

BUDGET AND POLICY FRAMEWORK RULES

APPENDIX 6 – BUDGET AND POLICY FRAMEWORK RULES

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APPENDIX 6 – BUDGET AND POLICY FRAMEWORK 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 and Appendix 1. It will be the responsibility of the Leader, Cabinet (and Cabinet Members with Responsibility where so delegated) to implement the Budget and policies within the Policy Framework.

2. Process for developing the Budget and Policy Framework

2.1 The Leader and Cabinet will publicise by including in the Forward Plan a timetable for making proposals to the full Council for the adoption of a plan, strategy or budget that is to form part of the Budget and Policy Framework, and its arrangements for consultation after publication of those initial proposals. The Chairman of the Overview and Scrutiny Performance Board will be notified at the same time. The Cabinet will ensure that the consultation process is adequate and allows for meaningful dialogue with those involved. This consultation will include the Overview and Scrutiny Performance Board.

2.2 If the Overview and Scrutiny Performance Board wishes to respond to the Cabinet in the consultation process then it may do so. It is open to the Overview and Scrutiny Performance Board to investigate, research or report in detail with recommendations before the end of the consultation period, or to consider any alternative budget proposals as part of their budget scrutiny work.

2.3 At the end of that consultation period, the Cabinet will then draw up firm proposals having regard to the responses to that consultation. The Cabinet will take any response from the Overview and Scrutiny Performance Board into account when drawing up firm proposals for submission to full Council, and its report will reflect the comments made by consultees and the Cabinet's response. The Cabinet's firm proposals will be referred at the earliest practicable opportunity to the Council for decision.

2.4 The Council will consider the proposals of the Cabinet and may decide to adopt them (with or without modification), amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place, subject to the following provisions.

2.5 To ensure that the obligations contained in Section 25 of the Local Government Act 2003 are fulfilled and to allow prior consideration by all Groups, alternative budget, Council Tax proposals, or proposed amendments to the budget recommended on behalf of the executive must be lodged with the Chief Executive by noon 5 working days prior to the meeting scheduled to determine the budget and Council Tax precept (i.e. by the Thursday preceding the Council meeting on Thursday). The Chief Executive will ensure that all such proposals for alternative budget, Council tax precept or amendments to the recommended budget are passed to the Chief Financial Officer and all Group Leaders as soon as practicable after receipt. This provision is without prejudice to the rights of the executive to accept, partially adopt any such proposals or alter its recommendations in the light of them at the budget Council meeting itself, provided the Chief Financial Officer is able to comply with his statutory obligations. The Chairman of Council may

also permit an amendment to be moved which has not met the above requirements if he or she considers there are urgent or exceptional circumstances which justify this.

2.6 Should Council object to the proposals, then before it amends the draft plan or strategy, notice of the Council's decision on the Policy Framework or Budget will be given to the Leader within 2 working days of the decision, setting out any objections which the Council has to the Cabinet's proposals and requiring the executive to reconsider within at least 5 working days of the notice.

2.7 Within the period specified in the Notice the Leader may:

- (a) submit revised proposals with the reasons for any amendments for consideration by the Council; or
- (b) give written notice to the Assistant Director for Legal and Governance of any disagreement with the Council's decision stating the reason for such disagreement.

2.8 Where such revised proposals or such notification are received, the Assistant Director for Legal and Governance shall convene a further meeting of the Council within the necessary timescale to reconsider its decision and the decision shall not be effective pending that meeting. If the Assistant Director for Legal and Governance considers that the matter does not necessitate the calling of an extraordinary Council meeting then the matter will be considered at the next ordinary meeting of the Council. If the Leader does not respond under 2.7 or the Leader has no objection, the Council's decision will take effect forthwith.

2.9 At the further meeting of the Council, the Council's decision will be reconsidered taking into account:

- (a) any revised proposals with the reasons for any amendments, submitted in pursuance of 2.7(a) above; or
- (b) the notice which the Leader has given of any disagreement with reasons in pursuance of 2.7(b) above.

2.10 The Council will, 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.

2.11 The provisions of paragraphs 2.4 and 2.6 – 2.10 shall not apply in relation to any proposals for the budget or precept for the following financial year which are submitted by the Cabinet on or after 8 February in any financial year.

