

## **Section 5**

# **Budget and Policy Procedure Rules**

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# 1 General

The Council will be responsible for the adoption of the Budget and Policy Documents as set out in Article 4. The Executive will be responsible for proposing the Budget and Policy Documents to the Council for adoption. Once a Budget or a Policy Documents is in place, it will be the responsibility of the Executive to implement it.

## 2 Process for developing the Budget and Policy Documents

### 2.1 Formulation of proposals

- (a) The Executive will publish in the Digest draft proposals for the Budget or any plan or strategy which forms or is intended to form part of the Policy Documents together with a timetable for the process leading to the adoption by the Council of the Budget, plan or strategy. The timetable will include a consultation period during which the relevant Scrutiny Committee or Committees may consider the draft proposals, consult with stakeholders and report back to the Executive.
- (b) Following the end of the consultation period the Executive will draw up firm proposals for the Budget plan or strategy having regard to the response of the Scrutiny Committee or Committees and any other responses received during the consultation period.
- (c) The Head of Law and Administration will put the Executive's proposals on the agenda of the next available Council meeting. The consultation responses considered by the Executive will be reported to Council with the proposals.

### 2.2 Approval of Policy Documents and Budget (other than the Council Tax)

- (a) In reaching a decision on a draft plan or strategy or budget (other than setting the Council Tax) the Council may;
  - (i) adopt the Executive's proposals without amendment or objection;
  - (ii) adopt the Executive's proposals with amendments;
  - (iii) substitute its own proposals in place of the Executive's proposals  
or
  - (iv) refer the Executive's proposals back to the Executive for further consideration with or without comment.
- (b) If it adopts the Executive's proposals without amendment or objection, the decision will have immediate effect;

- (c) In any other case before the Council amends, adopts or approves the proposals the Council must take the action set out in rule (d) below.
- (d) Before the authority;
- (i) amends the draft plan, strategy or budget;
  - (ii) approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for their approval, any plan or strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or
  - (iii) adopts (with or without modification) the plan, strategy or budget,
- it must inform the Leader of any objections which it has to the draft plan, strategy or budget and must give to them instructions requiring the Executive to reconsider, in the light of those objections, the draft plan, strategy or budget submitted to it.
- (e) Where the authority gives instructions in accordance with paragraph (d), it must specify a period of at least five clear working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Executive within which the Executive may;
- (i) submit an amended draft plan, strategy or budget, with its reasons for any amendments, for the Council's consideration; or
  - (ii) inform the Council of any disagreement that it has with any of the Council's objections and its reasons for any such disagreement.
- (f) when the period specified by the Council has expired, the Council must, when;
- (i) amending the draft plan, strategy or budget ;
  - (ii) approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for their approval the draft plan or strategy of which any part is required to be so submitted; or
  - (iii) adopting (with or without modification) the plan, strategy or budget;
- take into account any amendments made to the draft plan or strategy that are included, 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 submitted to the Council within the period specified.

## 2.3 Setting the Council Tax

- (a) Subject to rule (e), 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
  - (vi) 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 the authority has any objections to them, it must take the action set out in rule (b) below.

- (b) Before the authority makes a calculation (whether originally or by way of substitution) in accordance with any of the sections referred to in rule (a)(i), or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Executive's estimates or amounts and must give to them instructions requiring the Executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- (c) Where the authority gives instructions in accordance with rule (b), it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Executive within which the Executive may
  - (i) submit a revision of the estimates or amounts ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Executive's reasons, 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.
- (d) When the period specified by the Council, referred to in rule (c), has expired, the Council must, when making calculations (whether originally or by way of substitution) in accordance with the sections

referred to in rule (a)(i), 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 submitted to the Council, or informed the Council of; within the period specified.

- (e) Rules (a)-(e) shall not apply in relation to;
  - (i) calculations or substitute calculations which an Council 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 52I or 52U of that Act.

### **3 Executive decisions to be within the Budget and Policy Documents**

Subject to Rules 4 and 5 the Executive and any officers discharging executive functions may only take decisions that are in accordance with the Budget and Policy Documents.

### **4 Urgent decisions outside the Budget and Policy Documents**

- (a) Provided that;
  - (i) it is not practicable to call an extraordinary meeting of the Council and,
  - (ii) the person making the decision has consulted three Members of the appropriate Scrutiny Committee (whenever practicable the three Members should include the Chairman and be from three different political groups), and
  - (iii) the majority of those three Members have agreed that the matter is urgent, that the operation of rule 3 would unduly delay the implementation of the decision, and any conditions subject to which the decision may be made,

(the conditions imposed under rule (iii) may include limitations that only part of the decision may be taken without compliance with the rules, or that the decision taker must consult a special meeting of the Scrutiny Committee, the local Member(s) or some other person or body before making the decision but may not include any condition limiting the decision maker's discretion as to what decision they make.), and

- (iv) the decision maker complies with any such conditions,

Rule 3 shall not apply and a decision, which is outside or contrary to the Policy Documents or Budget, may be made by the Executive and implemented immediately.

- (b) Any decision made under this rule must be reported to the next meetings of the appropriate Scrutiny Committee and the Council.

## **5 Virement**

The Executive may vire resources within the Budget without a decision of the Council subject to;

- (a) the amount vired from a portfolio or service division budget not exceeding the amount remaining in the budget after all outstanding commitments and,
- (b) the cumulative amount vired to or from any portfolio or service division budget in any one year not exceeding £25,000 and,
- (c) the purpose for which the Virement is made must be in accordance with Council policy, financial regulations and the law,
- (d) no commitment being made to expenditure in any future financial year.

## **6 Executive decisions outside the budget or policy documents**

- (a) Where an overview and Scrutiny Committee is of the opinion that an Executive decision is, or if made would be, contrary to or not wholly in accordance with the Council's Budget or Policy Documents and is not within rules 4 or 5, then it shall seek advice from the Monitoring Officer and/or Chief Financial Officer.
- (b) In the event that the Monitoring Officer's or the Chief Finance Officer's advice is that the decision was a departure and the decision has been implemented, the Monitoring Officer and/or Chief Financial Officer shall report the matter to the Executive with a copy to every Member of the Council. The Executive must meet within 14 days to decide what action to take in respect of the Monitoring Officer or Chief Financial Officer's report. The Executive's decision and the report of the Monitoring Officer and/or Chief Financial Officer must be reported to the next meeting of the Council.

- (c) In the event that the Monitoring Officer's or the Chief Finance Officer's advice is that the decision was a departure and the decision has not been implemented, the Monitoring Officer and/or Chief Financial Officer shall report the matter to the Executive with a copy to every Member of the Council. No further action will be taken in respect of the decision or its implementation until the Executive has met and considered the matter. The Executive may;
  - (i) cancel the decision;
  - (ii) amend the decision so that it is in accordance with the Budget and Policy Documents;
  - (iii) refer the matter to the Council for consideration.
- (d) A decision referred to the Council under Rule 6(c)(iii) shall be considered by the Council at its next meeting. The Council may;
  - (i) confirm the decision with or without amending the Budget or Policy Documents, or
  - (ii) cancel the decision.