BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

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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 Leader / Cabinet to implement it.

2. Process for developing the Budget and Policy Framework

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

a. The Leader / Cabinet will publicise, by including in the public notification of Key Decisions and Decisions to be taken in Part II document (known as the Forward Plan), details of when the Cabinet is to consider a matter whereby proposals will be submitted 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 after publication of those initial proposals. The Chair of the Overview and Scrutiny Committee will also be notified. When the initial proposals are considered by the Leader or at a formal meeting of the Cabinet they shall be reported directly to a meeting of the Overview and Scrutiny Committee.

b. At the end of that period, the Leader / Cabinet will then draw up firm proposals having regard to the responses to that consultation. The Overview and Scrutiny Committee may investigate, research or report in detail with policy recommendations before the end of the consultation period. The Leader / Cabinet will take any response from the Overview and 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 Leader's / Cabinet's response.

c. Once the Leader / Cabinet has approved the firm proposals, the proper officer will refer them at the earliest opportunity to the Council for decision.

d. If necessary, the Overview and Scrutiny Committee may report its comments directly to Council.

e. The Council may make a formal objection to the Leader's / Cabinet's proposals (a procedure for dealing with such objections is detailed at paragraph 3 of these rules). This decision will be made on the basis of a simple majority of votes cast at the meeting.

f. If the Council does not make a formal objection to the Leader's / Cabinet's proposals, it may make a decision with immediate effect.

This decision will be made on the basis of a simple majority of votes cast at the meeting.

In approving the Budget and Policy Framework, the Council will also specify the extent of in-year changes to the Budget and Policy Framework which may be undertaken by the Leader / Cabinet in accordance with paragraphs 6 and 7 of these rules (virements and in-year adjustments). Any other changes to the policy and budgetary framework are reserved to the Council.

In approving the Budget and Policy Framework, the Council can determine contingency sums in respect of the Council's budget heads that can be discharged by the Leader / Cabinet and any officers without further recourse to the Council.

3. Conflict resolution in setting the Budget and Policy Framework

a. Following consideration of the Leader's / Cabinet's recommendations concerning estimates or amounts within the budget or precept or a draft plan or strategy included in the Policy Framework, the Council, by simple majority, may:

- Adopt the recommendations; or
- Amend them; or
- Refer them back to the Leader / Cabinet for further consideration; or
- Substitute its own proposals in their place.

b. Where the Council has given instructions to refer the matter back for further consideration or substituted its own proposals, decisions of the meeting will be provided to the Leader of the Council within two working days and provide details of its objections to the amounts, estimates or draft and/or reasons for the substitute proposals.

c. Within five working days of the Leader receiving the decisions of the Council, he/she may either:

(i) submit revised estimates, amounts or a draft plan or strategy, as amended by the Leader / Cabinet, together with reasoning for the amendments, to the Council for consideration; or

(ii) inform the Council of any disagreement that he/she or the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.

d. When the five working days specified in (c) above have expired, the Council must meet to re-consider its decision in the light of the Leader's / Cabinet's proposed amendments or disagreement, and

decide upon the matter by resolution requiring a simple majority of votes cast at the meeting.

e. The decision can then be implemented immediately.

4. Decisions Outside the Budget and Policy Framework

a. The Leader, Cabinet, Committees of the Cabinet, individual Members of the Cabinet and any officers 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 5 below.

b. If the Leader, Cabinet, Committees of the Cabinet, individual Members of the Cabinet and any officers 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 5 (urgent decisions outside the budget or policy framework) shall apply.

5. Urgent Decisions Outside the Budget or Policy Framework

a. The Leader, Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or officers 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, or in her/his absence the Vice-Chair, 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 consent of the Chair of the Overview and Scrutiny Committee 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 and Vice-Chair

of the Overview and Scrutiny Committee the consent of the Mayor, or in her/his absence the Deputy Mayor, 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. (See also Standing Order 37 'Urgency Procedure'.)

6. Virements

a. The Council shall have the following budget heads:

(i) General Fund Revenue Account
(ii) Housing Revenue Account
(iii) General Fund Capital Programme
(iv) Housing Capital Programme
(v) Trading Accounts

b. Steps taken by the Leader, Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or officer to implement Council policy shall not exceed those budgets allocated to each budget head, including contingency sums. However, such bodies or individuals shall be entitled to vire within budget heads in accordance with the virement authorisation limits.

c. Virements shall only be made within the Council's budget heads in accordance with the virement authorisation limits prescribed in Section 6 of the Council's financial regulations.

7. In-year changes to policy framework

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Leader, Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or officers 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 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 the Council following

consultation, but where the existing policy document is silent on the matter under consideration.

8. Call-in Decisions Outside the Budget or Policy Framework

a. Where the Overview and Scrutiny Committee is of the opinion that a decision of the Leader or 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 Finance Officer.

b. In respect of functions which are the responsibility of the Leader / Cabinet, the Monitoring Officer's report and/or Chief Finance Officer's report shall be to the Leader / Cabinet with a copy to every Member of the Council. Regardless of whether the decision is delegated or not, the Leader or the Cabinet (as appropriate) must decide what action to take in respect of the Monitoring Officer/Chief Finance Officer's report. In the event of the Monitoring Officer/Chief Finance Officer concluding that the decision was a departure, the Cabinet must prepare a report to Council. In the event that the Monitoring Officer or the Chief Finance Officer concludes that the decision was not a departure, the Cabinet must submit a report the Overview and Scrutiny Committee.

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 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. The Council shall meet within 15 days of the referral to it by the Overview and 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 Finance Officer. The Council may either:

(i) Endorse the decision or proposal 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 body or individual responsible for that Cabinet 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 Leader / Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer or the Chief Finance Officer.

It should be noted that under the Council's current arrangements the only Member of the Cabinet who may take Key Cabinet decisions is the Leader of the Council

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