

D4 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. THE FRAMEWORK FOR DECISION MAKING

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) In each year the Cabinet will publish in the Forward Plan a programme for establishing the Budget and Policy Framework for the following year. Within this programme, it may identify up to three strategic policy or resource issues on which it wishes to request studies by the Audit and Scrutiny Committee.
- (b) Policy studies undertaken by the Audit and Scrutiny Committee should engage as widely as possible with citizens and stakeholders in the community and use a variety of methods to gauge public views. Working Groups may be established by the Committee for this purpose. The results should be presented to the Cabinet.
- (c) The Cabinet will draw upon the studies in developing its proposals to the Council and, if relevant, will consult the Planning and Licensing Committees about their budget allocations.

- (d) The Policy and Budget Framework to be presented to the Council will be available for public consultation for a period of 4 weeks.
- (e) The Audit and Scrutiny Committee may respond to the Cabinet during the consultation process and can investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response from the Committee into account in drawing up its final proposals to the Council and the report to the Council will reflect the comments of consultees and the Cabinet's response.
- (f) In reaching a decision on the Policy and Budgetary Framework, the Council may adopt the Cabinet's proposals, amend them or substitute its own proposals in their place.
- (g) In approving the Policy and Budgetary Framework presented to it by the Cabinet, 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 3 and 4 of these Rules. Any other changes to the Budget and Policy Framework are reserved to the Council.

3. VIREMENT

The Council will decide on virement limits in accordance with the nature of its functions and the size of its budget. This may be by reference to percentage of budget, number of episodes of virement or

by reference to a financial limit. These details will be contained in the Council's Financial Rules.

4. IN-YEAR CHANGES TO BUDGET AND POLICY FRAMEWORK

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Cabinet, individual Cabinet Members, Officers or joint arrangements discharging Cabinet functions must be in line with it. No changes to any policy and strategy that make up the Policy Framework may be made by those bodies or individuals, except those changes:

- (i) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (ii) which are necessary to ensure compliance with the law, ministerial direction or Government guidance;
- (iii) 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.

5. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

5.1 Subject to the provisions of paragraphs 3 and 4, the Cabinet, individual Cabinet Members, 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 paragraph 6 below.

5.2 If the Cabinet, individual Cabinet Members or any Officers, or joint arrangements discharging Cabinet functions want to make such a decision, they shall take advice from the Chief Executive and/or 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 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 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 6 shall apply.

6. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

6.1 The Cabinet, individual Cabinet Members, 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 the 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 meeting of the Council; and
- (ii) if the Chairman of the Audit and Scrutiny Committee agrees that the decision is a matter of urgency.

6.2 The reasons why it is not practical to convene a meeting of the Council, and the Chairman of the Audit and 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 Chairman of the Audit and Scrutiny Committee, then the consent of the Chairman of the Council, and in his/her absence the Vice-Chairman of the Council, will be sufficient.

6.3 Following the decision, the decision-taker must provide a full report to the next Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

7. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

7.1 Where the Audit and 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 Chief Executive and/or Monitoring Officer and/or the Chief Finance Officer.

7.2 In respect of functions which are the responsibility of the Cabinet, any report of the Chief Executive and/or the Monitoring Officer and/or the Chief Finance Officer shall be made 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 report and to prepare a report to the Council in the event that the Chief Executive and/or the Monitoring Officer and/or the Chief Finance Officer conclude that the decision was a departure, and to the Audit and Scrutiny Committee if the Chief Executive and/or the Monitoring Officer and/or the Chief Finance Officer conclude that the decision was not a departure.

7.3 If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Chief Executive and/or 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 Audit and Scrutiny Committee may refer the matter to the 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 21 days of the request by the Audit and Scrutiny Committee. At the meeting it will receive a report of the decision or proposals and the advice of the Chief Executive and/or the Monitoring Officer and/or the Chief Finance 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 will be recorded in the minute and circulated to all Councillors in the normal way; or
- (ii) amend the Council's financial regulations 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 will be recorded in the minutes 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 the Chief Executive and/or the Monitoring Officer and/or the Chief Finance Officer.

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