

## **PART 4 – RULES OF PROCEDURE**

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### **BUDGET AND POLICY FRAMEWORK PROCEDURE RULES**

#### **1 The framework for Executive Decisions**

- (a) The Council will be responsible for the adoption of the Budget and Policy Framework. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Cabinet to implement it.
- (b) The future business of the Cabinet will be set out in the Forward Plan to be published on a monthly basis.

#### **2 Process for developing the framework**

- (a) The Cabinet will publicise by including in the Business Statement a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework, and its arrangements for consultation after publication of those initial proposals. The Chairs of Scrutiny Committees will also be notified.
- (b) The Cabinet will then draw up firm proposals having regard to any responses to consultation. If a relevant Scrutiny Committee wishes to respond to the Cabinet in the consultation process then it may do so. As the Scrutiny Committees have responsibility for fixing their own work programme, it is open to the Scrutiny Committees to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response from a Scrutiny Committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Cabinet's response.
- (c) Once the Cabinet has approved the firm proposals, they will be referred at the earliest opportunity to the Council for decision.
- (d) In reaching a decision, the Council may adopt the Executive proposals, amend them, refer them back to the Cabinet for further consideration, or substitute its own proposals in their place.
- (e) If it accepts the recommendation of the Cabinet without amendment, 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.
- (f) A copy of the decision shall be given to the Leader.
- (g) An in-principle decision will automatically become effective five clear working days from the date of the Council's decision, unless (i) the Leader informs the proper officer in writing within that time he/she objects to the

decision becoming effective and provides reasons why and (ii) he/she does so before 8 February of that year.

- (h) In that case, the proper officer will call a Council meeting to take place within a further ten clear working days. The Council will be required to re-consider its decision and the written submission within at that meeting. The Council may:-
- (i) approve the initial Cabinet 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 by a simple majority.
  - (iii) The decision shall then be made public and shall be implemented immediately.
- (j) 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 of these Rules (virement) the Cabinet, individual members of the Cabinet and any employees or joint arrangements discharging Executive 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 Council, then that decision may only be taken by the Council, subject to 4 below.
- (b) If the Cabinet, individual members of the Cabinet and any employees, or joint arrangements discharging Executive Functions want to make such a decision, they shall take advice from the Head of Paid Service, Monitoring Officer and the Section 151 Officer as to whether the decision they want to make would be in contrary to the Policy Framework, 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 4 of these Rules (urgent decisions outside the budget and policy framework) shall apply.

#### **4 Urgent decision outside the budget or policy framework**

(a) The Cabinet, a committee of the Cabinet, an individual Member of the Cabinet or employees, (area committees) or joint arrangements discharging Executive Functions may take a decision which is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget approved by Council if the decision is urgent. However, the decision may only be taken:

- (i) if it is not possible to convene a quorate meeting of the full Council; and
- (ii) if the chair of a relevant Scrutiny Committee agrees that the decision is urgent.

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 Lord Mayor, and in the absence of both, the Deputy Lord 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 budget heads reflecting the Council's Service Area arrangements and taking into account recommended accounting practice.

(b) Steps taken by the Cabinet, an individual member of the Cabinet or employees, 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 in accordance with Financial Regulations. Beyond that limit, approval to any virement across budget heads shall require the approval of the 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, an individual member of the Cabinet or employees, (area committees) 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 changes that have been specified or categorised by Council as permissible changes.

#### **7 Call-in of decisions outside the Budget or Policy Framework**

(a) Where a Scrutiny Committee 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 Budget, then it shall seek advice from

the Head of Paid Service, Monitoring Officer and/or Section 151 Officer, who will report on the matter.

- (b) In respect of functions which are the responsibility of the Cabinet, the report of the Head of Paid Service, Monitoring Officer and/or Section 151 Officer shall be to the Cabinet with a copy to every Councillor. Regardless of whether the decision is delegated, the Cabinet must meet to decide what action to take in respect of the report and to prepare a report to Council in the event that the Head of Paid Service, Monitoring Officer or the Corporate Director with Section 151 Responsibilities conclude that the decision was a departure from the Budget or Policy Framework, and to the Scrutiny Committees if the Head of Paid Service, 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 Head of Paid Service, Monitoring Officer and/or 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 or ultra vires the power of the Cabinet, the Cabinet or the relevant 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 ten clear working days of the request by the Cabinet or the Scrutiny Committee. At the meeting it will receive a report of the decision or proposals and the advice of the Chief Executive, Monitoring Officer and/or the Section 151 Officer. The Council may either:-
  - (i) endorse a decision or proposal 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 Authority's financial procedures or Policy Framework to encompass the decision or 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 or ultra vires the power of the Cabinet, and does not amend the existing Policy Framework to accommodate it or ratify the ultra vires decision., the decision will be a nullity but the Council may require the Cabinet to reconsider the matter in accordance with the advice of either the Chief Executive, Monitoring Officer or Section 151 Officer.