

4-3

BUDGET
AND
POLICY FRAMEWORK
PROCEDURE
RULES

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The framework for executive decisions

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. Process for developing the framework

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

- (a) The Cabinet will publicise 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. The Chairman of the Scrutiny Committee will also be notified. The consultation period will in each instance be not less than six weeks.
- (b) At the end of that period, the Cabinet will draw up firm proposals having regard to the responses to that consultation. If the Scrutiny Committee wishes to respond to the Cabinet in that consultation process then it may do so. As the Committee has responsibility for fixing its own work programme(s), it is open to the Committee to investigate, research or report in detail with recommendations before the end of the consultation period. The Cabinet will take any response from the 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 Cabinet's response.
- (c) Once the Cabinet has approved the firm proposals, the proper officer will refer them at the earliest opportunity to the Council for decision.
- (d) 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.
- (e) If it accepts the recommendation of the Cabinet without amendment, the Council may make a decision that has immediate effect. Otherwise, it may make only 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.
- (f) The proper officer will provide a copy of the minute of the Council's decision to the Leader.
- (g) An in-principle decision will automatically become effective five working days from the date when the Leader was provided with a copy of the minute unless the Leader informs the proper officer in writing within that period that he/she objects to the decision becoming effective and provides reasons why.

- (h) In that case, the proper officer will put the matter onto the agenda of a Council meeting within the next 20 working days (even though that may involve calling an extraordinary meeting). The Council will be required to reconsider its decision and the Leader's written submission.

The Council may

- i) approve the Cabinet's recommendation by a simple majority of votes cast at the meeting; or
 - ii) approve a different decision that does not accord with the recommendation of the Cabinet by a simple majority.
- (i) The decision shall then be made public and be implemented immediately;
 - (j) In approving the budget and policy framework, the Council must expressly specify any changes that it wishes to make regarding the scope for virement within the budget which can be made in accordance with paragraph 5 of these Rules. Any other changes to the policy and budgetary 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, Cabinet committee and any officers, 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, that decision may be taken only by the Council, subject to Rule 4 below.
- (b) If the Cabinet, Cabinet committee and any officers, or joint arrangements discharging executive 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, 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 or policy framework) shall apply.

4. Urgent decisions outside the budget or policy framework

- (a) The Cabinet, any Cabinet committee or officers, 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 be taken only:
 - i) if it is not practical to convene a quorate meeting of the full Council; and
 - ii) if the chairman 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 chairman of the Scrutiny Committee consents 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 Scrutiny Committee, the consent of the chairman of the Council (and in the absence of both that of the vice-chairman of the Council) 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**

Steps taken by the Cabinet, a Cabinet committee, officers or joint arrangements discharging executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, virement across budget heads will be allowed in accordance with the Council's financial regulations contained in the Financial Procedure Rules in Part 4 of this Constitution.

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 Cabinet committee, officers or joint arrangements discharging executive functions must be in line with it. Those bodies may make no changes to any policy or strategy that make up the policy framework.

7. **Call-in of decisions outside the budget or policy framework**

- (a) Where the 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 financial officer.
- (b) In respect of functions that are the responsibility of the 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 or not the decision is delegated, the Cabinet must meet to decide what action to take in respect of the monitoring 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 policy review panel(s) 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 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 policy review panel(s) 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 25 working days of the request by the relevant policy review panel(s). 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:
- i) endorse a decision or proposal of the executive 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 executive decision taken 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) require the Cabinet to reconsider the matter in accordance with the advice of either the monitoring officer/chief financial officer 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.