

## Budget and Policy Framework Procedure

1. 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.
2. The process by which the budget and policy framework shall be developed is:
  - (a) The Executive will publicise through its forward plan a timetable in accordance with which it will make proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework. The Chairman of the Scrutiny Committee will also be notified. Within this timetable each Area Committee will develop proposals for the following budgets for their area, having taken steps to consult residents and other stakeholders: area capital budget, area reserves and area grants budget. Their proposals will be presented to the Executive.
  - (b) The Executive's initial proposals, taking into account proposals from Area Committees, shall be referred to the Scrutiny Committee for further advice and consideration. The Scrutiny Committee shall canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Area Committees. The Scrutiny Committee shall report to the Executive on the outcome of their deliberations. The Scrutiny Committee shall have four weeks to respond to the initial proposals of the Executive unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, the Executive will inform the Scrutiny Committee of the time for response when the proposals are referred to it.
  - (c) Having considered the report of the Scrutiny Committee, the Executive, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration.
  - (d) The Council will consider the proposals of the Executive and may adopt them, amend them, refer them back to the Executive for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Executive's proposals from Area Committees and any report from the Scrutiny Committee.
  - (e) The Council's decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader of the Council. 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 proposal without amendment) or (if the Executive's proposal is 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 of the Council formally objects to it in that period and provides reasons why.
  - (f) In that case, the Democratic Services Specialist will call a Council meeting within a further 5 days. The Council will be required to re-consider its decision and the Leader of the Council's written submission within 10 days.

The Council may

- i) approve the Executive's recommendation by a simple majority of votes cast at the meeting; or
- ii) approve a different decision which does not accord with the recommendation of the Executive by a simple majority of votes cast at the meeting.

- (g) The decision shall then be made public in accordance with Article 4, and shall be implemented immediately;
- (h) 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.

### **3. Decisions outside the budget or policy framework**

- (a) Subject to the provisions of paragraph 5 (virement) and Financial Regulations, the Executive, committees of the Executive, and nominated 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, committees of the Executive, nominated 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 Chief Finance Officer 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.

### **4. Urgent decisions outside the budget or policy framework**

- (a) The Executive, a committee of the executive, a nominated 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 the 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 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 chair of the scrutiny committee the consent of the chairman of the Council and in the absence of both the Vice-Chairman 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 rules of virements are set out in the Council's Financial Procedure Rules which are included in this Part of the Constitution.
- (b) Financial Regulations will allow the Executive to take any decision which is contrary to or not wholly in accordance with the budget or capital plan providing that any additional costs can be offset by additional income, contingency or savings within budget allocations to functions which are the responsibility of the executive.

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

- (a) Where the 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 Chief Financial Officer.
- (b) In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief Financial Officer'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 Chief Financial Officer 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 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 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:
  - 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;Or
  - 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;Or
  - 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/Chief Finance Officer.