

## **Appendix C**

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

#### **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 Chapter 4. Once the budget and Policy Framework are in place, it will be the responsibility of the Cabinet to implement them.
- 1.2 The Cabinet has responsibility for proposing to Council a budget and policies that will form part of the Policy Framework. It also has responsibility for making day-to-day decisions within that budget and Policy Framework.
- 1.3 This part of the Constitution is concerned with the process of developing the budget and Policy Framework and settling any differences between the Council and the Cabinet on those matters. Call-in and consideration of day-to-day decisions made by the Cabinet are dealt with in the Cabinet Rules of Procedure and the Scrutiny Committee Rules of Procedure.

#### **2 Process for developing the framework and budget**

- 2.1 The process by which the budget and Policy Framework shall be developed is:
  - (a) The Cabinet will draw up initial proposals regarding the adoption of any plan, strategy or budget forming part of the budget and Policy Framework. The Cabinet will consult on those initial proposals and publish a timetable in which responses to the consultation are to be received. The relevant Overview or Scrutiny Committees shall be asked to give their views as part of that consultation. The consultation period shall in each instance be determined by Cabinet but will not be less than four weeks.
  - (b) At the end of the consultation period, the Cabinet will draw up firm proposals having regard to the responses received from the consultation.
  - (c) Overview and Scrutiny Committees are responsible for fixing their work programmes and may investigate, research, or report in detail with policy recommendations in response to any such consultations within the period specified.
  - (d) The Cabinet will submit those firm proposals to the Council together with a report that will set out the comments made by consultees and, in particular the views of the Overview and Scrutiny Committees and the Cabinet's response to those views.
  - (e) Once Cabinet has approved the firm proposals they will be referred at the earliest opportunity to Council for decision.
  - (f) In reaching a decision, the Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or substitute its own "in principle proposals" in their place.
  - (g) If it accepts the recommendation of the Cabinet without amendment, 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.

- (h) The decision will be published and, if an in-principle decision has been made, a written copy shall be given to the Leader as soon as possible for the Cabinet to consider.
  - (i) An in-principle decision will automatically become effective 5 working days from the day following the date of written notification to the Leader of the Council's decision, unless the Leader informs the Chief Executive in writing within those 5 days that the Cabinet objects to the decision becoming effective and provides reasons why in writing.
  - (j) Where notification of objection is received under (i) above, a meeting of Council will be called to be held within 28 days of the objection being received by the Chief Executive, to reconsider the decision that is the subject of the objection. In reconsidering the decision the Council must take into account the objection of the Cabinet and reasons for it and any revised proposals submitted by the Cabinet and the Cabinet's reasons for those revised proposals. The Council may either:
    - approve the Cabinet's recommendation by a simple majority of votes cast at the meeting; or
    - approve a different decision which does not accord with the recommendation of the Cabinet by a simple majority.
  - (k) The decision shall then be published and implemented immediately.
- 2.2 In approving its budget each year, the Council may specify in addition to such matters dealt within the Finance Procedure Rules, the extent to which the Cabinet can agree virements within the budget and the degree to which in-year changes can be agreed by Cabinet to the Policy Framework. Any other changes to the policy and budgetary framework are reserved to the Council.
- 2.3 Where a new plan or strategy is required to be produced as part of the Policy Framework, either by Council of its own motion, or following a recommendation to Council by an Overview or Scrutiny Committee, Cabinet shall develop the plan or strategy in accordance with the process set out within rule 2.1.

### **3 Decisions outside the budget or Policy Framework**

- 3.1 Subject to the provisions of Rule 5 (virement), the Cabinet, or any decision-making arm of the Cabinet, may only take decisions that are in line with the budget and Policy Framework. If it 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 the provisions of Rule 4 below.
- 3.2 If the Cabinet, or any decision-making arm of the Cabinet, wants to make a decision, advice shall be taken first from the Monitoring Officer and/or the Section 151 Officer as to whether the decision would be contrary to the Policy Framework,

or contrary to or not wholly in accordance with the budget. If the advice of any 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 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 Policy Framework) shall apply.

#### **4 Urgent decisions outside the budget or Policy Framework**

4.1 The Cabinet or an individual member of the Cabinet 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:

- (i) if it is not practical to convene a quorate meeting of the full Council; and
- (ii) if the Chairman of a relevant 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 consent of the Chairman of the relevant 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 Chairman of the relevant overview and scrutiny committee the consent of the Vice Chairman or, in the absence of both, the Mayor, will be sufficient.

4.3 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**

5.1 The Council has set virement limits within which decision-makers can exercise discretion in approving or otherwise financial transfers within the Budget. The limits are set out within the Financial Procedure Rules.

5.2 Where the Cabinet or an individual is discharging executive functions to implement Council policy, then any decision to spend or make savings shall not exceed those budgets allocated to each budget head for which they have responsibility. However, the Cabinet or those individuals shall be entitled to vire across budget heads provided there is compliance with the Financial Rules of Procedure.

#### **6 Policy Framework – In-year Changes**

6.1 The responsibility for agreeing the budget and policy framework lies with the Council, and decisions of the Cabinet or an individual member of the Cabinet must be in line with it. Changes (including modifications, revisions, variations, withdrawal or revocation) to Policy Framework plans or strategies must ordinarily be approved by the Council. However the Council may, at the time when the plan or strategy is approved, authorise the Cabinet, or a body or individual exercising Cabinet functions, to make such changes, provided that those changes will:

- (i) result in the closure or discontinuing of a service, in whole or in part to meet a budgetary constraint; or
- (ii) ensure compliance with the law, ministerial direction or Government guidance; or
- (iii) in relation to the Policy Framework in respect of a policy which would normally be agreed annually by the Council following consultation, determine matters where the existing policy document is silent on the matter under consideration.

## **7 Call-in of decisions outside the budget or Policy Framework**

- 7.1 Where an overview and scrutiny committee is of the opinion that a decision of the Cabinet, or any decision-making arm of 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 or Section 151 Officer.
- 7.2 In respect of functions which are the responsibility of the executive, and where the decision has already been made and implemented, the Monitoring Officer/Section 151 Officer, shall report to the Cabinet on the advice that has been given to the Scrutiny Committee and shall copy that report to each member of the Council. The Cabinet must consider the report of the relevant Officer and decide what action to take in respect of the report. Where the advice concluded that there was a departure from the Budget or Policy Framework, the Cabinet must report to Council on the action it intends taking. Where there was no such departure, the Cabinet must report to the Scrutiny Committee on any action to be taken.
- 7.3 If the decision has yet to be made or, has been made but not yet implemented, and the advice of the relevant 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 Committee may refer the matter to the Council. In such cases, no further action may be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council shall meet within 28 days of the request by the Scrutiny Committee or Sub-Committee. At the meeting the Council will receive a report of the decision or proposals and the advice of the relevant Officer. If the Cabinet has prepared a report on the matter, this will also be submitted to the Council. The Council may either:
  - (i) endorse the decision or proposal of the Cabinet, or its decision-making arm, as falling within the existing budget and Policy Framework of the Council. In this case, no further action is required other than the decision of Council be minuted and circulated to all Councillors; or
  - (ii) amend the Council's Financial Rules of Procedure or the policy concerned to encompass the decision or proposal and agree to the decision with immediate effect. In this case, no further action is required other than the decision of Council be minuted and circulated to all Councillors; 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 or budget to accommodate it, require the Cabinet to reconsider the matter in accordance with the advice of the relevant Officer.

