

# **PART 4 (Section C)**

## **Budget and Policy Framework Rules**

### **Contents**

<b>Subject</b>	<b>Page</b>
1. The Framework for Executive Decisions	2
2. Process for Developing the Budget	2
3. Process for Developing the Policy Framework	4
4. Decisions outside the Budget or Policy Framework	6
5. Urgent decisions outside the Budget or Policy Framework	6
6. Virement	7
7. In-year changes to Policy Framework	7
8. Call-in of decisions outside the Budget or Policy Framework	8

**BOSTON BOROUGH COUNCIL  
THE CONSTITUTION  
Part 4 – The Council Procedure Rules  
Section 3 – Budget and Policy Framework Rules**

**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 for the Cabinet (or, where appropriate, the Regulatory Committee) to implement it.

**2. Process for Developing the Budget**

2.1 The process by which the budget shall be developed is:-

- (1) In accordance with Financial Regulations, the Council's Section 151 Officer will present a report on the overall budget strategy to the Cabinet.
- (2) The draft detailed budget proposals will be developed under the guidance of the Section 151 Officer by the Council's officers in consultation with the Cabinet.
- (3) The Cabinet shall consider the budget proposals for each service area of the Council's activities and shall refer them to the appropriate Overview and Scrutiny Committees, or a joint meeting of the Committees, for consideration.
- (4) The Cabinet shall consider any recommendations from the Overview and Scrutiny Committees and may, if it considers it appropriate, amend the proposals before submitting an overall budget and proposed level of Council tax to Council for consideration.
- (5) Subject to paragraph 9, where before 8<sup>th</sup> February in any financial year, the Cabinet submits to the Council for its consideration in relation to the following financial year –
  - (a) estimates for 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 42 to 49 of the Local Government Finance Act 1992.
  - (b) estimates of other amounts to be used for the purposes of such a calculation
  - (c) estimates of such a calculation, or

- (d) amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act of 1992.

And following consideration of those estimates or amounts the Council has any objections to them, it must take the action set out in paragraph 6 below.

- (6) Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 6(a), or issues a precept under Chapter IV of Part 1 of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the Cabinet's estimates or amounts and must give to him/her instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- (7) Where the Council gives instructions in accordance with paragraph 6 above, 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 Cabinet within which the Leader may:-
  - (a) submit a revision of the estimates or amounts as amended by the Cabinet ("revised estimates or amounts") which have been reconsidered in accordance with the Council's requirements, with the Cabinet's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration, or
  - (b) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreements.
- (8) When the period specified by the Council, referred to in paragraph 7, has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 5 (a), take into account:-
  - (a) any amendments to the estimates or amounts that are included in any revised estimates;
  - (b) the Cabinet's reasons for those amendments;
  - (c) any disagreement that the Cabinet has with any of the Council's objections; and
  - (d) the Cabinet's reasons for that disagreement

which the Leader submitted to the Council, or informed the Council of, within the period specified.

- (9) Paragraphs 5 to 8 shall not apply in relation to:-
- (a) calculations or substitute calculations which an authority is required to make in accordance with sections 52I, 52J, 52T or 52U of the Local Government Finance Act 1992, and
  - (b) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with sections 52J or 52U of that Act.
- (10) The Council shall by the 11<sup>th</sup> March in each year, by simple majority, determine the budget requirement and set the level of Council Tax for the ensuing financial year, having considered the proposals of the Cabinet.

### **3. Process for Developing the Policy Framework**

3.1 Definition: For the purpose of these rules “policy framework” means those plans and strategies expressly reserved to the Council for adoption, namely:-

- (i) Performance Improvement Plan
- (ii) Community Plan
- (iii) Crime and Disorder Reduction Strategy
- (iv) Local Development Framework ( and associated statutory documents)
- (v) Food Law Enforcement Service Plan
- (vi) Housing Investment Programme (Housing Strategy and Homelessness Strategy)
- (vii) Licensing Policy
- (viii) The Budget (Budgetary Framework)
- (ix) Capital Programme (Budgetary Framework)
- (x) Corporate Strategy or Plan
- (xi) Asset Management Plan
- (xii) Capital Strategy (Budgetary Framework)
- (xiii) Treasury Management Strategy and Policy (Budgetary Framework)
- (xiv) Equal Opportunities Policy
- (xv) Personnel Policies and Strategies
- (xvi) Corporate Governance Policies and Strategies
- (xvii) Local Area Masterplan
- (xviii) Environmental Policy
- (xix) Risk Management Strategy and Policy
- (xx) Procurement Strategy
- (xxi) Corporate Governance Code
- (xxii) Medium Term Financial Plan (Budgetary Framework)

3.2 The process by which the policy framework shall be developed is:-

- (1) The Cabinet will publicise by including in the published forward plan 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 Chairmen of Overview and Scrutiny Committees will also be notified. The consultation period shall in each instance be not less than 6 weeks.

