

BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. The Framework for Cabinet Decisions

- 1.1 The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4 of this Constitution.
- 1.2 Once a Budget or Policy Framework is in place, it is the responsibility of Cabinet to implement it.

2. Process of Developing the Budget

- 2.1 Details of Cabinet's consultation process in relation to the budget will be included in the Cabinet Forward Plan and published at the Council's Offices at The Picture House, St Catherine's Road, Grantham, NG31 6TT and on the Council's website.
- 2.2 Cabinet will carry out consultation in accordance with its published process.
- 2.3 Cabinet will publish initial proposals for the Budget Framework, taking into account:
 - (a) Any representations made to Cabinet as a result of its consultation.
 - (b) The outcome of any relevant review conducted by an Overview and Scrutiny Committee.
- 2.4 Cabinet's initial proposals will be referred to the Budget Joint Overview and Scrutiny Committee, which comprises members of all Overview and Scrutiny Committees, for further advice and consideration.
- 2.5 The Joint Budget Overview and Scrutiny Committee will respond to the initial proposals of Cabinet and report the outcome of its deliberations.
- 2.6 Cabinet will consider the report of the Budget Joint Overview and Scrutiny Committee and, if it considers it appropriate, amend its proposals.
- 2.7 Cabinet will submit its final proposals to Full Council for consideration.

3. Process for Developing the Policy Framework Documents

- 3.1 Cabinet will publish, by including in its Forward Plan, a timetable for proposals to Council for the adoption, revision or amendment of any Plan or Strategy which forms part of the Policy Framework.

- 3.2 Within this timetable, the relevant Overview and Scrutiny Committees may conduct such research, consultation with stakeholders and investigations as are necessary to enable it to develop proposals for the content or amended content of the relevant Plan or Strategy.
- 3.3 The relevant Overview and Scrutiny Committee will present recommendations as to the proposed content, revision or amendment of the Plan or Strategy to Cabinet in accordance with the timetable set out in Cabinet's Forward Plan.
- 3.4 Cabinet will finalise its proposals for Full Council to consider having taken into account the proposals of relevant Overview and Scrutiny Committees.

4. Approval of the Budget and Policy Framework

- 4.1 Full Council will consider the proposals of Cabinet for the Budget and Policy Framework and may adopt, amend and refer them back to Cabinet for further consideration, or substitute its own proposals setting out any objections which it has to Cabinet's proposals requiring the Cabinet to reconsider its proposals in the light of those objections.
- 4.2 Any amendments to Cabinet's proposals, or the submission of an alternative budget, must be considered by the Chief Finance Officer five working days prior to the day of the budget meeting of Full Council to ensure that proposals are financially sound and represent a balanced budget. By exception, amendments considered as minor which the Chief Finance Officer deems as financially sound and representing a balanced budget may still be proposed.
- 4.3 A copy of the notice of Full Council's decision will be given to the Leader of the Council.
- 4.4 If the Council accepts Cabinet's proposals without amendment, the decision will be effective from the date of the decision. If the Council does not accept Cabinet's proposals, Full Council's decision will become effective on the expiry of five clear working days after the notice of the Council's decision has been given to the Leader, unless the Leader objects to the decision within that period.
- 4.5 If the Leader objects the decision of Full Council, the Leader will give written notice to the Chief Executive to that effect prior to the date upon which the decision would have become effective. The written notification must state the reasons for the objection. Where such notification is received, the Chief Executive will convene an extraordinary meeting of the Council to reconsider its decision and the decision will not be effective pending that meeting.

- 4.6 The Full Council meeting must take place within 15 clear working days of receipt of the Leader's written objection. At the Full Council meeting, the decision of the Council will be reconsidered, taking into account the objection of the Leader and any revised draft Budget or Policy Framework document. Full Council will make its final decision on the matter and the decision will be published and implemented immediately.
- 4.7 Full Council will at that meeting make its final decision on the matter on the basis of a simple majority. The decision will be made public and will be implemented immediately.

