

Part 4.3 Budget and Policy Framework Procedure Rules

1. The 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:

BUDGET AND POLICY FRAMEWORK PLANNING

- (1) Before the end of June the Cabinet shall report on the revenue and capital budget outturn for the previous year and consider the impact of any over/underspend on the current financial year's budget.
- (2) By the end July the Cabinet will consider the latest financial planning assumptions for the next three financial years and the impact of this on the preparation of future revenue budgets
- (3) By 15th January the Council's Section 151 Officer shall agree the Collection Fund position for the end of the financial year.
- (4) By the end of January, the Cabinet shall approve, or delegate the approval of, the Council Taxbase estimates and the estimation of Business Rates income.
- (5) By the end of February, but before the full Council meeting, Cabinet shall
 - (a) Report on the impact of the provisional Local Government Finance settlement announced by the Government on the Council's agreed revenue budget strategy;
 - (b) Consider the impact on the Policy Framework incorporating the Wellbeing Strategy objectives, Council Plan and other strategic plans achievable within the proposed financial framework.
 - (c) Consider the resources available to finance capital projects for the next five years together with the Prudential Indicators ;
 - (d) approve the capital expenditure programme for the next five years;
 - (e) Consult with the Business community on the Council's budget proposals for the following year; and

- (6) (a) By 11th March each year the Cabinet shall recommend to the Council:
- (i) The revenue Budget and the level of Council Tax to be set for the following year.
 - (ii) The cash limits for Directorate.
 - (iii) The capital programme, borrowing limits and the Prudential Indicators for the following five years.
 - (iv) The Treasury Management Strategy for the year ahead
 - (v) The annual recommended rent rise for the Council's Housing stock
- (b) The Overview and 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 Overview and Scrutiny Committee shall report to the Cabinet on the outcome of its deliberations.
- (c) Having considered the report of the Overview and 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 considered and where appropriate taken into account any recommendations from the Overview and 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 Overview and Scrutiny Committee/Panel.
- (e) The Council's decision will be publicised 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 5 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 Head of Democratic Services 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 Head of Democratic Services 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 7 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 and shall be implemented immediately.
 - (i) In approving the Budget and associated documents, 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.
- (7) Any outsourced revenue contracts proposals in excess of £2m in value should include a separate report to Cabinet on the comparative cost of the contract versus existing expenditure

3. Decisions outside the Budget or Policy Framework

- (a) Subject to the provisions of paragraph 5 (virement) the Cabinet, and any officers, discharging executive functions may only take decisions which are in line with the Budget and Policy Framework. If the Cabinet or an officer 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 full Council, then that decision may only be taken by the Council, unless the decision is urgent, see paragraph 4 below.
- (b) If the Cabinet, and any officers discharging executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or Section 151 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 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 or officers or joint arrangements discharging executive 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 practicable to convene a quorate meeting of the full Council; and
- ii) if the Chair of the Overview and Scrutiny Committee agrees that the decision is urgent.

The reasons why it is considered impracticable to convene a quorate meeting of full Council, and the Chair of the relevant Overview and Scrutiny Committee/Panel'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 Overview and 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

- (a) The Council shall have the following budget heads:
General Fund (with sub heads for departmental structure, but excluding support service overhead allocations)
Housing Revenue Account
Collection Fund
- (b) Steps taken by the Cabinet, a Cabinet Committee, a Commissioner or officers, or joint arrangements discharging executive 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 as permitted under the Council's Financial Procedure Rules (Part 4.6) in this Constitution. Approval to any virement in excess of the limits specified 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, or officers, or joint arrangements discharging executive 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 an Overview and Scrutiny Committee/Panel is of the opinion that an executive 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, Strategic Director, Regeneration, Housing and Resources and other appropriate officers.
- (b) In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or the Section 151 officer's report shall be submitted 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 Section 151 officer conclude that the decision was a departure, and to the Overview and Scrutiny Committee if the Monitoring Officer or the Section 151 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 Section 151 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 Overview and 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 not less than 8 and not more than 15 working days of the request by the Overview and 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 Section 151 officer. The Council may either:
 - (i) endorse a decision or proposal of the executive 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 Members, 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 executive 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 Members, 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 executive decision maker to reconsider the matter in accordance with the advice of the officers.