

**BUDGET AND POLICY  
FRAMEWORK RULES**



**APPENDIX 6 – BUDGET AND POLICY FRAMEWORK PROCEDURE RULES****INDEX**

<b>SUBJECT</b>	<b>PAGE</b>
The framework for Cabinet decisions	F1
Process for developing the framework	F1
Decisions outside the Budget or Policy framework	F2
Urgent decisions outside the Budget or Policy framework	F3
Virement	F4
In-year changes to the Budget and Policy framework	F4
Call-in of decisions outside the Budget or Policy framework	F4



## **APPENDIX 6 – 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 and Appendix 1. It will be the responsibility of the Cabinet to implement the budget and policies within the policy framework.

### **2. Process for developing the budget and policy framework**

- 2.1 The 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 Steering Committee 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 Steering Committee.
- 2.2 If the Overview and Scrutiny Steering Committee wishes to respond to the Cabinet in the consultation process then it may do so. It is open to the Overview and Scrutiny Steering Committee to investigate, research or report in detail with recommendations before the end of the consultation period.
- 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 Steering Committee into account when drawing up firm proposals for submission to the 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 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, alternative budget or Council Tax proposals should be lodged with the Chief Executive by 10.00am 3 working days prior to the meeting scheduled to determine the budget and Council Tax. This provision is not intended to affect the rights of Members to put forward amendments on the day of the meeting where the Director of Financial Services is able to comply with his statutory obligations
- 2.6 A copy of the Council's decision on the policy framework or budget will be given to the Leader within 2 v F1 lays of the decision including any

**FEBRUARY 2008**

objections which the Council has to the Cabinet's proposals. The notice of decision will be dated and will state that the decision will be effective immediately if the Council has no objections to the Cabinet's proposals and it accepts the Cabinet's proposals without modification or amendment.

- 2.7 If the Council has objections to the Cabinet's proposals and wishes to modify or amend any proposals, the notice of decision will state that its decision will become effective at the expiry of five working days after the notice of the decision unless within that period the Leader
- (a) submits revised proposals with the reasons for any amendments for consideration by the Council; or
  - (b) gives written notice to the Director of Corporate Services of any disagreement with the Council's decision stating the reason for such disagreement
- 2.8 Where such revised proposals or such notification is received, the Director of Corporate Services 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 Director of Corporate Services considers that the matter does not necessitate the calling of a special Council meeting then the matter will be considered at the next ordinary meeting of the Council.
- 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 for the following financial year which are made 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, any officers or joint arrangements discharging executive functions may only take decisions which are in line with the budget and policy framework.

F2

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, or any officer discharging executive functions, want 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 wants to make shall be referred to the Cabinet for consideration. 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, or a Chief 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 Steering Committee, agrees that the decision is a matter of urgency.
  - (c) In the absence of the Chairman (or Vice-Chairman) of the Overview and Scrutiny Steering Committee, 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 consent of the Chairman (or Vice-Chairman) of the Overview and Scrutiny Steering Committee, (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.

F3

#### **5. Virement**

- 5.1 Steps taken by the Cabinet, 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, 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 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, the Audit Commission 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.

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

- 7.1 Where the Overview and Scrutiny Steering Committee 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 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 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 <sup>F4</sup> 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 conclude that the decision was not or would not be so outside, they shall report to the Overview and Scrutiny Steering Committee.

- 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 Steering Committee 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 Steering Committee, unless the Leader of the Council and Chairman of the Overview and Scrutiny Steering Committee 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 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 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.