

PART 4G BUDGET AND POLICY FRAMEWORK RULES

RULE 1 GENERAL PRINCIPLES

- 1.1 Cabinet is responsible for formulating and proposing the Budget and plans, strategies and policies forming part of the Policy Framework and Council is responsible for the adoption of the Budget and the Policy Framework.
- 1.2 The 'Budget' and the 'Policy Framework' are defined in Article 4 of the Constitution.
- 1.3 Decisions made in respect of both Executive and non-Executive Functions shall be in accordance with the Budget and decisions made in respect of Executive Functions shall be in accordance with the Policy Framework, subject to such departure or exception as permitted by these Rules.

RULE 2 PROCESS FOR DEVELOPING THE BUDGET AND THE POLICY FRAMEWORK

- 2.1 The process by which the Budget and the Policy Framework shall be developed is:
 - 2.1.1 Cabinet will publicise a timetable for making proposals to Council for the adoption of the Budget or any plan, strategy or policy forming part of the Policy Framework, by including the proposal in the Forward Plan and giving appropriate public notice and this will include details of the arrangements for consultation after publication of those initial proposals. The O&S Committee chairman will also be notified. The consultation period shall as regards the Budget be not less than 4 weeks, and as regards the Policy Framework not less than 8 weeks.
 - 2.1.2 If O&S Committee wishes to respond to Cabinet during the relevant consultation period, it may do so. O&S Committee may investigate, research and report in detail with appropriate recommendations before the end of the consultation period.
 - 2.1.3 After the end of the consultation period, Cabinet will draw up proposals taking into account the responses to the consultation including any response from O&S Committee. Once Cabinet has approved firm proposals, the Proper Officer will refer them at the earliest opportunity to the Council for decision. The Cabinet report to Council will summarise the comments made by consultees (including O&S Committee) and the Cabinet response to those comments.
 - 2.1.4 In reaching a decision on the proposals in the Cabinet report, Council may:
 - 2.1.4.1 adopt the proposals,
 - 2.1.4.2 amend the proposals,
 - 2.1.4.3 refer the proposals back to Cabinet for further consideration, or
 - 2.1.4.4 in the case of proposals for the Policy Framework only, refer them to O&S Committee for consideration and onwards recommendation to Cabinet.
 - 2.1.5 If Council accepts the recommendation of Cabinet without amendment, Council may make a decision which has immediate effect. Otherwise,

Council may only make an in-principle decision, except in respect of the Budget if Cabinet has failed to submit a draft Budget for consultation by the 8th February.

- 2.1.6 The decision of Council will be publicised in accordance with the Access to Information Rules and a copy must be given to the Leader.
- 2.1.7 An in-principle decision will automatically become effective 5 working days from the date of the Council's decision, unless the Leader informs the Proper Officer in writing within those 5 working days that he objects to the decision becoming effective and provides written reasons for that objection.
- 2.1.8 Where the Leader raises an objection, the Proper Officer will call a Council meeting to be held within 7 working days of receipt of the Leader's notification of his objection when Council will be required to reconsider its decision and the Leader's written submission. The Council may either approve the Cabinet's recommendation or make a different decision.
- 2.1.9 The decision of Council shall then be made public in accordance with the Access to Information Rules and shall be implemented immediately.
- 2.1.10 In approving the Budget and the Policy Framework, Council may also specify the extent of virement within the Budget and degree of in-year changes to the Policy Framework which may, in addition to any requirement of the Financial Rules, be undertaken in accordance with Budget and Policy Framework Rules 5 and 6 (virement and in-year changes). Any other changes to the Budget and the Policy Framework are reserved to Council.

RULE 3 DECISIONS OUTSIDE OF THE BUDGET AND THE POLICY FRAMEWORK

- 3.1 Subject to the provisions of Rule 4 below (urgent decisions) Cabinet, Cabinet Members, Committees, Officers or Joint Arrangements may only take decisions which are in accordance with the Budget and the Policy Framework. If any of these bodies or persons wish to make a decision which is not in accordance with the Budget or the Policy Framework, that decision may only be taken by Council, subject to Rule 4 below.
- 3.2 If Cabinet, Cabinet Members, Committees, Officers or Joint Arrangements wish to make a decision which they consider may not be in accordance with the Budget or the Policy Framework, they must notify the Borough Solicitor & Monitoring Officer and the Chief Finance Officer who shall first advise as to whether the decision would not be in accordance with the Budget or the Policy Framework.
- 3.3 If the Borough Solicitor & Monitoring Officer and/or the Chief Finance Officer, either
 - 3.3.1 following notification under Rule 3.2 or
 - 3.3.2 being aware of a decision to be made, or
 - 3.3.2 being aware of a decision having been made but not implemented

advise that the decision in question would not be or is not in accordance with the Budget or the Policy Framework or any virement or tolerances approved by Council, the decision must be referred by the Proper Officer to Council for decision, unless

