

# CONSTITUTION OF THE LONDON BOROUGH OF CROYDON

## Part 4.C- Budget and Policy Framework Procedure Rules

### 1 The framework for executive decisions

The Full Council shall be responsible for the adoption of the Budget and Policy Framework as set out in Article 4. Once a Budget or a Policy Framework is in place, it shall be the responsibility of the Leader to implement it.

### 2 Process for developing the Policy Framework

- (a) The Leader and Cabinet shall publicise the intention to recommend adoption of any plan, strategy or budget that forms part of the Budget and Policy Framework, and determine arrangements for consultation, where appropriate, after publication of the proposals. The Chair of the Scrutiny and Overview Committee shall also be notified.
- (b) It is open to the Scrutiny and Overview Committee to comment on the policy proposals and the Leader and Cabinet may take any response from the Scrutiny and Overview Committee into account in drawing up proposals for submission to the Council.
- (c) In reaching a decision, the Council may adopt the Leader and Cabinet's proposals, amend them, refer them back to the Leader and Cabinet for further consideration, or, substitute its own proposals in their place, subject to the following procedure:
- (d) Where the Leader and Cabinet 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 paragraph (e) below.
- (e) 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 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 Leader and Cabinet of any objections which it has to the draft plan or strategy and must give to them instructions to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

- (f) Therefore if it accepts the recommendation of the Leader and Cabinet without amendment, the Council may make a decision, which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision shall be made on the basis of a simple majority of votes cast at the meeting of the Council.
- (g) The decision shall be publicised and a copy shall be given to the Leader and Cabinet.
- (h) Where the Council gives instructions in accordance with paragraph (e) above, it must specify a period of at least five working days beginning on the day after the date on which the Leader and Cabinet receives the instructions which they may -
  - (i) submit a revision of the draft plan or strategy (the "revised draft plan or strategy"), with the Leader and Cabinet's reasons for any amendments made to the draft plan or strategy, to the Council for the Council's consideration; or
  - (ii) inform the Council of any disagreement that the Leader and Cabinet has with any of the Council's objections and the reasons for any such disagreement.
- (i) An in-principle decision shall automatically become effective 5 clear working days from the date of the Council's decision, or such longer period which the Council may specify, unless (1) the Leader informs the Council Solicitor that no objection is to be made, in which case the decision will be implemented immediately after that notification is received; or (2) the Leader informs the Council Solicitor in writing within 5 clear working days that the Leader and Cabinet object to the decision becoming effective with reasons.
- (j) In the case of paragraph (i)(2) above, the Council Solicitor shall call a Council meeting within a further 5 clear working days. The Council shall be required to re-consider its decision and the Leader's written submission.
- (k) When the period specified by the Council, referred to in paragraph (i), has expired, the Council must, when –

- (i) amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
- (ii) 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 (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 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 Leader's reasons for those amendments, any disagreement that the Leader has with any of the Council's objections and the Leader's reasons for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.

- (l) At the meeting called in accordance with (j) above, the Council may:
  - i) approve the Leader's recommendation; or
  - ii) approve a different decision which does not accord with the recommendation of the Executive.

In either case the decision shall be made on the basis of a simple majority of votes cast at the meeting of the Council.

- (m) The decision shall then be made public and may be implemented immediately;
- (n) In approving the Budget and Policy Framework, the Council shall also specify the extent of virement within the Budget and degree of in-year changes to the Policy Framework which may be undertaken by the Leader or Executive Director, in accordance with paragraphs 6 and 7 of these Rules (virement and in-year changes). Any other changes to the Policy and Budgetary Framework are reserved to the Council or delegated to the General Purposes and Audit Committee on grounds of urgency.

### **3 Provisions relating to the Budget for the Authority**

- (a) Where, the Leader submits to the Council for its consideration in relation to the following financial year in accordance with the relevant legal timeframes:-
  - (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 31A, 31B and 34 to 36A or 42A, 42 B and 45 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,
- (v) Confirm that a calculation has been made in accordance with Section 52ZB of the Local Government Finance Act 1992 and that the appropriate action as is required as a result of that calculation is pursued.

and following consideration of those estimates or amounts the Council has any objections to them, it must take the action set out in paragraph (b) below.

