

## **SECTION 5 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **1. In this Part –**

“Executive” and “Executive Leader” have the same meaning as in Part II of the Local Government Act 2000; and “plan or strategy” and “working day” have the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001.

### **2 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.

### **3 Process for Developing the Framework**

The process by which the Budget and Policy Framework shall be developed is:

- (a) The Executive or Executive Member will publicise 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 the arrangements for consultation. The Chairman of the Overview and Scrutiny Commission will also be notified. After publication of those initial proposals, there will be a consultation period of not less than 6 weeks in each instance.
- (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 Overview and Scrutiny Commission wishes to respond to the Executive in that consultation process, then it may do so. The Commission may investigate, research or report, in detail, with policy recommendations before the end of the consultation period. The Executive will take any response from the Commission into account in drawing up firm proposals for submission to the Council, and its report to the Council will reflect the comments made by consultees and the Executive’s response.
- (c) Once the Executive has approved the firm proposals, the Proper Officer 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, in accordance with the provisions set out below.
- (e) If it accepts the recommendation of the Executive without amendment, the Council may make a decision which has immediate effect.
- (f) The decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader.
- (g) Following the submission of a draft plan or strategy to the Council for consideration and, where following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out in sub paragraph (h).

- (h) The Executive Leader may seek a short adjournment of the Council meeting to consider amending a draft plan or strategy brought before it for approval and for the Council to consider such amendments on reconvening. If the Council has objections to a draft plan or strategy (following consideration of any amendments proposed by the Leader, if appropriate), it must give the Leader instructions requiring the Executive to reconsider, in light of those objections, the draft Plan or Strategy submitted to it.
- (i) Where the Council gives instructions in accordance with sub-paragraph (h), it must specify a period of at least five working days, beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Executive within which the Executive Leader may -
  - (i) submit a revision of the draft Plan or Strategy, as amended by the Executive (the "revised Plan or Strategy"), with the Executive'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 Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.
- (i) When the period specified by the Council, referred to in sub-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 a 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 Executive's reasons for those amendments, any disagreements that the Executive has with any of the Council's objections and the Executive's reasons for that disagreement, which the Executive Leader submitted to the Council, or informed the Council of, within the period specified.
- (j) Subject to sub-paragraph (o), where, before 8 February in any financial year, the Executive submits to 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 objections to them, it must take the action set out in sub-paragraph (l) below.

- (k) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any sections referred to in sub-paragraph (k)(i), or issues a precept under Chapter IV of the Local Government Finance Act 1992, it must inform the Executive Leader of any objections which it has to the Executive's estimates, or amounts, and must give to him, instructions requiring the Executive to reconsider, in light of those objections, those estimates and amounts, in accordance with the Council's requirements.
- (l) Where the Council gives instructions in accordance with sub-paragraph (l), it must specify a period of at least five working days, beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Executive, within which, the Executive Leader may –
  - (i) submit a revision of the estimates, or amounts, as amended by the Executive ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Executive's reasons for any amendments made to the estimates or amounts, to the Council for consideration; or
  - (ii) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.
- (m) When the period specified by the Council, referred to in sub-paragraph (m), has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in sub-paragraph (k)(i), 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 Executive's reasons for those amendments;
  - (iii) any disagreement that the Executive has with any of the Council's objections; and
  - (iv) the Executive's reasons for that disagreement,which the Executive Leader submitted to the Council, or informed the Council of, within the period specified.
- (n) Sub paragraphs (k) to (n) shall not apply in relation to –
  - (i) calculations or substitute calculations which the Council is required to make in accordance with Sections 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 that Act.
- (p) 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 6 and 7 of these Rules (virement and in-year adjustments). Any other changes to the Policy and Budgetary Framework are reserved to the Council.

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

- (a) Subject to the provisions of Paragraph 6 (virement), the Executive, Committees of the Executive, individual Members of the Executive, Officers or joint arrangements discharging Executive functions, may only make 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 Executive, Committees of the Executive, individual Members of 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 Borough Treasurer 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 5 (urgent decisions outside the Budget and Policy Framework) shall apply.

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

- (a) The Executive, a Committee of the Executive, an individual Member of the Executive or Officers or joint arrangements discharging Executive functions, may make 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 made:
  - i) if it is not practical to convene a quorate meeting of the full Council; and
  - ii) if the Chairman of the Overview and Scrutiny Commission 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 Chairman of the Overview and Scrutiny Commission's consent to the decision being made as a matter of urgency, must be noted on the record of the decision. In the absence of the Chairman of the Overview and Scrutiny Commission, the consent of the Mayor, and in the absence of both, the Deputy Mayor, will be sufficient.

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

## **6. Virement**

Steps taken by the Executive, a Committee of the Executive, an individual Member of 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, such bodies or individuals shall be entitled to vire across Budget Heads as permitted under the Council's Financial Rules in this Constitution. Approval to any virement in excess of the limits specified across Budget Heads shall require the approval of the full Council.

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

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Executive, a Committee of 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.

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

- (a) Where the Overview and Scrutiny Commission 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, Borough Treasurer and other appropriate Officers.
- (b) In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Borough Treasurer'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 Monitoring Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Borough Treasurer conclude that the decision was a departure, and to the Overview and Scrutiny Commission if the Monitoring Officer or the Borough Treasurer 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 Borough Treasurer 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 Commission 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. The Council shall meet within not less than 8 and not more than 15 working days of the request by the Overview and Scrutiny Commission. At the meeting, it

will receive a report of the decision, or proposals, and the advice of the Monitoring Officer and/or the Borough Treasurer. The Council may:

- i) endorse the decision or the proposal of the Executive decision maker 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 the Officers.