



CONSTITUTION OF THE COUNCIL

Part 4 Section 3

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The Framework for Decisions

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4 and detailed in Part 3A.

Once the Authority's Annual Budget or a Plan or Strategy included in the Policy Framework has been agreed by Full Council, it will be the responsibility of the Policy and Resources Committee or other relevant Policy Committee to secure and monitor implementation.

2. Process for Agreeing the Annual Budget

This process will be completed within the time scale set by the Policy and Resources Committee and will include the following steps:-

(a) Timetable

The Policy and Resources Committee will draw up a budget timetable to reflect the timing of Government Funding Announcements and the statutory requirements for determining the Annual Budget and Council Tax level.

(b) Policy and Resources Committee develops proposals for the Annual Budget

Policy and Resources Committee will consult stakeholders in the manner appropriate for the matter under consideration and will then draw up initial proposals for the Annual Budget.

(c) Individual Policy Committees develop detailed budget proposals

Individual Policy Committees will consider and prepare detailed budget proposals within the parameters set or defined by the Policy and Resources Committee.

(d) Policy and Resources Committee finalises proposals for submission to Full Council

The Policy and Resources Committee will finalise the proposals for the Annual Budget for the Full Council to consider.

(e) Initial Full Council Meeting

Full Council will consider the Policy and Resources Committee's proposals for the Annual Budget and proposed level of Council Tax and may approve them on the basis of a simple majority of Elected Members present and voting.

The proposed Annual Budget (and Council Tax level) becomes the Council's decision and is effective immediately.

If the Annual Budget (and Council Tax level) proposed is not approved by Full Council it is referred back to the Policy and Resources Committee.

Full Council must identify the issue(s) that it wishes the Policy and Resources Committee to reconsider and the reasons for seeking such reconsideration.

(f) Further Meeting of the Policy and Resources Committee

A further meeting of Policy and Resources Committee to consider the referral from Full Council will take place. The Committee will consider and respond to the referral from Full Council.

(g) Final Meeting of the Council

The final meeting of Full Council will take place no later than 11 March in any year to enable the Authority's Council Tax Requirement to be determined by the requisite statutory deadlines.

3. Process for developing all Plans and Strategies within the Policy Framework

(a) Outline proposal developed

The appropriate Policy and Services Committee (or proper officer) will publicise the need and process for the development of the Plan or Strategy, including key dates for decisions, by inclusion in the Forward Plan.

(b) Consultation on initial draft of Plan or Strategy

The initial draft of any plan or strategy to be presented to the relevant Policy Committee for discussion, that is intended to form part of the Policy Framework, will include approval arrangements for consultation after publication of those initial proposals and a timetable for making proposals to the Council. The Committee will ensure that the consultation process is adequate and allows for meaningful dialogue with those involved.

(c) Consideration by Policy and Resources Committee

At the end of that period, the Policy and Resources Committee will then draw up firm proposals having regard to the initial recommendations, the responses to that consultation and, if felt required by the appropriate Policy and Services Committee (if a different Committee to the Policy and Resources Committee),

further comment from the initial Policy and Services Committee. The Policy and Resources Committee will take any response into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made to it.

(d) Initial Full Council Meeting

Full Council will consider the final draft Plan or Strategy and may adopt the Plan or Strategy on the basis of a simple majority of those Elected Members present and voting.

If the final draft Policy or Strategy is not approved by Full Council it is referred back to the Policy and Resources Committee. Full Council must identify the issue(s) that it wishes the Policy and Resources Committee to reconsider and the reasons for seeking such reconsideration.

(e) Further Meeting of the Policy and Resources Committee

A further meeting of the Policy and Resources Committee to consider the referral from Full Council will take place. The Policy and Resources Committee will consider and respond to the referral from Full Council.

(f) Meeting of Full Council

A further meeting of Full Council will be convened to consider the response of the Policy and Resources Committee to the referral from Full Council. The Full 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 and shall be implemented immediately.

4. Decisions Outside the Budget or Policy Framework

- (a) Subject to the to the provisions of paragraph 6 (virement), Committees of the Council and any officers, area committees or joint arrangements discharging Council 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 paragraph 5 below.
- (b) If the Committee and any officers, area committees or joint arrangements discharging Council 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. 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 5 (urgent decisions outside the Budget and Policy Framework) shall apply.

5. Urgent decisions outside the Budget and/or Policy Framework

- (a) A Committee or officer of the Council 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 Mayor, acting as Chair of the Council, in consultation with the Head of Paid Service, Monitoring Officer and/or Chief Finance Officer agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of Full Council and the Mayor's 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 Mayor the consent of the Deputy Mayor, or in the absence of both, the Leader or the Deputy Leader, will be sufficient.

- (b) 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. Virements

Steps taken by Committees, officers or joint arrangements discharging functions to implement Council policy, shall not exceed those budgets allocated to each budget head. However, such Committee, officer or bodies shall be entitled to vire money across budget heads on the following basis:

- (a) **Revenue budget** – Policy and Services Committees and Chief Officers may approve virement of revenue budget up to £100,000 (cumulatively up to £200,000 over the financial year) provided that there is no virement of revenue budget transfer between 'Directorates' (Budget Heads);
- (b) **Capital budget** - Policy and Services Committees and Chief Officers may approve virement of capital budget up to £10,000 for schemes up to £100,000, and for schemes over £100,000, up to 10% or £50,000, whichever is the lesser; and
- (c) **Policy and Resources Committee** (or sub-committee) may vire:
- (i) **Revenue** - an amount over £100,000 where it considers that virement across budget heads or budgets has become necessary or desirable, is consistent with approved Council policy and there would be no consequential revenue effects in later years; and
 - (ii) **Capital** – subject to reporting decisions to full Council, an amount over £100,000 where it considers virement across budget heads or amendment of the Council's Capital programme has become necessary or desirable.

Proposed virement of any resources in excess of the above limits will require the approval of Full Council.

7. **In-Year Changes to Policy Framework**

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by a Committee or an officer of the Council or under joint arrangements in discharging Council functions must be in line with it. No changes to any policy and strategy which make up the Policy Framework may be made by those bodies or individuals except those changes:

- (a) Which will result in the closure, discontinuance or restriction of a service or part of service to meet a budgetary constraint;
- (b) Necessary to ensure compliance with the law, Ministerial Direction or Government Guidance; or
- (c) In relation to the 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.