

## **C. Budget and Policy Framework**

### **Procedure Rules**

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# Budget and Policy Framework Procedure Rules

## 1. The Framework for Executive Decisions

The Council will be responsible for the adoption of its budget and policy framework as set out in the Articles. Once the budget or a policy framework is in place, it will be the responsibility of the Executive to implement it.

## 2. The Process for the Development of the Budget

### Timetable and consultation

- (a) Before the publication of any draft budget proposals, the Executive shall agree a timetable for the consideration of the budget. The timetable shall accord with these Rules, statutory requirements and shall also detail the process for consultation on the budget with local stakeholders and others.
- (b) The Executive shall then arrange appropriate consultation on these draft budget proposals with local stakeholders and others. Details of the consultation process shall be included in the Forward Plan of the Authority.

### Reference to the Overview and Scrutiny Committee

- (c) The draft budget proposals of the Executive shall also be referred to the Overview and Scrutiny Committee for advice and consideration. A copy of the proposals shall be sent as soon as available to all members of that Committee.
- (d) The Overview and Scrutiny Committee may conduct further consultation as it considers appropriate except that this should not duplicate any consultation already carried out or proposed to be carried out by the Executive and should not delay the timetable set out by the Executive.
- (e) The Overview and Scrutiny Committee shall report to the Executive on the outcome of their consideration of the draft budget proposals and may make such recommendations, as it considers appropriate. The Executive must consider any report or recommendations made by the Overview and Scrutiny Committee before it submits its budget to the Council for approval. When making its report to the meeting of the Council on the budget the Executive must state how it has taken into account any recommendations from the Overview and Scrutiny Committee.

### Consideration of the budget by the Council

- (f) The Council may:

- adopt the budget proposals of the Executive;
  - amend them;
  - refer them back to the Executive for further consideration.
- (g) A decision by Council to adopt the proposals comes into effect immediately.
- (h) A decision to amend or refer back the proposals shall come into effect after five clear working days from the day on which the Council meeting makes its decision unless the procedure in (j) below is invoked by the Leader.
- (i) In circumstances where the Executive budget proposals have been amended and before the expiry of the five clear working days period, the Leader of the Council may give notice to the Director of Legal & Governance Services that they object to some or all of the amendments made by the Council. The decision of the Council shall not then come into effect until the completion of the procedure in sub-paragraph (j) below.
- (j) When the Leader of the Council gives notice to the Director of Legal & Governance Services under sub-paragraph (j) above or where the Council has decided to refer the budget back to the Executive the Director of Legal & Governance Services shall:
- (i) arrange for a meeting of the Executive to consider the proposals made by the Council. The Executive may:
    - agree with the proposals of Council;
    - reject the proposals of Council;
    - make further amendments;
    - agree some and reject some of the proposals of Council.
  - (ii) following the meeting of the Executive, convene a further meeting of Council to give further consideration to the budget. The further meeting of the Council shall be called for the day that is not more than 14 calendar days nor less than 7 calendar days after the giving of notice by the Leader, and shall commence at the time set out on the agenda, unless agreement is reached by the Chair and the Leaders of all political groups on the Council to an alternative date or time.

- (k) The Council at its further meeting to consider the budget can agree the proposals of the Executive or can amend the proposals. Their decision is then effective immediately.

### **Budget variation**

- (l) When approving the budget the Council shall also specify the extent of controls (if any) on the use of contingencies and reserves which may be undertaken by the Executive in accordance with paragraph 6 of these Rules. The Executive may not make any other changes to the budget determined by the Council.

### **After setting the budget**

- (m) As soon as practicable after the determination of the budget the Executive shall publish and make available to the public information on the budget determined for the following Municipal Year.

## **3. The Process for the Development of the Policy Framework**

### **Timetable and consultation**

- (a) The plans and strategies which comprise the policy framework are set out in Article 3:
- (b) At the start of each Municipal Year the Executive will determine a timetable for the preparation and consideration of the plans and strategies referred to in (a) above that are required to be made in that year. The timetable will detail the meeting of the Executive which it is expected that the plan or strategy will be agreed for recommendation to Council, the meeting of the Overview and Scrutiny Committee to which the matter is to be referred (see (e) below) and the date of the Council meeting at which the recommendation will be considered.
- (c) The Executive shall arrange appropriate consultation on the proposed plans and strategies with local stakeholders and others as determined by the Executive. Details of the consultation process shall be included in the Forward Plan of the Authority.

### **Reference to the Overview and Scrutiny Committee**

- (d) A copy of any proposed plan or strategy which is part of the policy framework shall also be referred to the Overview and Scrutiny Committee in sufficient time for the proposals to be included in the agenda for a scheduled meeting of the Committee, and for the Committee to make a report or recommendations to the meeting of the Council that is to consider the plan or strategy concerned. The Council shall not agree a plan or strategy until the Overview and Scrutiny Committee has had the opportunity to consider the proposals, subject to the need for statutory deadlines to be met.