2.12 Paragraphs 5 and 6 relate to the extent of virement within the budget and degree of in-year changes to the policy framework which may be undertaken by or on behalf of the Cabinet. 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 below (virement), the Cabinet, individual Cabinet members, any officers or joint arrangements discharging executive functions may only take decisions which are in line with the Budget and Policy Framework.

3.2 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 the full Council, then that decision may only be taken by the Council, subject to paragraph 4 below.

3.3 If the Cabinet, individual Cabinet Member, or any officer discharging executive functions, wants to make a decision as in Paragraph 3.2, 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, then the decision that an officer or individual Cabinet Member wants to make shall be referred to the Cabinet for consideration, subject to the provision in 4.1 for urgent decisions. If the Cabinet wishes to pursue any such decision it shall refer it to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 below (urgent decisions outside the Budget and Policy Framework) shall apply.

4. Urgent decisions outside the Budget or Policy Framework

4.1 The Cabinet, individual Cabinet Member or Officer 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 practicable to convene a quorate meeting of the full Council within an appropriate timescale; and
- (b) if the Chairman (or Vice-Chairman in his/her absence) of the Overview and Scrutiny Performance Board agrees that the decision is a matter of urgency.

In the absence of the Chairman (or Vice-Chairman) of the Overview and Scrutiny Performance Board, the consent of the Chairman of the Council or in his/her absence, the Vice-Chairman will be sufficient.

4.2 The reasons why it is not practicable to convene a quorate meeting of full Council and the above consent of the Chairman (or Vice-Chairman) of the Overview and Scrutiny Performance Board (or of the Council) to the decision being taken as a matter of urgency must be noted on the record of the decision.

4.3 Following the decision, the Cabinet 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

5.1 Steps taken by the Cabinet, individual Cabinet Member, or any officer, discharging executive functions to implement Council policy shall not exceed the allocated budget for the service in question.

5.2 The Financial Regulations in Appendix 7 of this Constitution set out the rules for the operation of virement across the budgets allocated for particular functions of the Council.

5.3 Virement in excess of the limits from time to time set out in the Financial Regulations shall require the approval of the Council.

6. In-year changes to the Budget and Policy Framework

6.1 The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Cabinet, individual Cabinet Members or officers discharging executive functions must be in line with it.

6.2 No changes to the Budget and Policy Framework may be made by any officer and no such changes may be made by the Cabinet or individual Cabinet Member except those changes:-

- a) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- b) which are necessary to ensure compliance with the law, ministerial direction, guidance issued by Government, Government Agency, or the Council's external Auditor;
- c) 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) which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change;
- e) for which the budget or policy specifically provides for in-year change; or
- f) which are minor adjustments to Directorate cash limits.

7. Call-in of decisions outside the Budget or Policy Framework

7.1 Where the Overview and Scrutiny Performance Board has considered a matter called-in in accordance with the Overview and Scrutiny Procedure Rules, and is of the opinion that a decision by or on behalf of the Cabinet or individual Cabinet Member 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.

7.2 In respect of a decision taken by or on behalf of the Cabinet or individual Cabinet Member and already implemented, if the Monitoring Officer or the Chief Financial Officer conclude that the decision was outside the Budget or Policy Framework or would be a departure, a report by the relevant Officer shall be made 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. If the Monitoring Officer or the Chief Financial Officer concludes that the decision was not or would not be so outside, they shall report to the Overview and Scrutiny Performance Board.

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 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 Overview and Scrutiny Performance Board may refer the matter to the 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 20 working days of the request by the Overview and Scrutiny Performance Board, unless the Leader of the Council and Chairman of the Overview and Scrutiny Performance Board agree that the matter can be left to the next ordinary meeting of the Council. At the meeting the Council 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:

- (a) endorse a decision or proposal of the Cabinet or individual Cabinet Member 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 Budget or Policy Framework to encompass the decision or proposal of the Cabinet, individual Cabinet Member or officer discharging executive functions 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 Council's decision and the advice of either the Monitoring Officer or the Chief Financial Officer.