

# **PART 4-3**

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

### **1. The Framework for Cabinet 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 shall be developed is:

- (a) Not less than four months before a plan/strategy/budget needs to be adopted, the Cabinet will publish initial proposals for the budget and policy framework, having as necessary first canvassed the views of appropriate local stakeholders in a manner suitable to the matter under consideration. Any 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 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 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 4 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.
- (c) Having considered the report of the Overview and Scrutiny Committee, 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 Overview and Scrutiny Committee.
- (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 Cabinets' proposals and any report from the Overview and Scrutiny Committee.
- (e) The Council's decision will be published and a copy given to the

Leader. The decision shall be dated and shall state either that the decision shall be effective immediately (if the Council accepts the Cabinet's proposals without amendment) or (if the Cabinet's proposals are not accepted without amendment), that the Council's decision will become effective on the expiry of five working days after the publication, unless the Leader objects to it in that period.

- (f) If the Leader objects to the decision of the Council, they shall give written notice to the Head of Paid Service to that effect 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 Head of Paid Service 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 20 working 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, which 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 published and implemented immediately.

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

- (a) Subject to the provisions of paragraph 5 (virement) 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 Council, then that decision may only be taken by the Council, subject to paragraph 4 below.
- (b) If the Cabinet and any officers, area committees 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 or policy framework) shall apply.

### **4. Urgent Decisions Outside the Budget or Policy Framework**

- (a) The Cabinet and any 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 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 Council;  
and
- ii) if the Chair of the 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 Council and the Chair of the 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 Chair of the Overview and Scrutiny Committee the consent of the Chair of the Council or in their absence, the Vice-Chair, will be sufficient.

- (b) Following the decision, the decision taker will provide a 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) Virement is permitted between the revenue budget heads that reflect the Council's current approved structure, subject to financial considerations to be determined by the Chief Finance Officer in consultation with either the Chief Executive, Deputy Chief Executive or Director – Place and Climate Change.
- (b) Any virement between budget heads shall only be carried out in accordance with the requirements of the Council's Financial Procedure Rules and, where appropriate, Procurement Procedure Rules.
- (c) Rollover of unspent budgets from the previous financial year to the current financial year shall not be permitted. Additional one-off budget provisions must be planned and agreed with the Chief Finance Officer as part of the annual budgeting cycle.
- (d) Where the Council receives ring-fenced grant funding Heads of Service may, with the agreement of the Chief Finance Officer, carry forward unspent balances into the current financial year.
- (e) Virement is not permitted between revenue and capital budgets.

## **6. Policy Framework**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet and any officers, area committees or joint arrangements discharging Executive functions must be in line with it.

## **7. Call-In of Decisions outside the Budget or Policy Framework**

- (a) 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.

- (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 and/or the 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 relevant Overview and Scrutiny Committee, 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 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. 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 Procedure Rules 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 and/or Chief Finance Officer.