



# Budget and Policy Framework Procedure Rules

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|----|---|---|
| 1. | THE FRAMEWORK FOR EXECUTIVE DECISIONS                       | 3 |
| 2. | PROCESS FOR DEVELOPING THE BUDGET AND POLICY FRAMEWORK      | 3 |
| 3. | DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK            | 4 |
| 4. | URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK     | 4 |
| 5. | VIREMENT  | 5 |
| 6. | IN-YEAR CHANGES TO POLICY FRAMEWORK                         | 5 |
| 7. | CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK | 5 |

## **PART 4 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **1. THE FRAMEWORK FOR EXECUTIVE DECISIONS**

The Council will be responsible for the approval and adoption of the annual Budget and the policies, strategies and plans that form the Policy Framework as set out in Article 4 at Part 2 of this Constitution. Once a budget or a policy framework item has been formally approved by the Council, it is the responsibility of the Executive to implement it.

### **2. PROCESS FOR DEVELOPING THE BUDGET AND POLICY FRAMEWORK**

- 2.1 The Executive will publicise in the Key Decision Document the timetable for making proposals to the Council for the adoption of the Budget and any item within the policy framework, including any draft policies, strategies or plans included within the scope of the policy framework that require the approval of the Council prior to submission to the Secretary of State or any Minister of the Crown for his/her approval, and make arrangements for consultation on those initial proposals. The chairs of Overview and Scrutiny Committees will also be notified of the timetable. The consultation period shall in each instance be not less than 6 weeks unless the Government or other body issues guidelines requiring a shorter period of time.
- 2.2 At the end of the consultation period, the Cabinet will draw up final proposals having regard to the responses to that consultation, including any response from the appropriate Overview and Scrutiny Committee. The Cabinet will take any response into account in drawing up final proposals for submission to the Council, and its report to Council recommending a decision will reflect the comments made by consultees and the Cabinet's response.
- 2.3 In reaching a decision, the Council may either
- a) adopt the Cabinet's proposals without amendment and the budget or policy framework item shall have immediate effect; or
  - b) resolve to amend the Cabinet's proposals and make an in-principle decision, in which case the Leader shall be given notice that he/she has five working days in which to notify the Chief Executive that he/she objects to the Council's resolution and to submit a response for the consideration of the Council; and either
    - (i) on receipt of the notice and if the Leader determines to object to the in-principle decision, the Leader shall give notice to the Chief Executive of
      - the nature of the objection to the Council's in-principle decision;
      - the reasons for the objection;
      - any amendment the Leader may wish to make to the

recommendation that had been put before the Council and the reasons for such amendment; or

- whether the Leader would intend to move the initial recommendation and;

on receipt by the Chief Executive of the Leader's objection, the Chief Executive will convene a meeting of the Council within ten working days; and

on consideration by the Council of the response of the Leader any decision of the Council shall be adopted and be implemented with immediate effect; or

- (ii) on receipt of the notice the Leader may determine not to object to the Council resolution and the in-principle decision of the Council shall stand approved and have immediate effect from either the date of receipt by the Chief Executive of written notice to that effect from the Leader or on the conclusion of the five working day notice period, whichever is the sooner.

### **3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

3.1 Subject to the provisions of paragraph 5 (virement) the Cabinet, individual members of the Cabinet 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 paragraph 4 below.

3.2 In such cases, the Cabinet, individual members of the Cabinet and any officers or joint arrangements discharging executive functions shall take advice from the Director of Legal Services and/or the Director of Finance. If the advice of either Officer is that the decision would not be in line with the existing budget and/or policy framework, 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**

4.1 The Cabinet, individual members of the Cabinet and any 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:

- a) if it is not practical to convene a quorate meeting of the full Council; and
- b) if the chair of a relevant Overview and Scrutiny Committee agrees that the decision is a matter of urgency.

- 4.2 The reasons why it is not practical to convene a quorate meeting of the 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.
- 4.3 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**

In approving the Budget, the Council will also specify the extent of virement within the budget which may be undertaken by the Executive. The levels of virement shall be recorded and maintained in Financial Procedure Rules at Part 4 to this Constitution. Any other changes to the Budget are reserved to the Council.

## **6. IN-YEAR CHANGES TO POLICY FRAMEWORK**

In approving a Policy Framework item, the Council shall specify the extent and nature of any changes to such an item that may be made by the Executive. Otherwise, no changes to any policy, plan or strategy which make up the policy framework may be made by the Executive.

## **7. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- 7.1 Where an Overview and Scrutiny Committee is of the opinion that a key 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 Director of Legal Services and/or Director of Finance.
- 7.2 In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Chief Finance Officer's report shall be to the Cabinet with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the Director of Legal Services report and to prepare a report to either
- a) the Council in the event that the Director of Legal Services or the Director of Finance conclude that the decision was a departure from the budget or policy framework; or
  - b) to the Overview and Scrutiny Committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure from

the budget or policy framework.

- 7.3 If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Director of Legal Services and/or the Director of Finance 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 ten 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 Director of Legal Services and/or the Director of Finance. The Council may either:
- a) endorse a decision or proposal of the Cabinet decision taker as falling within the existing Budget and Policy Framework and the decision may be implemented with immediate effect; or
  - b) accept that the decision or proposal is contrary to the policy framework or contrary to or not wholly in accordance with the budget but resolve to amend the Council's financial regulations, the Budget or policy concerned to encompass the decision or proposal of the body or individual responsible for that executive function and the decision may be implemented with immediate effect; or
  - c) accept that the decision or proposal is contrary to the policy framework or contrary to or not wholly in accordance with the budget but does not resolve to amend the Council's financial regulations, the Budget or policy concerned to accommodate it and require the Cabinet to reconsider the matter in accordance with the advice of either the Director of Legal Services/Director of Finance.