# POLICY AND BUDGET FRAMEWORK PROCEDURE RULES (PBR)

## CONTENTS

<table>
<thead>
<tr>
<th>Rule</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framework for executive decisions</td>
<td>PBR1</td>
</tr>
<tr>
<td>Process for developing the framework</td>
<td>PBR2</td>
</tr>
<tr>
<td>Process for developing the budget</td>
<td>PBR3</td>
</tr>
<tr>
<td>Procedure for the budget setting meeting</td>
<td>PBR4</td>
</tr>
<tr>
<td>Decisions outside the policy &amp; budget framework</td>
<td>PBR5</td>
</tr>
<tr>
<td>Urgent decisions outside the Policy or budget framework</td>
<td>PBR6</td>
</tr>
<tr>
<td>Virement and supplementary estimates</td>
<td>PBR7</td>
</tr>
<tr>
<td>In-year changes to policy framework</td>
<td>PBR8</td>
</tr>
<tr>
<td>Call-in of decisions outside the policy or budget framework</td>
<td>PBR9</td>
</tr>
</tbody>
</table>
PBR1
1. The framework for executive 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 Mayor 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 Mayor, where a plan that forms part of the Policy and Budget Framework needs to be adopted, the Mayor will include in the forward plan a timetable for making proposals to the Council for the adoption of any strategy or plan that forms part of the framework, and 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 Chair of Overview and Scrutiny Management Board will also be notified.

The designated date referred to in paragraph (a) of these Rules shall be three (3) months unless the Mayor considers that there are special factors that make this timescale inappropriate. If he/she does, the reason shall be stated in publicising the Forward Plan in accordance with paragraph (a) of these Rules and shall inform Overview and Scrutiny Management Board of the time for response when the initial proposals is referred to it.

Notice required - 3 months

The Mayor 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 one where an overview and scrutiny committee has carried out a review of policy; then the outcome of that review will be reported to the Mayor and considered in firming up the proposals for submission to the Council.

(b) The Mayor may consider whether to refer the initial proposal to an overview and scrutiny committee for advice and consideration. In this instance, the proposals will be referred to the chair and members of the relevant overview and scrutiny committee to 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. The overview and scrutiny committee can canvass the views of
local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Mayor. The overview and scrutiny committee shall report to the Mayor on the outcome of its deliberations. The overview and scrutiny committee shall have **not less than four weeks** to respond to the initial proposals referred to it unless as outlined in paragraph (a) the Mayor considers that there are special factors that make this timescale inappropriate.

**Notice required - 4 weeks**

(c) Having considered the report of the overview and scrutiny committee, the Mayor, if he/she considers it appropriate, may amend his/her proposals before submitting them to the Full Council meeting for decision. In that report the Mayor should reflect how he/she has taken into account the deliberations of the overview and scrutiny committee.

(d) In reaching a decision the Council may:

(i) adopt or approve the strategy or plan;
(ii) ask the Mayor to reconsider; or
(iii) ‘in principle’ amend the strategy or plan itself.

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 accepts the recommendation without amendment the Council may make a decision which has immediate effect. Otherwise it may only make an ‘in principle’ decision. The decision will be made on the basis of a simple majority of votes cast at the meeting.

(f) If the Council rejects the recommendations or approves (‘in principle’) alternative recommendations, the Mayor will be given instructions requiring he/she 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 Mayor will have 5 working days beginning on the day after the date of the Council decision, within which the Mayor may:

(i) accept the alternative recommendations agreed ‘in principle’ by the Council;
(ii) submit alternative proposals to the Council; or
(iii) resubmit his/her proposals and provide written reason why.
He/she may exercise this right by writing to the Monitoring Officer within the 5 working days permitted or he/she may waive this right by also writing to the Monitoring Officer.

(h) If the Mayor 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. It shall make its final decision on the matter in that it may approve the proposals of the Mayor by a simple majority of votes cast at the meeting; or approve a different decision which does not accord with the recommendations of the Mayor by a two thirds majority.

(i) 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 Mayor submits to the Full Council for its consideration for the following financial year:

   • calculations in accordance with the following areas of the Local Government Finance Act 1992;
     o estimates of the amounts to be aggregated in the calculation of the budget requirement (sections 31A, 31B, 34 to 36A)
     o 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)
   • 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 I of the Local Government Finance Act 1992; and a
   • report in accordance with Section 25 of the Local Government Act 2003;
     o report on robustness of estimates and adequacy of the financial reserves.

2. The Mayor will publish in advance a timetable for the Budget. The chair of Overview and Scrutiny Management Board will also be notified. 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. Overview and Scrutiny Management Board (or delegated sub group) 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 and to communicate these to the Mayor and Executive.

4. The Mayor shall publish his/her 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 Mayor as further information becomes available.

5. The initial proposals shall be referred, in accordance with the timetable above, to Overview and Scrutiny Management Board for consideration and comment. The Committee shall have such time as the timescale provided for by the Mayor to respond to the initial proposals. Having regard to representations made and comments received from Overview and Scrutiny Management Board on the initial proposals, the Mayor will finalise his/her proposals before submitting them to the Council for consideration and will include within his/her report to Council how he/she has taken into account any comments.

