

Part 4 - Budget and Policy Framework Procedure Rules

Developing the budget and policy framework is a key corporate process in Sandwell as it is in all local authorities. It sets the context within which decision making by the executive will take place.

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 budget and policy framework shall be developed in accordance with the following process:

- (a) The executive will publicise by including in the forward plan, on the Council's web site, 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 scrutiny boards will also be notified. The consultation period shall in each instance be not less than 6 weeks.
- (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 scrutiny board wishes to respond to the executive in that consultation process then it may do so.

As the scrutiny boards have responsibility for fixing their own work programme, it is open to the scrutiny boards to investigate, research or report in detail with policy recommendations before the end of the consultation period. The executive will take any response from scrutiny boards 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 Proper Officer 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) Unless the decision of the Council is to accept the recommendation of the executive without amendment, the Proper Officer will ensure that the Leader of the Council, or in their absence, the Deputy Leader, is informed of the Council's decision as soon as possible after the meeting. The decision of the Council will also be publicised in accordance with the provisions of Part 4 – Access to Information Procedure Rules.

- (g) An in-principle decision will automatically become effective five days from the date of the Council’s decision, unless the Leader, or in their absence, the Deputy Leader, informs the Proper Officer in writing within five working days that they objects to the decision becoming effective and provides reasons why.
- (h) In the event of (g) occurring, the Proper Officer will call a meeting of the Council within 14 working days at which the Council will be required to re-consider its decision and the Leader/Deputy Leader’s written submission. The Council may:-
 - i) approve the executive’s recommendation by a simple majority of votes cast at the meeting; or
 - ii) approve a different decision which does not accord with the recommendation of the executive by a simple majority.
- (i) The decision shall then be made public in accordance with the provisions of Part 4 – Access to Information Procedure Rules and shall be implemented immediately;
- (j) In approving the budget or policy framework, the Council will also specify the extent of virement within the budget and degree of in-financial 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-financial 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, 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 4 below.

- b) If the executive, committees of the executive, individual members of the executive 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 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 not included within the budget and policy framework) shall apply.

4. Urgent Decisions Not Included within the Budget or Policy Framework

- (a) The executive, a committee of 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. The decision will not be restrained by Scrutiny Procedure Rule 14 (Exceptions to Call-in) (a). 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 scrutiny board 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 scrutiny board’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 relevant scrutiny board the consent of the Mayor, and in the absence of both, the Deputy Mayor, 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.

5. Virement

The detail relating to virement is contained in Part 4 – Financial Regulations and Procedures of the Constitution.

6. In-year Changes to Policy Framework

The responsibility for approving the budget and policy framework lies with the Council, and decisions by the executive, a committee of the executive, an individual member of the executive or officers, area committees or joint arrangements 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 except those changes:-

- (a) necessary to ensure compliance with the law, ministerial direction or government guidance;
- (b) 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.
- (c) which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change.

7. Call-in of Decisions Outside the Budget or Policy Framework

- (a) Where a scrutiny board 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 made available 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/or the chief financial 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 scrutiny board if the Monitoring Officer or the chief finance 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 scrutiny board 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 seven days of the request by the scrutiny board, or as soon as may be, having regard to the statutory requirements for the calling of meetings. 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, Council will require the executive to reconsider the matter in accordance with the advice of either the Monitoring Officer/chief financial officer.