

4.3 BUDGET AND POLICY FRAMEWORK RULES

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:-

Plan, Strategy or Budget	Body
Borrowing & Investment Strategy	<ul style="list-style-type: none"> • Audit and Corporate Overview Scrutiny Committee
Budget	<ul style="list-style-type: none"> • Council • Audit and Corporate Overview Scrutiny Committee • Executive
Capital Strategy	<ul style="list-style-type: none"> • Audit and Corporate Overview Scrutiny Committee
Corporate Plan	<ul style="list-style-type: none"> • All Scrutiny Committees
Crime & Disorder Reduction Strategy	<ul style="list-style-type: none"> • Climate Change and Communities Scrutiny Committee
Health and Well Being Strategy	<ul style="list-style-type: none"> • Climate Change and Communities Scrutiny Committee
Housing Strategy	<ul style="list-style-type: none"> • Customer Services Scrutiny
Business Growth Strategy	<ul style="list-style-type: none"> • Local Growth Scrutiny
Licensing Policy	<ul style="list-style-type: none"> • Licensing Committee
Local Plan	<ul style="list-style-type: none"> • Planning Committee
Pay Policy Statement	N/A

Sustainable Community Strategy	<ul style="list-style-type: none"> • Climate Change and Communities Scrutiny
Treasury Management Strategy	<ul style="list-style-type: none"> • Audit and Corporate Overview Scrutiny Committee • Executive • Council

4.3.2 The Framework for Executive Decisions

- (1) 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.
- (2) 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

- (1) 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.
- (2) 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.
- (3) The plan, strategy or budget together with any recommendations from the body will then be reported to Executive who will confirm the contents of the proposal before recommending it to Council.

4.3.4 Decisions Outside the Budget or Policy Framework

- (1) 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.
- (2) 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 Financial 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 and inform the relevant Portfolio Holder. 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

- (1) 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 agrees that the decision is a matter of urgency.
- (2) 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.
- (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.

4.3.6 Virement

- (1) 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, and required to inform the relevant Portfolio Holder when the virement is in excess of £25,000. 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.

- (2) No officer may vire funds from the Transformation Reserve, authorisation of which is restricted to the Director of Corporate Resources and Head of Paid Service.

Delegated Decisions relating to Transformation Projects to be initialled by the Section 151 Officer to evidence that she has seen them.

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 which:-

- (a) will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (c) 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

- (1) An Executive decision can be made either by the Executive at a formally called meeting or under delegated powers by an officer of the Council in accordance with the delegation scheme. 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 Financial Officer.
- (2) 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 and (where appropriate) the delegated decision maker, must meet to decide what action to take in respect of the three officers' report.
- (3) Where the three officers conclude that there was no departure from the Budget and Policy Framework, Executive will prepare and to prepare a report to the relevant Scrutiny Committee. 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.~~

- (43) If the decision called-in 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 decision will be referred to Council, 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 Proper Officer will request for Council to meet within 10 working days of the Call-In.

Where time allows, a meeting of the relevant Scrutiny Committee will be called to consider the matter fully prior to a meeting of the Council. The Council shall meet within 10 days of the request by the relevant Scrutiny Committee.

At the Council 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.