

# **Budget and policy framework procedure rules**

## **The framework for Cabinet decisions**

1. The Council will be responsible for the adoption of its budget and policy framework as set out in this section of the constitution. Once a budget or a policy framework is in place, it will be Cabinet's responsibility to implement it.

## **Process for developing the framework**

2. The process to develop the budget and policy framework is:
  - (a) The Cabinet will publicise a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework. This will be published in the Cabinet work programme.
  - (b) The Cabinet report will set out details of any consultation on the proposals.
  - (c) Once the Cabinet has finalised its proposals, the proper officer 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, subject to paragraphs (e) and (f) substitute its own proposals in their place.
  - (e) If the Council accepts the Cabinet's recommendation without amendment, it may make a decision that has immediate effect. If it objects to any of the proposals, it must inform the leader and instruct him/her to require the Cabinet to reconsider the proposals in light of the objections. In relation to budget proposals, such reconsideration must take place within the period specified by the Council, which shall be not less than five working days. In relation to policy framework matters, such reconsideration shall take place at the next Council meeting.
  - (f) Following reconsideration by the Cabinet, the leader may submit revised proposals to the Council, together with reasons for the amendments, or inform the Council of any disagreement the Cabinet has with the Council's objections. The Council may approve the Cabinet's proposals, or take a different decision, having taken into account any amendments the Cabinet made to its original proposals, the reasons for the amendments, any disagreement the Cabinet has with the Council's objections and the reasons for that disagreement. The Council's decision at that meeting shall be final and effective immediately.
  - (g) 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 9 to 11 of these rules (virement and in-year adjustments). Any other changes to the policy and budgetary framework are reserved to the Council.

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

3. Subject to the provisions of paragraph 9 and 10 (virement), Cabinet decisions may only be taken if they are in line with the budget and policy framework. If a decision is contrary to the policy framework, or contrary to or not wholly in accordance with the

budget approved by full Council, that decision may only be taken by the Council, subject to paragraphs 5 to 8 below.

4. Cabinet shall take advice from the monitoring officer and/or the chief finance officer as to whether the decision it wants to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget.

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

5. 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 or in the event of a disaster or emergency. An urgent 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 Scrutiny Committee agrees that the decision is a matter of urgency.
6. The reasons why it is not practical to convene a quorate meeting of full Council and the chair of the 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 of the relevant Scrutiny Committee the consent of the vice-chair of the Scrutiny Committee or the chair of the Council, and in the absence of both, the vice-chair of Council, will be sufficient.
7. In cases of disaster or emergency, heads of service may take decisions outside of the policy framework and, with the approval of the chief finance officer, shall be authorised to approve expenditure outside of the budget in accordance with the financial procedure rules.
8. Following a decision taken as a matter of urgency, or in the case of a disaster or emergency, the decision taker will provide a full report to the next Council meeting explaining the decision, the reasons for it and why the decision was treated as such a matter.

### **Virement and supplementary estimates**

9. The Council will have approved the revenue cost centres and capital projects as set out in the approved revenue budget and capital programme, which will be agreed annually.
10. In implementing council policy, the Cabinet, or officers discharging Cabinet functions, shall not exceed those budgets. However, they may vire between revenue budgets or between capital projects, and agree supplementary estimates in accordance with the procedures and limits set out in the financial procedure rules. Beyond these limits, approval to any virement or supplementary estimate shall require the approval of the full Council.

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

11. No changes to any policy or strategy which make up the policy framework may be made by the Cabinet, or officers discharging Cabinet functions, except those changes which:
  - (a) will result in the closure or discontinuance of a service or part of a service to meet a budgetary constraint;
  - (b) are necessary to ensure compliance with the law, ministerial direction or government guidance; and
  - (c) would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration.

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

12. Where the Scrutiny Committee is of the opinion that a Cabinet 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 finance officer.
13. The monitoring officer's and/or chief finance officer's report shall be submitted to the Cabinet and be made available to every councillor. Regardless of whether the decision is delegated or not, Cabinet must meet to decide what action to take in respect of the monitoring officer's or chief finance 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.
14. 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 finance 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 relevant 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 receive a report of the decision or proposals and the advice of the monitoring officer and/or the chief finance officer. The Council may:
  - (a) endorse a decision or proposal of the Cabinet decision taker as falling within the existing budget and policy framework; or
  - (b) amend the council's financial procedure rules or policy concerned to encompass the decision or proposal and agree to the decision with immediate effect; 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 Cabinet to reconsider the matter in accordance with the advice of either the monitoring officer or chief finance officer.