

Report to Cabinet
12 June 2013
Report of Executive head of strategy, people and democracy
Subject Constitution review – policy and budget framework

Item

5

Purpose

To consider the work carried out to review the policy and budget framework elements of the constitution.

Recommendations

That council:

- (1) adopts the amendment to article 4 and revised appendix 2 of the constitution;
- (2) asks the head of law and governance to amend the council's constitution accordingly.

Corporate and service priorities

The report helps to meet the corporate priority value for money services.

Financial implications

There are no direct financial implications of the report.

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

Contact officers

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Philip Hyde, Head of law and governance 01603 212440

Andy Emms, Democratic services manager 01603 212459

Background documents

None

Report

Background and purpose

1. Work has been continuing to review the council's constitution. This report sets out the proposed changes to the policy and budget framework elements of the constitution which are encompassed in article 4 (the council) and appendix 2 (policy and budget framework rules) of the current constitution.
2. The council's constitution working party considered the proposed changes at its meeting on 18 March 2013 and resolved to recommend to cabinet that council adopts:
 - (1) the amendment to article 4 as set out in paragraph 3 of the report;
 - (2) the revised policy and budget framework rules as set out in annex A of the report, subject to rule 2.3, inserting "and recommendations" after the words "and comments".

Review and proposed changes

3. The elements of the council's constitution that cover the policy and budget framework have not been subject to a fundamental review for a number of years. They have, therefore, now been reviewed in line with:
 - (1) Changes in national and local approach
 - (2) Changes in legislative requirements e.g. the executive regulations 2012
 - (3) Current recommended practice.
4. Following this review it is proposed to amend paragraph 4.1.1 of Article 4 (the Council) of the constitution in line with modern practice with regards to the meaning of a policy framework. This would mean that paragraph 4.1.1 would in future be as follows:

"The policy framework means the following plans and strategies –

 - (1) Corporate Plan (the overarching policy framework)
 - (2) Local Development Framework;
 - (3) Licensing Policy
 - (4) Gambling Policy"
5. It is also proposed to replace the current appendix 2 (policy and budget framework rules) with the new version at annex A which brings it into line with recommended practice, legislative changes and changes in local approach.

Revised Policy and Budget Framework Rules**1. Forward Plan**

- 1.1 Details of key decisions to be taken by the cabinet with regard to the policy and budget framework will be published in the relevant cabinet notice in line with the requirements of the executive regulations 2012.

2. Corporate Plan

- 2.1 Each year a draft corporate Plan will be prepared setting out the overall strategic direction of the council including its vision, priorities and values. The plan guides everything the council will do for the city and its residents and visitors for the period. It, therefore, acts as the overarching policy framework of the council.
- 2.2 The draft corporate plan is drawn up in line with the council's medium term financial strategy and in parallel to the development of the budget for the period to ensure the necessary resources are in place for its delivery.
- 2.3. The draft corporate plan will be subject to discussion with the scrutiny committee, before being submitted, along with the comments and recommendations of the scrutiny committee, to the cabinet for agreement. Cabinet will then present the draft corporate plan to full council along with the draft budget for the coming year.

3. Supporting Plans / Performance Management

- 3.1 The draft corporate plan is underpinned by a range of supporting strategic, service and operational plans, which set out in more detail how the council's vision and priorities will be delivered. These plans contain more specific targets, which are allocated to teams, contractors and employees to deliver.
- 3.2 Progress against targets is monitored and reviewed regularly through the council's performance management framework. Overall progress on delivering the corporate plan is formally reported quarterly to the council's cabinet and scrutiny committee. The council also publishes an overall performance review as part of its statement of the accounts.
- 3.3 The corporate plan also links closely to the council's risk management strategy and corporate risk register. The council has a comprehensive approach to risk management which ensures that all strategic risks are appropriately identified, managed and mitigated against.

4. Consideration by Cabinet/Council

- 4.1 In time for the annual budget council of the financial year, the cabinet will receive -
- (i) the draft corporate plan together with the views of the scrutiny committee;
 - (ii) a report from the chief finance officer setting out a statement of the likely budget out-turn for the year, a forecast of the budget requirement and resources for the forthcoming year, and any recommendations with regard to the management of the council's financial affairs.

- 4.2 The cabinet will, if necessary, amend and then approve the corporate plan which will form the council's overarching policy framework.
- 4.3 The council will consider the overarching policy framework and may adopt, amend, add to or refer all or part back to the cabinet for further consideration.
- 4.4 The cabinet will undertake the statutory consultation on the budget with the business community and any other such consultation as they see fit.
- 4.5 The cabinet may make recommendations to council about the council's resources and expenditure and measures to be taken to ensure a balanced budget in the forthcoming year or may leave it to the council to determine on the basis of the report from the chief finance officer.

5. Decisions within or outside the framework

- 5.1 Cabinet functions of the council are undertaken either by the cabinet acting collectively or are delegated.
- 5.2 The cabinet will meet to take decisions collectively on the basis of reports and recommendations prepared by the corporate leadership team who will ensure that the monitoring officer and chief finance officer are consulted as required. The monitoring officer and chief finance officer will advise the chief executive and subsequently the cabinet of any matter which appears to be contrary to or not in accordance with the policy and budget framework.
- 5.3 Following advice from the monitoring officer and/or chief finance officer, Cabinet may recommend to the council and the council may determine a decision contrary to the policy and budget framework.
- 5.4 Executive functions can only be undertaken within the approved policy and budget framework unless –
 - (i) the cabinet is approving annual plans or strategies which operate to a different cycle and timescale and are being updated and submitted following consultation;
 - (ii) immediate action is needed to comply with the law, ministerial or equivalent direction, or government guidance;
 - (iii) action is needed urgently and the chair of scrutiny committee (or, in his/her absence, the Lord Mayor) agrees and also agrees that it is not practicable to convene a quorate meeting of the council.
- 5.5 Any officer who needs to take a decision or action contrary to the policy and budget framework and scheme of delegation must consult the chief executive, the monitoring officer and the chief finance officer (the statutory employees). If the three statutory employees agree that a decision or action must be taken outside the policy and budget framework, the members of cabinet, the chair of scrutiny and the Lord Mayor must be informed and the matter reported formally to the council as soon as reasonably practicable.
- 5.5 If any councillor is concerned that an employee has or proposes to take a decision or action contrary to the policy and budget framework, the matter must be referred in the first instance to the chief executive to deal with as a matter of management and discipline. If the councillor's concern persists, the matter

should be referred to the chair of scrutiny committee to discuss with the chief executive and, if necessary, the monitoring officer.

6. Policy development issues

- 6.1 Any member who wishes to raise a matter of policy or propose an area of policy development may do so through the cabinet or scrutiny committee as set out in the appropriate procedure rules.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	13 June 2013
Head of service:	Executive head of strategy, people and democracy
Report subject:	Constitution review - budget and policy framework
Date assessed:	21 May 2013
Description:	To consider the work carried out to review the policy and budget framework elements of the constitution.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	