

**BUDGET AND POLICY FRAMEWORK 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 Forward Plan which will be published at the Council's offices and publicised by other methods, 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 Overview and Scrutiny Committee (or in his/her absence the Vice-Chairman) will also be notified. The consultation period shall in each instance be not less than 6 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 Overview and Scrutiny Committee wishes to respond to the Executive in that consultation process then it may do so. As the Overview and Scrutiny Committee has responsibility for fixing their own work programme, it is open to the Overview and 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 Overview and 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) (i) Once the Executive has approved the firm proposals, the Proper Officer will refer them at the earliest opportunity to the Council for decision.

- (ii) Prior to consideration of the budget by the full Council the Executive shall present the draft budget to the Overview and Scrutiny Committee.
- (iii) In undertaking the scrutiny of the budget the Overview and Scrutiny Committee shall have regard to:
  - a) the corporate priorities of the Council and how the budget is designed to achieve them;
  - b) the level of retained balances;
  - c) the management of the Capital Programme and Capital Financing;
  - d) the provisions made for funding growth items identified and approved in Service Plans;
  - e) the level of external consultation undertaken and how that has been taken into account in formulating the budget."
- (iv) The Overview and Scrutiny Committee shall report its findings to the full Council at which the recommendations of the Executive are considered and full Council shall take such findings into account when reaching a 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 Appendix 15 and a copy shall be given to the Leader.
- (g) An in-principle decision will automatically become effective after the 5<sup>th</sup> working day from the date of the Council's decision, unless the Leader informs the Proper Officer in writing within 5 days that he/she objects to the decision becoming effective and provides reasons why.

- (h) In that case, the Proper Officer will call a Council meeting within a further 9 days at which the Council will be required to re-consider its decision and the written submission of the Leader. 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 of votes cast at the meeting
- (i) The decision shall then be made public in accordance with Appendix 15, 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.

### 3. **Decisions outside the Budget or Policy Framework**

- (a) Subject to the provisions of paragraph 5 (virement) the Executive, Committees of the Executive, individual members of the Executive and any Officers, Area Committees 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, Committees of the Executive, individual members of the Executive and any Officers, Area Committees 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:

- (i) the decision is a matter of urgency, in which case the provisions in Appendix 12 (urgent decisions) shall apply; or
- (ii) there is another provision within the Constitution enabling such a decision to be taken (e.g. see Appendix 4, Executive Delegations, delegation 9).

#### **4. Urgent decisions outside the Budget or Policy Framework**

- (a) The Executive, a Committee of the Executive, an individual member of the Executive or Officers, Area Committees 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.
- (b) The procedure for making urgent decisions is shown in Appendix 12.

#### **5. Virement**

- (a) The Council shall have the budget heads as set out in the annual budget
- (b) Steps taken by the Executive, a Committee of the Executive an individual member of the Executive or Officers, Area Committees 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 in accordance with the provisions of the Financial Procedure Rules in Appendix 13 and in accordance with delegated powers. Beyond that limit,  
  
approval to any virement across budget heads shall require the approval of the Full Council.

#### **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, a Committee of the Executive an individual member of the Executive or Officers, Area Committees 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 other than provided for in delegated powers 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 on the matter under consideration.

#### **7. Call-in of decisions outside the Budget or Policy Framework**

- (a) Where an Overview and 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 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 Overview and Scrutiny 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 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

AMENDED ON 4<sup>TH</sup> APRIL 2007 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. The Council shall meet within 5 working days of the request by the Overview and Scrutiny Committee. 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 recorded in accordance with the requirements of the Local Government (Access to Information) (England) Regulations 2000 and circulated to all Councillors in the normal way;
- 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 recorded in accordance with the requirements of the Local Government (Access to Information) (England) Regulations 2000 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.
- (d) The procedure for the call-in of decisions by non-executive Members is shown in Appendix 11.