishes to respond to the Cabinetelected Mayor during the consultation process then it may do so. As the Overview and Scrutiny Board has responsibility for fixing its own work programme, it is open to the Overview and Scrutiny Board to investigate, research or report in detail with policy recommendations before the end of the consultation period. The elected MayorCabinet will take any response from the Overview and Scrutiny Board into account in drawing up it'shis/her budget proposals.
- F2.4 In addition, the elected MayorLeader of the Council may seek informal discussions with the Overview and Scrutiny Board to debate any areas of difference.
- F2.5 At the end of the consultation period the elected MayorCabinet will finalise his/herit's budget proposals (subject to receipt at a later date of any relevant information from the Government and/or any precepting authorities) having due regard to the responses to the consultation and submit them to the Council for consideration at a meeting normally commencing prior to 8th February in each year. The Cabinet'sselected Mayor's budget report to Council will explain how the elected MayorCabinet has taken into account any recommendations from the Overview and Scrutiny Board and other consultation responses.
- F2.6 At the Council budget setting meeting, the Council will consider the elected MayorCabinet's budget proposals. In reaching a decision on the elected MayorCabinet's budget proposals the Council may:
- (i) adopt the elected MayorCabinet's proposals without amendment; or
  - (ii) follow the process set out in Standing Orders F2.7 to F2.112 below, where it has objections to it.
- F2.7 Subject to Standing Order F2.112, where, before 8th February in any financial year, the elected MayorCabinet submits to a meeting of the Council for its consideration in relation to the following financial year:

- (i) 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 or 43 to 49 of the Local Government Finance Act 1992;
- (ii) estimates of other amounts to be used for the purposes of such a calculation;
- (iii) estimates of such a calculation; or
- (iv) 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 Council has any objection, it must take the action set out in Standing Order F2.8.

F2.8 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Standing Order F2.7(i), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the ~~elected Mayor~~Leader of the Council of any objections which it has to the ~~Cabinet~~elected Mayor's estimates or amounts and must give to him/her instructions requiring the ~~elected Mayor~~Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

(Note: The provisions in Standing Order A14.4 in relation to Council meetings apply for Motions affecting the setting of the Budget.)

F2.9 Where the Council gives instructions in accordance with Standing Order F2.8, it must specify a period of at least five working days beginning on the day after the date on which the ~~elected Mayor~~Leader of the Council receives the instructions on behalf of the ~~Cabinet~~Executive within which the ~~elected Mayor~~Leader of the Council may:

- (i) submit a revision of the estimates or amounts as amended by the ~~elected Mayor~~Cabinet ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the ~~elected Mayor~~Cabinet's reasons for any amendments made to the estimates or amounts, to the Council for its consideration; or
- (ii) inform the Council of any disagreement that the ~~elected Mayor~~Cabinet has with any of the Council's objections and the ~~elected Mayor~~Cabinet's reasons for any such disagreement.

F2.10 ~~Subject to Standing Order F2.11, w~~When the period specified by the Council referred to in Standing Order F2.9 has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with sections 32 to 37 or 43 to 49 of the Local Government Finance Act 1992, or when issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:

- (i) any amendments proposed by the ~~elected Mayor~~Cabinet to the estimates or amounts included in any revised estimates or amounts;
- (ii) the ~~Cabinet~~elected Mayor's reasons for those amendments;
- (iii) any disagreement that the ~~elected Mayor~~Cabinet has with any of the Council's objections; and
- (iv) the ~~Cabinet~~elected Mayor's reasons for that disagreement,

which the ~~elected Mayor Cabinet~~ submitted to the Council, or informed the Council of, within the period specified by ~~Standing Order S.O. F2.9~~ above.

~~F2.11 When the Council, for the purposes of making the calculations or issuing the precept, proposes to use different estimates or amounts which are not in accordance with the elected Mayor's estimates or amounts, or, as the case may be, the elected Mayor's revised estimates or amounts, the different estimates or amounts must be approved by at least a two thirds majority of those members present and voting in favour. Such amendments to the elected Mayor's estimates or amounts or revised estimates or amounts must arise from the original objection(s) of the Council as set out in Standing Order F2.9. Where a two thirds majority voting in favour of the Council's amendments is not achieved, then the elected Mayor's proposals will stand.~~

F2.112 Standing Orders F2.7 to F2.104 shall not apply in relation to:

- (i) calculations or substitute calculations which the Council is required to make in accordance with section 52I, 52J, 52T or 52U of the Local Government Finance Act 1992; and
- (ii) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52J or 52U of the Local Government Finance Act 1992.

