

# **Budget and Policy Framework Procedure Rules**

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## **1. The Framework for Executive Decisions**

The Council will be responsible for the adoption of its Budget and Policy Framework. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Cabinet to implement it.

## **2. Process for Developing the Framework**

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

- (a) At least 2 months before the Budget and Policy Framework needs to be adopted, the Cabinet will publish initial proposals for the Budget and Policy Framework, having first taken into account the views of local stakeholders as appropriate and in a manner suitable to the matters under consideration. The Cabinet will have regard to the outcome of any prior representations made by the Scrutiny Committee and the outcome of consultations undertaken as part of the Council's strategic review process in formulating its initial proposals. Details of the Cabinet's consultation process shall be referred to in its initial proposals report. Any other representations made to the Cabinet, shall be taken into account in formulating the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where the Scrutiny Committee or an Overview and Scrutiny Committee has carried out a review of policy, then the outcome of that review will be reported to the Cabinet and considered in the preparation of initial proposals.
- (b) The Cabinet's initial proposals shall be referred to the Scrutiny Committee for further advice and consideration. The Scrutiny Committee may choose to request that the Resources and Corporate Overview and Scrutiny Committee undertake this work on its behalf. The proposals will be referred by sending a copy to the Monitoring Officer who will forward them to the Chair of the Committee. If there is no such chair, a copy must be sent to every member of the Committee. Either the Scrutiny Committee or the Resources and Corporate Overview and Scrutiny Committee if so delegated may 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 Cabinet on behalf of the Council. The Scrutiny Committee, or the Resources and Corporate Overview and Scrutiny Committee on its behalf, shall report to the Cabinet on the outcome of its deliberations. The Committee shall have not less than four weeks to respond to the initial proposals of the Cabinet unless the Cabinet considers that there are special factors that make this timescale inappropriate. If it does, it will inform the Scrutiny

Committee of the time for response when the proposals are referred to it.

- (c) Having considered any report of the Scrutiny Committee, or the Resources and Corporate Overview and Scrutiny Committee on its behalf, the Cabinet, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the Scrutiny Committee or the Resources and Corporate Overview and Scrutiny Committee if so delegated.
- (d) The Council will consider the proposals of the Cabinet and may adopt them, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place. In considering the matter, the Council shall have before it the Cabinet's proposals and any report from the Scrutiny Committee.
- (e) The Council's decision will be publicised and a copy shall be given to the Leader of the Council. The Council's decision will become effective on the expiry of at least five clear days after the publication of the decision, unless the Leader of the Council objects to it in that period.
- (f) If the Leader of the Council objects to the decision of the Council, he/she shall give written notice to the Monitoring Officer to that effect as soon as possible prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Monitoring Officer shall convene a further meeting of the Council to reconsider its decision and the decision shall not be effective pending that meeting.
- (g) The Council meeting must take place within ten clear days of the receipt of the Leader's written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection that shall be available in writing for the Council.
- (h) The Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public and shall be implemented immediately.
- (i) 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 the Cabinet, in accordance with paragraphs 5 and 6 of these Rules (virement and in-year adjustments). Any other changes to the Budget and Policy Framework are reserved

to the Council.

### **3. Decisions Outside the Budget or Policy Framework**

- (a) Subject to the provisions of paragraph 5 (virement) the Cabinet, individual members of the Cabinet and any officers, other Council bodies or joint arrangements discharging executive functions may only take decisions that 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 Cabinet, individual members of the Cabinet and any officers, other Council bodies or joint arrangements discharging executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Finance 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**

- (a) The Cabinet, an individual member of the Cabinet or officers, other Council bodies or joint arrangements discharging executive functions may take a decision that 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:
  - i) if it is not practical to convene a quorate meeting of the full Council (or Special Committee); and
  - ii) if the Chair of the 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 Scrutiny Committee'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 the Scrutiny Committee, 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**

- (a) The service areas set out in the Council's Budget Book shall be the budget heads set by the Council. The Council may approve, on the recommendation of the Cabinet, variations to the budget heads or the transfer of approved resources between budget heads in pursuit of policy objectives.
- (b) The Chief Executive, Corporate Directors, Directors and Heads of Service, in consultation with Cabinet Members where appropriate, may transfer resources between budget heads provided that this does not give rise to a change in approved Council policy. Where such a change does affect approved policy, then the approval of the Cabinet will be required (subject to the provisions controlling urgent decisions).
- (c) Any significant variations from approved budgets that are not in themselves a result of deviation from approved policy will be reported to the Cabinet as part of the periodic in-year expenditure monitoring process.
- (d) The Cabinet may authorise allocations from the Council's general reserves to supplement existing budgets or in pursuit of approved policy objectives subject to a report to the following meeting of the Council in respect of the latter.

## **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 (if any), an individual member of the Cabinet or officers or joint arrangements discharging executive functions must be in line with it. No changes to any policy and strategy that make up the policy framework may be made by those bodies or individuals except those changes:

- (a) that will result in the closure or discontinuance of a service or part of service to meet a 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 Council following

consultation, but where the existing policy document is silent on the matter under consideration;

- (d) that relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change.

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

- (a) Where the Scrutiny Committee 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 Finance officer.
- (b) In respect of functions that are the responsibility of the Cabinet, the Monitoring Officer's report and/or Chief Finance Officer's report shall be sent 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 / Chief Finance 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 Committee if the Monitoring Officer or Chief Finance Officer conclude that the decision was not a departure.
- (c) If the decision is 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 framework or contrary to, or not wholly in accordance with, the budget, the 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 ten clear days of the request by the 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 Finance Officer. The Council may either:
  - i) 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
  - 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, require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Finance Officer.

**8. Objections by the Council to Key Plans and Strategies proposed by the Cabinet**

- (a) Where the Council has any objection to a draft key plan or strategy, falling within Article 4.01 of the Constitution, proposed by the Cabinet then before amending, approving or adopting (with or without modifications) it must inform the Leader of the Council of any such objection and must give to him/her instructions regarding the Cabinet to reconsider in the light of those objections the draft plan or strategy submitted to it.
- (b) In giving such instructions the Council must specify a period of at least five clear days following receipt of these instructions by the Leader of the Council within which the Leader may: -
  - (i) submit to Council a revised draft plan or strategy as amended by Cabinet with reason for such amendments;
  - or
  - (ii) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- (c) When the period specified by the Council referred to in (b) above has expired the Council must when amending/approving or adopting (with or without modification) the draft plan or strategy take into account any amendments made by the Cabinet together with reasons, for those amendments, and disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for these disagreements of which the Council were notified by the Leader within the period specified.