

Budget and Policy Framework Procedure Rules

1. The framework for Executive decisions

The council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the Executive to implement it.

2. Process for developing the framework

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

- (a) The Executive will publicise by including in the forward plan and publishing at the council's offices a timetable for making proposals to the council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework, and its arrangements for consultation after publication of those initial proposals. The chairs of policy and review panels will also be notified. The consultation period shall in each instance be not less than six weeks.¹

The Executive should ask the oversight panel or the performance panel, as appropriate, to look at particular issues and bring forward recommendations for consideration to help the development of the budget and policy framework.

- (b) At the end of that period, the Executive will then draw up firm proposals having regard to the responses to that consultation. If a relevant policy and review panel wishes to respond to the Executive in that consultation process then it may do so. It is open to the policy and review panel to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Executive will take any response from a policy and review panel into account in drawing up firm proposals for submission to the council, and its report to council will reflect the comments made by consultees and the Executive's response.
- (c) Once the Executive has approved the firm proposals, the chief executive will refer them at the earliest opportunity to the council for decision.
- (d) In 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.
- (e) 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.
- (f) The decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader of the council.
- (g) An in-principle decision will automatically become effective 5 working days from the day after the council's decision, unless the Leader informs the chief

¹ Paragraph 2(a) was amended by the council on 17 January 2006

executive in writing within the period mentioned in (i) below that s/he objects to the decision becoming effective and provides reasons why.

- (h) Where the Executive has submitted a draft plan or strategy to the council, and the council has any objections to it and wishes to -
- amend the draft plan or strategy
 - approve, for the purpose of its submission to the secretary or state or any minister of the crown for their approval, any plan or strategy (including a draft) of which any part is required to be submitted; or
 - adopt (with or without modification) the plan or strategy

the Leader of the council will be informed and must be given instructions requiring the Executive to reconsider, in the light of the objections, the draft plan or strategy.

- (i) Where the council has given instructions in accordance with (h) above, the Leader will have 5 working days beginning on the day after the date on which the Leader receives the instructions within which the Leader may -
- submit to the chief executive for the council's consideration a revision of the draft plan or strategy with the Executive's reasons for any amendments;
 - inform the chief executive of any disagreement the Executive has with the council's objections and provide reasons why.
- (j) In that case, the chief executive will call a council meeting within a further 10 working days. The council will be required to re-consider its decision and the Leader's written submission. The council may -
- 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 Article 4, and shall be implemented immediately;
- (l) Where, before the 8 February in any financial year, the Executive submits to the council for consideration in relation to the following financial year -
- estimates of the amounts to be aggregated in making a calculation in accordance with any of sections 32 to 37 or 43 to 49 of the Local Government Finance Act 1972
 - estimates of other amounts to be used for the purposes of such a calculation
 - estimates of such a calculation; or
 - amounts required to be stated in a precept under Chapter IV of Part 1 of the Local Government Finance Act 1992

and following consideration of those estimates or amounts the council has any objections to them, then the procedure set out in (h) to (j) above will apply, with references to plan or strategy being construed to mean estimates or amounts.

This procedure shall not apply in relation to -

- calculations or substitute calculations made in accordance with sections 52 I, 52J, 52T or 52U of the Local Government Finance Act 1992;
 - amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52J or 52U of that act.
- (m) 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 paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the policy and budgetary framework are reserved to the council.

3. Decisions outside the budget or policy framework

- (a) Subject to the provisions of paragraph 5 (virement) the Executive, committees of the executive, individual members of the Executive and any officers, 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 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 4 below.
- (b) If the Executive, committees of the executive, individual members of the Executive and any officers, 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 4 (urgent decisions outside the budget and policy framework) shall apply.

4. Urgent decisions outside the budget or policy framework

- (c) The Executive, a committee of the Executive, an individual member of the Executive or officers, 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:
- (I) if it is not practical to convene a quorate meeting of the full council; and
 - (II) if the chair of a relevant policy and review panel 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 chair of the relevant policy and review panel'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 a policy and review panel the consent of the Lord Mayor or, in his/her absence, the Deputy Lord Mayor will be sufficient.

- (d) 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.

5. Virement

- (a) The council shall have the following budget heads (or such other heads as the council may from time to time decide when settling the budget):

- Strategic and property management
- Commercial port
- Information and technology services
- City helpdesk
- Finance and resources
- Chief executive's
- Strategy
- Legal services
- Corporate services
- Media services
- Corporate personnel
- Property services
- Financial services
- Procurement
- Resources and facilities management
- Local taxation
- Asset management revenue account
- Contingency
- Education and lifelong learning
- Social services
- City health plan
- Housing revenue account
- Housing general fund (excluding private housing)
- Private housing
- Community services
- City planning
- Traffic and transportation
- Travel concessions and public transport support
- Off-street parking
- Economic development
- Enterprise centres
- Leisure services
- Youth services
- Cultural services
- Crime prevention and reduction

- Precepts and other levies
 - Trading standards
 - Building regulation and control
 - Licensing
 - Cemeteries
 - Environmental health and protection
 - Waste management, street cleansing and coastal protection
 - Emergency planning
 - Governance & audit committee
 - Development control committee
- (b) Steps taken by the Executive, an individual member of the Executive or officers, or joint arrangements discharging executive functions to implement council policy shall not exceed those budgets allocated to each budget head. However, such bodies or individuals shall be entitled to vire within and across budget heads in accordance with the following rules:
- I Chief officers, in accordance with existing delegated powers, have authority in consultation with the strategic director for corporate resources and services:
- (a) to incur additional revenue expenditure or overspending up to the sum of £50,000 where estimate provision has not been made; and
 - (b) to approve additional capital expenditure or overspending up to £50,000 when the additional expenditure has not been provided in the estimates,

when equivalent savings can be found/identified within the relevant budget head.

- (c) Subject to the members' information service rules, to approve capital expenditure or additional revenue expenditure or overspending above £50,000 when the additional expenditure has not been provided in the estimates, when equivalent savings can be identified within the relevant budget head.
- II The Executive collectively shall consider and agree any proposal to transfer budgetary provision from an item in a budget head which is the responsibility of one portfolio holder to a budget head which is the responsibility of a different portfolio holder.
- III An individual Executive member may approve a proposal to transfer budgetary provision from an item in one budget head to a different budget head, where both budgets are the responsibility of the same portfolio holder.

6. Call-in of decisions outside the budget or policy framework

- (a) Where a policy and review panel 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.
- (b) 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 sent 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 financial officer conclude that the decision was a departure, and to the policy and review panel if the monitoring officer or the chief financial officer 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 monitoring officer and/or the chief financial 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 policy and review panel 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 normally meet within 10 working days of the request by the policy and review panel. At the meeting it will receive a report of the decision or proposals and the advice of the monitoring officer and/or the chief financial officer. The council may either:

I. 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

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 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 financial officer.