

## **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 Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the executive to implement it.

### **2. Process for developing the framework**

The process by which the budget and policy framework shall be developed is:

- (a) The executive will publicise *by including in the Notice of key decisions and private meetings, and by other methods – e.g. on its web site and at the Council's offices*, a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework, and its arrangements for consultation after publication of those initial proposals. The chair of the scrutiny committee will also be notified. The consultation period shall in each instance be not less than four weeks.
- (b) At the end of that period, the executive will then draw up firm proposals having regard to the responses to that consultation. If the scrutiny committee wishes to respond to the executive in that consultation process then it may do so. As the scrutiny committee has responsibility for fixing its own work programme, it is open to the scrutiny committee to investigate, research or report in detail with policy recommendations before the end of the consultation period. The executive will take any response from the scrutiny committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the executive's response.
- (c) Once the executive has approved the firm proposals, the Head of Governance, Law, Property and Regulation will refer them at the earliest opportunity to the Council for decision.
- (d) In reaching a decision, the Council may adopt the executive's proposals, amend them, refer them back to the executive for further consideration, or in principle, substitute its own proposals in their place.
- (e) If it accepts the recommendation of the executive 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 will be made on the basis of a simple majority of votes cast at the meeting.
- (f) The decision will be publicised in accordance with Article 4 and a copy

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shall be given to the leader

- (g) An in-principle decision will automatically become effective 5 working days from the date the Council's decision is published, unless the leader informs the Head of Governance, Law, Property & Regulation in writing within that period that he/she objects to the decision becoming effective and provides reasons why.
- (h) In that case, the Head of Governance, Law, Property & Regulation will call a Council meeting within a further 10 working days. The Council will be required to re-consider its decision and the leader's written submission within 10 working days. The Council may
  - i) approve the executive's recommendation by a simple majority of votes cast at the meeting; or
  - ii) approve a different decision which does not accord with the recommendation of the executive by a simple majority
- (i) The decision shall then be made public in accordance with Article 4, and shall be implemented immediately;
- (j) In approving the budget and policy framework, the Council will 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 executive, in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the policy and budgetary framework are reserved to the Council.
- (k) The Mayor will act to resolve any conflict at any point in this process as set out in Article 5.01 (7)

### **3. Decisions outside the budget or policy framework**

- (a) Subject to the provisions of paragraph 5 and 6 (virement) the executive, and any officers or joint arrangements discharging executive functions 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 4 below.
- (b) If the executive and any officers or joint arrangements discharging executive functions want to make such a decision, they shall take advice from the monitoring officer and/or the chief financial officer as to whether the decision they want to make would 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 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 4 (urgent decisions outside the budget and policy framework) shall apply.

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### **4. Urgent decisions outside the budget or policy framework**

- (a) The executive or officers or joint arrangements discharging executive functions 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 in the time available before the decision must be made; and
  - ii) if the chair of the 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 chair of the scrutiny 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 committee the consent of the Mayor and in the absence of both the Deputy Mayor will be sufficient.

- (b) Following the decision, the decision taker 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.

### **5. Virement**

- (a) The Council shall have the following budget heads:

Management Team

Service Units

Customer & IT Services

Finance

Governance, Law, Property & Regulation

Green Spaces & Amenities

Housing & Development Control

People & Development

Regeneration & Planning Policy

Revenues & Benefits

Streetscene

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- (b) Steps taken by the executive or officers or joint arrangements discharging executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, Service Managers shall be entitled, in accordance with financial procedure rules, to vire across budget heads where each individual virement does not exceed £20,000.

### **6. In-year changes to policy framework**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the executive or officers or joint arrangements discharging executive functions must be in line with it. 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 will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (b) necessary to ensure compliance with the law, ministerial direction or government guidance;
- (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 or unclear on the matter under consideration.

### **7. Call-in of decisions outside the budget or policy framework**

- (a) Where the scrutiny committee is of the opinion that an executive decision is, or if made would be, 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 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 monitoring officer's report and must prepare a report either to Council, if the monitoring officer or the chief finance officer conclude either that the decision was a departure or would be a departure if made; or to the scrutiny committees 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 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 either:

the scrutiny committee may refer the matter to Council

or the Executive may refer the matter to the Council for determination

or withdraw the proposal or rescind its decision

or the Monitoring Officer or the Chief Finance Officer may refer the matter to the 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 10 working days of the request by the scrutiny committees. At the meeting it 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 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 executive to reconsider the matter in accordance with the advice of either the monitoring officer/chief financial officer.