

Part 4c

**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 3 (Section 1A). 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 framework

- 2.1 The process by which the budget and policy framework shall be developed is:

- (i) The Executive will make proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework in accordance with the timetable indicated in the Forward Plan. Within this timetable, the scrutiny committees may conduct or commission such research, consultation with stakeholders and investigations as are necessary to enable it to develop its own proposals in respect of the plan, strategy or budget concerned.
- (ii) The scrutiny committees will present any recommendations for the policy and budget framework to the Executive. The Executive will finalise its proposals for the Council to consider having taken into account any such proposals from the Scrutiny Committee. The Executive's report to Council will show its response to those proposals.
- (iii) 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.
- (iv) In approving the policy and budgetary 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 budget and policy framework are reserved to the Council.

3. Decisions outside the budget or policy framework

- 3.1 Subject to the provisions of paragraphs 4 to 6, the Executive, committees of 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 and policy framework. A decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by full Council, may only be taken by the Council.
- 3.2 If the Executive, committees of the Executive, individual members of the Executive and any officers or joint arrangements discharging Executive functions are advised by the Monitoring Officer and/or the Statutory Finance Officer that a decision they want to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget, then the decision must be referred by that body or person to the Council for decision.

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 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 if the relevant Chairman of the relevant scrutiny committee agrees that the decision is a matter of urgency.

4.2 The reasons for the Chairman of the scrutiny committee consenting 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 the relevant scrutiny committee, the consent of the Mayor, or, in his/her absence, the Deputy Mayor, will be sufficient.

5. Virement

5.1 Approved budget flexibilities are described in the Financial Procedure Rules.

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 or joint arrangements discharging Executive functions must be in line with them. No changes to any plan or strategy which make up the policy framework may be made by those bodies or individuals except those changes:

- (i) authorised by the Council when the plan or strategy was approved
- (ii) necessary to ensure compliance with the law, ministerial direction or government guidance
- (iii) relating to a matter in respect of which the plan or strategy is silent.

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

7.1 Where a 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 Statutory Finance Officer.

7.2 In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Statutory Finance 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 Statutory Finance Officer conclude that the decision was a departure and to the relevant scrutiny committee if the Monitoring Officer or the Statutory Finance Officer conclude 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 and/or the Statutory Finance 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 case, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Statutory Finance Officer. The Council may either:

- (i) Endorse the 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 in the normal way.
- (ii) Amend the Council's financial regulations or policy concerned to encompass the decision or proposal 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 in the

normal way.

- (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 and/or Statutory Finance Officer.

8. Dispute Resolution

8.1 In this paragraph 8:

"Executive" and "Executive Leader" have the same meaning as in Part II of the Local Government Act 2000 and

"plan or strategy" and "working day" have the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001.

8.2 Where the Executive of the authority has submitted a draft plan or strategy to the authority for its consideration and, following consideration of that draft plan or strategy, the authority has any objections to it; the authority must take the action set out in paragraph 8.3.

8.3 Before the authority:

- (i) amends the draft plan or strategy
- (ii) approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft) of which any part is required to be so submitted
- (iii) adopts (with or without modification) the plan or strategy

it must inform the Executive Leader of any objections, which it has to the draft plan or strategy and must give to him instructions requiring the Executive to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

8.4 Where the authority gives instructions in accordance with paragraph 8.3, it must specify a period of at least five working days beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Executive within which the Executive Leader may

- (i) submit a revision of the draft plan or strategy as amended by the Executive (the "revised draft plan or strategy"), with the Executive's reasons for any amendments made to the draft plan or strategy, to the authority for the authority's consideration or
- (ii) inform the authority of any disagreement that the executive has with any of the authority's objections and the executive's reasons for any such disagreement.

8.5 When the period specified by the authority, referred to in paragraph 8.4, has expired, the authority must, when:

- (i) amending the draft plan or strategy or, if there is one, the revised draft plan or strategy

- (ii) approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted
- (iii) adopting (with or without modification) the plan or strategy

take into account any amendments made to the draft plan or strategy that are included in any revised draft plan or strategy, the Executive's reasons for those amendments, any disagreement that the Executive has with any of the authority's objections and the Executive's reasons for that disagreement, which the Executive leader submitted to the authority, or informed the authority of, within the period specified.

8.6 Subject to paragraph 8.10, where, before 8th February in any financial year, the authority's Executive submits to the authority for its consideration in relation to the following financial year:

- (i) estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of Sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992
- (ii) estimates of other amounts to be used for the purposes of such a calculation
- (iii) estimates of such a calculation or
- (iv) amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992

and following consideration of those estimates or amounts the authority has any objections to them, it must take the action set out in paragraph 8.7.

8.7 Before the authority makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 8.6(a), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Executive Leader of any objections which it has to the Executive's estimates or amounts and must give to him instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the authority's requirements.

8.8 Where the authority gives instructions in accordance with paragraph 8.7, it must specify a period of at least five working days beginning on the day after the date on which the Executive Leader receives the instructions on behalf of the Executive within which the Executive Leader may:

- (i) submit a revision of the estimates or amounts as amended by the Executive ("revised estimates or amounts"), which have been reconsidered in accordance with the authority's requirements, with the Executive's reasons for any amendments made to the estimates or amounts, to the authority for the authority's consideration or
- (ii) inform the authority of any disagreement that the Executive has with any of the authority's objections and the Executive's reasons for any such disagreement.

8.9 When the period specified by the authority, referred to in paragraph 8.8, has expired, the authority must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 8.6(i), or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:

- (i) any amendments to the estimates or amounts that are included in any revised estimates or amounts
- (ii) the Executive's reasons for those amendments
- (iii) any disagreement that the Executive has with any of the authority's objections and
- (iv) the Executive's reasons for that disagreement

which the Executive Leader submitted to the authority, or informed the authority of, within the period specified.

8.10 Paragraphs 8.6 to 8.9 shall not apply in relation to:

- (i) calculations or substitute calculations which an authority is required to make in accordance with Sections 52I, 52J, 52T or 52U of the Local Government Finance Act 1992; and
- (ii) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with Sections 52J or 52U of that Act.