

C. 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 3. 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

The process by which the Budget and Policy Framework shall be developed is:

- (a) At least three months before a plan/strategy/Budget needs to be adopted, the Cabinet will publish initial proposals (in the form of a draft plan, strategy or Budget) for the Budget and Policy Framework, having first canvassed the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. Details of the Cabinet's consultation process shall be published at the Council's designated office. Any representations made to the Cabinet shall be taken into account in formulating the initial proposals, and shall be reflected in any report dealing with them. If the matter is one where a Scrutiny Committee has carried out a review of policy, then the outcome of that review will be reported to the Cabinet and considered in the preparation of initial proposals.
- (b) The Cabinet's initial proposals shall be referred to the relevant Scrutiny Committee for further advice and consideration. The proposals will be referred by sending a copy to the Proper Officer who will forward them to the Chair (or in his/her absence, the Vice-Chair) of the relevant Scrutiny Committee. If there is no such Chair or Vice-Chair, a copy must be sent to every member of that committee. The Scrutiny Committee shall canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, and having particular regard not to duplicate any consultation carried out by the Cabinet. The Scrutiny Committee shall report to the Cabinet on the outcome of its deliberations. The Scrutiny Committee shall have four weeks to respond to the initial proposals of the executive unless the Cabinet considers that there are special factors that make this timescale inappropriate. If it does, it will inform the Scrutiny Committee of the time for response when the proposals are referred to it.
- (c) Having considered the report of the Scrutiny Committee, the Cabinet, if it considers it appropriate, may amend its proposals before submitting them to the Council meeting for consideration. It will also report to Council on how it has taken into account any recommendations from the Scrutiny Committee.
- (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. In considering the matter, the Council shall have before it the Cabinet's proposals and any report from any relevant Scrutiny Committee.
- (e) The Council's decision will be publicised in accordance with the Access to Information Procedure Rules and a copy shall be given to 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 objection or amendment) or (if the Cabinet's proposals are not accepted without objection or amendment), that the Council's decision will become effective on the expiry of a period (specified on the notice) of at least five working days after the publication of the notice of decision, unless within that period the Leader either (i).submits a revised version of the proposals of the Cabinet, with the Cabinet's reasons for any amendment, to the Council for consideration; or (ii) informs the Council that the

Cabinet disagrees with the Council's objection to or proposed amendment of the proposals of the Cabinet.

- (f) If the Leader submits to the Council revised proposals or objects to the decision of the Council, he/she shall give written notice to the Proper Officer to that effect prior to the date upon which the decision is otherwise to be effective. The written notification must state the reasons for any such objection. Where such notification is received, the Proper Officer 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 within ten working days of the receipt of the Leader's written notification. At that Council meeting, the decision of the Council shall be reconsidered in the light of any revised proposals or objection made by the Cabinet, and the reasons given by the Cabinet therefor, which shall be available in writing for the Council.
- (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 made public in accordance with the Access to Information Procedure Rules and shall be implemented immediately.
- (i) In approving the Budget and Policy Framework, the Council will 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 (Virement) and 6 (In-Year Adjustments) of these Rules. Any other changes to the Budget and Policy Framework are reserved to the Council.
- (j) For the purposes of these Rules, 'Budget' shall include, in relation to proposals made by the Cabinet in any financial year, for consideration by the Council in respect of the following financial year: -
 - (a) estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49 of the Local Government Finance Act 1992;
 - (b) estimates of other amounts to be used for the purposes of such calculation;
 - (c) estimates of such a calculation;
 - (d) amounts required to be stated in a precept under Chapter IV of Part 1 of the Local Government Finance Act 1992; and
 - (e) any other relevant amount, estimate, provision or calculation but shall not include: -
 - (i) 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; nor
 - (ii) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with sections 52J or 52U of that Act

3. **Decisions outside the Budget or Policy Framework**

- (a) Subject to the provisions of paragraph 5 (Virement), the Cabinet, committees of the Cabinet, individual members of the Cabinet and any officers, Area Forum or joint arrangement 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 full Council, then that decision may only be taken by the Council, subject to paragraph 4 below.
- (b) If the Cabinet, committee of the Cabinet, individual members of the Cabinet and any officers, Area Forum or joint arrangement 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 or outside 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 (Urgent Decisions outside the Budget and Policy Framework) shall apply.

4. **Urgent Decisions outside the Budget or Policy Framework**

- (a) The Cabinet, a committee of the Cabinet, an individual member of the Cabinet and any officer, Area Forum or joint arrangement discharging executive functions, may take a decision which is contrary to or outside 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:
 - (i) if it is not practical to convene a quorate meeting of the full Council; and
 - (ii) if the Chair (or in his/her absence the Vice-Chair) of a relevant Scrutiny Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the Chair (or Vice-Chair) of the relevant 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 Chair or Vice-Chair of a relevant Scrutiny Committee, the consent of the Mayor or, in his/her 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**

See the Financial Procedure Rules also set out in Part 4 in this Constitution.

6. **In-Year Changes to Policy Framework**

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet, an individual member of the Cabinet and any officer, Area Forum or joint arrangements discharging executive functions must be in line with it.

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

- (a) Where an Scrutiny Committee is of the opinion that an executive decision is, or if made would be, contrary to or outside 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 Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Finance Officer conclude that the decision was a departure, and to the Scrutiny Committee if the Monitoring Officer or the Chief Finance Officer conclude 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 or outside the Policy Framework or contrary to or not wholly in accordance with the Budget, the 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 ten days of the request by the 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:-
 - (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 Council's Financial Regulations or 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 either the Monitoring Officer/Chief Financial Officer.