

BUDGET PROCEDURE RULES

1. The Framework for Cabinet Decisions

The Cabinet is responsible for proposing the budget to the Council.

The Council will be responsible for the adoption of its budget as set out in Article 4. Once the budget 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 shall be developed is:

- (a) The Cabinet will publicise by including in the Forward Plan a timetable for making proposals to the Council for the adoption of the budget.
- (b) The Council will inform itself, through appropriate methods, about the views of stakeholders on the relative priorities of key issues and services. On a three year basis, this will include a household survey; other devices such as the Citizens' Panel and the Business Panel may be utilised.
- (c) The Budget Strategy encourages a multi-tier approach to decision making rather than a compressed process examining each year in isolation. Nevertheless, there is an annual cycle which is based on the Cabinet making recommendations to the Full Council for the approval of the Budget Strategy, with prior consideration by the Overview and Scrutiny Commission, followed by examination of options by the Budget Advisory Group.
- (d) The views of the Budget Advisory Group shall be reported to the Cabinet either in a separate report or as part of the consideration of the final budget and Council tax.
- (e) The Cabinet will subsequently make recommendations to the Full Council on the final budget and on the level of Council Tax in February or March of each year.
- (f) If the Council has objections to the Cabinet's proposals referred to in paragraph (e) above, whether or not it has any intention of making any modifications, it must, before making any decision, inform the Leader of those objections and give them instructions requiring the Cabinet to reconsider the proposals in the light of those objections.
- (g) When giving such instructions, the Council must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions during which the Leader may:
 - (i) submit revised proposals, as amended by the Cabinet, with the Cabinet's reasons for the amendments for consideration by the Council;
 - (ii) inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- (h) On the expiration of the period specified by the Council, the Council must take into consideration any response received from the Cabinet within that period, when making a decision.
- (i) The decision will be made on the basis of a simple majority of votes cast at the Council meeting.

- (j) The conflict resolution procedure identified in paragraphs (i) to (k) above will not apply to the proposals for the setting of the Council Tax in relation to the following financial year, where the Cabinet submits such proposals to the Council for consideration after 7 February in any financial year.
- (k) In approving the budget, the Council will also specify the extent of virement within the budget which may be undertaken by the Cabinet, in accordance with the Financial Procedure Rules relating to virement. Any other changes to the budgetary framework are reserved to the Council.

3. Decisions Outside the Budget

- (a) Subject to the Financial Procedure Rules relating to virement, the Cabinet, Committees of the Cabinet, individual Members of the Cabinet and any officers, area Committees or joint arrangements discharging Cabinet functions may only take decisions which are in line with the budget. If any of these bodies or persons wishes to make a decision which is 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 4 below.
- (b) If the Cabinet, Committees of the Cabinet, individual Members of the Cabinet and any employees, area Committees or joint arrangements discharging Cabinet functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Finance Officer as to whether the decision they want to make would be contrary to or not wholly in accordance with the budget. If the advice of either of those employees is that the decision would not be in line with the existing budget, 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) shall apply.

4. Urgent Decisions Outside the Budget

- (a) The Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or employees, area Committees or joint arrangements discharging Cabinet functions may take a decision which is 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 chair of the Overview and Scrutiny Commission 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 chair of the Overview and Scrutiny Commission'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 Commission, 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

Steps taken by the Cabinet, a Committee of the Cabinet, an individual Member of the Cabinet or employees, area Committees or joint arrangements discharging Cabinet functions to implement Council policy shall not exceed those budgets allocated to each service and/or the approved level of service. However, such bodies or individuals shall be entitled to vire budgets subject to the limitations set out in the Council's Financial Procedure Rules. Beyond those limits, approval to any virement across budget heads shall require the approval of the Full Council.

6. In-Year Changes to Budget

The responsibility for agreeing the budget lies with the Council, and decisions by the Cabinet, a Committee of the Cabinet an individual Member of the Cabinet or employees, area Committees or joint arrangements discharging Cabinet functions must be in line with it, except that the Cabinet may approve in-year budgetary changes within the limits authorised by the Council's Financial Procedure Rules.

7. Call-In of Decisions Outside the Budget

- (a) Where the Overview and Scrutiny Commission is of the opinion that a Cabinet decision is, or if made would be contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the Monitoring Officer and/or chief finance officer.
- (b) In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Chief Finance 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 Commission 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 and/or the Chief Finance 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 Commission 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 matter has been considered at the next ordinary meeting of the Council. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Finance Officer. The Council may either:
 - (i) endorse a decision or proposal of the Cabinet decision taker as falling within the existing budget. 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 procedure rules or policy concerned to encompass the decision or proposal of the body or individual responsibility for that Cabinet 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 or not wholly in accordance with the budget, and does not amend the existing budget to accommodate it, require the Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Finance Officer.