

PART 4.3 - POLICY AND BUDGET FRAMEWORK PROCEDURE RULES (PBR)

PBR1

1. The framework for Policy Committee decisions

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

PBR2

2. Process for developing the framework

The process by which the Policy and Budget framework shall be developed is:

- (a) By a date designated by the Strategy and Resources Committee, where a plan that forms part of the Policy and Budget Framework needs to be adopted, the Proper Officer will include in the forward plan for the Strategy and Resources Committee, a timetable for making proposals to the Council for the adoption of any strategy or plan that forms part of the framework. This will include its arrangements for consultation pre or post the publication of those proposals. This will be published at the council's main office and also available on the council's web page - www.bristol.gov.uk.

The designated date referred to in paragraph (a) of these Rules shall be three (3) months unless the Strategy and Resources Committee, in consultation with the Monitoring Officer and the Section 151 Officer, considers that there are special factors that make this timescale inappropriate. If it does, the reason shall be stated in publicising the Forward Plan in accordance with paragraph (a) of these Rules.

Notice required - 3 months

The Strategy and Resources Committee will draw up proposals having regard to representations made and these representations shall be reflected in any report dealing with them. If the matter is referred to the Finance Sub-committee to carry out a review or look at particular issues and bring forward recommendations for consideration to help the development of a strategy or plan that forms part of the Policy and Budget framework; then the outcome of that review will be reported to the Strategy and Resources Committee and considered in firming up the proposals for submission to the Council.

- (b) The Strategy and Resources Committee may canvass the views of local stakeholders if it considers it appropriate and undertake formal consultation in accordance with the matter under consideration.
- (c) Having considered the report of the Finance Sub Committee, outcome of the local stakeholder engagement or consultation report, the Strategy and Resources Committee if it considers it appropriate, may amend its proposals before submitting them to the Full Council meeting for decision. In that report the Strategy and Resources Committee should reflect how it has taken into account the deliberations of the Finance Sub-committee and responses to the stakeholder engagement and or consultation.
- (d) In reaching a decision on the Strategy and Resources Committee strategy or plan, the

Council may:

- (i) adopt or approve the strategy or plan;
- (ii) ask the Strategy and Resources Committee to reconsider and amend the strategy or plan; or
- (iii) accept the alternative recommendations agreed 'in principle' by the Council.

Pursuant to (i) this will include the submission (where required) to the Secretary of State or any Minister of the Crown for approval.

- (e) If the Council approves the Strategy and Resources Committee recommendation or accepts the alternative recommendations agreed 'in principle' the Council may make a decision which has immediate effect. The decision will be made on the basis of a simple majority of votes cast at the meeting.
- (f) If the Council rejects the Strategy and Resources Committee recommendations and 'in principle' alternative recommendations, the Strategy and Resources Committee will be given instructions requiring it to reconsider, in light of the objections to the strategy or plan.
- (g) Where the Council has given instructions in accordance with (f) above, the Strategy and Resources Committee will have 5 working days beginning on the day after the date of the Council decision, within which the Strategy and Resources Committee may:
 - (i) submit alternative proposals to the Council; or
 - (ii) resubmit its proposals and provide written reasons why. The Strategy and Resources Committee may exercise this right by writing to the Monitoring Officer within the 5 working days permitted or it may waive this right by also writing to the Monitoring Officer.
- (h) If the Strategy and Resources Committee submits or resubmits proposals under rule (g) the Monitoring Officer will call a Council meeting within a further 10 working days and the Council shall consider these proposals.
- (i) The Council may approve the proposals of the Strategy and Resources Committee or any alternative proposal by a simple majority of votes cast at the meeting.
- (j) Once proposals are approved, the decision shall be made public in accordance with Article 4 and shall be implemented immediately.

