

## C. Budget and Policy Framework Procedure Rules

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## 1. The Framework for Cabinet Decisions

The Council shall 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 shall be the responsibility of the Cabinet to implement it.

## 2. Process for developing the Framework

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

- (a)
  - (i) Subject to paragraphs (ii) and (iii) below relating to financial strategy and budget, at least 3 months before a plan / strategy / budget forming part of the budget and policy framework needs to be adopted, the Cabinet shall publish **initial** proposals 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 main offices. 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 and overview committee has carried out a review of policy, then the outcome of that review shall be reported to the Cabinet and considered in the preparation of initial proposals.
  - (ii) Recognising the chronological framework within which the Council is able to prepare **the financial strategy, business plan and budget** for the year from the following 1 April and set a budget, the **initial** proposals for a business plan and budget shall be published in January each year and the financial strategy in February. The draft financial strategy shall be prepared (but not published) the previous October but cannot be finalised until the Cabinet has formally considered the proposed budget for the coming year.
  - (iii) The setting of the Council's **budget** shall be governed by the relevant Standing Orders Regulations (see note 1) and any statutory modification thereof.

[Note 1: The Local Authorities (Standing Orders) (England) Regulation 2001 – paragraphs 6 – 10 of Schedule 2 Part II]

- (b) The Cabinet's initial proposals shall be referred to the relevant scrutiny and overview committee for further advice and consideration. The proposals shall be referred by sending a copy to the proper officer who shall forward them to the Chair of the relevant scrutiny and overview committee. If there is no such Chair, a copy must be sent to every member of the relevant committee. The relevant scrutiny and overview

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 relevant scrutiny and overview committee shall report to the Cabinet on the outcome of its deliberations. The scrutiny and overview committee shall have six weeks to respond to the initial proposals of the Cabinet unless the Cabinet considers that there are special factors that make this timescale inappropriate. If it does, it shall inform the relevant scrutiny and overview committee of the time for response when the proposals are referred to it.

- (c) Having considered the report of the relevant scrutiny and overview committee, the Cabinet, if it considers it appropriate, may amend its proposals before submitting them to the Council for consideration. It shall also report to Council on how it has taken into account any recommendations from the relevant scrutiny and overview committee.
- (d) The Council shall 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 the relevant scrutiny and overview committee.
- (e) The Council's decision shall be publicised in accordance with Article 4 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 amendment) or (if the Cabinet's proposals are not accepted without amendment), that the Council's decision shall become effective on the expiry of seven 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, they shall give written notice to the proper officer 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. 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 twenty-one working days of the receipt of the Leader's written objection. At that Council meeting, the decision of the Council shall be reconsidered in the light of the objection, 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 Article 4, and shall be implemented immediately.

- 2.2 In approving the budget and policy framework, the Council (if it requires any changes to either paragraph 5 or paragraph 6 below) shall also specify any changes to 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 budget and 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) the Cabinet, committees of the Cabinet, individual members 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 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 4 below.
- 3.2 If the Cabinet, committees of the Cabinet, individual members 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 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 (urgent decisions outside the budget and policy framework) shall apply.

### **4. Urgent Decisions Outside the Budget or Policy Framework**

- 4.1 The Cabinet, a committee of the Cabinet, an individual member 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 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 the full Council; and
  - (b) if the chair of the relevant scrutiny and overview 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 chair of the relevant scrutiny and overview 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 of the relevant scrutiny and overview committee, the consent of the Chair of the Council, and, in the absence of both, the Vice-Chair of the Council, shall be sufficient.
- 4.3 Following the decision, the decision taker shall provide a full report to the next available Council meeting explaining the decision, the reason for it and why the decision was treated as a matter of urgency.

## **5. Budget Rollovers, Carry Forward and Virement**

- 5.1 Steps taken by the Cabinet, a committee of the Cabinet, an individual member 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 main service. However, such bodies or individuals shall be entitled to carry forward unspent budgets and reserves from one financial year to the next and to vire across budget heads subject to the following constraints:
- (a) Rollover of unspent budget provision from the previous financial year to the current year shall only be permitted in exceptional cases (excluding employees). A list of rollovers shall be completed and reported for approval to the Lead Cabinet Member for Finance by 31 July each year. Rollovers may then only be used with the approval of the Chief Finance Officer, approval being on an individual basis during the year when the corporate/cost centre manager can demonstrate that the current year's budget is fully spent/committed and that there are no other sources of funding, including virement. Rollovers are for specific items and cannot be vired;
  - (b) Carry forward of uncommitted balances on the reserve accounts for grants shall be with the approval of the relevant lead cabinet member, unless the balance is more than two years old, in which case the approval of the Cabinet as a whole shall be required;
  - (c) Virement is permitted within and between revenue and capital budgets, subject to financial considerations to be determined by the Chief Finance Officer and final approval as follows:
    - (i) Within the same portfolio or within the Staffing and Central Overhead Accounts, with the approval of the Chief Finance Officer;
    - (ii) Across two or more portfolios, with the approval of the relevant lead cabinet members, in addition to the Chief Finance Officer;

- (iii) In all other cases, with the approval of the Cabinet, in addition to the Chief Finance Officer.

## **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, a committee of the Cabinet, an individual member 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;
  - (d) which will result in the settlement of costs awarded against the Council or tribunal or court action or threat of action in any matter which, if not settled, would put the Council at real risk of greater prejudice.

## **7. Call-In of Decision Outside the Budget or Policy Framework (“Departure Decision”)**

- 7.1 Where the chair of a scrutiny and overview committee, or the relevant scrutiny and overview committee, or any five councillors, whether or not they are members of a scrutiny and overview committee, are minded to request call-in of any executive decision by any of the following (“executive decision takers”):
- (a) the Cabinet;
  - (b) any member of the Cabinet;
  - (c) any committee of the Cabinet;
  - (d) any officer (key decision only);
  - (e) an area committee; or

- (f) a committee under joint arrangements

and are of the opinion that the decision if already made, whether or not published in accordance with Rule 18 of the Access to Information Procedure Rules, is, or if not yet made, would be, contrary to the policy framework, or contrary to or not wholly in accordance with the Council's budget ("Departure Decision"), then it or they may invoke the call-in procedure set out in Rule 13 of the Scrutiny and Overview Procedure Rules.