

## 4.3 BUDGET AND POLICY FRAMEWORK RULES

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### 4.3.1 The Budget and Policy Framework

The Council is responsible for the adoption of the Budget and Policy Framework as set out in Article 4 of this Constitution. The following is a list of the plans and strategies, which make up the Budget and Policy Framework:-

<b>Plan, Strategy or Budget</b>	<b>Body</b>
Borrowing & Investment Strategy	Audit Committee Budget Scrutiny
Budget	Cabinet Budget Scrutiny Executive
Capital Strategy	Audit Committee Budget Scrutiny
Corporate Plan	All Scrutiny Committees
Crime & Disorder Reduction Strategy	Healthy, Safe, Clean and Green Scrutiny
Health and Well Being Strategy	Healthy, Safe, Clean and Green Scrutiny
Economic Development and Housing Strategy	Healthy, Safe, Clean and Green Scrutiny
Licensing Policy	Licensing Committee
Local Plan	Planning Committee
Pay Policy Statement	N/A
Sustainable Community Strategy	Growth Scrutiny
Treasury Management Strategy	Audit Committee Budget Scrutiny

#### 4.3.2 The Framework for Executive Decisions

- (a) The Council will be responsible for the adoption of the Budget and Policy Framework. Once the Budget and Policy Framework is in place, it will be the responsibility of the Executive to implement it.
- (b) The Executive has the responsibility for proposing to the Council a budget and policies which will form part of the Budget and Policy Framework. It also has responsibility for making decisions within that Budget and Policy Framework.

#### 4.3.3 The Process for Developing the Framework

- (a) The Council will be responsible for the adoption of the Budget and Policy Framework. Once the Budget and Policy Framework is in place, it will be the responsibility of the Executive to implement it.
- (b) The body identified in the right-hand column above should be notified of plans to adopt any plan, strategy or budget that forms part of the Budget and Policy Framework and offered the opportunity to consider them.
- (c) The plan, strategy or budget together with any recommendations from the body will then be reported to Cabinet who will confirm the contents of the proposal before recommending it to Council.

#### 4.3.4 Decisions Outside the Budget or Policy Framework

- (a) Subject to the provisions of 6 (virement) 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 Budget and Policy Framework, or contrary to or not wholly in accordance with the Budget approved by Council, then that decision may only be taken by the Council, subject to 4.3.5 below.
- (b) If 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, the Chief Finance Officer and the Head of Paid Service as to whether the decision they want to make would be contrary to the Budget and Policy Framework, or contrary to or not wholly in accordance with the Budget. If the advice of the three officers is that the decision would not be in line with the existing Budget and 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 5 below (urgent decisions outside the Budget and Policy Framework) shall apply.

#### 4.3.5 Urgent Decisions Outside the Budget and Policy Framework

- (a) The Executive, a committee of the Executive or officers, area committees or joint arrangements discharging executive functions may take a decision which is contrary to the Council's Budget and Policy Framework or not wholly in accordance with the Budget approved by Council if the decision is a matter of urgency. However, the decision may only be taken:-
- if it is not practical to convene a quorate meeting of the Council; and
  - if the relevant Chair of Scrutiny Committee agree that the decision is a matter of urgency.
- (b) In the absence of the relevant Chair of Scrutiny Committee the consent of the Chairman of the Council, and in the absence of both, the consent of the Vice-Chairman, will be sufficient.
- (c) 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.

#### 4.3.6 Virement

- ~~a. Virements by the Executive must be taken in accordance with the Executive Procedure Rules.~~
- ~~b. In implementing the Budget and Policy Framework the Executive must not exceed those budgets allocated to different services or projects as approved by the Council. However, the Executive is entitled to vire across different services or projects where each individual virement is greater than £10,000 but does not exceed £500,000. Beyond that limit approval of the virement by Council is required.~~

Once a budget has been approved, Executive or budget managers shall be entitled to vire across budget heads within the budget framework with the exception of salary related budgets. Virements from salary related budgets can only be utilised for the use of agency and consultancy work necessary to maintain agreed service levels. Managers within the Accountancy Section shall be entitled to vire budgets for housekeeping purposes within each service area.

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#### 4.3.7 In Year Changes to Policy Framework

The responsibility for agreeing the Budget and Policy Framework lies with the Council and decisions by the Executive or officers, area committees or joint arrangements discharging executive functions must be in line with it. No changes to any policy and strategy which 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 service to meet a budgetary constraint;
- (b) which are necessary to ensure compliance with the law, ministerial direction or government guidance;
- (c) which are in relation to the Budget and 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.

#### 4.3.8 Call In of Decisions Outside the Budget and Policy Framework

- (a) Where the relevant Scrutiny Committee is of the opinion that an Executive decision is or, if made, would be contrary to the Budget and Policy Framework, or contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer.
- (b) In respect of functions, which are the responsibility of the Executive, the three officers' 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 three officers' report and to prepare a report to Council in the event that the three officers conclude that the decision was a departure, and to the relevant Scrutiny Committee if the three officers conclude that the decision was not a departure.
- (c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the three officers is that the decision is or would be contrary to the Budget and Policy Framework or contrary to or not wholly in accordance with the Budget, the relevant 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 10 days of the request by the relevant Scrutiny Committee. At the meeting it will receive a report of the decision or proposals and the advice of the three officers. The

Council may either:

- (i) endorse a decision or proposal of the Executive 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 Regulations 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 Budget and 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 the three officers.