- (a) the decision maker reconsiders the matter and decides to make a decision in accordance with the Budget or Policy Framework, or
 - (b) it is an urgent decision, in which case the provisions in Rule 4 below shall apply.
- 3.4 In the case of a decision made but not implemented, where the Proper Officer refers the decision to Council under Rule 3.3 the decision may only be implemented in accordance with Rule 3.5.
- 3.5 Where Council considers a report from the Proper Officer under Rule 3.3 with regard to a decision which may not be in accordance with the Budget or the Policy Framework:-
- 3.5.1 If Council determines that the decision is in accordance with the Budget or the Policy Framework, the decision may be made and / or implemented;
 - 3.5.2 If Council determines that the decision is not in accordance with the Budget or the Policy Framework, Council may
 - (a) amend the Budget or the Policy Framework to allow the decision to be made and / or implemented,
 - (b) authorise the decision to be made and / or implemented as a departure from the Budget or the Policy Framework,
 - (c) refer the matter back to the decision maker for reconsideration.
- 3.6 Where a decision maker accepts the advice of the Borough Solicitor & Monitoring Officer and/or the Chief Finance Officer given under Rule 3.3 but the decision has already been implemented, the decision maker must submit a report to the next available meeting of Council explaining the decision and how it came to be made.

RULE 4 URGENT DECISIONS OUTSIDE OF THE BUDGET OR THE POLICY FRAMEWORK

- 4.1 Cabinet, Cabinet Members, Committees, Officers or Joint Arrangements may take a decision which is not in accordance with the Budget or the Policy Framework if it is an urgent decision. However, the decision may only be taken if:
 - 4.1.1 it is not, in the view of the Proper Officer, practical to convene a quorate meeting of Council; and
 - 4.1.2 the chairman of the O&S Committee agrees that the decision is urgent. In the absence of the chairman, prior consent may be given by, in order, the vice-chairman or Group Leaders acting collectively.
- 4.2 The reasons why it is not practical to convene a quorate meeting of Council, the reason for urgency and the O&S Committee chairman's consent to the urgent decision being taken must be noted on the record of the decision.
- 4.4 Following the decision, the decision maker must report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as urgent.

- 4.5 An urgent decision made under this Rule 4 shall not be subject to call-in.

RULE 5 VIREMENT

- 5.1 Any virement shall comply with the provisions of the Council's Financial Rules or such other tolerances as the Council shall approve when agreeing the Budget.
- 5.2 Steps taken by Cabinet, Cabinet Members, officers, or joint arrangements discharging executive functions shall not exceed the sums allocated to each budget head unless permitted by the Financial Rules or otherwise agreed by the Council.

RULE 6 IN-YEAR CHANGES TO THE POLICY FRAMEWORK

- 6.1 No changes to any plan, strategy or policy which forms part of the Policy Framework may be made by Cabinet, Cabinet Members, Committees, Officers or Joint Arrangements except those changes:
- 6.1.1 which will result in the closure or discontinuance of a service or part of service to meet a constraint in the Budget, other than where Council has specifically allocated in the Budget money for that service and has determined that this Rule 6 shall not apply to it;
- 6.1.2 necessary to ensure compliance with the law, ministerial direction or government guidance;
- 6.2.3 in respect of a plan, strategy or policy matter which would normally be adopted by Council as a part of the Policy Framework, but where the existing plan, strategy or policy document is silent on the matter under consideration.

RULE 7 CALL-IN

- 7.1 The chairman of O&S Committee or any 4 members of Council may request the Proper Officer to call in a decision in respect of an Executive Function made (but not yet implemented) by

- (a) Cabinet,
- (b) a Cabinet Member,
- (c) Joint Arrangements, or
- (d) an Officer (where making a key decision)

on the basis that it does not comply with these Budget and Policy Framework Rules.

- 7.2 The call-in procedures as set out in Rule 14 Overview and Scrutiny Rules (Part 4G) shall apply to call-in under this Rule 7.