

B3 PART 4B - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The framework for Executive decisions

- 1.1 The Council will be responsible for the adoption of its budget and policy framework as set out in Part 2 Article 4 ~~Part B2~~ of the constitution. Once the budget for the year or a policy framework is in place, it will be the responsibility of the Executive to implement it.

2. Process for developing the framework

- 2.1 The Executive will publicise, by including in the forward plan, 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. All plans, strategies and budgets forming part of the budget and policy framework will be developed via the overview and scrutiny process. The relevant overview and scrutiny committees will conduct such research, consultation with stakeholders and investigations as are necessary to enable them to develop proposals in relation to the plan, strategy or budget. However, where in exceptional circumstances, this does not appear practicable in respect of a specific plan, strategy or budget, the Leader, subject to the written consent of the chairman of the relevant overview and scrutiny committee may agree an alternative course of action.
- 2.2 The relevant overview and scrutiny committee will present its recommendations in relation to the budget, plan or strategy forming part of the budget and policy framework, to the Executive. The Executive will finalise its proposals for the Council to consider, having taken into account the proposals from the overview and scrutiny committee. The Executive's report to Council will show its response to these proposals.
- 2.3 In reaching a decision, the Council may adopt the Executive's proposals, but if the Council has any objections to the Executive's proposals, then before it amends, approves or adopts any plan, strategy or budget, it must inform the Leader of those objections and require the Executive to reconsider. The Executive may, within such reasonable period as the Monitoring Officer may determine (but which shall be not less than 5 working days) submit revised proposals or inform the Council of the Executive's disagreement with the Council's objections and the reasons for this. Once that period has expired, the Council in amending, approving or adopting any plan, strategy or budget, must take into account any revised proposals and the views of the Executive.

- 2.4 In the case of budget proposals submitted to the Council after 8 February in any financial year and any budget proposals submitted following designation or nomination by the Secretary of State then the Council may amend, approve or adopt the Executive's proposals and need not require the Executive to reconsider.
- 2.5 All decisions will be made by the Council on the basis of a simple majority of votes cast at the meeting.
- 2.6 In approving the budget and policy framework, the Council will also specify the extent of in-year changes to the policy framework which may be undertaken by the Executive, in accordance with paragraph 6 of these Rules (in-year adjustments). The extent of virement within the approved budget is set out in the Code of Financial Governance in [Part 4I-Part I2](#) of the constitution. Any other changes to the policy and budgetary framework are reserved to the Council.

3. Decisions outside the Budget or Policy Framework

- 3.1 Subject to the provisions of paragraph 5 (Code of Financial Governance and budget management) the Executive, committees of the Executive, individual members of the Executive and any officers discharging executive functions may only take decisions which are in line with the budget and policy framework and within the individual's or body's delegated authority. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not in accordance with the budget approved by full Council, then that decision may only be taken by the Council, subject to paragraph 4.
- 3.2 If the Executive, committees of the Executive, individual members of the Executive and any officers discharging executive functions want to make such a decision, they will take advice from the Monitoring Officer and/or the Chief Finance Officer as to whether the decision they want to make would be contrary to the policy framework, or contrary to or not 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) will apply.

4. Urgent decisions outside the budget or policy framework

- 4.1 The Executive, a committee of the Executive, an individual member of the Executive or officers discharging executive functions may take a decision which is contrary to the Council's policy framework or contrary to or not in accordance with the budget approved by full Council if the decision is a matter of urgency. However, such a decision may only be taken:-

- 4.1.1 If it is not practical to convene a quorate meeting of the full Council; and
- 4.1.2 If the chairman of the 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 full Council and the chairman of the relevant overview and scrutiny committee'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 chairman and vice-chairman of the relevant overview and scrutiny committee, the consent of the Chairman of the Council 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. Code of Financial Governance and Budget Management

- 5.1 The Council's Code of Financial Governance is included in [Part 4I-Part 12](#) of the constitution. The Code lists the rules for managing the capital and revenue budget; this includes limits on virement between capital projects and cash limits.
- 5.2 Steps taken by the Executive, a committee of the Executive an individual member of the Executive or officers discharging executive functions to implement Council policy will not exceed those budgets allocated to each cash limit. However, such bodies or individuals will be entitled to vire across cash limits and capital projects as set out in the Code of Financial Governance. Exceeding those limits will require the approval of the full Council.

6. In-year changes to policy framework

- 6.1 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 discharging executive functions must be in line with it. No changes to any policy and strategy that make up the policy framework may be made by those bodies or individuals except:-
 - 6.1.1 Those changes necessary to incur expenditure where an emergency or disaster involving destruction or danger to life or property occurs or is imminent; or
 - 6.1.2 Such other in year changes which are agreed specifically by the Council in approving the plan or strategy in question.

7. Call-in of decisions outside the budget or policy framework

- 7.1 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 in accordance with the Council's budget, then it will seek advice from the Monitoring Officer and/or Chief Finance Officer.
- 7.2 In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief Finance Officer's report will be provided to the Executive with a copy to every member of the Council.
- 7.3 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.
- 7.4 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 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.
- 7.5 If the above applies the Council will meet within 14 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 Finance Officer. The Council may either:-
- 7.5.1 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
- 7.5.2 Amend the Council's budget, 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; or

- 7.5.3 Where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to or not 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 the Chief Finance Officer.
- 7.6 The above call-in procedure shall not apply in the case of urgent decisions as defined in paragraph 4 above.
- 7.7 Call-in of decisions outside the budget and policy framework shall be subject to the provisions of paragraphs 7.1 to 7.6 above and not Rule 10 of the Overview and Scrutiny Committee Procedure Rules governing call-in of executive decisions.