

Annex 4.5 – Budget and Policy Framework Procedure Rules

1. The Budget and Policy Framework

- 1.1. The Full Council will be responsible for the adoption of its Budget and Policy Framework (“Framework”) for decision-making, as set out below. Once the Framework is in place, it will be the responsibility of the policy committees to implement it.
- 1.2. The Budget and Policy Framework should not be confused with the Council’s Operating Framework. The former is a part of the latter, which contains operational protocols, policies and processes by which the council operates.
- 1.3. The Framework is made up of the council's policies, plans and strategies, some mandatory and others discretionary. The framework is subject to any variation that may from time to time be made in response to legislation. Any change to the framework, which is necessary as a result of changes in legislation, will be incorporated into this Constitution by the Monitoring Officer without the need for the agreement of Full Council.
- 1.4. The Framework includes the mandatory plans and strategies below, which are required by law, while the council's discretionary plans and strategies, including the corporate plan, are available on its website:
 - 1.4.1. Mandatory
 - i. Local Development Framework and Local Area Action Plans
 - ii. Statement of Licensing Policy
 - iii. Statement of Gambling Policy
 - iv. Crime & Disorder Reduction Strategy
 - v. Pay Policy Statement
 - 1.4.2. [Discretionary strategies and plans](#)
 - 1.4.3. The budgetary elements of the Framework include:
 - i. The allocation of financial resources to different services and projects.
 - ii. Any proposed contingency funds.
 - iii. Setting the Council Tax for the Borough.
 - iv. Decisions relating to the control of the council's borrowing requirement.
 - v. The control of capital expenditure.

- vi. The setting of limits to the amounts by which committees and officers can transfer expenditure between different budget heads (virement).
 - vii. Medium Term Financial Strategy (MTFS).
 - viii. Treasury Management Strategy
 - ix. Capital Strategy
 - x. Budget Book
 - xi. Financial Regulations (see [Council Operating Framework](#), Annex 5.1)
 - xii. Any additional budget targets that Strategy and Resources Committee agree each year.
- 1.5. Note: any operational policies not listed above are not considered part of the Framework in relation to Section 4 below, concerning in-year changes. Amendments and updates to said operational policies can be approved by the Strategic Management Team.

2. Process for developing the framework

- 2.1. The process by which the Budget and Policy Framework shall be developed is:
- i. Each year the Strategy and Resources Committee will recommend to Full Council a programme for establishing the Budget and Policy Framework for the following year. Once agreed by Full Council, there will be 4 weeks for public consultation. Following any amendments, the framework will be published.
 - ii. Within the overall programme, any strategic policy or resource issues that are requested as studies by the Audit and Scrutiny Committee, will be identified. These studies include those identified by each policy committee, and which relate to policy issues on which the committee would like to make recommendations to Full Council, and which form part of the Budget and Policy Framework.
 - iii. Policy studies undertaken by the Audit and Scrutiny Committee should engage as widely as possible with citizens and stakeholders in the community, and use a variety of methods to gauge public views. The results should be presented to the relevant policy committee, who will then develop proposals to be submitted to Full Council.
 - iv. In approving the Policy and Budgetary Framework, presented to it by the Strategy and Resources Committee, Full Council will also specify the extent of virement within the budget, and the degree of in-year

changes to the policy framework which may be undertaken by policy committees, in accordance with sections 3 and 4 of these Rules (virement and in-year adjustments). Any other changes to the Budget and Policy Framework are reserved to Full Council.

3. Virement

- 3.1. The Full Council will decide on virement limits having regard to the nature of its functions, the size of its budget, and the need to maintain a balance between the Budget and Policy Framework and the flexibility needed in-year to deliver services in accordance with Best Value principles.

4. In-year changes to policy framework

- 4.1. The responsibility for agreeing the Budget and Policy Framework lies with the Full Council, and decisions by policy committees or officers with delegated authority must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by a policy committee or officer with delegated authority except for changes:
- i. Necessary to meet a budgetary constraint.
 - ii. Necessary to ensure compliance with the law, ministerial direction or government guidance.
 - iii. In relation to the policy framework, in respect of a policy which would normally be agreed annually by the Full Council following consultation, but where the existing policy document is silent on the matter under consideration.
 - iv. That apply to operational policies as per paragraph 1.4.
- 4.2. The Full Council may make in-year changes to its Budget and Policy Framework, other than in the circumstances set out in 4.1 above, but will only do so:
- i. On the recommendation of a policy committee.
 - ii. In response to a report from the Chief Executive.
 - iii. On a motion, after proper notice in accordance with the Full Council standing orders set out in the [Constitution](#) (Appendix 4).
- 4.2.1. In all cases above, changes need to be after a period of consultation with citizens and stakeholders appropriate to the nature of the changes proposed.