

# Part Four, Section E

## Budget & Policy Framework Procedure Rules

---

### BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

#### 1. The framework for Cabinet decisions

- 1.1 The Council will be responsible for the adoption of the budget and policy framework as set out in Article 4 of this constitution. Once the 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:

- 2.1 Each year the relevant Director and relevant Cabinet Members will in their joint report to the Overview and Scrutiny Committee on potential issues for Committees work programmes include any matters which form part of the Budget and Policy Framework, which will require adoption in the coming year.
- 2.2 If the Overview and Scrutiny Committee or a Scrutiny Review Panel wishes to include the matter into the work programme the relevant Director will ensure that the Committee is consulted in good time to enable the Committee's views to be considered by the Cabinet or Cabinet Member prior to firm proposals being submitted to the Council. In the event that the Overview and Scrutiny Committee or Scrutiny Review Panel chooses to consider a report which forms part of the Budget and Policy Framework then its views shall be included in the report submitted to the Cabinet or Cabinet Member who shall take them into account in drawing up firm proposals for submission to the Council. The report to Council will reflect the comments made by Overview and Scrutiny Committee consultees and the Cabinet's response.
- 2.3 Once the Cabinet or relevant Cabinet Member has approved the firm proposals, the Cabinet will recommend the proposals to Full Council for approval or decision at the earliest opportunity.
- 2.4 In reaching a decision, the Council may adopt the Cabinet's/Cabinet Member's proposals, amend them, refer them back to the Cabinet for further consideration, or, substitute its own proposals in their place.

## PART FOUR – RULES OF PROCEDURE

### Section E – Budget and Policy Framework Procedure Rules

- 2.5 If it accepts the recommendation of the Cabinet/Cabinet Member without amendment, or the Leader of the Council on behalf of the Cabinet or the Cabinet Member supports the amended recommendation 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. The decision will be publicised.
- 2.6 An in-principle decision will automatically become effective on the expiry of 5 working days from the date of the Council's decision, unless the Leader informs the proper officer in writing within the period of 5 working days that he/she objects to the decision becoming effective and provides reasons why. If the Leader informs the proper officer that he/she has no objection it shall become effective upon receipt of such notice.
- 2.7 In that case, the proper officer will call a Council meeting to take place within a further 10 working days. The Council will be required to re-consider its decision and the Leader's written submission. The Council may:
- (i) approve the Cabinet's/Cabinet Member's recommendation by a simple majority of votes cast at the meeting; or
  - (ii) approve a different decision which does not accord with the recommendation of the Cabinet/Cabinet Member's by a simple majority.
- 2.8 The decision shall then be made public and shall be implemented immediately;
- 2.9 The decision of the Council is final. The Leader may not ask for this or any decision to the same effect to be reconsidered for a further 6 months

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

- 3.1 Subject to the provisions of paragraph 5 (urgent decisions outside the budget or policy framework), the Leader, 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 the Council, then that decision may only be taken by the Council, subject to 3.2 and 3.3 below.
- 3.2 If the Leader, the Cabinet, Committees of the Cabinet, individual members of the Cabinet and any officers, or joint arrangements

## PART FOUR – RULES OF PROCEDURE

### Section E – Budget and Policy Framework Procedure Rules

discharging Cabinet functions want to make such a decision, they shall take advice from the Monitoring Officer and the Chief Finance Officer as to whether the decision they want to make would be contrary to or not wholly in accordance with the budget. If the advice of either of these 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 shall apply.

#### 3.3 Council may either:

- (a) 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
- (b) amend the budget framework or policy concerned to encompass the decision or proposal of the decision taker 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
- (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 decision taker to reconsider the matter in accordance with the advice of either the Monitoring Officer/ Chief Finance Officer and refer it back to the Cabinet. The decision taker must reconsider within 7 working days of the Council meeting. Whatever decision the Cabinet takes at that meeting is final, bearing in mind that a decision taken outside the policy or budget framework will be unlawful.

