

## **Part 3 – Budget and Policy Framework Procedure Rules**

### **1. The Framework for Executive Decisions**

- 1.1 The Council will be responsible for the adoption of the Budget and of the Policy Framework as set out in Article 4 (The Council). Once the framework is in place, it will be the responsibility of the Leader / Cabinet to implement it.

### **2. Process for Developing the Policy Framework**

- 2.1 The Council shall from time to time review which plans and strategies shall comprise the Policy Framework, and may determine that:
- (a) it is minded to remove a plan or strategy from the Policy Framework
  - (b) an existing plan or strategy which forms part of the Policy Framework shall be reviewed
  - (c) an additional plan or strategy shall be included in the Policy Framework
- 2.2 In the case of Rule 2.1 (a) above, unless such resolution arises from a recommendation from the Leader / Cabinet, the Council shall consult the Leader / Cabinet before taking a decision whether to remove the plan or strategy from the Policy Framework.
- 2.3 In the case of Rule 2.1(b) and (c) above, the Council shall instruct the Leader / Cabinet to prepare and recommend a draft policy or strategy, or a draft amended policy or strategy, setting out the issues to be covered by the new policy or strategy, or the broad manner in which the Council wishes to amend the plan or strategy, and any matters which the Council would wish the Leader / Cabinet to take into account in preparing a draft, or draft amended, policy or strategy, including any urgency, and stating whether the draft plan or strategy, or draft amended plan or strategy shall be referred on receipt to a particular Overview and Scrutiny Committee.
- 2.4 Upon receipt of such instruction, the Leader / Cabinet shall prepare a draft plan or strategy, or draft amended plan or strategy in response to such instruction and shall submit it to Council.
- 2.5 In preparing such draft plan or strategy, or draft amended plan or strategy, the Leader / Cabinet may undertake such consultation with partner organisations and with the public as it considers to be appropriate.
- 2.6 Where the Council has resolved that the draft plan or strategy, or draft amended plan or strategy, shall be referred to a particular Overview and Scrutiny Committee, the Chief Executive shall report the draft plan or strategy, or draft amended plan or strategy to that Committee, and that Committee shall then consider the same and prepare a recommendation to Council subject to Rule 2.7 below. In such consideration, the Committee may undertake such consultation as it considers appropriate, having regard to any consultation previously undertaken by the Leader / Cabinet.
- 2.7 Where such recommendation to Council is that the draft plan or strategy, or draft amended plan or strategy, should be adopted as proposed by the Leader / Cabinet, that

recommendation shall proceed directly to Council. Where such recommendation is that the draft plan or strategy, or draft amended plan or strategy should be adopted subject to any amendment, that recommendation shall be reported by the Chief Executive to the Leader / Cabinet and shall be deemed to be a resolution that Council proposes to adopt the draft plan or strategy, or draft amended plan or strategy, subject to an amendment.

- 2.8 Where Council receives a recommendation from an Overview and Scrutiny Committee as set out in Rule 2.7 above, the Chief Executive shall report to Council the Leader / Cabinet's original proposal, the Overview and Scrutiny Committee's recommendation and the Leader / Cabinet's response to that recommendation.
- 2.9 Council shall then consider the draft plan or strategy, or draft amended plan or strategy, together with any recommendation and response. The Council may take one of the following steps:
- (a) If Council wishes to adopt the draft plan or strategy, or draft amended plan or strategy as originally recommended by Leader / Cabinet, without amendment, it may do so forthwith;
  - (b) If Council wishes to adopt the draft plan or strategy, or draft amended plan or strategy, subject to any of the amendments recommended by the Overview and Scrutiny Committee, it may do so forthwith after consideration of the Leader / Cabinet's response thereto;
  - (c) If Council wishes to adopt the draft plan or strategy, or draft amended plan or strategy, subject to any amendment which was not recommended by the Overview and Scrutiny Committee, it shall resolve accordingly "in principle", and the Chief Executive shall forthwith notify the Leader and all Members of the Cabinet of that resolution together with the legal and financial implications of the resolution. The Leader may submit to the Chief Executive the Leader / Cabinet's response to the proposed amendment and the following options take effect:
    - (i) If such response is received within 5 working days of such notification, or such longer period as Council may resolve, the Chief Executive shall report the response to the next convenient meeting of Council and the "in principle" resolution shall not take effect.
    - (ii) Where no such response is received within the set period, the "in principle" resolution shall take full effect at the expiry of that set period, unless there are significant legal and financial implications, in which case the Chief Executive shall make a report including those implications to the Council for its next convenient meeting.
- 2.10 Where a particular plan or strategy is required by statute to be subject to consultation, examination in public, or submitted to the Secretary of State for approval, this procedure shall apply in respect of the approval of the plan or strategy at each such stage.