PBR3

3. Process for developing the budget

- 1. For the purposes of the Constitution, the Budget shall be defined as meaning the process whereby in any financial year, the Strategy and Resources Committee submits to the Full Council for its consideration for the following financial year:
 - (a) calculations in accordance with the following areas of the Local Government Finance Act 1992;

- (i) estimates of the amounts to be aggregated in the calculation of the budget requirement (sections 31A, 31B, 34 to 36A)
 - (ii) calculations for determining the council tax requirement for the year and taxation levels for different valuation bands (sections 42A, 42B, 45 to 49, 52ZF, 52ZJ)
 - (b) estimates of other amounts to be used for the purposes of such a calculation;
 - (c) estimates of such a calculation; or amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992; and a
 - (d) report in accordance with Section 25 of the Local Government Act 2003; or report on robustness of estimates and adequacy of the financial reserves.
2. The Strategy and Resources Committee will publish in advance a timetable for the Budget. The timetable will be subject to variation dependent upon the timing of the Local Government Finance Settlement and the information available. This will be advised upon by the Chief Finance Officer.
 3. The Strategy and Resources Committee (or delegated subgroup) will receive regular updates on financial matters and performance and may conduct such research that they wish to enable them to develop opinions and form comments for the relevant parts of the Budget for the forthcoming year.
 4. The Strategy and Resources Committee shall publish its major budgetary proposals and / or Council Tax options in accordance with the timetable referred to in paragraph (2) above. The Major proposals (where necessary) and Council Tax options shall form the basis of any consultation process or exercise either individually or as a collective and will also be disseminated to the Political group leaders. The proposals may be updated from time to time by the Strategy and Resources Committee as further information becomes available.
 5. The initial proposals shall be referred, in accordance with the timetable above, to Finance Sub-committee for consideration and comment. The Sub-committee shall have such time as the timescale provided for by the Strategy and Resources Committee to respond to the initial proposals. Having regard to representations made and comments received from Finance Sub-committee on the initial proposals, the Strategy and Resources Committee will finalise its proposals before submitting them to the Council for consideration and will include within its report to Council how it has taken into account any comments.
 6. The Chairs of Policy Committees, Board Members and Senior Officers of the Council and its subsidiaries will, during the course of any meetings requested by the Strategy and Resources Committee update on the progress and the possible changes and pressures within their areas of responsibility.

Political Process

7. Once the Strategy and Resources Committee's proposals have been approved, the political groups, can choose to prepare a budget amendment(s). The Finance function will specifically assign a senior finance officer to each political group to support this exercise.
8. Consistent information will be made available to all groups but discussions and requests for supplementary information within the groups are confidential to that

group. If similar requests are made by more than one group, officers will take steps to ensure there is no duplication of effort, whilst maintaining group confidentiality.

9. The budgets amendment(s) produced must have the effect of providing the Council with a “balanced budget” as determined by the Chief Finance Officer. Following which a budget motion can be submitted for presentation to Full Council
10. The process outlined above reflects historic practice; however failure to comply with the process outlined in paragraphs (7)-(9) will not in any way invalidate the budgetary process and this convention is not enforceable by the Council or any Political party in any manner.

PBR4

4. Procedure for the budget fixing meeting

1. A meeting of the Full Council will be held in February or March in each year:
 - (i) to approve the civic budget;
 - (ii) to pass the statutory resolutions in respect of the council tax including provision for collection of precepts, charges and other items included in the council tax or local taxation for the following financial year (i.e. the year commencing on 1 April after the budget meeting).

Publication of the civic budget:

2. The civic budget prepared by the Strategy and Resources Committee will be published not less than **fifteen** clear working days before the date of the budget fixing meeting.

Notice Required - 15 clear working days

3. At least **five** working days prior to the first council meeting any political group shall advise the Monitoring Officer of any amendments to the Strategy and Resources Committee’s proposals which are to be included in the agenda and presented at the first council meeting. Such requests shall detail the alternative/referral and must have the effect of providing the Council with a “balanced budget” as determined by the Chief Finance Officer. Any alternative proposals submitted will be circulated to all Councillors **four** working days before the first council meeting.