(Standing Orders F2.7 to F2.112 reflect the requirements of the Local Authorities (Standing Orders) (England) Regulations 2001)

F2.123 Where the papers containing the ~~elected Mayor Cabinet~~'s budget proposals to be submitted under Standing Order F2.5 are submitted to a meeting of Council prior to 8th February, that meeting shall be adjourned (or further adjourned) for such a reasonable period (including having regard to Standing Order ~~F14.5A~~14.4 in relation to Council Meetings) as the Chief Executive shall recommend where:

- (i) a majority of members present and voting so determine; or
- (ii) (without a vote) where the Chief Finance Officer has advised that an adjournment is reasonably necessary to allow time for the receipt (or consideration by him/her and/or members) of additional information or full consideration (by him/her and/or members) of the papers submitted to Council

and Standing Orders F2.7 to F2.112 (inclusive) shall continue to apply notwithstanding such adjournment.

F2.134 Subject to Standing Order F2.123, Standing Orders F2.7 to F2.112 shall not apply when the ~~elected Mayor Cabinet~~ submits its proposals to the Council after 7th February in any financial year.

F2.145 Any notices of motion in respect of the proposed budget will be served in accordance with the Standing Order A14.45.

F2.156 Given the statutory deadline for setting council tax levels, a decision on the budget to be set shall be taken (and shall not be referred to an adjourned meeting or to a future meeting) where the Council's Chief Finance Officer (in consultation with the Monitoring Officer and Chief Executive) advises that a failure to set a budget would be likely to be illegal.

- F2.167 The Overview and Scrutiny Co-ordinator and scrutiny lead members will be given notice of and shall be entitled to attend all meetings of the ~~elected Mayor~~Cabinet when annual estimates are under consideration.
- F2.178 In approving the budget, the Council may also specify the extent of any budget transfer (or virement) limits in accordance with Financial Regulations. Any other changes to the budget are reserved to the Council.
- F2.189 In approving the budget, the Council will also set the fees and charges for the forthcoming year.
- F2.1920 The ~~Executive Lead for Finance,~~Cabinet shall submit a recommendation to the appropriate Council meeting, as to the setting of the Council Tax Base as per the Local Authorities (Calculation of Tax base)(England) Regulations 2012,
- F2.204 The ~~Executive Lead for Finance~~Cabinet, after taking into consideration those statutory matters to be taken into account in relation to the Collection Fund (including the amounts required under precepts served by precepting authorities), shall submit a recommendation to the appropriate Council meeting as to those matters and the amount of the levels of Council Tax to be set for each category of dwelling for its area for the chargeable financial year commencing on 1st April.

### F3. Process for Developing the Capital Plan

- F3.1 Each year the Corporate Asset Management Team (CAMT), in collaboration with the Chief Executive, other Directors, Assistant Directors and Executive Heads, will prepare revisions to the Capital Plan (including any proposed changes to the approved disposals list) covering all capital expenditure in the forthcoming four-year period for consideration by the ~~Cabinet~~elected Mayor. In considering any new schemes for inclusion within the Capital Plan, the CAMT will utilise any capital prioritisation process approved by the Council ensuring that the projected expenditure over the life of the project, including on-going revenue consequences, is taken into account.
- F3.2 Normally, at least two months before the Council's budget meeting and following the annual announcement of the Government's allocation of capital resources (through the Single Capital Pot or successor arrangements), the ~~Cabinet~~elected Mayor will publish in the Forward Plan a timetable ~~in accordance with which he or she will~~for making proposals to the Council for revisions to the Capital Plan.
- F3.3 The ~~elected Mayor~~Cabinet's initial proposals for revisions to the Capital Plan will then be sent to the all the members of the Overview and Scrutiny Board for consideration and to all appropriate external consultees. Details of the consultation process shall be included in the Forward Plan and the consultation period shall normally be not less than six weeks.
- F3.4 If the Overview and Scrutiny Board wishes to respond to the ~~elected Mayor~~Cabinet during the consultation process then it may do so. As the Overview and Scrutiny Board has responsibility for fixing its own work programme, it is open to the Overview and Scrutiny Board to investigate, research or report in detail with policy recommendations before the end of the consultation period. The ~~elected Mayor~~Cabinet will take any response from the Overview and Scrutiny Board into account in drawing up ~~it's~~his or her budget proposals.