## **Consideration by the Council**

- (e) The Council may:
- adopt the proposals of the Executive;
  - amend them;
  - refer them back to the Executive for further consideration; or
  - substitute its own proposals in their place.
- (f) A decision of the Council to adopt the proposals comes into effect immediately.
- (g) A decision to amend, refer back or substitute the proposals shall come into effect after five clear working days from the day on which the Council meeting makes its decision, unless the procedure in (i) below is invoked by the Leader.
- (h) In circumstances where the plan or strategy has been amended or substituted and before the expiry of the five clear working days period, the Leader of the Council may give notice to the Director of Legal & Governance Services that they object to some or all of the amendments made by the Council. The decision of the Council shall not then come into effect until the completion of the procedure in sub-paragraph (i) below.
- (i) When the Leader of the Council gives notice under sub-paragraph (i) above to the Director of Legal & Governance Services or where the Council has decided to refer the matter back to the Executive for further consideration, the Director of Legal & Governance Services shall refer the matter to the next scheduled meeting of the Executive. The Executive may agree the proposals of the Council, reaffirm its original proposals, or make further amendments. The decision of the Executive shall then be referred back to the Council. The Council can agree the proposals of the Executive or amend the proposals. The decision reached by the Council then has immediate effect.

## **Variation**

- (j) When approving any plan or strategy the Council shall also specify the extent of variation within the plan or strategy that may be undertaken by the Executive in accordance with paragraphs 7 of these Rules. The Executive may only make such other changes to a plan or strategy as have been agreed by the Council.

#### **After Council determination**

- (k) After the plan or strategy has been determined by the Council the Executive shall publish and make available to the public information on the contents of the plan or strategy. The plan or strategy shall also be made available for public inspection and included on the Council web-site, and copies made available at reasonable cost.

#### **4. Decisions Outside the Budget or Policy Framework**

- (a) Subject to the provisions of paragraph 6 (Virement), the Executive, individual members of the Executive, and any officers or joint arrangements discharging executive functions, may only take decisions, which are in accordance with the budget or policy framework. If any of these bodies or persons wishes to take a decision which is contrary to the policy framework or contrary to or not wholly in accordance with the budget approved by the Council, then that decision may (subject to paragraph 5 below) only be taken by the Council.
- (b) Any member of the Council or a Committee or sub-committee of the Council wishing to raise a question as to whether any decision made or likely to be made by the Executive is contrary to the policy framework or contrary to or not wholly in accordance with the budget, shall refer the question to the Monitoring Officer and/or the Chief Financial Officer as appropriate. If either of these officers considers that the decision made or likely to be made is contrary to the policy framework or contrary to or not wholly in accordance with the budget they shall immediately inform the Chair of the body making the decision or the individual making the decision. The decision may not then be implemented and must be referred to the Council for decision.
- (c) The Monitoring Officer or Chief Financial Officer may conclude that a decision made or likely to be made is contrary to the policy framework or contrary to or not wholly in accordance with the budget without it first being raised by a Councillor, a Committee or sub-committee. They must then inform the relevant Chair or individual decision-taker and the decision may not then be implemented and must be referred to the Council for decision.

This Rule shall not apply where a decision has been taken within the exception permitted by Rule 5.

#### **5. Urgent Decisions Outside the Budget or Policy Framework**

- (a) The Executive, individual member of the Executive or officers or joint arrangements discharging Executive functions may take a decision which is contrary to the policy framework or contrary to or not wholly in accordance with the budget, if the decision is a matter of urgency.

- (b) Such a decision on grounds of urgency may, however, only be taken:
  - (i) if it is not practical to convene a quorate meeting of the full Council; and
  - (ii) if the Chair of the Overview and Scrutiny Committee or in his/her absence the Mayor, or in the absence of both, the Deputy Mayor, agrees in writing that the decision is a matter of urgency.
- (c) The reasons why it is not practical to convene a quorate meeting of the Council and the consent of the Chair of the Overview and Scrutiny Committee or Mayor or Deputy Mayor must be noted on the record of the decision.
- (d) Following the decision, the body or person taking the decision will report to the next meeting of the Council, explaining the decision, the reasons for it, and why it was treated as a matter of urgency.

## **6. Virement**

The Virement Policy is contained within the Financial Regulations at Part 4K Section 3.

## **7. In-year Changes to the Budget and Policy Framework**

No changes may be made to the budget or policy framework by the Executive, individual members of the Executive, or officers, or joint arrangements discharging Executive functions except those:-

- (i) which are necessary to ensure compliance with the law, ministerial direction or government guidance;
- (ii) 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.
- (iii) permitted under B48 of the Financial Regulations (additions in year to the capital programme).

## **8. Call-In Decisions Outside the Budget or Policy Framework**

- (a) Where the Overview and Scrutiny Committee is of the opinion that an Executive decision would be, or if made is, 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 Chief Financial Officer.



- (b) In respect of functions, which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief Financial Officer's report shall be sent to the Executive with a copy to every Member of the Council. Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take in respect of the officer's report and prepare a report to Council in the event that the Monitoring Officer or the Chief Financial Officer conclude that the decision was a departure from the Budget and Policy Framework, and to the Overview and Scrutiny Committee if the Monitoring Officer or the Chief Financial Officer conclude that the decision was not a departure from the Budget and Policy Framework.
- (c) 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 Financial 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 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. At the meeting the Council will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Financial Officer. The Council may:
- (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, the Executive is required to reconsider the matter in accordance with the advice of either the Monitoring Officer or the Chief Financial Officer or both.