Notice Required - 5 clear working days

Procedure at the budget fixing meeting:

4. The Chair of the Strategy and Resources Committee will open the budget speech by moving: “That the proposed civic budget be approved”. Once the motion has been seconded each party group will be given the opportunity to respond to the budget proposals in order of size of group and the Chair of the Finance Sub-committee will then be given an opportunity to present comments on behalf of the Sub-committee. The Council may:-
 - (a) Adopt the Strategy and Resources Committee’s proposals as presented
 - (b) Consider the previously advised alternative proposals (referred to in 3 above) as

a request for a amendment to the proposals of the Strategy and Resources Committee for consideration.

Amendments to the proposed civic budget:

5. Once the motion has been seconded, any political group / member of council may move an amendment to the motion that the proposed civic budget be approved provided that:
 - (i) The budget amendment to be proposed is in accordance with paragraph (3) above.
6. When considering the budget amendments referred to in 3 the Council shall consider the amendments presented by the political group in order by which they were submitted. Each amendment shall be moved and if seconded shall be debated.
7. There will be a time limit on the length of speeches and at the conclusion of the debate on that individual motion the budget amendment is voted on.
8. This process shall apply to each group amendment in turn. No amendments to the alternative budget amendments shall be allowed. and the vote on group amendment is carried on a simple majority of those voting.
9. As the amendments are voted on, the Lord Mayor will be advised as necessary if certain amendments effectively “fall by default” due to an earlier amendment(s) being carried. Once all amendments have been voted on, after consultation with the Chief Finance Officer the Lord Mayor will confirm the position as necessary in terms of which budget amendments were carried.
10. A vote shall be taken as to whether the Council wishes to:
 - (i) approve the budget as proposed;
 - (ii) accept the budget as now amended by the Council; or
 - (iii) ask the Strategy and Resources Committee to reconsider its proposals and resubmit with modification or clear written reason why not
11. In the event that no budget amendments were carried or following acceptance of the budget amendments by council, the budget recommendations (including amendments carried) can be put to the Council for a decision. The Lord Mayor (seconded by Deputy Lord Mayor) will then move that Full Council note the Chief Finance Officer’s statement as required under the Local Government Act 2003 and will invite the Monitoring Officer to put the question on the motion that the civic budget (amended or not)) be approved on a simple majority of votes cast at the meeting and the Council’s decision will be publicised in accordance with Article 4.
12. Where the Council resolves to refer proposals back to the Strategy and Resources Committee for re- consideration or the Strategy and Resources Committee in accordance with (11) above proposes to submit or resubmit proposals, the Monitoring Officer shall as soon as practicably possible summons a Second Council meeting to consider:-
 - (a) the Strategy and Resources Committee’s proposals following the referral

- back from the First Council meeting;
- (b) adopting (with or without modification) the proposal;
 - (c) such decisions required to comply with statutory requirements and/or Ministerial/ Governmental guidance/requirement as advised by the Chief Finance Officer
13. At the Second Council meeting, the Council must take into account the reasoning put forward by the Strategy and Resources Committee in considering its re-submitted budget and consider whether it wishes to approve an alternative budget to that now proposed.
14. At the Second Council meeting, the Chief Finance Officer will advise the Council of the minimum decisions and resolutions the Council must make at that meeting as required to comply with statutory requirements.
15. There will be no time limit on the length of this second meeting and the Council shall continue to meet until such matters as the Chief Finance Officer advises that the Council is required to make decisions in accordance with 13(c) above are determined. (Note: An example of a requirement to pass a resolution in law may include the setting of a lawful budget by a certain date, or the determination of the Council Tax). The Council shall at that meeting make its final decision on the matter on the basis of a simple majority and will continue until it is. The decision shall be made public in accordance with Article 4, and shall be implemented immediately.
16. On the approval of the civic budget, the Chair of the Strategy and Resources Committee will move the adoption of the statutory resolutions in respect of the levying of council tax or other local taxation for the ensuing year including the provision for the collection of precepts, charges and other items included in the council tax or other local taxation.
17. In approving the civic budget, the Council will also specify the degree of any in- year changes to the Budget which may be undertaken by the Strategy and Resources Committee, over and above the rules in paragraphs associated to PBR 7 and 8 of these Rules (virement, supplementary estimates and in-year adjustments). Any other changes to the Budget are reserved to the Council.

