

## **BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **1. THE FRAMEWORK FOR CABINET DECISIONS**

- 1.1 The Council is responsible for the adoption of its budget and policy framework as set out in Article 4 of the Constitution. Once a budget or a policy framework is in place, it is the responsibility of the Cabinet to implement it.
- 1.2 From May 2011 all executive functions will vest in the Leader. In this document references to the Cabinet should be read as Leader and/or Cabinet in accordance with the delegations made by the Leader from time to time.

### **2. PROCESS FOR DEVELOPING THE FRAMEWORK**

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

- 2.1 The Cabinet will include in the forward plan 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, or any amendment to it. This will include its arrangements for consultation on those proposals. The Chairman of Overview and Scrutiny Committee will be notified of the publication of the forward plan. This notification may be by e-mail. The consultation period allowed shall in each instance be not less than 4 weeks.
- 2.2 At the end of the consultation period, the Cabinet will draw up firm proposals having regard to any responses it received during the consultation period. If the Overview and Scrutiny Committee wishes to respond to the Cabinet during the consultation process then it may do so. As the Overview and Scrutiny Committee has responsibility for fixing its own work programme, 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. The Cabinet will take any response from the 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 the Overview and Scrutiny Committee and the Cabinet's response.
- 2.3 At any time in advance of making its decision on any proposals relating to the budget or policy framework which it is considering or intends to consider, the Cabinet may formally request the Overview and Scrutiny Committee to consider and make recommendations on the same.
- 2.4 Once the Cabinet has approved the finalised proposals, the Chief Executive 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.
- 2.6 If it 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, the decision will be made on the basis of a simple majority of votes cast at the meeting.
- 2.7 The decision will be published and a copy shall be given to the Leader.
- 2.8 An in-principle decision will automatically become effective 5 working days after the day a copy of the Council's decision is given to the Leader, unless

the Leader informs the Chief Executive in writing within the 5 days that he/she objects to the decision becoming effective and provides reasons why.

2.9 In that case, the Chief Executive will call a Council meeting to take place within 7 working days of receipt of the Leader's objection. The Council will re-consider its decision and the Leader's written submission at that meeting. The Council may

- i) approve the Cabinet's original recommendation by a simple majority of votes cast at the meeting; or
- ii) approve a different decision which does not accord with the original recommendation of the Cabinet by a simple majority.

2.10 The decision shall then be published and shall have immediate effect;

2.11 In approving the budget and policy framework, the Council will also specify any changes to the extent to which the Cabinet may vary within the budget, incur supplementary expenditure or make in year changes to the policy framework in accordance with paragraphs 5, 6 and 7 of these Rules. Any other changes are reserved to the Council.

2.12 Where the Cabinet submits to the Council before 28 February in any year:

- (a) estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 31A to 37 or 42A to 49, of the Local Government Finance Act 1992;
- (b) estimates of other amounts to be used for the purposes of such a calculation;
- (c) estimates of such a calculation; or
- (d) amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,

and the Council does not accept them, the procedure in rules 2.7 to 2.10 will apply.

2.13 When reconsidering its decision following any submission from the Leader, the Council when making calculations in accordance with the sections referred to in rule 1.13 or issuing a precept under Chapter IV of Part 1 of the Local Government Finance Act 1992 will take into account:

- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
- (b) the Cabinet's reasons for those amendments;
- (c) any disagreement that the Cabinet has with any of the Council's objections; and
- (d) the Cabinet's reasons for that disagreement.

### **3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

3.1 Subject to the provisions in paragraph 5, 6 and 7, the Cabinet, individual members of the Cabinet and any staff 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 Council, then that decision may only be taken by the Council, subject to paragraph 4 below.

- 3.2 If the Cabinet, individual members of the Cabinet and any staff or joint arrangements discharging Cabinet functions are minded to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Finance Officer to establish 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 the Monitoring Officer and / or the Chief Finance Officer 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 shall apply.

#### **4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- 4.1 The Cabinet, an individual member of the Cabinet or staff 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 Council if the decision is a matter of urgency. However the decision may only be taken:

- (a) If it is not practical to convene a quorate meeting of the Council; and
- (b) If the Chairman of the Overview and Scrutiny Committee agrees that the decision is a matter of urgency.

- 4.2 The reasons why it is not practical to convene a quorate meeting of Council and the consent of the Chairman of the Overview and Scrutiny Committee to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chairman of the Overview and Scrutiny Committee the consent of the Mayor or in his absence the Deputy Mayor will be sufficient.

- 4.3 Following the decision, the decision taking body or person 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. EXPENDITURE SUPPLEMENTARY TO THE BUDGET**

- 5.1 The Council sets the budget but recognises the need for the Cabinet to have flexibility. The Leader is authorised:

- (a) To incur supplementary expenditure in any year which does not exceed a total of 5% of the net revenue budget approved for that year; and
- (b) To incur additional capital expenditure in any year which does not exceed **£20,000** or 5%, whichever is the greater, on any scheme within the approved capital budget for the year.

#### **6. VIREMENT**

- 6.1 The limits on virement are set out in the Council's Financial Regulations.
- 6.2 Within the limits set within the Financial Regulations the Leader may vire across budget heads which relate to Cabinet functions.

## **7. IN-YEAR CHANGES TO POLICY FRAMEWORK**

- 7.1 The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, an individual member of the Cabinet or staff or joint arrangements discharging Cabinet functions must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except where those changes:
- (a) will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
  - (b) are necessary to ensure compliance with the law, ministerial direction or government guidance;
  - (c) relate to the policy framework and 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.

## **8. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- 8.1 Where the 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 Chief Finance Officer.
- 8.2 In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Chief Finance Officer's report shall be presented to the Cabinet with a copy sent to every councillor. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of such a report and to prepare a report to either the Council, in the event that the Monitoring Officer and / or Chief Finance Officer conclude that the decision was a departure, or to the Overview and Scrutiny Committee if the Monitoring Officer and / or the Chief Finance Officer conclude that the decision was not a departure.
- 8.3 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 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 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 7 working 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 Chief Finance Officer. The Council may :
- (a) 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
  - (b) amend the Council's Financial Regulations 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

- (c) 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 or Chief Finance Officer.