

Budget and Policy Framework Procedure Rules

13.1 The framework for executive decisions

The Council will be responsible for the adoption of its budget and policy framework as set out in this Constitution. Once a budget or a policy framework is in place, it will be the responsibility of the Cabinet to implement it.

13.2 Process for developing the framework

The process by which the budget and policy framework shall be developed is:

- (a) Each year the Chief Officer and relevant Cabinet Members will in their joint report to the Policy and Scrutiny Committee on potential issues for Committees work programmes (see the Overview and Scrutiny Procedures Rules) include any matters which form part of the Budget and Policy Framework, which will require adoption in the coming year.
- (b) If the Policy and Scrutiny Committee wishes to include the matter into the work programme the Chief Officer 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 Policy and Scrutiny Committee 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 Policy and Scrutiny Committee consultees and the Cabinet's response. It should be noted that the terms of reference of the Budget and Performance Task Group (Standing Scrutiny Task Group) include considering, on behalf of the Policy and Scrutiny Committees, reports on budget options and draft business plans and estimates at the appropriate stages in the business planning cycle and submitting recommendations/comments thereon to the Cabinet and/or Cabinet Members.
- (c) Once the Cabinet or relevant Cabinet Member has approved the firm proposals, the proper officer will refer them at the earliest opportunity to the Council for decision.
- (d) 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.
- (e) 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.

- (f) The decision will be publicised in accordance with the access to information rules.
- (g) 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 has no objection it shall become effective upon receipt of such notice.
- (h) 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.
- (i) The decision shall then be made public in accordance with the Access to Information rules, 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 or Cabinet Member and these will be set out in the financial procedural rules. Any other changes to the policy and budgetary framework are reserved to the Council.

13.3 Decisions outside the budget or policy framework

- (a) Subject to the provisions of paragraph 13.5 (virement) the Cabinet, committees of the Cabinet, individual members of the Cabinet and any officers, 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 full Council, then that decision may only be taken by the Council, subject to 13.4 below.
- (b) If the Cabinet, committees of the Cabinet, individual members of the Cabinet or any officers, or joint arrangements discharging executive

functions want to make such a decision, they shall take advice from the monitoring officer or, as appropriate, the chief financial 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 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 (urgent decisions outside the budget and policy framework) shall apply.

13.4 Urgent decisions outside the budget or policy framework

(a) The Cabinet, a committee of the Cabinet, an individual member of 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 practical to convene a quorate meeting of the full Council; and
- ii) if the chairman of a relevant Policy and Scrutiny committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the chairman of the relevant Policy and 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 Policy and Scrutiny committee the consent of the 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.

13.5 Virement –

“Virement” is the ability to meet increased expenditure or reduced income under one expenditure vote from savings in another expenditure vote. The City Council’s rules on virement are set out in the Financial Regulations in Chapter 9 of the Constitution.

13.6 In-year changes to policy framework

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by the Cabinet, a committee of the Cabinet, an individual member of 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, amendment 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 periodically by the Council following consultation, but where the existing policy document is silent on the matter under consideration.
- (d) which are within the scope set out for in year charges in the policy document in question, or when the policy document was approved by the Council.

13.7 Call-in of decisions outside the budget or policy framework

- (a) Where an overview and 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 Council's budget, then it shall seek advice from the monitoring officer or, as appropriate, chief financial officer.
- (b) In respect of functions which are the responsibility of the Cabinet, the monitoring officer's report or chief financial officer's report shall be 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 chief finance officer conclude that the decision was a departure, and to the overview and scrutiny committee if the monitoring officer or the chief finance 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 or the chief financial 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 10 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 chief financial 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 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 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 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 executive to reconsider the matter in accordance with the advice of either the monitoring officer/chief financial officer.

13.8 Suspension of Procedural Requirements

A procedural requirement of these rules may be suspended to the extent that the Monitoring Officer advises is strictly necessary to meet a legal requirement.