PBR5

5. Decisions outside the budget or policy framework

- (a) Subject to the provisions of paragraph PBR 7 (virement and supplementary estimates) the Policy Committees and any officers, area committees or joint arrangements may only take decisions which are in line with the Policy and Budget Framework. If any of these bodies or persons wishes to make a decision which is contrary to the framework, or contrary to or not wholly in accordance with the budget approved by the Full Council, then that decision may only be taken by the Full Council, subject to PBR 7 (urgent decisions) below.
- (b) If the Policy Committees and any officers, area committees or joint arrangements want to make such a decision, they shall take advice from the Monitoring Officer and Chief Finance Officer as to whether the decision they want to make would be contrary to the Policy and Budget 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 and Budget framework, then the decision must be referred by that body or person to the Full Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph PBR 7 (urgent decisions outside the Policy and Budget framework) shall apply.

PBR6

6. Urgent decisions outside the budget or policy framework

This procedure covers decisions contrary to the Policy and Budget Framework and contrary to or not wholly in accordance with the budget.

- (a) The Policy Committees or officers, area committees or joint arrangements may take a decision which is contrary to the Full Council's Policy and Budget Framework or contrary to or not wholly in accordance with the financial budget approved by the 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) with the agreement of the chair and vice-chair of the relevant Policy Committee and the Monitoring Officer and the Section 151 Officer that the taking of the decision cannot be reasonably deferred on the basis that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of Full Council must be noted on the record of the decision and the agreement of the chair and vice-chair of the relevant Policy Committee and the Monitoring Officer and the Section 151 Officer to the decision being taken as a matter of urgency must be noted on the record of the decision.

- (b) Following the decision, the decision taker will provide a full report to the next available meeting of the Full Council explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

PBR7

7. Virement and Supplementary Estimates

- (a) Steps taken by the Policy Committees or officers, area committees or joint arrangements to implement council policy shall not exceed those financial budgets allocated to each budget head. However, such bodies or individuals shall be entitled to transfer a budget allocated to a budget head for a particular purpose to be transferred across budget heads and used for another purpose (**virement**) across budget heads in accordance with the requirements set out in the council's **financial regulations**. Beyond the limits set out in financial regulations, approval to any virement across budget heads shall require the approval of the Full Council.
- (b) Where services wish to undertake an activity not originally identified in the approved budget, or there is an overall increase in the cash expenditure of the Council, approval must be sought for **a supplementary revenue estimate** in line with the limits set out in the financial regulations. Supplementary revenue estimates which are to be funded wholly or in part from the approved policy level of general reserves, regardless of value, must be approved by Council.

- (c) Where services wish to increase the level of capital expenditure on an existing or new allocation and new external funding is not available or the funding is not going to be vired from another existing allocation, approval must be sought for a **supplementary capital estimate** in line with the limits set out in the financial regulations. Where the funding includes prudential borrowing in excess of the borrowing level agreed in the budget or, are to be funded wholly or in part from the approved policy level of general reserves, regardless of value, must be approved by Council.
- (d) Council approval is also required where there are significant implications (as determined by the Chief Finance Officer) for future years' budgets arising from the supplementary estimates.

PBR8

8. In-year changes to policy framework

The responsibility for agreeing the Policy Framework lies with the Full Council, and decisions by the Policy Committees or officers, area committees or joint arrangements must be in line with it. No changes to any policy and strategy which make up the 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 service to meet a financial budgetary constraint;
- (b) necessary to ensure compliance with the law, ministerial direction or government guidance;
- (c) 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;
- (d) which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change; and
- (e) which the Monitoring Officer and/or Chief Finance Officer agree is contrary to or not wholly in accordance with the Council's Budget.