

Budget And Policy Framework Procedure Rules

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1. Framework for cabinet decisions

The Council will 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 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) Two months before a plan/strategy/budget needs to be adopted, the cabinet will 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 included in relation to each of these matters in the forward plan. This is published at the Council's main offices, in the press and available on the Council's web site. 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 scrutiny committees 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 of the relevant scrutiny committee. If there is no such 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 committees shall have not less than four weeks to respond to the initial proposals of the cabinet unless the cabinet considers having consulted the monitoring officer that there are special factors that make this timescale inappropriate. If it does, it will inform the scrutiny committees 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 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 will become effective on the expiry of five 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, he/she 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 five 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.
- (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 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

- (a) Subject to the provisions of paragraph 5 (virement), the cabinet, committees of the cabinet, individual members of the cabinet and any officers or joint arrangements discharging cabinet 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.
- (b) If the cabinet, committees of the cabinet, individual members of the cabinet and any officers or joint arrangements discharging cabinet 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 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 or officers or joint arrangements discharging cabinet 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:
 - (i) if it is not practical to convene a quorate meeting of the full Council; and
 - (ii) if the 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 of the relevant scrutiny committees' 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 a relevant scrutiny committee the consent of the Mayor, and 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, an individual member of the cabinet or officers or joint arrangements discharging cabinet functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, such bodies or individuals shall be entitled to vire across budget heads on in accordance with paragraph 3 of the Financial Procedure Rules (Financial Regulations). Beyond that limit, approval to any virement across budget heads shall require the approval of the full Council.

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 or officers or joint arrangements discharging cabinet 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 policy framework

- (a) Where a scrutiny committee is of the opinion that an 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 financial officer.
- (b) For 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 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 cabinet 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 procedure rules or policy concerned to encompass the decision or proposal of the body or individual responsible for that cabinet 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.

references:

*Chapter 2, DTLR Guidance
The Local Authorities (Functions and Responsibilities) (England) Regulations 2000*