

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

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1. THE FRAMEWORK FOR EXECUTIVE DECISIONS

- 1.1 The Council will be responsible for the adoption of its budget and policy framework. Once a budget or a policy framework is in place, it will be the responsibility of the Executive and officers to implement it.
- 1.2 The Budget and Policy Framework provides the financial basis for the implementation of the Council's policy framework and for the development of the Council's budget.
- 1.3 The Budget and Policy Framework covers:
 - (a) Medium Term Financial Strategy
 - (b) Capital Strategy
 - (c) Treasury Management Strategy
- 1.4 The Chief Finance Officer will be primarily responsible for providing advice and guidance on the Budget and Policy Framework and its application, but will consult with the Monitoring Officer where appropriate.

2. PROCESS FOR DEVELOPING THE FRAMEWORK

- 2.1 The Executive will provide an initial report on its Medium Term Financial Strategy and Capital Strategy along with initial proposals for the budget and policy framework for consideration by Council. This report will be published by October.
- 2.2 The report will be available to the Overview and Scrutiny Committees and other local stakeholders who wish to express a view.
- 2.3 The Executive in conjunction with the Chief Finance Officer will decided the

detailed local processes, procedures and timescales to consult on the budget proposals.

- 2.4 The Executive in conjunction with the Chief finance officer will decide the detailed local processes, procedures and timescales to consult on the budget proposals. The Executive will issue detailed proposals for consultation having given due consideration to:
 - (a) comments from Overview and Scrutiny Committees and other local stakeholders
 - (b) feedback from the consultation process
 - (c) the Government's financial announcements
 - (d) information from precepting and levying bodies
 - (e) the advice of senior officers.
- 2.5 Having considered responses to the consultation on its initial detailed budget proposals, and any further information on Government funding and precepts/levies, the Executive may amend its proposals before submitting them to Council.
- 2.6 The Executive will also publish a Treasury Management Strategy which will be submitted to Council alongside its final budget proposals.
- 2.7 At any time when a report is submitted to Council on the budget the Council will consider the proposals of the Executive and may adopt them, refer them back to the Executive or substitute its own proposals in their place.
- 2.8 All Councillors and parties are actively encouraged to contribute issues and ideas into the budget process via the Overview and Scrutiny Committees.
- 2.9 If following consideration of the Executive's budget proposals, Council has any objection to them, it must inform the Leader of any objections which it has to the Executive's proposals and must give the Leader instructions requiring the Executive to reconsider, in the light of those objections, those proposals in accordance with Council's requirements.
- 2.10 Where Council gives instructions in accordance with paragraph 2.9, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Executive within which the Leader may:
 - 2.10.1 submit a revision of the proposals as amended by the Executive, which have been reconsidered in accordance with Council's requirements, with the Executive's reasons for any amendments made to the proposals, to Council for Council's consideration; or

2.10.2 inform Council of any disagreement that the Executive has with any of Council's objections and the Executive's reasons for any such disagreement.

2.11 When the period specified by Council, as referred to in paragraph 2.10, has expired Council must, when setting the budget, take into account:

2.11.1 any amendments to the proposals that are included in any revised proposals;

2.11.2 the Executive's reasons for those amendments;

2.11.3 any disagreement that the Executive has with any of Council's objections; and

2.11.4 the Cabinet's reasons for that disagreement; which the Leader submitted to Council, or informed Council of, within the period specified.

2.12 If the Executive's budget proposals are submitted to Council on or after 8th February in the preceding financial year, rules 2.9 to 2.11 apply subject to the Council's statutory duty to make budget calculations before 11th March in the preceding financial year and the ability to charge council tax from 1st April.

3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

3.1 The Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements may only make decisions which are in line with the approved Budget and Policy Framework. A decision that is not relevant to or covered by the budget framework but which is in line with a plan or strategy approved by the Executive is not contrary to the Budget and Policy Framework.

