

# Budget and Policy Procedure Rules

## 1. The Framework for Executive Decisions

1.1 References in these Procedure Rules to the Policy Framework are to the plans and strategies to be adopted by the Council as set out in Article 4.

1.2 The Council will be responsible for the adoption of its Budget and Policy Framework. Once a Budget and 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 as follows:

- a) the proposals will be publicised 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 and the arrangements for consultation after publication of those initial proposals. The Scrutiny Committee will consider the consultation proposals before the arrangements are finalised.
- b) at the end of the consultation period, the Executive will draw up firm proposals having regard to the responses to that consultation.
- c) if the Scrutiny Committee wishes to respond to the Executive during that consultation process, then they may do so. As the Scrutiny Committee has responsibility for fixing its own work programmes, it is open to the Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period, having particular regard not to duplicate any consultation carried out by the Executive. The Scrutiny Committee shall report to the Executive on the outcome of its deliberations.
- d) the Executive will take any response from consultees (including the Scrutiny Committee) into account in drawing up firm proposals for submission to the Council.

The Executive's report to the Council will reflect the comments made by consultees and the Executive's response.

e) once the Executive has approved the firm proposals, the Monitoring Officer will refer them at the earliest opportunity to the Council for decision.

### **3. Procedure for Conflict Resolution**

#### **3.1 Disagreements as to the Policy Framework**

3.1.1 Where the Executive has submitted a draft plan or strategy to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out below.

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

3.1.3 No rejection, modification or substitution to the Executive's proposal may be validly moved by the Council until such time as the Executive has been given the opportunity to consider and react to that objection.

3.1.4 Where the Council gives instructions in accordance with paragraph 3.1.2 above, it must specify a period of at least eight working days, beginning on the day after the date on which the Leader received the instructions within which the Leader may:

a) 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 to the Council for consideration; or

b) inform the Council of any disagreement that the Leader/Executive has with any of the Council's objections, together with its reasons.

3.1.5 When the period specified by the Council, referred to in paragraph 3.1.4 above has expired, the Council shall again consider the Executive's recommendation and will take into account any amendments, reasoning and explanations which the Executive has now submitted.

3.1.6 In relation to the plan or strategy, Full Council may then:

- a) amend it;
- b) approve it; or
- c) adopt it with or without modification.

3.1.7 A decision by Full Council which complies with the above procedure shall require only a simple majority of votes cast at that meeting and shall take effect immediately

## 3.2 Disagreements as to the Budget

3.2.1 For the purposes of this section, the Budget means the proposals which the Executive submits to Full Council in February/March of each year as to various estimates, amounts, calculations and precepts relating to the Council's financial plans and requirements for the following financial year. This excludes any plan or strategy for the control of the Council's borrowing and capital expenditure, any disagreements in respect of which will be dealt with under the procedure set out above at 3.1.

3.2.2 Where the Executive submits its Budget to Full Council before 8 February in any financial year, and the Council has any objections to the Budget, the procedure in Section 3.1 above shall apply. However, the prescribed time for response at paragraph 3.1.4 shall be not less than five working days.

3.2.3 Where the Executive submits its Budget to Full Council on or after the 8 February, the Council shall have the unrestricted right to approve, amend or reject the Executive's Budget.

3.2.4 A decision by Full Council which complies with the above procedure shall require only a simple majority of votes cast at that meeting and shall take effect immediately.

3.2.5 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 Leader/Executive, in accordance with paragraphs 6 and 7 of these Procedure Rules (virement and in-year adjustments). Any other changes to the Budget and Policy Framework are reserved to the Council.

## **4. Decisions Outside the Budget or Policy Framework**

4.1 Subject to the provisions of Procedure Rule 7 (Virement), the Leader/Executive, individual lead Councillors and any officers discharging executive functions may only take decisions which are in line with the Budget and Policy Framework.

4.2 If the Leader/Executive, individual lead Councillor or any officer 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 Procedure Rule 5 (Urgency) below.

4.3 If the Leader/Executive or any individual lead Councillor or officer discharging executive functions wants 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 Procedure Rule 5 shall apply.

## **5. Urgent Decisions Outside the Budget or Policy Framework**

5.1 Any body or individual 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:

- a) if it is not practical to convene a quorate meeting of the Full Council; and
- b) if the Chair of the Scrutiny Committee agrees that the decision is a matter of urgency.

5.2 The reasons why it is not practical to convene a quorate meeting of Full Council and the Chair of 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

Scrutiny Committee, the consent of the Vice Chair of Scrutiny Committee, and in the absence of both, the consent of the Chair of Council, will be sufficient.

5.3 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.

## **6. Virement**

6.1 The Council's Financial Regulations set out the permitted scope for virement within and across budget heads and identifies which body or person has been authorised to approve such virements.

## **7. In-Year Changes to Policy Framework**

7.1 The responsibility for agreeing the Budget and Policy Framework lies with the Council.

7.2 No changes to any policy and/or strategy which make up the Policy Framework may be made by the Leader/Executive, individual lead Councillors or officers except those changes:

- a) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- b) necessary to ensure compliance with the law, ministerial direction or government guidance;
- c) in relation to the Policy Framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration; or
- d) for which provision is made within the relevant budget or policy.

## **8. Call-In of Decisions Outside the Budget or Policy Framework**

8.1 Where a decision is referred to the Council by Scrutiny Committee, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter.

8.2 The matter will be referred to the next ordinary meeting of the Council. At the meeting, the Council will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Section 151 Officer.

8.3 The Council may either:

a) 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

b) amend the Council's Financial Procedure Rules, Budget 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

c) 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 or require the Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer or Chief Section 151 Officer.