### **3. Process for Setting the Budget**

- 3.1 For each municipal year, the Leader / Cabinet shall prepare a draft Budget for the authority and shall submit it to the Chief Executive for report to Council for approval.

- 3.2 In preparing such draft Budget, the Leader / Cabinet may undertake such consultation with partner organisations and with the public as it considers to be appropriate or required by law.
- 3.3 The Leader / Cabinet shall refer the draft Budget to the relevant Overview and Scrutiny Committee or Committees, in which case the Chief Executive shall report the draft Budget to that Committee or Committees, and that Committee shall then consider the same and prepare a recommendation to Leader / Cabinet. In such consideration, the Committee may undertake such consultation as it considers appropriate, having regard to any consultation previously undertaken by the Leader / Cabinet.
- 3.4 If Council wishes to adopt the draft Budget as recommended by Leader / Cabinet, without amendment, it may do so forthwith.
- 3.5 In reaching a decision, the Council may adopt the Leader / Cabinet's proposals, but if the Council has any objections to the Leader / Cabinet's proposals, then before it amends, approves or adopts any plan, strategy or Budget, it must inform the Leader of those objections and require the Leader / Cabinet to reconsider. The Leader / Cabinet may, within such reasonable period as the Monitoring Officer may determine (but which shall be not less than 5 working days) submit revised proposals or inform the Council of the Leader / Cabinet's disagreement with the Council's objections and the reasons for this. Once that period has expired, the Council in amending, approving or adopting any plan, strategy or Budget, must take into account any revised proposals and the views of the Leader / Cabinet.
- 3.6 In the case of Budget proposals submitted to the Council after 8 February in the preceding financial year, or any Budget proposals submitted following designation or nomination by the Secretary of State, the Council may amend, approve or adopt the Leader / Cabinet's proposals without requiring the Leader / Cabinet to reconsider them.
- 3.7 In approving the Budget and Policy Framework, the Council will also specify the extent of in-year changes to the Policy Framework which may be undertaken by the Leader / Cabinet, in accordance with paragraph 7 of these Rules (in-year adjustments). The extent of virement within the approved Budget is set out in the financial regulations in Chapter 9 of this Constitution. Any other changes to the policy and Budgetary framework are reserved to the Council.

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

- 4.1 Subject to Rule 5 below, the Leader / Cabinet, Committees of the Cabinet, individual Cabinet Members or any Officers, Area Committees or Joint Committees discharging Executive functions may only take Executive decisions to the extent that they are not contrary to the Policy Framework or the Budget. 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 the Council, then that decision shall be a "Departure Decision" and may only be taken by the Council. Note that such Departure Decisions must be taken by Council and cannot be delegated to any other person or body.
- 4.2 If the Leader / Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or any Officer, any Area Committee or Joint Committee wants to make an executive decision and apprehends that it may be contrary to the Policy Framework or contrary to, or

not wholly in accordance with the Budget (and thus to constitute a "Departure Decision"), they shall take advice from the Monitoring Officer and/or the Chief Executive 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 any of those Officers is that the decision would be contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget, then the decision-taker may take an "in principle" decision but must refer the matter as a recommendation or as an "in principle" decision to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in Rule 5 shall apply.

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

- 5.1 Notwithstanding Rule 4 above, the Leader / Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet, an Officer, an Area Committee or a Joint Committee, who or which is exercising 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. A decision will be urgent if any delay involved in convening a quorate meeting of the full Council within the Access to Information Rules to take the decision would or would be likely to seriously prejudice the Council's or the public interests.
- 5.2 The Chair of the relevant Overview and Scrutiny Committee must agree in writing that the decision be taken as a matter of urgency before it may be taken. In the absence or inability to act of the Chair, the consent of the Mayor, or in his or her absence or inability to act, the Deputy Mayor, shall suffice. The reasons why it is not practical to convene a quorate meeting of Council and the consent to the decision being taken as a matter of urgency must be noted on the record of the decision.
- 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. Financial Regulations and Budget Management**

- 6.1 The Council's Financial Regulations are included in Chapter 9 of this Constitution. The Council has approved a Budget management scheme that is included in that Chapter. The Budget management scheme lists the Rules for managing the capital and revenue Budget. This includes limits on virement between capital projects and cash limits.
- 6.2 Steps taken by the Leader / Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet, or Officers discharging Executive Functions to implement Council policy will not exceed those Budgets allocated to each cash limit. However, such bodies or individuals will be entitled to vire across cash limits and capital projects as set out in the Budget management scheme. Exceeding those limits will require the approval of the full Council.

## **7. In-Year Changes to the Budget and Policy Framework**

- 7.1 The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Leader / Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or Officers discharging Executive Functions must be in line with it. No

changes to any policy and strategy that make up the Budget and 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) which are necessary to ensure compliance with the law, ministerial direction or government guidance
- (c) in relation to the Policy Framework in respect of a policy, when the framework would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration.