

## **SECTION 4 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **1. THE FRAMEWORK FOR EXECUTIVE DECISIONS**

1.1. The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4 of the Constitution. 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**

2.1. The Council will adopt the following procedure for developing the budget and policy framework:

- (a) After consulting stakeholders in a manner appropriate to the matter under consideration, the Cabinet will draw up initial proposals in relation to any budget plan or strategy which forms part of the Council's budget or policy framework. Once drawn up the Governance Services Manager will serve copies of them to the Chairman of the Overview and Scrutiny Committee together with dates when the Cabinet will consider them further.
- (b) A task and finish panel of the Overview and Scrutiny Committee will be convened without unnecessary delay to consider the Cabinet's proposals and whether any further consultation by it is appropriate. If so, the task and finish panel or Overview and Scrutiny Committee will conduct a consultation exercise and will reflect any representations made to it in its response to the Cabinet within the timescale set for decision by the Cabinet.
- (c) The Cabinet will finalise its proposals for the Council to consider having taken into account the comments from the Overview and Scrutiny Committee as it considers appropriate. The report to Council will show the Cabinet's response to those comments.

**[Proposals in respect of the budget must be submitted to the Council before 8 February in any financial year for the following financial year in respect to estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitution) in accordance with any of sections 32 to 37 or 43 to 49 of the Local Government Finance Act 1992, or estimates of other amounts to be used for the purposes of such a calculation or estimates of such a calculation or amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992 unless calculations or substitute calculations which the Council is required to make in accordance with sections 52I, 52J, 52T or 52U of the Local Government Finance Act 1992; and amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52J or 52U of that Act.]**

- (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.
- (e) The Council's decision will be published on the Council's website and sent by e-mail to all councillors including the Leader. The notice of 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 of the notice of decision, unless the Leader objects to it in that period.
- (f) If the Leader objects to the decision of the Council, he/she shall give written notice to the Governance Services Manager 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. (In the alternative the Leader can submit a revised estimate or amount, plan or strategy with reasons for the revision). Where such notification is received, the Governance Services Manager 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 without unnecessary delay following receipt of the Leader's written objection (or revised estimate, amount, plan or strategy). At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection (or revision), which shall be available in writing to all Members of the Council beforehand.
- (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 implemented immediately.
- (i) In approving a budget, plan or strategy, the Council will also specify the extent of virement within the budget and degree of in-year changes to the plan or strategy which may be undertaken by the Cabinet. Any other changes to the budget or policy framework are reserved to the Council.

### **3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- 3.1 Subject to the provisions of paragraph 5 (virement) and paragraph 6 (agreed changes) the Cabinet, individual Members of the Cabinet and any Officers 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 the Council, then that decision may only be taken by the Council, subject to 4 below.
- 3.2 If the Cabinet, individual Members of the Cabinet and any Officers discharging executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or 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 shall apply.

### **4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- 4.1 The Cabinet, an individual Member of the Cabinet or Officers 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 the 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 the full Council; and
  - (b) if the Chairman of the Overview and Scrutiny Committee agrees that the decision is a matter of urgency.
- 4.2 The reasons why it is not practical to convene a quorate meeting of full Council and the Chairman 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 Chairman of the Overview and Scrutiny Committee, the consent of a Vice-Chairman of the Overview and Scrutiny Committee should be obtained.
- 4.3 Following the decision, the decision taker will provide a report to the Council at its next meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

## **5. VIREMENTS AND SUPPLEMENTARY ESTIMATE**

- 5.1 Steps taken by the Cabinet, an individual Member of the Cabinet or any Officers, discharging executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, such a body or individuals shall be entitled to vire across budget heads up to a maximum of those limits agreed by the Council when approving a budget, plan or strategy as set out in the Council's Financial Regulations (Part 4 of this Constitution).
- 5.2 Alternatively, a supplementary estimate may be approved from earmarked reserves, where there are delegated powers in place on those reserves.
- 5.3 Beyond the limits and delegations, approval to fund policy decisions will require the agreement of the Council.

## **6. IN-YEAR CHANGES TO POLICY FRAMEWORK**

- 6.1 The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, an individual Member of the Cabinet or any Officers, discharging executive functions must be in line with it. No changes to any plan and strategy which make up the policy framework may be made by that body or individuals except those changes:
- (a) which were agreed by the Council could be made when approving a plan or strategy; or
  - (b) necessary to ensure compliance with the law, ministerial direction or government guidance;  
such changes to be reported to the Council at its next meeting.

## **7. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

- 7.1 Where any Member of the Overview and Scrutiny Committee is of the opinion that an executive decision yet to be made or made but not yet implemented 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.

- 7.2 The Monitoring Officer and/or Chief Finance Officer shall report their advice to every Member of the Cabinet, with a copy sent to every Member of the Overview and Scrutiny Committee. If the advice of either of those Officers is that the decision, or potential decision would be contrary to the policy framework or not wholly in accordance with the budget, then the Cabinet must meet within three working days (unless the taking of the decision or its implementation is urgent in which case the provisions in paragraph 4 shall apply) to decide what action to take to ensure the decision or potential decision is reviewed to comply with the policy framework or budget and report their proposed action to the Overview and Scrutiny Committee Members within two working days of the Cabinet meeting.
- 7.3 If the Cabinet fail to review the decision or potential decision to conform with the policy framework or budget within the timescales referred to in (b) above the Overview and Scrutiny Committee may meet and agree to refer the matter to Council within ten working days of publication of the decision or knowledge of the potential decision by the Cabinet. 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 ten working days of the request by the Overview and Scrutiny Committee. At the meeting it will receive a report from the Cabinet and the advice of the Monitoring Officer and/or the Chief Finance Officer. The Council may either:
- (a) Endorse the decision or proposal of the executive 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;
  - (b) Amend the Council's Financial Regulations or policy concerned as far as it is legally permissible to do so, to encompass the decision or proposal 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 executive decision maker to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Finance Officer to ensure compliance with the policy framework or budget.