- F3.5 In addition, the ~~elected Mayor~~Leader of the Council may seek informal discussions with the Overview and Scrutiny Board to debate any areas of difference.
- F3.6 At the end of that period, the ~~elected Mayor~~Cabinet will finalise ~~it's~~his or her proposals for revision to the Capital Plan having regard to the responses to the consultation and submit them to the Council for consideration. The ~~elected Mayor~~Cabinet's report to Council will explain how the ~~elected Mayor~~Cabinet has taken into account any recommendations from the Overview and Scrutiny Board and other consultation responses.
- F3.7 In reaching a decision on the ~~elected Mayor~~Cabinet's proposals the Council may:
- (i) adopt the ~~elected Mayor~~Cabinet's proposals without amendment, in which case the Council may make a decision with immediate effect; or
  - (ii) follow the process set out in Standing Orders F3.8 to F3.10 below, where it has objections to it.
- F3.8 Before the Council:
- (i) amends the draft Capital Plan; or
  - (ii) adopts (with or without modification) the Capital Plan,
- it must inform the ~~elected Mayor~~Leader of the Council of any objections which it has to the draft Capital Plan and must give him/her instructions requiring the ~~elected Mayor~~Cabinet to reconsider, in light of those objections, the draft Capital Plan submitted to it.
- F3.9 Where the Council gives instructions in accordance with Standing Order F3.8, 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~~elected Mayor receives the instructions within which the ~~elected Mayor~~Cabinet may:
- (i) submit a revision of the draft Capital Plan as amended by ~~him or her~~the Cabinet (the "revised draft Capital Plan"), with ~~his or her~~the Cabinet's reasons for any amendments made to the draft Capital Plan, to the Council for its consideration; or
  - (ii) inform the Council of any disagreement that the ~~he or she~~Cabinet has with any of the Council's objections and his or her reasons for any such disagreement.
- F3.10 ~~Subject to Standing Order F3.11, w~~When the period specified by the Council referred to in Standing Order F3.9 has expired, the Council must, when:
- (i) amending the draft Capital Plan or, if there is one, the revised draft Capital Plan; or
  - (ii) adopting (with or without modifications) the Capital Plan,
- take into account any amendments made to the draft Capital Plan that are included in any revised draft Capital Plan, the ~~elected Mayor~~Cabinet's reasons for those amendments, any disagreement that the ~~elected Mayor~~Cabinet has with any of the Council's objections and the ~~elected Mayor~~Cabinet's reasons for that disagreement,

which the ~~elected Mayor~~ Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

~~F3.11 Where the Council proposes to:~~

~~(i) amend the draft Capital Plan or, as the case may be, the revised draft Capital Plan; or~~

~~(ii) adopt with modifications the Capital Plan,~~

~~and that Capital Plan (whether or not in the form of a draft), with any proposed amendments or modifications, is not in accordance with the draft Capital Plan or, as the case may be, the revised draft Capital Plan, the amendments or modifications must be approved by at least a two thirds majority of those members present and voting in favour. Such amendments or modifications to the elected Mayor's draft Capital Plan or revised Capital Plan must arise from the original objection(s) of the Council as set out in Standing Order F3.8. Where a two thirds majority voting in favour of the Council's amendments is not achieved, then the elected Mayor's proposals will stand.~~

(Standing Orders F3.7 to F3.10~~4~~ reflect the requirements of the Local Authorities (Standing Orders) (England) Regulations 2001)

F3.11~~2~~ The procedures referred to in Standing Orders F3.7 to F3.10~~4~~ shall be undertaken concurrently with the process for developing the revenue budget.

#### F4. Process for Developing the Policy Framework

F4.1 Before a plan within the Policy Framework is adopted or subject to Standing Order F8, the ~~elected Mayor~~Cabinet shall publish a timetable in accordance within which ~~he or it~~she will make proposals to the Council. Details of any proposed consultation exercise shall be included in the Forward Plan and the consultation period shall normally be not less than six weeks. The form and nature of any consultation to be undertaken may be discussed between the ~~elected Mayor~~Cabinet and the Overview and Scrutiny Board to ensure its effectiveness. Any representations made to the ~~elected Mayor~~Cabinet will be taken into account in formulating the initial proposals.

F4.2 If the matter is one where an Overview and Scrutiny Board has carried out a review of policy, then the outcome of that review will be reported to the ~~elected Mayor~~Cabinet and considered in the preparation of initial proposals.

