

## **E. BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

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## **E. BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **E1. 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 policy framework is in place, it will be the responsibility of the executive to implement it.

### **E2. Process for developing the budget and policy framework**

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

- (a) The executive will set 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. The executive will also set out its arrangements for consultation on its initial proposals.
- (b) The executive will publish its initial proposals, which will be notified to the chair of the relevant overview and scrutiny committee.
- (c) At the end of any consultation period, the executive will draw up firm proposals having regard to the responses to the consultation. If a relevant overview and scrutiny committee wishes to respond to the executive in that consultation process then it may do so. As the overview and scrutiny committees have responsibility for fixing their own work programme, it is open to the overview and scrutiny committee to consult, investigate, research or report in detail with policy recommendations before the end of the consultation period. The executive will take any response from an 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 to those comments.
- (d) Once the executive has approved the firm proposals, the proper officer will refer them at the earliest opportunity to the Council for decision.
- (e) 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 considering the matter the Council will have before it, the executive's proposals and any report from the overview and scrutiny committee.
- (f) Before it makes any decision in respect of a plan or strategy forming part of the policy framework the Council must inform the leader of any objections which it has to the draft document and must instruct the executive to reconsider the plan or strategy in the light of those objections. The Council must also specify a period of at least 5 working days beginning on the day after the day on which the leader receives Council's instructions within which the executive may:
  - (i) submit a revised plan or strategy to the Council for consideration together with the executive's reasons for any amendments; or
  - (ii) inform the Council of the executive's disagreement with any of the Council's objections, together with the reasons for that disagreement
- (g) When the period specified in paragraph E2(f) has expired the Council the Council must when approving the plan or strategy, or any revised plan or strategy submitted by the executive (with or without amendment) take into account any amendments made by the

executive and their reasons for them and any disagreement by the executive with the Council's objections and the reasons for that disagreement.

(h) If it accepts the recommendation of the executive without objection, the Council may make a decision which has immediate effect.

(i) The decision will be publicised in accordance with Article 4 and a copy shall be given to the leader.

(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) Where, 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 (l) below.

- (l) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph (k) (i) 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 to him/her instructions requiring the executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- (m) Where the Council gives instructions in accordance with paragraph (l), 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 –
  - (a) submit to the Council for consideration a revision of the estimates or amounts as amended by the executive (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; or
  - (b) 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.
- (n) When the period specified by the Council, referred to in 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 paragraph (k)(i), or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account –

- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts received from the executive;
- (b) the executive's reasons for those amendments;
- (c) any disagreement that the executive has with any of the Council's objections; and,
- (d) the executive's reasons for that disagreement,

which the leader submitted to the Council, or informed the Council of, within the period specified.

- (o) Paragraphs (k) to (n) shall not apply in relation to –
  - (a) 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
  - (b) 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.

### **E3. Decisions outside the budget and policy framework**

(a) Subject to the provisions of paragraph 6 (virement) the executive (and 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 (and 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 deputy chief executive 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.

### **E4. Urgent decisions outside the budget and policy framework**

(a) The executive (and 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. 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 a relevant overview and 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 relevant overview and scrutiny committees' 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 a relevant overview and scrutiny committee the consent of the mayor, and in the absence of both, the deputy mayor will be sufficient. "Absence" in this context means that it is not possible to contact the person required within one working day

(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.

#### **E5. In-year changes to policy framework**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the executive (and 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 may be made by those bodies or individuals except those changes:

- (a) which, in the opinion of the executive, are in the best interests of the Borough provided the proper officer is notified of the proposed change in advance and given an opportunity to comment; or
- (b) necessary to ensure compliance with the law, ministerial direction or government guidance; or
- (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.

All such changes shall be reported to the next meeting of full Council.

#### **E6 Virement**

- (a) Steps taken by the executive (and a committee of the executive, an individual member of the executive or officers, area councils or joint arrangements discharging executive functions) to implement Council policy shall not exceed the allocated budget.
- (b) Virement (the transfer of resources from one activity within the budget to another) is permitted in accordance with paragraph 22 of the Financial Procedure Rules. Any virement or budget variation which is not permitted by paragraph 22 of the Financial Procedure Rules must be approved by the Council.

#### **E7. Call-in of decisions outside the budget and 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 deputy chief executive.

(b) In respect of functions which are the responsibility of the executive, the monitoring officer's report and/or deputy chief executive'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 deputy chief executive 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. The Council shall meet within 10 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 deputy chief executive. 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;
- (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;
- (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/deputy chief executive.