

PART 4.4 BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

Rule 1: The framework for Cabinet decisions

- 1.1. Full Council is responsible for the adoption of the Council's budget and policy framework pursuant to Article 5 of the Constitution. Once a budget or a policy framework is in place, it shall be the responsibility of the Cabinet to implement it.

Process for developing the framework

- 1.2. The Cabinet shall publicise, by including in the forward plan and any other appropriate means depending upon the circumstances, a timetable for making proposals to Full Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework.
- 1.3. Cabinet may refer budget or policy proposals to the relevant scrutiny committee for consideration and advice, giving notice in advance where this is required, and taking any suggestions on board. It shall in any event canvas relevant stakeholders as appropriate before publishing initial proposals for a plan, strategy or budget.
- 1.4. Once the Cabinet has approved the firm proposals, the Head of Democratic Services shall refer them at the earliest opportunity to Full Council for decision.
- 1.5. In reaching a decision, Full Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place.
- 1.6. If it accepts the recommendation of the Cabinet without amendment, Full Council may make a budget or policy framework decision which has immediate effect. Otherwise, it may only make 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.
- 1.7. The decision shall be publicised in accordance with Council procedures.
- 1.8. An in-principle decision shall automatically become effective 5 working days from the date of Full Council's decision, unless the Leader informs the Chief Executive in writing within the period of 5 working days that they object to the decision becoming effective and provide reasons why. If the Leader notifies the Chief Executive at any time within the 5 working days that they have no objection, it shall become effective upon receipt of such notice.
- 1.9. If the Leader informs the Chief Executive of their objection, the Chief Executive shall call a Full Council meeting to take place within 10 working days from the receipt of the notice. Full Council shall be required to re-consider its decision and the Leader's written submission. Full Council may:

- (a) approve the Cabinet's recommendation by a simple majority of votes cast at the meeting; or
 - (b) approve a different decision which does not accord with the recommendation of the Cabinet by a simple majority.
- 1.10. The decision shall then be made public in accordance with Council procedures, and shall be implemented immediately;
- 1.11. In approving the budget and policy framework, Full Council shall also specify the extent of virement within the budget and degree of 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 policy and budgetary framework are reserved to Full Council.
- 1.12. References to 'the Cabinet' includes reference to a Cabinet Member.

Rule 2: Decisions outside the budget or policy framework

- 2.1. Subject to the provisions of rule 3 (virement), the Cabinet, the Council's Committees, individual members of the Cabinet, officers and bodies set up under joint arrangements to discharge 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 Full Council, subject to paragraph 2.3 below.
- 2.2. If any of the Cabinet, the Council's Committees, individual members of the Cabinet, officers and bodies set up under joint arrangements to discharge Executive functions wish to make such a decision, they shall take advice from the Monitoring Officer or, as appropriate, 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 must be referred by that body or person to Full Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph (urgent decisions outside the budget and policy framework) shall apply.

Urgent decisions outside the budget or policy framework

- 2.3. The Cabinet, the Council's Committees, individual members of the Cabinet, officers and bodies set up under joint arrangements to discharge 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 Full Council; and

- (b) if the Chair of the relevant Overview & Scrutiny Committee agrees that the decision is a matter of urgency.
 - (c) The reasons why it is not practical to convene a quorate meeting of Full Council and the relevant Chair of an 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 a Chair of Overview & Scrutiny Committee, the consent of the Mayor, and in the absence of both, the Deputy Mayor, will be sufficient.
- 2.4. Following the decision, the decision taker shall 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.

Rule 3: Virement

- 3.1. The Council's rules concerning virement across budget heads are set out in the Council's Financial Regulations which are included in Part 4A of this Constitution.

Rule 4: In-year changes to policy framework

- 4.1. The responsibility for agreeing the budget and policy framework lies with Full Council, and decisions by the Cabinet, the Council's Committees, individual members of the Cabinet, officers and bodies set up under joint arrangements to discharge 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 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 Full Council following consultation, but where the existing policy document is silent on the matter under consideration;
 - (d) which are authorised by Full Council or fall within the limits agreed by Full Council at the time of approving the policy or strategy;

Rule 5: Call-in of decisions outside the budget or policy framework

- 5.1. Where an Overview & Scrutiny committee is of the opinion that an Executive 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, it shall seek advice from the Monitoring Officer and/or Chief Financial Officer.
- 5.2. 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 relevant Overview & Scrutiny Committee may

refer the matter to Full Council. In such cases, no further action shall be taken in respect of the decision or its implementation until Full Council has met and considered the matter. Full Council shall meet within 10 working days of the request by the Overview & Scrutiny Committee. 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 either:

- (a) endorse a decision or proposal of the Cabinet or individual decision taker as falling within the existing budget and policy framework. In this case no further action is required, save that the decision of Full Council be minuted and circulated to all councillors in the normal way; or
- (b) amend the Council's financial standing orders/regulations or policy concerned to authorise or 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 Full Council be minuted and circulated to all councillors in the normal way; or
- (c) where Full 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/Chief Financial Officer.

5.3. Where a decision outside the budget or policy framework needs to be taken as a matter of urgency then a process for doing is as provided in the Overview & Scrutiny Procedure Rules which form Part 3C1 of the Constitution.