

7(a) Financial Procedures: Budget and Policy Framework

1.1 The Framework for Executive Decisions:

The Council will be responsible for the adoption of its Budget and Policy Framework.

The budget and policy framework comprises the following plans and strategies:

- Sustainable Community Strategy
- Crime and Disorder Reduction Strategy
- Development Plan documents
- Council's Corporate Plan
- Licensing/Policy Statement and Gambling

The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, the Council Tax base, setting the Council Tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

Once a budget or a policy framework document is in place, it will be the responsibility of the Executive to implement it.

1.2 Process for Developing the Budget and Policy Framework

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

(a) The Budget - The Executive will publicise in a Forward Plan on the Council's website, a timetable for making proposals to the Council for the adoption of the annual budget and its arrangements for consultation after publication of those initial proposals. The initial proposals will have regard to any previous recommendations of the relevant scrutiny committees. All non-Executive Members, the media, Town and Parish Councils and the Chambers of Trade will be notified of the proposals. The Council's relevant scrutiny committees will be asked for detailed comments on the

proposals. The relevant scrutiny committee will have the relevant proposals placed on its agenda. The consultation period shall be not less than six weeks.

(b) Any Plan, policy or strategy item within the Budget and Policy Framework which is being prepared or amended shall be submitted to the relevant scrutiny committee(s) for its comments. Relevant views will then have to be taken into account by the Executive.

(c) The Executive will take any response from the scrutiny committee(s) into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees.

(d) Once the Executive has approved the firm proposals, the proper officer will refer them at the earliest opportunity to the Council for decision.

(e) That any Member who wishes to propose major changes, i.e. changes to the proposed Council Tax levels, housing rents, or levels of reserves (to the budget proposed by the Executive) be required to give notice of such changes, in writing, to the Team Leader (Democratic Services) and the Chief Finance Officer at least 5 working days before start of the Council (Budget) Meeting, e.g. if the meeting is at 10.00 am on Monday, the alternative proposal will need to be received by 10.00 am on the immediately preceding Monday, so as to enable proper consideration to be given to the proposal. In conjunction with this the agenda for the Council (Budget) Meeting will be despatched 7 working days before the meeting. The Chief Finance Officer to ensure that all papers relating to the proposed major changes to the budget as set out will also be circulated to all Members at least 24 hours before the Council Meeting.

(f) On reaching a decision, the Council may adopt the Executive's proposals, amend them, refer them back to the Executive for further consideration, or in principle, substitute its own proposals in their place.

(g) If it accepts the recommendation of the Executive without amendment, the

Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.

(h) The decision will be publicised in accordance with legal requirements and as per the Constitution and a copy shall be given to the Leader.

(i) An in-principle decision will automatically become effective five days from the date of the Council's decision, unless the Leader, acting on behalf of the Executive, informs the proper officer in writing within four days that they objects to the decision becoming effective and provides reasons why.

(j) In that case, the proper officer will call a Council meeting within a further 14 days to re-consider its decision and the Leader's written submission to:

- approve the Executive's recommendation by a simple majority of votes cast at the meeting; or
- approve a different decision which does not accord with the recommendation of the Executive by a simple majority.

(k) The decision shall then be made public in accordance with legal requirements and as per the Constitution and shall be implemented immediately.

(l) 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 virement and in-year adjustments rules in this framework document. Any other changes to the policy and budgetary framework are reserved to the Council.

1.3 Decisions Outside the Budget or Policy Framework

(m) Subject to the relevant virement provisions the Executive, individual Members of the Executive and any officers, or any 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 wish 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 urgency rules below.

(n) If the Executive, individual Members of the Executive and any officers, or any 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 Financial 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 1.4 (urgent decisions outside the budget and policy framework) shall apply.

1.4 Urgent Decisions Outside the Budget or Policy Framework

(o) 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:

- if it is not practical to convene a quorate meeting of the Full Council; and
- if the Chair of the relevant scrutiny committee agrees that the decision is a matter of urgency.

(p) The reasons why it is not practical to convene a quorate meeting of Full Council and the Chair of the relevant scrutiny committee'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 Chair of the relevant scrutiny committee, the consent of the Chair of the Council, and in the absence of both, the Vice Chair, will be sufficient.

(q) 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.

1.5 Budgetary Control and Virements

(r) The Council shall have the following main budget heads General Fund or Capital.

(s) Steps taken by the Executive to implement Council policy shall not exceed those budgets allocated to each main budget head. However, the Executive shall be entitled to approve additional expenditure up to a percentage of any unallocated reserve for each of the budget heads to that budget head in any one year. This percentage shall be decided annually by the Council as part of the budget setting process.

1.6 In-Year Changes to Policy Framework

(t) The responsibility for agreeing or amending the budget and policy framework lies with the Council, and decisions by the Executive, portfolio holder or officer, discharging Executive 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.

1.7 Call-In of Decisions Outside the Budget or Policy Framework

(u) Where the relevant scrutiny committee is of the opinion that an 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 Financial Officer.

(v) In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief Financial Officer's 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 Monitoring Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Finance Officer conclude that the decision was a departure, and to the relevant scrutiny committee if the Monitoring Officer or the Chief Finance Officer conclude that the decision was not a departure.

(w) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/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 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 28 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 Monitoring Officer and/or the Chief Finance Officer.

The Council may either:

- 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

- 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

- 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/Chief Finance Officer.