- (2) At the end of that period, the Cabinet will then draw up draft proposals having regard to the responses to that consultation. If a relevant Overview and Scrutiny Committee wishes to respond to the Cabinet in that consultation process then it may do so. As the Overview and Scrutiny Committees have responsibility for fixing their own work programme it is open to the Overview and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response from an Overview and Scrutiny Committee into account in drawing up its proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Cabinet's response.
- (3) Where the Cabinet has submitted a draft plan or strategy comprising part of the policy framework to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out in paragraph 4 below.
- (4) Before the Council:-
  - (a) amends the draft plan or strategy
  - (b) approves, for the purposes of its submission to the Secretary of State or any Minister of the Crown for his 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
  - (c) adopts (with or without modification) the plan or strategy, it must inform the Leader of any objections which it has to the draft plan or strategy and must give to him/her instructions requiring the Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.
- (5) Where the Council gives instructions in accordance with paragraph 4 above, 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 Cabinet within which the Leader may:-
  - (a) submit a revision of the draft plan or strategy as amended by the Cabinet (the "revised draft plan or strategy") with the Cabinet's reasons for any amendments made to the draft plan or strategy, to the Council for the Council's consideration, or

- (b) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- (6) When the period specified by the Council, referred to in paragraph 5, has expired, the Council must when:-
- (a) amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;
  - (b) approving, for the purposes of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted; or
  - (c) adopting (with or without modification) the plan or strategy,

take into account any amendments made to the draft plan or strategy that are included in any revised draft plan or strategy, the Cabinet's reasons for those amendments, any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for that disagreement which the Leader submitted to the Council, or informed the Council of, within the period specified.

#### **4. Decisions outside the Budget or Policy Framework**

4.1 Subject to the provisions of paragraph 6 below (virements) the Cabinet, committees of the Cabinet (if any), individual Members of the Cabinet 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 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 5 below.

4.2 If the Cabinet, committees of the Cabinet (if any), individual Members of the Cabinet 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 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 4 (urgent decisions outside the budget and policy framework) shall apply.

#### **5. Urgent decisions outside the Budget or Policy Framework**

5.1 The Cabinet, a committee of the Cabinet (if any), an individual Member of the Cabinet 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:

- (a) if it is not practical to convene a quorate meeting of the full Council;  
and
- (b) if the Chairman of a relevant Overview and Scrutiny Committee 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 Chairman of the relevant Overview and Scrutiny Committees 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 Chairman of a relevant Overview and Scrutiny Committee the consent of the Mayor or in the absence of both the relevant Chairman and the Mayor, the Deputy Mayor, will be sufficient.

- 5.2 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. Virement**

- 6.1 Steps taken by the Cabinet, a committee of the Cabinet (if any), an individual Member of the Cabinet or officers, area committees 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 across budget heads in accordance with the procedures detailed in Financial Regulations. Beyond such limits approval to any virement across budget heads shall require the approval of Council.

## **7. In-year changes to Policy Framework**

- 7.1 The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet (if any), an individual Member of the Cabinet or officers, area committees or joint arrangements discharging executive functions must be in line with it. No changes to any policy or 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 or discontinuance of a service or part of a service to meet a budgetary constraint;
  - (b) which are necessary to ensure compliance with the law, ministerial direction or government guidance;
  - (c) in relation to the policy framework which would normally be agreed by the Council following consultation, but are required because the existing policy document is silent on a matter under consideration.

## **8. Call-in of decisions outside the Budget or Policy Framework**

- 8.1 Where an Overview and 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.
- 8.2 In respect of functions which are the responsibility of the Cabinet, where;
- (a) the Monitoring Officer's report and/or Chief Finance Officer's report concludes that the decision was not a departure from the budget or policy framework, the report shall go to the Cabinet and to the relevant Overview and Scrutiny Committee.
  - (b) the Monitoring Officer's report and/or Chief Finance Officer's report concludes that the decision is contrary to or not wholly in accordance with the budget or policy framework, the report shall go to the Cabinet with a copy to every Member of the Council.

Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the Monitoring Officer's/Chief Finance 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. For the avoidance of doubt decisions shall not be deemed to be a departure where they are urgent decisions taken in accordance with paragraph 4 above.

- 8.3 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 Overview and 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. At the meeting it will receive a report from the Cabinet of the decision or proposal and the advice of the Monitoring Officer and/or Chief Finance Officer. The Council may either:
- (a) endorse a decision or proposal of the Cabinet 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 and the decision implemented;
- or
- (b) amend the Council's Financial Regulations, having regard to advice from the Council's Section 151 Officer, or policy concerned to encompass the decision or proposal of the body 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 and the decision be implemented;

or

- (c) 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 Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer or the Chief Finance Officer.