6. Cabinet Members, Board Members and Senior Officers of the Council and its subsidiaries will, during the course of any meetings requested by Overview and Scrutiny Management Board update on the progress and the possible changes and pressures within their areas of responsibility.

**Political Process**

7. Once the Mayor’s budget proposals are noted by the Cabinet prior to submission to Full Council (for the first Council meeting), the political groups and/or any member of the Council, can chose to prepare an alternative budget or amendments. 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 alternative budgets / amendments 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 executive 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 6 working days prior to the first council meeting any political group and/or any member of the Council shall advise the Monitoring Officer of any alternatives to the Mayors 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 4 working days before the first council meeting.

Notice Required - 6 clear working days

Procedure at the budget fixing meeting:

(4) The Mayor 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 Overview and Scrutiny Management Board will then be given an opportunity to present comments on behalf of the Committee. The Council may:-

a. Adopt the Mayor’s proposals as presented
b. Consider the previously advised alternative proposals (referred to in 3 above) as a request for a referral back of the proposals to the Mayor 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 alternative budget / amendments to be proposed is in accordance with paragraph (3) above.

(6) When considering the alternative budgets referred to in 3 the Council shall consider each alternative budget/amendments presented by the political group/council members individually in order by which they were submitted. Each alternative budget proposal/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 Mayor will respond to each alternative budget / amendment and sum up, before it is voted on.

(8) A vote shall be taken as to whether the Council wishes to refer that alternative proposal to the Mayor for consideration and the vote on each amendment is carried on a simple majority of those voting. This process shall apply to each alternative budget proposal / amendment in turn. No amendments to the alternative budget proposals / amendments shall be allowed.

(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) If the budget is amended, the Mayor will have 5 working days beginning on the day after the date of the Council decision, within which the Mayor may:

   (i) accept the budget as now amended; or
   (ii) submit alternative proposals to the Council; or
   (iii) resubmit his/her proposals and provide written reason why.

(11) If the Mayor decides to accept the amended budget, he/she may exercise this right by writing to the Monitoring Officer within the 5 days permitted or he/she may waive this right and indicate this to the meeting and the Monitoring Officer accordingly.

(12) In the event that no budget amendments were carried or following acceptance of
the amended budget, 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.

(13) Where the Council resolves to refer proposals back to the Mayor for reconsideration or Mayor 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 Mayor’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.

(14) At the Second Council meeting, the Council must take into account the reasoning put forward by the Mayor in considering his/her re-submitted budget and consider whether it wishes to approve an alternative budget to that now proposed. If an alternative budget is proposed it must be approved by a 2/3rds majority in order to be adopted.

(15) 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.

(16) 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.

(17) On the approval of the civic budget, the Mayor 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.
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 Executive, 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 Mayor, 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 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 Mayor, 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 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 Mayor, 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 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) if the Chair (or in his / her absence deputy chair) of Overview and Scrutiny Management 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 must be noted on the record of the decision and the chair of Overview and Scrutiny Management Board consent 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 Mayor, an individual member of the executive or officers, area committees or joint arrangements discharging executive functions 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 Mayor, 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 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.

PBR9
9. Call-in of decisions outside the budget or policy framework

(a) Where an overview and scrutiny Board is of the opinion that an executive decision is, or if made would be, contrary to the Policy and Budget 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 Finance Officer.

(b) In respect of functions which are the responsibility of the Mayor, the Monitoring Officer’s report and / or Chief Finance Officer’s report shall be sent to the Mayor with a copy to every councillor. Regardless of whether the decision is delegated or not, the Mayor must consider what action to take in respect of the monitoring officer’s report and to prepare a report to the Full Council in the event that the Monitoring Officer or the Chief Finance Officer conclude that the decision was a departure from the agreed framework and to the relevant Overview and Scrutiny Management 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 Finance Officer is that the decision is or would be contrary to the Policy and Budget Framework or contrary to or not wholly in accordance with the budget, the of Overview and Scrutiny Management Board may refer the matter to the Full Council. In such
cases, no further action will be taken in respect of the decision or its implementation until the Full Council has met and considered the matter. The Full Council shall meet within 28 days of the request by the Overview and Scrutiny Management Board (if there is a forthcoming ordinary meeting of the Full Council the matter will be automatically included on the agenda for that meeting). At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and / or the Chief Finance Officer. The Full Council may either:

(i) endorse a decision or proposal of the executive decision taker as falling within the existing Policy and Budget 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;

(ii) amend the Council’s budget or policy concerned and/or financial regulations 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;

(iii) where the Full 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 Mayor to reconsider the matter in accordance with the advice of either the Monitoring Officer / Chief Finance Officer.

(d) The Council must take one (or more) of the three decisions set out above before the end of its meeting. If the Council does not, then the Call-In Procedure in relation to that called-in decision will come to an end and the decision may then be implemented.