

Part 3 – procedure rules

e. Budget & policy framework procedure rules

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1. The framework for Executive decisions

Council will be responsible for the adoption of its budget and policy framework as set out in the relevant part of this constitution. Once a budget or 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 appropriate means, a timetable for making proposals to 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 those initial proposals. In the case of the budget, all members of Council will be notified. The consultation period shall, in each instance, be not less than four weeks. The Executive may determine who to consult and the nature of the consultation, unless Council has specified such detail as part of the policy framework.
- 2.2 The Executive's initial proposal shall be referred to Scrutiny Commission or to Finance & Performance Scrutiny. At the end of the consultation period, the Executive will draw up firm proposals having regard to the consultation responses. If the Scrutiny Commission or Finance & Performance Scrutiny wishes to respond to the Executive in that consultation process then it may do so. As the Scrutiny Commission and Finance & Performance Scrutiny have responsibility for fixing their own work programme and those of any scrutiny panels, it is open to the Commission (directly or through a panel) 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 Scrutiny Commission or Finance & Performance Committee Scrutiny or a panel into account in drawing up firm proposals for submission to Council, and its report to Council will reflect the comments made by consultees and the Executive's response.
- 2.3 Once the Executive has approved the firm proposals, the Director (Corporate Services) will refer them at the earliest opportunity to the Council for decision.

- 2.4 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.
- 2.5 If it accepts the recommendation of the Executive without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.
- 2.6 The decision will be publicised in accordance with the access to information procedure rules and a copy shall be given to the Leader.
- 2.7 An in-principle decision will automatically become effective on the seventh day after the date of Council's decision, unless the Leader or Executive Member informs the Director (Corporate Services) in writing before the seventh day after the meeting that he/she objects to the decision becoming effective and provides reasons why.
- 2.8 If the Leader or Executive Member does inform the Director (Corporate Services) of an objection, the Democratic Services Officer will call a Council meeting within a further 21 days, at which Council will be required to re-consider its decision in the light of the Leader's or Executive Member's written submission. The Council may either approve the Executive's recommendation or approve a different decision which does not accord with the recommendation of the Executive, in either case by a simple majority of votes cast.
- 2.9 The decision shall then be made public in accordance with the access to information procedure rules, and shall be implemented immediately.
- 2.10 In approving the budget and policy framework, Council will also specify the extent of virement or supplementary estimate within the budget and degree of in-year changes to the policy framework which may be undertaken by the Executive, in accordance with the relevant paragraphs of these rules (virements and supplementary estimates and in-year adjustments). Any other changes to the budget and policy framework are reserved to the Council.
3. Decisions outside of the budget or policy framework
 - 3.1 Subject to the provisions of paragraph 5 (virements), the Executive, individual members of the Executive and any officers or joint arrangements discharging Executive functions may only take decisions which are in line with the budget and policy framework.
 - 3.2 Whenever the Executive, individual members of the Executive and any officers discharging Executive functions want to make a decision, they shall first take advice from the Monitoring Officer and/or the Head of Finance 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 to 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 of the budget or policy framework
 - 4.1 The Executive, individual members of the Executive and any officers 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 Council if the decision is a matter of urgency. However, the decision may only be taken if:

- it is not practical to convene a quorate meeting of Council; and
- the chairman or, in his/her absence, the vice-chairman of the Scrutiny Commission agrees that the decision is urgent.

The reasons why it is not practical to convene a quorate meeting of Council and the Scrutiny Commission chairman's/vice-chairman'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 or, in his/her absence, the vice-chairman of the Scrutiny Commission, the consent of the Mayor (or in his absence, the Deputy Mayor) will suffice.

4.2 Following the decision, the decision taker will provide a full report to the next available meeting of Council explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

5. Virements and supplementary estimates

5.1 The rules of virement and supplementary estimates shall be as set out in the financial procedure rules.

6. In-year changes to the policy framework

6.1 The responsibility for agreeing the budget and policy framework (including determination of fees and charges for Council functions, introduction of chargeable services and setting of council tax level) lies with Council, and decisions by the Executive, individual members of the Executive and any officers 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:

- necessary to ensure compliance with the law, ministerial direction or government guidance
- in respect of a policy which would normally be agreed annually by Council following consultation, but where the existing policy document is silent on the matter under consideration
- in respect of a policy amendment where the financial consequences are less than the virement or supplementary estimate limit
- which result in the closure or discontinuance of a service or part of a service to meet budgetary constraint.

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

7.1 Where the Scrutiny Commission or Finance & Performance Scrutiny 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, they shall take advice from the Monitoring Officer and/or the Head of Finance.

7.2 In respect of functions which are the responsibility of the Executive, the report of the Monitoring Officer and/or Head of Finance shall be to the Executive with a copy to every member of 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 of the Monitoring Officer/Head of Finance. The Executive must then prepare a report to Council in the event that they conclude that the decision was a departure, and to the Scrutiny Commission or Finance & Performance Scrutiny if the Monitoring Officer/Head of Finance concludes that the decision was not a departure.

7.3 If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer/Head 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 Scrutiny Commission or Finance & Performance Scrutiny may refer the matter to Council. In such cases, no further action will be taken in respect of the decision or its implementation until Council has met and considered the matter. Council shall meet within 21 days of the request by the Scrutiny Commission or Finance & Performance Scrutiny. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer/Head of Finance. The Council may:

- endorse a decision or proposal of the Executive as falling within the existing budget and policy framework. In this case no further action is required, save that the decision of Council be minuted and circulated to all councillors in the normal way
- 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 Council be minuted and circulated to all councillors in the normal way
- conclude that a decision or proposal of the Executive is outside the existing budget or policy framework, but determine that the circumstances are exceptional, and grant an exception. The decision of Council is then minuted
- require the Executive to reconsider the matter in accordance with the advice of the Monitoring Officer/Head of Finance where 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.