5. Decisions outside the budget or policy framework

- 5.1 Subject to the provisions of Rule 7 (Virement) Cabinet, individual Cabinet Members and any Officers or joint arrangements discharging executive functions may only take decisions which are in line with the Budget and Policy Framework.
- 5.2 If any of these bodies or persons wish 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:
- (a) They will take advice from the Monitoring Officer and Section 151 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
 - (b) If the advice of either of those Officers is that the decision would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget then the decision must be referred by that body or person to Full Council for decision, unless the decision is a matter of urgency, in which case the provisions in Rule 6 (Urgent Decisions Outside the Budget and Policy Framework) will apply.
- 5.3 In determining whether a decision is or would be contrary to or not wholly in accordance with the Budget, regard will be had to the rules as to virement specified in the Council's Financial Regulations.

6. Urgent Decisions Outside the Budget or Policy Framework

- 6.1 Cabinet, a Committee of the Cabinet, an individual Cabinet Member or Officers, Area Committees 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 and:
- (a) It is not practical to convene a quorate meeting of Full Council, and

- (b) If the Chairman of the relevant Overview and Scrutiny Committee agrees that the decision is a matter of urgency, or if they are unable to act, the Chairman of the Council, or the Vice-Chairman of the Council in their absence.
- 6.2 The reasons why it is not practical to convene a quorate meeting of Full Council meeting and the relevant person's consent, as set out in Rule 6.1(b), will be noted on the record of the decision.
- 6.3 Following the decision, the decision-maker will provide a 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.

7. Virement

- 7.1 The Council's Financial Regulations set out the rules for the operation of virement across the budgets allocated for particular functions of the Council.
- 7.2 Virements in excess of the limits prescribed in the Council's Financial Regulations will require the prior approval of Full Council.

8. In-year Changes to the Policy Framework

- 8.1 The responsibility for agreeing the Budget and Policy Framework lies with the Council and decisions by Cabinet, an individual Cabinet Member or Officers, 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 those changes:
 - (a) Which will result in the closure 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.

9. Call-In of Decisions Outside of the Budget or Policy Framework

- 9.1 Where a relevant Overview and Scrutiny Committee is of the opinion that a Cabinet 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 and Section 151 Officer.
- 9.2 In respect of functions which are the responsibility of Cabinet, the Monitoring Officer's or Section 151 Officer's report will be presented to Cabinet, with a copy sent to every member of the Council.

- 9.3 Regardless of whether the decision is delegated or not, Cabinet must meet to decide what action to take in respect of the Monitoring Officer's or Section 151 Officer's report.
- 9.4 If the Monitoring Officer or Section 151 Officer conclude that the decision was contrary to the Policy Framework or contrary to or not wholly in accordance with the Council's Budget and the decision has been made and implemented in whole or in part, Cabinet will submit a report to Full Council.
- 9.5 If the Monitoring Officer or Section 151 Officer conclude that the decision was either not contrary to the Policy Framework or contrary to the Council's Budget either in whole or in part, Cabinet must submit a report to the relevant Overview and Scrutiny Committee.
- 9.6 If the decision has yet to be made, or has been made but not yet implemented in whole or in part, and the advice from the Monitoring Officer 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, the relevant Overview and Scrutiny Committee may refer the matter to Full Council. In such cases, no further action will be taken in respect of the decision or its implementation until Full Council has met and considered the matter.
- 9.7 Full Council will meet within 20 clear working days of the referral of the matter to it by Cabinet or the relevant Overview and Scrutiny Committee. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer or Section 151 Officer. The Council may either:
- (a) Endorse the 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 Full Council be minuted, circulated to all Councillors and published in the normal way.
 - (b) Amend the Council's Policy Framework or Budget to encompass the decision or proposal 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, circulated to all Councillors and published in the normal way.
 - (c) Or where Full 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 Policy Framework or Budget to accommodate the decision or proposal, require Cabinet to reconsider the matter in accordance with the advice of either the Monitoring Officer or Section 151 Officer.