#### **4. Urgent Decisions**

4.1 Where the Director is of the opinion that a relevant decision should be made urgently in order to prevent or reduce the risk of damage to persons or property or to the interests of the Authority, and that the urgency of the matter is such that it is not practicable to complete the Executive decision-making process set out above or to comply with the Access to Information Procedure Rules at Part 4 of the Constitution, the decision may be deemed “urgent”:

- (a) In order for a decision to be deemed urgent, the “General Exception” or “Special Urgency” procedures set in the Access to Information Procedure Rules must be followed.

## PART FOUR – RULES OF PROCEDURE

### Section E – Budget and Policy Framework Procedure Rules

- (b) the Director shall use their best endeavours, as far as the urgency of the matter permits, to consult those persons whom he/she would have been required to consult had the full Executive decision-making process been followed; and
- c) the decision-making body shall have the power to take that relevant decision, notwithstanding that the full procedure has not been followed;
- d) These urgency procedures should only be used in cases of genuine urgency and should not be abused, for example, in attempting to put right failures in forward planning.

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

- 5.1 The Leader, the Cabinet, Committees of the Cabinet, individual Members of the Cabinet and any 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. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interest and it is not practical to convene a quorate meeting of the full Council within the Access to Information Procedure Rules.
- 5.2 The record of the decision, and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is urgent for the purposes of rule 18 of the Call-In Procedure Rules at Part 4 Section H of the Constitution, and therefore not subject to call-in.
- 5.3 In order for a decision to be deemed urgent, the Chair of the Overview and Scrutiny Committee must agree that the decision is both reasonable in all circumstances and that it should be treated as a matter of urgency. In the absence or unavailability of the Chair the consent of the Deputy-Chair of the Overview and Scrutiny Committee is required. In the absence of both, the consent of the Mayor shall be required.
- 5.4 The reasons why it is not practical to convene a quorate meeting of full Council and the consent to the decision being taken as a matter of urgency must be noted on the record of the decision.
- 5.5 Decisions taken as a matter of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency.
- 5.6 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.

#### **6. Calculation of Budget Requirement**

## PART FOUR – RULES OF PROCEDURE

### Section E – Budget and Policy Framework Procedure Rules

- 6.1 Subject to paragraph 6.5 where, before 11 March in any financial year, the Cabinet submits to Council for its consideration in relation to 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 (the calculation of budget requirements);
  - b) estimates of the amounts to be used for purposes of such a calculation; or
  - c) estimates of such a calculation.
- 6.2 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 6.1, it must inform the Leader of any objections that it has to the Cabinet's estimates or amounts and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the authority's requirements.
- 6.3 Where the Council gives instructions in accordance with paragraph 6.2, it must specify a period of at least 5 working days beginning on the day after the date on which the Leader receives the instructions on behalf of the Cabinet within which the Leader may:
- a) submit a revision of the estimates or amounts as amended by the Cabinet ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Cabinet's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or
  - b) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- 6.4 When the period specified by the Council, referred to in paragraph 6.3 has expired, the Council must, when making calculations (whether originally or by way of substitute), in accordance with the sections referred to in paragraph 6.1a), take into account:
- (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
  - (b) the Cabinet's reasons for those amendments;

## PART FOUR – RULES OF PROCEDURE

### Section E – Budget and Policy Framework Procedure Rules

- (c) any disagreement that the Cabinet has with any of the Council's objectives; and
  - (d) the Cabinet's reasons for that disagreement, that the Leader submitted to the Council, or informed the Council of, within the period specified.
- 6.5 Paragraphs 6.1 to 6.4 (inclusive) shall not apply in relation to calculations or substitute calculations that an authority is required to make in accordance with section 52I or 52T of the Local Government Finance Act 1992.

#### **7. Virement**

- 7.1 Virement is a transfer of a budget for direct spend by the Council, which is required due to a policy change or re-prioritisation of resources between services. The Council's rules on virement are set out in the Financial Regulations set out in the Constitution.

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

- 8.1 Subject to the provisions of section 5 (urgent decisions outside the budget and policy framework) the responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Leader, the Cabinet, individual members of the Cabinet and any 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 the Leader, the Cabinet, individual members of the Cabinet and any officers, or joint arrangements discharging Cabinet functions except where the Council has agreed this at the time of agreeing the budget or relevant policy or strategy.