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## 5F Budget and Policy Rules

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### 5F.1 The Framework for Executive Decisions

The Council will be responsible for the adoption and amendment of its budget and policy framework. Once the budget and policy framework is in place, it will be the responsibility of the Executive to implement it.

### 5F.2 The Process for Developing the Framework

The process by which the budget and policy framework shall be developed or amended is:

- 2.1 At least two months before a plan/strategy/budget needs to be adopted, the Executive will publish initial proposals for the amendment of the budget and policy framework, having first canvassed the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. Details of the Executive's consultation process shall be included in relation to each of these matters in the Executive work plan, together with any other publicity the Executive deems appropriate.
- 2.2 Any representations made to the Executive shall be taken into account in formulating the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where the Overview and Scrutiny Committee has carried out a review of policy, then the outcome of that review will be reported to the Executive and considered in the preparation of initial proposals.
- 2.3 The Executive's initial proposals shall be referred to the Overview and Scrutiny Committee for further advice and consideration. The Overview and Scrutiny Committee shall canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Executive. The Overview and Scrutiny Committee shall report to the Executive on the outcome of its deliberations.
- 2.4 The Overview and Scrutiny Committee shall have six weeks to respond to the initial proposals of the Executive unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it will inform the Overview and Scrutiny Committee of the time for response when the proposals are referred to it.
- 2.5 Having considered the report of the Overview and Scrutiny Committee, the Executive, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the Overview and Scrutiny Committee.
- 2.6 The Council will consider the proposals of the Executive and may adopt them. In considering the matter, the Council shall have before it the Executive's proposals and any report from the Overview and Scrutiny Committee.

- 2.7 Where, following consideration of a draft plan or strategy submitted by the Executive, the Council has any objections to it, it must inform the Executive leader of any objections and must give to him/her instructions requiring the Executive to reconsider the draft plan or strategy in the light of those objections. This must be done before the Council:
- Amends the draft strategy;
  - Approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for approval, any plan or strategy (whether or not a draft) of which any part is required to be so submitted; or
  - Adopts (with or without modification) the plan or strategy
- 2.8 Where the Council gives instructions in accordance with 0 above it must specify a period of at least five working days beginning on the day after 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 Council for the Council's consideration; or
  - (ii) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.
- 2.9 When the specified period of at least five working days has expired, the Council must 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 Council's objections and the Executive's reasons for that disagreement, which the Executive leader submitted to the Council, or informed the Council of, within the specified period before taking any of the actions referred to in 0 above. In these circumstances a further meeting of the Council will be convened.
- 2.10 If the Executive does not have any disagreement with the objections raised by the Council the plan or strategy will be effective at the expiry of the period of at least five working days, in accordance with the wishes of the Council.
- 2.11 The Council meeting must take place within 10 clear working days of the receipt of the Executive's written objection.
- 2.12 The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance, and shall be implemented immediately.
- 2.13 In relation to the budget where, before 8th February in any financial year, the Executive submits to the Council 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 if the Council has any objections to them, it must take the action set out in the following paragraph.

2.14 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in sub-paragraph (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/her instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.

2.15 Where the authority gives instructions in accordance with paragraph (l), 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 Council requirements, with the Executive's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or
- (ii) inform the Council of any disagreement that the Executive has with any of the Council's objections and the Executive's reasons for any such disagreement.

2.16 When the specified period of at least five working days has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph (k)(a), 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 Council's objections; and
- (iv) the Executive's reasons for that disagreement,

which the Executive leader submitted to the Council, or informed the Council of, within the period specified.

2.17 Paragraphs 2.12 to 2.16 shall not apply in relation to –

- (i) calculations or substitute calculations which an authority is required to make in accordance with section 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 section 52J or 52U of that Act.

2.18 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 5F.5 and 5F.6 of these Rules (virement and in-year adjustments). Any other changes to the budget and policy framework are reserved to the Council.

### **5F.3 Decisions outside the budget or policy framework**

- 3.1 Subject to the provisions virement 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. 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 5F.4 below.
- 3.2 If the Executive, Committees of the Executive, individual members of the Executive and any officers, area 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.
- 3.3 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 5F.4 (urgent decisions outside the budget and policy framework) shall apply.

### **5F.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, area 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 the Overview and Scrutiny Committee agrees that the decision is a matter of urgency.

- 4.2 The reasons why it is not practical to convene a quorate meeting of full Council and the Chair of the Overview and Scrutiny Committee 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 the Overview and Scrutiny Committee the consent of the Chair of the Council, and in the absence of both the vice-Chair, will be sufficient.
- 4.3 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.

#### **5F.5 Call-in of decisions outside the budget or policy framework**

- 5.1 Where the Overview and Scrutiny Committee is of the opinion that a 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.
- 5.2 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.
- 5.3 Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take in respect of the report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Finance Officer concludes that the decision was a departure, and to the Overview and Scrutiny Committee if the Monitoring Officer or the Chief Finance Officer concludes that the decision was not a departure.
- 5.4 If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer 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.
- 5.5 The Council shall meet within ten working 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 or the Chief Finance Officer. The Council may either:
  - 5.5.1 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
  - 5.5.2 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

- 5.5.3 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.