F4.3 The ~~elected Mayor~~Cabinet's initial proposals will then be sent to all members of the Overview and Scrutiny Board for further consideration and to all appropriate external consultees. The Overview and Scrutiny Co-ordinator (or his/her nominee), on behalf of the Overview and Scrutiny Board, will then indicate if he/she is content for the proposals to be submitted to the Council without any formal consideration or response from the Overview and Scrutiny Board. He/she will inform the Head of Governance Support, the elected Mayor and Group Leaders where he/she decides that a formal response will not be given.

F4.4 If the Overview and Scrutiny Board wishes to respond to the ~~elected Mayor~~Cabinet during the consultation process then it may do so. As the Overview and Scrutiny Board has responsibility for fixing its own work programme, it is open to the Overview and Scrutiny Board to investigate, research or report in detail with policy recommendations before the end of the consultation period. The ~~elected~~

~~Mayor~~Cabinet will take any response from the Overview and Scrutiny Board into account in drawing up ~~it's~~his or her proposals.

- F4.5 In addition, the ~~elected Mayor~~Leader of the Council may seek informal discussions with the Overview and Scrutiny Board to debate any areas of difference.
- F4.6 At the end of that period, the ~~elected Mayor~~Cabinet will finalise ~~it's~~his or her proposals having regard to the responses to the consultation and submit them to the Council for consideration. The ~~elected Mayor~~Cabinet's report to Council will explain how ~~he or she~~it has taken into account any recommendations from the Overview and Scrutiny Board and other consultation responses.
- F4.7 The Council will consider the ~~elected Mayor~~Cabinet's proposals. In reaching a decision on the ~~elected Mayor~~Cabinet's proposals the Council may:
- (i) adopt the ~~elected Mayor~~Cabinet's proposals without amendment, in which case the Council may make a decision with immediate effect; or
  - (ii) follow the process set out in Standing Orders F4.8 to F4.10 below, where it has objections to it.
- F4.8 Before the Council:
- (i) amends the draft plan or strategy;
  - (ii) 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
  - (iii) adopts (with or without modification) the plan or strategy, it must inform the ~~elected Mayor~~Leader of the Council of any objections which it has to the draft plan or strategy and must give him/her instructions requiring the ~~him or her~~Cabinet to reconsider, in light of those objections, the draft plan or strategy submitted to it.
- F4.9 Where the Council gives instructions in accordance with Standing Order F4.8, it must specify a period of at least five working days beginning on the day after the date on which the ~~elected Mayor~~Leader of the Council receives the instructions within which the ~~elected Mayor~~Leader of the Council may:
- (i) submit a revision of the draft plan or strategy as amended by ~~him or her~~the Cabinet (the "revised draft plan or strategy"), with ~~the Cabinet's~~his or her reasons for any amendments made to the draft plan or strategy, to the Council for its consideration; or
  - (ii) inform the Council of any disagreement that the ~~elected Mayor~~Cabinet has with any of the Council's objections and the ~~elected Mayor~~Cabinet's reasons for any such disagreement.
- F4.10 ~~Subject to Standing Order F4.11, w~~hen the period specified by the Council referred to in Standing Order F4.9 has expired, the Council must, when:
- (i) amending the draft plan or strategy or, if there is one, the revised draft plan or strategy; or



- (ii) 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
- (iii) adopting (with or without modifications) 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 elected Mayor Cabinet's reasons for those amendments, any disagreement that the elected Mayor Cabinet has with any of the Council's objections and the elected Mayor Cabinet's reasons for that disagreement, which the elected Mayor Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

#### ~~F4.11 Where the Council proposes to:~~

- ~~(i) amend the draft plan or strategy or, as the case may be, the revised draft plan or strategy;~~
- ~~(ii) approve, 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~~
- ~~(iii) adopt with modifications the plan or strategy,~~

~~and that plan or strategy (whether or not in the form of a draft), with any proposed amendments or modifications, is not in accordance with the draft plan or strategy or, as the case may be, the revised draft plan or strategy, the amendments or modifications must be approved by at least a two thirds majority of those members present and voting in favour. Such amendments to the elected Mayor's draft plan or strategy must arise from the original objection(s) of the Council as set out in Standing Order F4.9. Where a two thirds majority voting in favour of the Council's amendments is not achieved, then the elected Mayor's proposals will stand. (Standing Orders F4.7 to F4.11 reflect the requirements of the Local Authorities (Standing Orders) (England) Regulations 2001).~~

**F4.11~~2~~** The process for dealing with a proposed addition to or amendment to a Policy Framework document may, however, be varied where the elected Mayor Leader of the Council and/or Overview and Scrutiny Co-ordinator (or their respective deputies or nominees) have confirmed in writing (including via email) to the Head of Governance that they are in agreement to the variations to the process.

