

# **PART 4 - PROCEDURAL RULES**

## **SECTION G**

### **BUDGET AND POLICY FRAMEWORK RULES**

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

The Council is responsible for the adoption of its budget and policy framework as set out in Article 4 of the Constitution. Once a budget or a policy framework is in place, it is the responsibility of the Leader to implement it.

#### **2. PROCESS FOR DEVELOPING THE FRAMEWORK**

The process by which the budget and policy framework shall be developed is as follows:

- 2.1 The Leader will include 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 or any amendment to it. This will include its arrangements for consultation on those proposals.
- 2.2 The Forward Plan will be published on the Council's Web Site and updated at the beginning of each month. The consultation period allowed shall in each instance be not less than 4 weeks.
- 2.3 At the end of the consultation period, the Leader/Executive will draw up firm proposals having regard to the responses to that consultation. If a scrutiny committee wishes to respond to the Leader/Executive in that consultation process, then it may do so. As the scrutiny committees have responsibility for determining their own work programmes, it is open to each committee to investigate, research or report in detail with policy recommendations before the end of the consultation period.
- 2.4 The Leader/Executive will take any response from a scrutiny committee into account in drawing up firm proposals for submission to the Council. In considering the matter, the Council shall have before it the Leader/Executive's proposals and any report from any relevant overview and scrutiny committee.
- 2.5 The Leader/Executive may at any time formally request a scrutiny committee to consider and make recommendations to the Leader/Executive on any proposals relating to the budget or policy framework which the Leader/Executive is considering or intends to consider.
- 2.6 Once the Leader/Executive has approved the firm proposals, these proposals will be referred to the Council for decision at the earliest opportunity. In reaching a decision the Council may adopt the Leader's/Executive's

proposals, amend them, refer them back to the Leader/Executive for further consideration or, in principle, substitute its own proposals in their place.

- 2.7 If it accepts the recommendation of the Leader/Executive without amendment, the Council may make a decision which has immediate effect, unless the Council specifies otherwise. 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.
- 2.8 The decision will be publicised in accordance with the Council's Procedure Rules on Access to Information and a copy shall be given to the Leader. The notice of decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Leader's/Executive's proposal without amendment) or (if the Leader's/Executive's proposals are not accepted without amendment) that the Council's decision will be come effective on the expiry of 5 working days after publication of the notice of decision, unless in that period the Leader objects to it and informs the Chief Executive, in writing, of that objection and the reasons for the objection.
- 2.9 Where such notification of objection is received under Rule 2.9 above, the Chief Executive, after consultation with the Mayor, will call a meeting of the Council to be held within a period of 28 days from the date the objection has been lodged and the decision shall not be effective pending that meeting. 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.
- 2.10 The Council, at the meeting required under 2.9 above, may either approve the Leader's/Executive's proposals by a simple majority of votes cast at the meeting or approve a different decision that does not reflect the recommendations of the Leader/Executive by a simple majority.
- 2.11 The final decision taken will be publicised in accordance with the Council's Procedure Rules on Access to Information and will be implemented immediately unless the Council specifies otherwise.
- 2.12 In approving its budget each year, the Council may specify, in addition to such matters dealt with in the Financial Regulations (in Part 4 section H of the Constitution), the extent to which the Leader/Executive can agree virements within that budget and incur supplementary expenditure.
- 2.13 The Council shall also determine the degree to which in-year changes can be agreed by the Leader/Executive to the policy framework in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any changes to the budget or policy framework outside the parameters set by the Council shall be submitted to the full Council for approval unless Rule 3 below applies (ie decisions outside policy and budget framework).

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

- 3.1 Subject to the provisions of paragraph 5 (virement) and 6 (in-year changes) the Leader/Executive, individual Portfolio Holders, 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 Rule 4 below.
- 3.2 If the Leader/Executive, individual Portfolio Holders, officers or joint arrangements discharging executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Section 151 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 Rule 4 (urgent decisions outside the budget and policy framework) shall apply.

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

- 4.1 The Leader/Executive, individual Portfolio Holders, 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. If the decision is an urgent key decision, as well as a decision outside policy or budget, the relevant procedures (set out elsewhere in Part 4) must also be followed.
- 4.2 Such a decision may only be taken:
- (i) if it is not practical to convene a quorate meeting of the full Council; and
  - (ii) if the chairman, or in his/her absence, the vice chairman of a relevant scrutiny committee agrees that the decision is a matter of urgency, and that agreement is given in writing .
- 4.3 The reasons why it is not practical to convene a quorate meeting of full Council and the consent of the chairman or vice chairman of the relevant scrutiny committee to the decision being taken as a matter of urgency must be noted on the record of the decision. In the event of a matter affecting more than one scrutiny committee, the Chief Executive or the Monitoring Officer shall determine which chairman or vice chairman shall be consulted. Where the chairman or vice chairman of a scrutiny committee is not available for any reason, the Mayor, or in his/her absence, the Deputy Mayor shall be consulted.

4.4 Before a decision is taken, the Leader/Executive or decision-taker shall carry out, so far as it is reasonable, consultations with ward members where it affects a particular ward or wards and inform Group Leaders of the decision required. A record of the consultations must be given to the Monitoring Officer.

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

## 5. **VIREMENT**

5.1 The Council sets virement limits within which decision-makers can exercise discretion in approving or otherwise financial transfers within the budget. The detail relating to virement is contained in the Council's Financial Regulations in Part 4 of the Constitution.

5.2 Steps taken by the Leader/Executive, individual Portfolio Holders, officers or joint arrangements discharging executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. Beyond that limit, approval to any virement across budget heads shall require the approval of the full Council.

5.3 The Leader/Executive is authorised to incur supplementary expenditure in any year, up to a limit of £250,000, which does not have an adverse revenue impact, subject to there being no cash-limited budgetary restraint being in place.

## 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 Leader/Executive, individual Portfolio Holders, officers or joint arrangements discharging executive functions must be in line with this Framework. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals unless those changes are necessary to ensure compliance with the law, ministerial direction or government guidance.

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

7.1 Where a scrutiny committee is of the opinion that a decision of the Leader/Executive 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 Section 151 Officer.

7.2 In respect of functions which are the responsibility of the Leader/Executive, the Monitoring Officer's report and/or Section 151 Officer's report shall be to the Leader/Executive with a copy to every member of the Council.

- 7.3 Regardless of whether the decision is delegated or not, the Leader/Executive must decide what action to take in respect of the Monitoring Officer's report and to prepare a report to full Council in the event that the Monitoring Officer or the Section 151 Officer conclude that the decision was a departure, and to the scrutiny committee if the Monitoring Officer or the Section 151 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 Section 151 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 full 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 The Council shall meet within 28 days of the request by the 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 Section 151 Officer. The Council may take one of the following actions:
- (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 full Council be minuted and circulated to all councillors in the normal way;
- or*
- (iii) where the full 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 Leader/Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer or the Section 151 Officer.