

# Part 4C: 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 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 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 the initial proposals. The Chair of the Corporate Overview and Scrutiny Management Board will also be notified.
- (b) At the end of the consultation period, the Executive will draw up firm proposals having regard to the responses to the consultation. If the Corporate Overview and Scrutiny Management Board wishes to respond to the Executive in that consultation process then it may do so. As the Corporate Overview and Scrutiny Management Board has responsibility for fixing its own work programme, it is open to the Corporate Overview and Scrutiny Management Board 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 Corporate Overview and Scrutiny Management Board 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 Legal and Democratic Services will refer them at the earliest opportunity to the Council.
- (d) Where the Executive has submitted a draft plan or strategy to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out in paragraph (e) below.

- (e) Before the Council
- (i) amends the draft plan or strategy;
  - (ii) approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for their approval, any plan or strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or
  - (iii) adopts (with or without modification) the plan or strategy,
- it must inform the Leader of any objections which it has to the draft plan or strategy and must give the Leader instructions requiring the Executive to reconsider, in the light of those objections, the draft plan or strategy submitted to it.
- (f) Where the Council gives instructions in accordance with paragraph (e) above it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Executive within which the Leader may -
- (i) submit a revision of the draft plan or strategy as amended by the Executive (the “revised draft 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.
- (g) When the period specified by the Council, referred to in paragraph (f) above 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 their approval, any plan or strategy (whether or not in the form of a draft or 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 disagreement that the Executive has with any of the Council’s objections and the Executive’s reasons

for that disagreement, which the Leader submitted to the Council, or informed the Council of, within the period specified.

- (h) Subject to paragraph (l) below where, before 28 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 paragraph (i) below.

- (i) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph (h)(i) above, or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Executive's estimates or amounts and must give the Leader instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- (j) Where the Council gives instructions in accordance with paragraph (i) above it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Executive within which the 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 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.

- (k) When the period specified by the Council referred to in paragraph (j) above has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph (h)(i) above, 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 Leader submitted to the Council, or informed the Council of, within the period specified.
- (l) Paragraphs (h) to (k) above shall not apply in relation to -
- (i) calculations or substitute calculations which the Council is required to make in accordance with section 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.
- (m) 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 or 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 paragraph 4 below.

- (b) If the Executive, committees of the executive, individual members of the Executive or 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.

#### **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 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; and
  - (ii) if the Chair of the Corporate Overview and Scrutiny Management Board 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 Corporate Overview and Scrutiny Management Board'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 Corporate Overview and Scrutiny Management Board the consent of the Chair of the Council and in the absence of both the Vice-Chair of the Council 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. 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 or joint arrangements discharging executive functions must be in line with it. No changes to any policy or 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 on the matter under consideration;
- (d) which relate to policy in relation to schools, where the Schools Forum agrees with the proposed change; or
- (e) for which provision is made within the relevant budget or policy.

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

- (a) Where the Corporate Overview and Scrutiny Management Board 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 finance officer.
- (b) In respect of functions which are the responsibility of the Executive, the monitoring officer's report and/or chief finance 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 or chief finance 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 Corporate Overview and Scrutiny Management Board 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 finance 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 Corporate Overview and Scrutiny Management Board 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 20 working days of the request by the Corporate Overview and Scrutiny Management Board. At the meeting it will receive a report of the decision or proposals and the advice of the monitoring officer and/or the chief finance 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 Procedure Rules 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 or chief finance officer.