

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES



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1. THE FRAMEWORK FOR CABINET DECISIONS

The Council will be responsible for the adoption of its policy framework and budget as set out in Article 4. The policy framework and budget adopted by the Council will be based on that proposed by Cabinet. Once a budget or a policy framework is in place, it will be the responsibility of Cabinet to implement it.

2. PROCESS FOR DEVELOPING THE FRAMEWORK

The process by which the policy framework and budget shall be developed is:

2.1 The Cabinet will publicise, by including in the forward plan available at the Council's offices, and by other methods – e.g. on its web site and in local press, 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 Overview and Scrutiny Committees will also be notified. The consultation period shall in each instance be not less than 4 weeks.

2.2 At the end of that period, the Cabinet will then draw up firm 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 programmes, 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.

2.22.3 The Cabinet will take any response from an Overview and Scrutiny Committee 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 response of the Overview and Scrutiny Committee.

If the Cabinet intends to approve firm proposals for the budget other than those recommended by the Section 151 Officer, the meeting must be adjourned for a period of 5 working days to allow sufficient time for the Section 151 Officer to prepare a report on the impact of the proposals. That report will be presented back to Cabinet. Such requirement to adjourn to be removed where the Section 151 Officer confirms that no report is necessary or such period to be shortened where the Section 151 Officer prepares a report in a shorter period and confirms that they are content to reconvene the Cabinet meeting.

2.32.4 Once the Cabinet has approved the firm proposals, the Proper Officer will refer them at the earliest opportunity to the Council for decision.

2.5 -In reaching a decision, the Council may:

- -adopt the Cabinet’s proposals,
- amend them,
- refer them back to the Cabinet for further consideration, or
- in principle, substitute its own proposals in their place.

If the Council intends to substitute its own proposals in place of those recommended by Cabinet, the meeting must be adjourned for a period of 5 working days to allow sufficient time for the Section 151 Officer to prepare a report on the impact of the Council’s proposals. That report will be presented back to Council. Such requirement to adjourn to be removed where the Section 151 Officer confirms that no report is necessary or such period to be shortened where the Section 151 Officer prepares a report in a shorter period and confirms that he/she is content to reconvene the Council meeting, notwithstanding that at all times the Council meeting must be reconvened before 11th March of the financial year preceding that for which the Budget and Council Tax are being set, in order to satisfy the requirements of the Local Government Finance Act 1992.

2.42.6 If ~~Council~~ accepts the recommendation of the Cabinet without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. ~~In either case, t~~The decision will be made on the basis of a simple majority of votes cast at the meeting.

2.52.7 The decision will be publicised in accordance with Article 4 and a copy shall be given to the Leader.

2.62.8 An in-principle decision will automatically become effective 5 working days from the date of the Council’s decision, unless the Leader informs the Proper Officer in writing within 5 working days that he/she objects to the decision becoming effective and provides reasons why.

2.72.9 In that case, the Proper Officer will call a Council meeting within a further 5 working days. The Council will be required to re-consider its decision and the Leader’s Written Submission within five working days. The Council may;

2.7.12.9.1 approve the Cabinet's recommendation by a simple majority of votes cast at the meeting; or

2.7.22.9.2 approve a different decision which does not accord with the recommendation of the Cabinet by a simple majority.

2.82.10 The decision shall then be made public in accordance with Article 4, and shall be implemented immediately.†

2.92.11 In approving the budget and policy framework, the Council will also specify the extent of virement within the budget and degree of in-year changes to the policy framework which may be undertaken by Cabinet, in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the policy and budgetary framework are reserved to the Council.

3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

3.1 Subject to the provisions of paragraph 5 (virement), the Cabinet, a Committee of the Cabinet, an individual member of Cabinet and any officers or joint arrangements discharging Cabinet 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.

3.2 If the Cabinet, a Committee of the Cabinet, an individual member of Cabinet and any officers or joint arrangements discharging Cabinet 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 outside the budget and policy framework) shall apply.

4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

4.1 The Cabinet, a Committee of the Cabinet, an individual member of Cabinet or officers, area committees or joint arrangements discharging Cabinet 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:

4.1.1 if it is not practical to convene a quorate meeting of the full Council; and

4.1.2 if the chair 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 chair 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 chair of a relevant Overview and Scrutiny Committee the consent of the Chairperson of the Council, and in the absence of both the Vice-Chairperson, will be sufficient.

4.2 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.

5. VIREMENT

- 5.1 For the purposes of this section a budget head, or head of estimates, is defined as any area of operation which has a budget heading within the Council's detailed estimates of income and expenditure as they appear in the Council's annual budget book.
- 5.2 Cabinet may not incur expenditure which cannot be met from the amount provided in the approved revenue budget under a head of estimate (including any virement made in accordance with items 5.3 and 5.4 below) to which that expenditure would be charged or would result in an over-spending in the year on that head of estimate unless a supplementary estimate has been submitted to and approved by the Cabinet or the Council. This shall apply to a reduction in income and/or to an increase in expenditure.
- 5.3 Amounts provided under the several heads of the approved annual revenue budget shall not be diverted to other purposes without the approval of the Cabinet, or the approval of the Chief Financial Officer in accordance with the authority delegated to him/her by the Council.
- 5.4 Recommendations by Corporate Directors and Corporate Lead Officers in agreement with the respective Portfolio Member, for Virement of revenue expenditure must be notified to the Chief Financial Officer in accordance with the Scheme of Virement as laid out in the Council's 'Financial Regulations and Accompanying Financial Procedures' section of the Constitution.
- 5.5 The Cabinet shall keep the approved programme of capital expenditure under review and approve any virement within that programme.
- 5.6 Virement of revenue and capital expenditure of any amount must not result in any future annual financial commitments without the express approval of the Cabinet; and virement cannot be exercised to alter the Council's policy or service priority without the approval of the full Council.

6. IN-YEAR CHANGES TO POLICY FRAMEWORK

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, a Committee of the Cabinet, an individual member of Cabinet or officers or joint arrangements discharging Cabinet functions must be in line with it. No changes to any policy and strategy which makes up the policy framework may be made by those bodies or individuals except those changes:

- 6.1 which will result in the closure or discontinuance of a service or part of a service to meet a budgetary constraint;
- 6.2 necessary to ensure compliance with the law, ministerial direction or government guidance;
- 6.3 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.
- 6.4 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

- 7.1 Where an Overview and Scrutiny Committee is of the opinion that a Cabinet 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 the Chief Financial Officer.
- 7.2 In respect of functions which are the responsibility of Cabinet, the Monitoring Officer's report and/or Chief Financial Officer's report shall be 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 and/or 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 Overview and Scrutiny Committee if the Monitoring Officer or the Chief Financial Officer conclude that the decision was not a departure.
- 7.3 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 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 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. The Council shall meet within 21 days of the request by the Overview and Scrutiny Committee. 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:

- 7.3.1 endorse a decision or proposal of the Cabinet 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
- 7.3.2 amend the Council's budget or policy concerned to encompass the decision or proposal of the body or individual responsible for that Cabinet 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

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 Cabinet to reconsider the matter in accordance with the advice of the Monitoring Officer and/or the Chief Financial Officer.