- (b) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph (a)(i) above, or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the estimates or amounts and must give to him/her instructions requiring them to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- (c) Where the Council gives instructions in accordance with paragraph (b), it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on which he/she may –
  - (i) submit a revision of the estimates or amounts as amended ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Leader's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or
  - (ii) inform the Council of any disagreement that the Leader has with any of the Council's objections and the reasons for any such disagreement.
- (d) When the period specified by the Council, referred to in paragraph 3(c), has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 6(a), or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account -

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

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

#### **4 Decisions outside the Budget or Policy Framework**

- (a) Subject to the provisions of paragraph 6 (virement) below, the Leader, the Cabinet, a Cabinet Committee or Executive Director 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, subject to 5 below.
- (b) If the Leader, the Cabinet or a Cabinet Committee or Executive Director want to make such a decision, they shall take advice from the Monitoring Officer as to whether the decision they want to make would be contrary to the Policy Framework, or the Chief Finance Officer if it would be 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 that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 5 (urgent decisions outside the Budget and Policy Framework) shall apply.

#### **5 Urgent Decision outside the Budget or Policy Framework**

- (a) The Leader or a Cabinet Committee or the Chief 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 Full Council if the decision is a matter of urgency. However, the decision may only be taken:
  - i) If it is not practical to convene a quorate meeting of the Full Council or of the General Purposes and Audit Committee which has power to determine any matter reserved to the Council in cases of urgency; and

- ii) If the Chair of the Scrutiny and Overview Committee agrees that the decision is a matter of urgency.
- (b) The reasons why it is not practical to convene a quorate meeting of the Council and the Chair of the Scrutiny and Overview Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chair of the Scrutiny and Overview Committee, the consent of the Mayor as Chair of the Council will be sufficient. In the absence of both the Chair of the Scrutiny and Overview Committee and the Mayor, the consent of the Deputy Mayor as Vice-Chair of the Council will be sufficient.
- (c) Following the decision, the decision taker shall 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 In-year changes to Policy Framework**

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Leader and Cabinet, a Cabinet Committee or Chief Executive, must be in line with the Budget and Policy Framework. No changes to any policy and strategy, which make up the Policy Framework, may be made by those bodies or individuals except those changes:

- (a) Which shall result in the closure or discontinuance of a service or part of service to meet a budgetary constraint; or
- (b) Which are necessary to ensure compliance with the law, Ministerial Direction or Government guidance; or
- (c) In relation to the Policy Framework, in respect of 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; or
- (d) Which relate to policy in relation to schools, where the majority of schools governing bodies agree with the proposed change.

## **7 Review of decisions outside the Budget or Policy Framework**

- (a) Where the Scrutiny and Overview Committee is of the opinion that an Executive decision is, or if made would be, contrary to the Policy Framework, then it shall seek advice from the Monitoring Officer or where it is of the opinion that an Executive decision is contrary to or not wholly in accordance with the Council's Budget, then it shall seek advice from the Chief Finance Officer.

- (b) In respect of functions which are the responsibility of the Leader, the Cabinet, the Monitoring Officer's report in respect of the Policy Framework or the Chief Finance Officer's report in respect of the Budget shall be to the Leader and the Cabinet with a copy to every Member of the Council. Regardless of whether the decision is delegated or not, the Leader must decide what action to take in respect of the Monitoring Officer's or Chief Finance 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 Scrutiny and Overview Committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure.
- (c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer is that the decision is or would be contrary to the Policy Framework or the Chief Finance Officer is that the decision is or would be contrary to or not wholly in accordance with the Budget, the Scrutiny and Overview Committee may refer the matter to Council. In such cases, no further actions shall be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet as soon as practicable. At the meeting it shall receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Finance Officer. The Council may either:
- (i) 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
  - (ii) 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 Councillors in the normal way; or
  - (iii) 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 Leader to reconsider the matter in accordance with the advice of the Monitoring Officer in respect of the Policy Framework or Chief Finance Officer in respect of the Budget.