

## **BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

### **1. The framework for executive decisions**

The Council will be responsible for the adoption of its budget and its policy framework as set out in Article 4. Once a budget or a policy is in place, it will be the responsibility of the Cabinet to implement it.

### **2. Process for developing the framework**

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

- (a) The Cabinet will publicise by including in the forward plan a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget or the policy framework, and its arrangements for consultation after publication of those initial proposals. The chairs of scrutiny committees will also be notified. The consultation period shall in each instance be appropriate to the matter and in all instances not less than four weeks.
- (b) At the end of that period, the Cabinet will then draw up firm proposals having regard to the responses to that consultation. If a relevant scrutiny committee wishes to respond to the Cabinet in that consultation process then it may do so. It is open to the scrutiny function to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response from a 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 Cabinet's response.
- (c) Once the Cabinet has approved the firm proposals, the Head of Strategic Support will refer them at the earliest opportunity to the Council for decision.
- (d) In reaching a decision, the Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or, in principle, substitute its own proposals in their place.
- (e) If it accepts the recommendation of the Cabinet without amendment or the amendments are accepted by the Leader at the Council meeting, the Council may make a 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.
- (f) The decision will be publicised to all councillors by the Head of Strategic Support and a copy shall be given to the Leader.
- (g) An in-principle decision will automatically become effective five working days from the date that notice of the Council's decision is given to the Leader, unless the Leader informs the Head of Strategic

Support in writing within that five working day period that he or she objects to the decision becoming effective.

- (h) In that case, the Chief Executive will call a Council meeting within a further five working days. The Chief Executive will also call a meeting of the Cabinet to enable it to reconsider its proposals and either agree the Cabinet's revised recommendation to the Council and the reasons for the revisions or the Cabinet's reasons for not amending the recommendation.
- (i) The Council will be required to re-consider its decision and the Cabinet's submission within 21 days of the Leader giving notice that he or she objects to the decision becoming effective. The Council, after taking into account the Cabinet's submission, may by a simple majority of votes cast at the meeting:
  - (i) approve the Cabinet's recommendation; or
  - (ii) approve a different decision which does not accord with the recommendation of the Cabinet.
- (j) The decision will be publicised by the Head of Strategic Support and shall be implemented immediately.
- (k) The Council will also specify the extent of virement within the budget and the extent of changes to policies within the policy framework which may be undertaken by the Cabinet, in accordance with Rules 5 and 6 (virement and in-year adjustments). Any other changes to the budget and the policy framework are reserved to the Council.

### **3. Decisions outside the budget or the policy framework**

- (a) Subject to the provisions of Rule 5 (virement) the Cabinet, committees of the Cabinet and any officers, area committees or joint arrangements discharging executive functions may only take decisions which are in line with the budget and the 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.
- (b) If the Cabinet, committees of the Cabinet and any officers, area committees or joint arrangements discharging executive functions want to make such a decision, 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 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 Rule 4 (urgent decisions outside the budget or the policy framework) shall apply.

#### 4. **Urgent decisions outside the budget or the policy framework**

- (a) The Cabinet, a committee of the Cabinet or officers, area committees or joint arrangements 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 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 Council meeting; and
  - (ii) if the chair of the Scrutiny Management Board agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate Council meeting and the chair of the Scrutiny Management Board'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 chair of the Scrutiny Management Board the consent of the Mayor, or in the absence of both, 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.

#### 5. **Virement**

Steps taken by the Cabinet, a committee of the Cabinet or officers, area committees or joint arrangements discharging executive functions to implement Council policy shall not exceed those budgets allocated to each Directorate. However, such bodies or individuals shall be entitled to exercise virement between Directorates in accordance with the Financial Regulations in Part 4 of this Constitution and the Financial Procedure Rules maintained by the chief financial officer.

#### 6. **In-year changes to policy framework**

The responsibility for agreeing the budget and the policy framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet or officers, area committees or joint arrangements discharging 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 the Council following consultation, but where the existing policy document is silent on the matter under consideration.

## 7. **Call-in of decisions outside the budget or the policy framework**

- (a) Where the Scrutiny Management Board 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, then it shall seek advice from the monitoring officer and/or chief financial officer.
- (b) In respect of functions which are the responsibility of the Cabinet, the monitoring officer's report and/or chief financial officer's report shall be 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 monitoring/chief financial officer's report and to prepare a report to Council in the event that the monitoring officer or the chief financial officer concludes that the decision was a departure, and to the Scrutiny Management Board if the monitoring officer or the chief financial officer concludes that the decision was not a departure.
- (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 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 Scrutiny Management Board 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 consider the matter at the next available ordinary meeting of the Council unless the Chief Executive, in consultation with the Mayor, decides to call an additional meeting to enable the Council to consider the matter. 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:
  - (i) endorse a 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; or
  - (ii) amend the Financial Regulations or the policy concerned to 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 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 Cabinet to reconsider the matter in accordance with the advice of the monitoring officer and/or the chief financial officer.
  - (iv) in the case of (iii) above, where the decision was taken by the Cabinet as a whole or a committee of it, a meeting will be

convened to reconsider within three weeks of the Council decision.