**F4.11~~3~~** Subject to Standing Order F8, any changes to the Policy Framework are reserved to the Council.

## **F5. Decisions outside the Budget or Policy Framework**

**F5.1** Subject to the provisions of Financial Regulations in relation to virement, the elected Mayor Leader of the Council, the Executive Cabinet (including committees of the Executive Cabinet), individual members of the Executive Cabinet and any officers, area committees or joint arrangements discharging Executive Cabinet functions may only take decisions that are in line with the Budget and Policy Framework. If any of these bodies or persons wishes to make a decision that is contrary to the Policy Framework or contrary to (or not wholly in accordance with) the Budget approved by

the Council, then (subject to Standing Order F6 (Urgent decisions outside the Budget or Policy Framework)) that decision may only be taken by the Council.

- F5.2 If the Executive Cabinet (including committees of the Executive Cabinet), the elected Mayor/Leader of the Council, individual members of the Executive Cabinet and any officers, area committees or joint arrangements discharging executive functions consider (or if they are asked by the Chief Executive or his/her deputy to consider) that a decision might be contrary to Policy Framework or contrary to (or not wholly in accordance with) the Budget, they shall take advice from the Monitoring Officer and/or the Chief Finance Officer as appropriate. 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 (with officers giving clear reasons for this advice), 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 in Standing Order F6 (Urgent decisions outside the Budget or Policy Framework) shall apply.

## F6. Urgent Decisions outside the Budget or Policy Framework

- F6.1 The Executive Cabinet (including a committee of the Executive Cabinet), the elected Mayor/Leader of the Council, an individual member of the Executive Cabinet or officers, area committees or joint arrangements discharging executive functions may take a decision that is contrary to the Council's Policy Framework or contrary to (or not wholly in accordance with) the Budget approved by Council if the circumstances which render necessary the making of the decision may reasonably be regarded as urgent. However, such a decision may only be taken:

- (i) if (in the opinion of the Chief Executive) it is not reasonably practical to convene a quorate meeting of the Council in sufficient time; and
- (ii) if the person or body making the decision has obtained a statement in writing (confirming that the decision needs to be taken as a matter of urgency) from the Overview and Scrutiny Co-ordinator (as determined by the Chief Executive) or, if the Overview and Scrutiny Co-ordinator is unable to act, from the Chairman/woman of the Council or, in the absence of both, from the Deputy Vice-Chairman/woman of the Council.

- F6.2 The reasons why it is not practical to convene a quorate meeting of the Council and the consent of the relevant member to the decision being taken as a matter of urgency must be noted on the record of the decision.

- F6.3 As soon as reasonably practicable after the decision, the decision taker will submit a report to a meeting of the Council. This report must include details of the decision; the emergency or other circumstances in which it was made; and the reasons for the decision.

In Standing Order F6.1, references to the Chief Executive mean:

- (i) in the absence of the Chief Executive (or if the decision in question is to be taken by the Chief Executive), his/her deputy; and
- (ii) in the absence of both the Chief Executive and his/her deputy (or if one of them is absent and the other is to take the decision in question) the Monitoring Officer, or Deputy Monitoring Officer, as appropriate.

**F7. Virements and General Limitations on Expenditure**

F7.1 General limitations as to expenditure against Budgets and arrangements for virements and are set out in the Council's Financial Regulations.

**F8. Reviews/Amendments to Existing Policy Framework Documents**

F8.1 Where a Policy Framework document has been approved by the Council it will be kept under review by the relevant Director/Assistant Director/Executive Head. The relevant Director/Assistant Director/Executive Head may amend a Policy Framework document, following consultation with the ~~elected Mayor~~Leader of the Council, relevant member and the group leaders (or their nominees), in order to ensure that the document:

- (i) reflects any subsequent budget or policy decision made by the Council; or
- (ii) complies with the law or ministerial direction; or
- (iii) follows best practice or is in the interest of local people.

F8.2 Where the Council wishes to amend an existing Policy Framework document, a Notice of Motion objecting to the existing Policy Framework document shall be submitted (in accordance with Standing Order A14) and Standing Orders F4.8 to F4.1<sup>12</sup> shall be followed.