

4C. Budget and Policy Framework Procedure Rules

CONTENTS

1.	The Framework for Executive Decisions	4C - 3
2.	Process for Developing the Framework	4C - 3
3.	Decisions Outside the Budget or Policy Framework	4C - 4
4.	Urgent Decisions Outside the Budget and Policy Framework	4C - 5
5.	Virement	4C - 5
6.	In-Year Changes to Policy Framework	4C - 5
7.	Call-In Decisions Outside the Budget or Policy Framework	4C - 6

1. **The Framework for Executive Decisions**

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4. 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 Executive will publicise, 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 its arrangements for consultation after publication of those initial proposals. The Chairs of Overview and Scrutiny Committees will also be notified. The consultation period shall, in each instance, be not less than 6 weeks.
- 2.2 At the end of that period, the Executive will then draw up firm proposals having regard to the responses to that consultation. If a relevant Overview and Scrutiny Committee wishes to respond to the Executive in that consultation process, then it may do so. As the Overview and Scrutiny Committees have responsibility for fixing their own work programme, it is open to the Overview and Scrutiny Committee to investigate, research, or report in detail, with policy recommendations, before the end of the consultation period. The Executive will take any response from an Overview and Scrutiny Committee into account in drawing up firm proposals for submission to the 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 Corporate Director – Resources 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 Article 4, and a copy shall be given to the Leader.
- 2.7 An in principle decision will automatically become effective 14 days from the date of the Council's decision, unless the Leader informs the Corporate Director – Resources in writing within 7 days that he/she objects to the decision becoming effective and provides reasons why.

- 2.8 In that case, the Corporate Director – Resources will call a Council Meeting within a further 21 days. The Council will be required to reconsider its decision and the Leader’s written submission at that Meeting. 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.
- 2.9 The decision shall then be made public in accordance with Article 4, and shall be implemented immediately.
- 2.10 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 Budget Framework are reserved to the Council.

3. Decisions Outside the Budget or Policy Framework

- 3.1 Subject to the provisions of paragraph 5 (Virement), the Executive, Committees of the Executive, individual Members of the Executive, and any Officers, Local 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.
- 3.2 If the Executive, Committees of the Executive, individual Members of the Executive, and any Officers, Local 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 and Policy Framework**

4.1 The Executive, a Committee of the Executive, an individual Member of the Executive, or Officers, Local 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 a relevant Overview and 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 relevant Overview and 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 a relevant Overview and Scrutiny Committee, the consent of the Chair of the Council and, in the absence of both, the Vice-Chair, will be sufficient.

4.2 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**

5.1 The Council's Virement Scheme is annexed to the Financial Procedure Rules.

6. **In-Year Changes to Policy Framework**

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, Local Committees, or joint arrangements 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:

- (a) which will result in the closure or discontinuance of a service, or part of a 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;
- (d) which relate to Policy in relation to schools, where the majority of school governing bodies agree with the proposed change.

7. Call-In Decisions Outside the Budget or Policy Framework

- 7.1 Where an Overview and 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 Finance Officer.
- 7.2 In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief 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/Chief Finance 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.
- 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 Chief 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 Overview and 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 21 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 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 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 or the Chief Finance Officer.

