

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

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

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

### **2 The Process by which the Budget and Policy Framework will be Developed**

- 2.1 By October each year, the Cabinet will publish initial proposals for the budget and policy framework, having first canvassed the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. Any representations made to the Cabinet should 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 an overview or 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.
- 2.2 The Cabinet's initial proposal shall be referred to the relevant overview and scrutiny Committee for further advice and consideration. The overview and scrutiny Committee shall 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. The overview and scrutiny Committee shall report to the Cabinet on the outcome of its deliberations. The overview and scrutiny Committee shall have up to six 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 overview and scrutiny Committee of the time for response when the proposals are referred to it.
- 2.3 Having considered the report of the overview and scrutiny Committees, the Cabinet, if it considers it appropriate, may amend its proposals before submitting them to full Council for consideration. It will also report to Council on how it has taken into account any recommendations from the overview and scrutiny Committees.
- 2.4 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 any relevant overview and scrutiny Committee. If the proposals of Cabinet are amended by the Council the Leader will have an opportunity to raise objection to the decision of Council within a period of 5 working days and require a further meeting of Council to be convened to consider the objection raised.

- 2.5 In approving the Budget and Policy Framework, the Council will also specify the extent of virement within the budget and agree 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

- 3.1 Subject to the provisions of Paragraph 5 (Virement, Supplementary Estimates and Carry Forward) the Cabinet, individual Members of the Cabinet, and any officers, area committees or joint arrangements discharging executive 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 paragraph 4 below. If the Cabinet, individual Members of the Cabinet and any officers, area committees or joint arrangements discharging executive functions, want to make such a decision, they should take advice from the Monitoring Officer and/or the Head of Finance 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 provision in paragraph 4 (urgent decisions outside the budget of policy framework) shall apply.

4 Urgent Decisions outside the Budget or Policy Framework

- 4.1 The Cabinet, individual Members of the Cabinet or officers, area committees or joint arrangements discharging executive 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 :-
- a) if it is not practical to convene a quorate meeting of the full Council;
  - b) if the Chairman of an 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 full Council and the Chairman of a relevant overview and 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 Chairman of a relevant overview and scrutiny Committee the consent of the Mayor/Deputy Mayor will be sufficient.

- 4.3 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, Supplementary Estimates and Carry Forward

- 5.1 The procedure with regard to virement, supplementary estimates and carry forward is set out in the Financial Procedure Rules appended to this Constitution.

6 In-Year Changes to Policy Framework

- 6.1 The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Cabinet, 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 policy 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 a 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.

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 Head of Finance as Section 151 Officer.

- 7.2 In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Head of Finance'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 report and to prepare a report to Council in the event that the Monitoring Officer or the Head of Finance conclude that the decision was a departure, and to the overview and scrutiny Committee if the Monitoring Officer or the Head of Finance 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 Head of Finance 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 at the meeting will receive a report of the decision or proposals, and the advice of the Monitoring Officer and/or the Head of Finance. The Council may either :-

- 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 Procedure Rules or policy concerned to encompass the decision or proposal of the body or individual responsible for the 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
- 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/ Head of Finance.

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