

5. Budget and Policy Framework Rules

Full Council is responsible for the adoption of its Budget and Policy Framework. Once a Budget or Policy Framework is in place, it will be the responsibility of the Cabinet to implement it.

Budget

The Budget is the identification and allocation of financial resources by Full Council, including:

- (a) revenue expenditure
- (b) contingency and reserve funds
- (c) Council Tax
- (d) borrowing requirements and limits
- (e) capital expenditure
- (f) Medium Term Financial Plan
- (g) any resolution of Full Council identified by the Chief Executive as a budgetary decision
- (h) any limitations to, conditions on or rules governing the management of budgets, virement between budgets, treatment of underspends, windfall income or reserves contained within the Financial Regulations

Policy Framework

The council has a list of plans and strategies that are relevant to its functions, known as a Policy Framework. This is required by law to be decided by Full Council, usually on the recommendation of the Cabinet. It consists of the following plans and strategies:

- (a) Corporate Plan
- (b) Crime and Disorder Reduction Strategy
- (c) Early Years Development and Childcare Plan
- (d) Licensing Authority Policy Statement
- (e) Local Development Plan
- (f) Local Transport Plan
- (g) Pay Policy Statement
- (h) Youth Justice Plan
- (i) Any other plan or strategy that is required by law or which the council determines should be designated as a Policy Framework document and adopted or approved by Full Council

Any plan or strategy for which the council does not have sole responsibility for preparation, and involves action and targets to which other bodies will be contributing, shall not be amended at the final approval stage by the council unless the prior approval of all such appropriate parties to such an amendment has been obtained in writing.

Process for developing the Policy Framework

The Cabinet will publicise, by including in the Forward Plan and any other appropriate means, a timetable for making proposals to Full Council for the adoption of any plan, strategy or budget that forms part of the Budget and Policy Framework and any arrangements for consultation after publication of those initial proposals.

Following consultation (including policy debates by Full Council where relevant), the Cabinet will draw up firm proposals. The Cabinet will take any response from the Corporate Scrutiny

Committee into account in drawing up its proposals, and its report to Full Council will reflect any comments made by consultees and the Cabinet response.

In reaching a decision, Full Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or indicate that it wishes to substitute its own proposals in their place.

If it accepts the recommendation of the Cabinet without amendment or is formally setting the Budget or Council Tax levels for a financial year, Full Council may make a decision that has immediate effect. Otherwise, it may only make an in-principle decision.

An in-principle decision in relation to the Budget, plan or strategy will automatically become effective after the expiry of five working days beginning on the day after the date when the Leader is informed of Full Council's objections, unless the Leader informs the Monitoring Officer in writing, within that five working day period that they object to the decision becoming effective and provides reasons why. The Leader may also decide to call a special meeting of the Cabinet to discuss the issue.

Upon receiving written notification from the Leader, the Monitoring Officer will arrange to call a Full Council meeting within a further seven working days. Full Council will reconsider its decision and the Leader's written submissions and may:

- (a) Approve the Cabinet recommendation or
- (b) Approve a different decision that does not accord with the recommendations of the Cabinet

The decision shall then be made public and implemented immediately.

Decisions outside the Budget or Policy Framework

Subject to the virement and the urgency provisions below, the Leader, Cabinet or those acting under delegated arrangements may only take decisions that are in line with the Budget and Policy Framework.

If the Leader, Cabinet or those acting under delegated arrangements wish to make a decision that is contrary to the Budget or Policy Framework, they shall take advice from the Monitoring Officer and/or the Chief Finance Officer. If the advice of either of those officers is that the decision would not be in line with the Budget and/or Policy Framework, then the decision must be referred to Full Council, unless it is a matter of urgency, in which case the urgency provisions below shall apply.

Urgent decisions outside the Budget or Policy Framework

The Leader, Cabinet or those acting under delegated arrangements may take an urgent decision that is contrary to the Budget or Policy Framework if:

- (a) it is not practical to convene a quorate meeting of the Full Council and
- (b) the chairman of Corporate Scrutiny Committee has given a written statement that the decision needs to be made as a matter of urgency

The reasons why it is not practical to convene a quorate meeting of Full Council and the chairman of the Corporate 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 Corporate Scrutiny Committee, the consent of the Chairman of the Council should be obtained. If the Chairman of the Council is also absent, such consent should be obtained from the Vice-Chairman

of the Council. The decision cannot otherwise be taken, and delay will result until Full Council makes the determination.

Following the taking of an urgent decision, the decision-maker will provide a full report to the next available Full Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

Virement

Detailed provisions concerning virement across budget heads are set out in the council's [Financial Regulations](#).

In-year changes to the Policy Framework

No changes to any policy or strategy which make up the Policy Framework may be made by the Leader, Cabinet or those acting under delegated authority except those changes:

- (a) which will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint, or
- (b) necessary to ensure compliance with the law, ministerial direction or government guidance, or
- (c) in respect of a policy that would normally be agreed annually by Full Council following consultation, but where the existing policy document is silent on the matter under consideration

A plan or strategy within the Policy Framework may be amended by the relevant Director where it is considered, in the opinion of the Monitoring Officer and the Chief Executive (after consultation with the Leader and relevant Cabinet member), not to be contrary to the principles of the plan or strategy and can be contained within the approved budget. Such an amendment does not require the approval of Full Council.