

BUDGET OR 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 BUDGET OR POLICY FRAMEWORK

2.1.1 The Budget Framework

The process by which the budget framework shall be developed:-

- * Alongside consideration of the Budget for the forthcoming year and agreeing the level of Council Tax for that year, , the Executive will consider and agree a financial strategy setting out medium term (2 - 3 year time period) projections of the Council's financial position. In agreeing the financial strategy the Executive will take into account representations from the relevant Overview and Scrutiny Committee(s) and other stakeholders that it is considered appropriate to consult. The financial strategy shall cover as a minimum the Council's General Fund, Housing Revenue Account and capital expenditure and funding requirements. The financial strategy and projections will be reviewed by the Executive during the financial year.
- * At least 7 months before the budget needs to be adopted the Executive will establish outline financial parameters within which the budget will be prepared. In agreeing such parameters the Executive is required to consult with the relevant Overview & Scrutiny Committee(s). Consultation with other stakeholders should also be undertaken by the Executive to the extent to which this is considered necessary.
- * At least 3 months before the budget needs to be adopted, the Executive will publish initial proposals for the budget. These proposals shall include and detail significant changes from the current year budgets. The proposals shall include the timetable by which the Executive will approve the budget and details of any consultation it wishes to undertake with stakeholders.

2.1.2 The Policy Framework

The process by which the budget or policy framework is agreed:-

Five months before a policy framework needs to be adopted the Executive will publish initial proposals for that framework having first canvassed the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. Any representations made to the Executive shall be taken into account in formulating the initial proposals and shall be reflected in any report dealing with them. If the matter is one where an Overview & Scrutiny Committee has carried out a review of policy, the initial outcome of that review will be reported to the Executive and considered in the preparation of the initial proposals.

- 2.2 (a) The Executive's proposals shall be referred to the relevant Overview & Scrutiny Committee(s) for advice and consideration. The Overview & Scrutiny Committee(s) shall consider the views of stakeholders as it considers appropriate, ensuring that this does not duplicate any consultation to be carried out by the Executive.
- (b) The Overview & Scrutiny Committee(s) shall report to the Executive on its deliberation within the timetable set by the Executive. The Chair of the relevant Overview & Scrutiny Committee(s) will be invited to present the deliberations to the Executive.
- (c) Having considered the views of the relevant Overview & Scrutiny Committee(s) and completed its own consultation with other stakeholders, the Executive, if it considers it appropriate, may amend its proposals, before submitting them to the Council for consideration.
- (d) The Council will consider the proposals of the Executive and may adopt them, amend them, or substitute its own proposals in their place.
- (e) The Council's decision will be publicised in accordance with Article 4 and a copy shall be given to the Executive Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Executive's proposals without amendment) or (if the executive's proposals are not accepted without amendment), that the Council's decision will become effective on the expiry of 5 working days after the publication of the notice of decision, unless the Leader objects to it in that period.
- (f) If the Leader objects to the decision of the Council, they shall give written notice to the proper officer to that effect prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Head of Paid Services shall convene a special meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.
- (g) The Council meeting must take place within 5 working days of the receipt of the Leaders written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection, which shall be available in writing for the Council.
- (h) The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4, and shall be implemented immediately.
- (i) In approving the budget framework, the Council will also specify the extent of virement within the budget and degree of in-year changes to the budget 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 budget framework are reserved to the Council.

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

- (a) Subject to the provisions of paragraph 5 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 or policy framework.
If any of these bodies or persons wishes to make a decision which is contrary to the budget or policy framework approved by Council, then that decision may only be taken by the Council, subject to 4 below.
- (b) If 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 the Chief Financial Officer as to whether the decision they want to make would be contrary to the budget or policy framework. If the advice of either of those officers is that the decision would not be in line with the existing budget 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 or policy framework) shall apply.

4. **URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- (a) The Executive may take a decision which is not wholly in accordance with the budget or policy framework approved by 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 Council;
and
 - (ii) if the Chairmen of a relevant Overview and Scrutiny Committees 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 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 Chairman of a relevant Overview and Scrutiny Committee the consent of the Chairman of the Council, and in the absence of both the Vice Chairman 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. **VIREMENT**

- (a) The Council shall have the budget heads required by the Council's Code of Financial Practice.
- (b) Steps taken by the Executive, an individual member of the Executive or officers, 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 exercise virement across budget heads within the boundaries set within the Council's Code of Financial Practice. Beyond those limits, approval to any virement across budget heads shall require the approval of the Council.

6. **IN-YEAR CHANGES TO THE BUDGET OR POLICY FRAMEWORK**

The responsibility for agreeing the budget or policy framework lies with the Council, and decisions by the Executive, an individual member of the Executive or officers, discharging Executive functions must be in line with it.

No changes to the budget or policy framework may be made by those bodies or individuals except those changes to the budget or policy framework allowed by the Council's Code of Financial Practice and those changes necessary to ensure compliance with the law, ministerial direction or government guidance.

7. **CALL-IN OF DECISIONS OUTSIDE THE BUDGET 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 Council's budget, then it shall seek advice from the Monitoring Officer and Chief Finance Officer.
- (b) In respect of functions which are the responsibility of the Executive, the Monitoring Officer's and/or Chief Finance Officer'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 report and to prepare a report to Council in the event that the Monitoring Officer and/or Chief Finance officer conclude that the decision was a departure, and to the an Overview Scrutiny Committee if the Monitoring Officer and/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 contrary to the budget or policy framework, 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 5 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 chief financial officer. The Council may either:
 - (i) endorse a decision or proposal of the Executive decision taker as falling within the existing budget or 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 budget or policy framework 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 budget or policy framework, and does not amend the existing framework to accommodate it, require the Executive to reconsider the matter in accordance with the advice of the Monitoring Officer and/or Chief Finance Officer.