3.2 Subject to section 4 below, if the Executive wish to make a decision which is contrary to the Budget or Policy Framework, then that decision can only be made by the council.

3.3 If the Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements want to make a decision which potentially is contrary to or not wholly in accordance with the Budget and Policy Framework, they must take advice from the Chief Finance Officer or Monitoring Officer, as appropriate. If the advice is that the decision is contrary to or not wholly in accordance with the Budget and Policy Framework then the decision must be referred to Council for decision, unless the decision is a matter of urgency, in which case paragraph 4 shall apply (urgent decisions outside the Budget and Policy Framework).

4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

4.1 Having consulted with the Chief Finance Officer or Monitoring Officer, as appropriate, the Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements may take a decision

which is contrary to or not wholly in accordance with the Budget and Policy Framework, or where the expenditure falls outside the approved budget, if the decision is a matter of urgency.

4.2 However, the decision may only be taken if:

- (a) it is not practical to convene a quorate meeting of the Council, and
- (b) the Chair (in the absence of the Chair, the Deputy Chair) of a relevant Overview and Scrutiny Committee accepts that the decision is a matter of urgency.

4.3 The reasons why it is not practical to convene a quorate meeting of the Council and the consent of the relevant Chair of Overview and Scrutiny Committee must be noted on the record of the decision and reported to the next available Council meeting along with a full report explaining:

- (a) the decision
- (b) the reasons for the decision
- (c) why the decision was treated as a matter of urgency.

5. VIREMENT

5.1 Steps taken by the Executive, individual members of the Executive, a committee of the Executive, or officers, or joint arrangements to implement Council policy shall not exceed those budgets allocated to each relevant budget head. However, such bodies or individuals shall be entitled to vire across budget heads within such limits as shall be laid down in the Financial Procedure Rules. Beyond those limits, approval to any virement across budget heads shall require the approval of the Full Council.

6. IN-YEAR CHANGES TO BUDGET AND POLICY FRAMEWORK.

6.1 Decisions by the Executive, individual members of the Executive, committees of the Executive, and any officers or joint arrangements can discharge only those Executive functions that are within the approved budget. No changes to the approved budget, except within the budget or virements rules set out in the Financial Procedures, can be made unless agreed by the Chief Finance Officer.

7. CALL-IN OF DECISIONS OUTSIDE THE BUDGET AND 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 or not wholly in accordance with the Council's Budget and Policy Framework, then it shall seek advice from the Chief Finance Officer or the Monitoring Officer, as

appropriate and the Head of Paid Service.

- 7.2 Where that opinion relates to a decision that has already been taken and implemented, and the Chief Finance Officer considers that the decision is contrary to or not wholly in accordance with the Budget and Policy Framework, the Chief Finance Officer, or the Monitoring Officer as appropriate shall report on the matter to the Cabinet, sending a copy to every member of the Council. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the report and report on the matter to the Council.
- 7.3 Where that opinion relates to a decision yet to be made, or that has been made but not yet implemented, and the advice from the Chief Finance Officer or Monitoring Officer, as appropriate, is that the decision is contrary to or not wholly in accordance with the Budget and Policy Framework, 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.
- 7.4 At the meeting, the Council will receive a report about the decision or proposals and the advice of the Chief Finance Officer. The Council may:
- (a) endorse a decision or proposal of the Executive as falling within the existing Budget and Policy Framework; or
 - (b) amend the Budget and Policy Framework to encompass the decision or proposal and agree to the decision or proposal with immediate effect; or
 - (c) if it accepts that the decision or proposal is contrary to or not wholly in accordance with the Budget and Policy Framework and does not amend the existing Budget and Policy Framework to accommodate it, require the Executive to reconsider the matter in accordance with the advice of the Chief Finance Officer or Monitoring Officer, as appropriate.
- 7.5 The decision of Council shall be recorded in its minutes.

8. FEES AND CHARGES

- 8.1 All fees & charges must be set in accordance with the corporate charging policy.