

8. BUDGET AND POLICY FRAMEWORK

1. DEFINITIONS

The policy framework comprises:

the plans and strategies that are required by the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) and regulations proposed under the Local Government Act 2000 to be adopted by the Council:

- The Council Delivery Plan (Business Plan)
- Budget and Medium-Term Strategy
- Treasury Management Strategy
- Housing and Homelessness Strategy
- Crime and Disorder Reduction Strategy
- The Rushmoor Local Plan and Development Plan documents
- Licensing and Gambling Policy Statements

The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, the council tax base, setting the council tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

2. RESPONSIBILITIES FOR THE BUDGET AND POLICY FRAMEWORK

- 2.1 The Council sets the budget and policy framework as described in para. 1 above, and the Cabinet and officers must act within it.
- 2.2 The Cabinet is responsible for adopting all other policies and strategies that fall outside of the budget and policy framework.
- 2.3 The Policy and Project Advisory Board will assist the Cabinet and Council in the formulation, development and delivery of the budget and policy framework and other policies and priorities that will help to deliver the Council Plan.

3. DEVELOPING THE BUDGET AND POLICY FRAMEWORK

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

- (a) Proposals for any new plan, strategy or budget that forms part of the budget and policy framework shall be published in advance in the Cabinet Work Programme, with information about consultation periods.

- (b) The Cabinet or Council may ask the Policy and Project Advisory Board to carry out work on the development of a new plan or strategy, which will be published in the Policy and Project Advisory Board's work programme.
- (c) The Cabinet will make proposals to the full Council for any new plan, strategy or budget that forms part of the budget and policy framework and will take into account any comments and recommendations from the Policy and Project Advisory Board or Overview and Scrutiny Committee where submitted. Any reports to the Cabinet must say what consultation has been carried out and what the results were.
- (d) The Cabinet's proposals will be presented to the Council as soon as possible.
- (e) The Council can:
 - Accept the Cabinet's proposals
 - Refer the proposals back to the Cabinet, or
 - Change the proposals, for example by adopting proposals of its own.
- (f) If the Council accepts the Cabinet's proposals without any changes, the decision will come into force immediately.
- (g) If the Council changes the Cabinet's proposals, it will be an in principle decision only.
- (h) The Leader will be given a copy of an in principle decision. The in principle decision will come into force unless the leader objects in writing to the Head of Democracy, Strategy and Partnership within five clear working days, giving reasons.
- (i) If the Leader objects to an in principle decision, the Council will meet again within 10 further working days. At the meeting, Council can accept the Cabinet's proposals or change them.
- (j) The Council's decision will come into force immediately.
- (k) When the Council sets the budget, it will also specify the extent of any virement or variations within the budget and degree of in-year changes to the policy framework which may be made by the Cabinet, in accordance with Budget and Policy Framework Rules 5 and 6. Any other changes to the policy and budgetary framework are reserved to the Council.

3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

- (a) The Cabinet, and any officers carrying out executive responsibilities can only take decisions if they are
- In line with the budget and policy framework
 - Allowed under paragraph 4 below (urgent decisions)
 - Allowed under paragraph 5 below (moving money between cost centres)
 - Necessary to obey the law or ministerial directions or government guidance.

Any other decisions on the budget or policy framework must be recommended to Council.

- (b) The Cabinet or officers carrying out executive responsibilities will seek advice from the Head of Paid Service, Monitoring Officer and the Executive Head of Finance if it is unclear whether the proposals are in line with the budget and policy framework.

4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

- (a) The Cabinet, any Cabinet Committee, Cabinet Members or officers, or joint arrangements discharging executive functions may take a decision which is outside the budget or policy framework if:
- it is urgent
 - it is not practical to convene a quorate meeting of the full Council; and
 - the chair of the Overview and Scrutiny Committee agrees that the decision is a matter of urgency. (In the absence of the chair of the Overview and Scrutiny Committee the consent of the Mayor, and in the absence of both, the Deputy Mayor, will be sufficient).
- (b) The record of the decision must say why it was not practical to convene a quorate meeting of full Council. It must also say that the Chair of the Overview and Scrutiny Committee (or Mayor or Deputy Mayor) agreed that the decision was urgent.
- (c) Following the decision, the decision taker will provide a full report to the next available Council meeting explaining why the decision was taken, why it was urgent and why it was not practical to arrange a meeting of the Council.

5. VIREMENT AND VARIATIONS IN THE BUDGET

Steps taken by the Cabinet, a Cabinet committee, Cabinet Members, officers or joint arrangements discharging executive functions to implement Council policy shall normally not exceed those budgets allocated to each budget head. However, virements across and variations in budget heads will be allowed in accordance with the Financial Procedure Rules in Part 4 of this Constitution.

6. CHANGES TO POLICY FRAMEWORK

The responsibility for agreeing the budget and policy framework lies with the full Council. However, there are some limited circumstances when changes may be made to policies and strategies which make up the policy framework outside of this requirement.

These are:

- changes necessary to ensure compliance with the law, ministerial direction or government guidance;
- updates to policies and strategies that make no changes to the major provisions within the policy;
- amendments where the existing policy framework is silent on the matter under consideration; and
- changes where a delay in the decision on a matter under consideration would have an adverse effect on all or part of the local community.

7. CALL-IN OF DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK

- (a) Where the 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/or Executive Head of Finance.
- (b) In respect of functions which are the responsibility of the Cabinet, the Monitoring Officer's report and/or Executive Head of Finance's report shall be to the Cabinet with a copy to all councillors. Regardless of whether the decision is delegated or not, the Cabinet must meet to decide what action to take in respect of the report and to prepare a report to the Council in the event that the Monitoring Officer or the Executive Head of Finance conclude that the decision was a departure, and to the Overview and Scrutiny Committee if the Monitoring Officer or the Executive Head of Finance 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 Executive Head of Finance 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 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. A meeting of the Council, will be called following consultation with the Mayor, within ten working days of the request by the Overview and Scrutiny Committee.
- (d) At the meeting of the Council, it will receive a report of the decision or proposals and the advice of the Monitoring Officer and the Executive Head of Finance. The Council may either:
 - (i) 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 the Council shall be minuted and circulated to all councillors in the normal way;

or
 - (ii) amend the Council's budget or policy framework 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 shall be minuted and circulated to all councillors in the normal way;

or
 - (iii) require the Cabinet to reconsider the matter in accordance with the advice of the Monitoring Officer and Executive Head of Finance 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.