

## **FINANCIAL PROCEDURE RULES**

### **1. FINANCIAL PLANNING**

Procedures for dealing with the budget process are already set out in the Budget and Policy Framework Procedure Rules elsewhere in Part 4 of the Constitution.

### **1. FINANCIAL ARRANGEMENTS**

- (1) All arrangements controlling receipts and payments of the Council as required by any statute, statutory instrument, circular, rule, order or regulation shall be in accordance with the Financial Regulations of the Council for the time being in force.
- (2) The Cabinet shall be responsible for periodically reviewing the Financial Regulations and for recommending to the Council any necessary amendments.
- (3) It shall be the duty of the Cabinet, subject to the approval of the Council, to regulate and control the finances of the Council in accordance with Standing Orders and Financial Regulations.
- (4) A treasury policy statement setting out its strategy and procedures shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Cabinet.

### **3. ANNUAL BUDGETARY CONTROL**

- (1) It shall be the duty of the Cabinet to monitor and regulate the Council's financial performance during the currency of each financial year.
- (2) A scheme of virement shall operate whereby Cabinet, Portfolio Holders and Officers will be empowered to approve changes within budget up to a specified amount.
- (3) The Cabinet shall receive regular reports from the Chief Finance Officer setting out the overall financial position on the Council's main accounts and shall, from time to time, keep the Council informed as to the state of the Council's finances.
- (4) Any motion or amendment to a motion (other than a motion to approve annual estimates of expenditure) moved at a meeting of the Council, which if carried would cause an increase or reduction in expenditure or income of £25,000 or more to be incurred and is not included in the current estimates of expenditure, shall, upon being seconded, stand referred without debate to the Cabinet which shall report to the Council as to the financial effect of such motion.
- (5) Upon receiving a referral under (4) above, Cabinet shall, having sought the advice of the Monitoring Officer and the Chief Finance Officer, consider whether the proposal is in accordance with the policy framework and/or budget/capital plan and proceed accordingly.
- (6) Only the Council shall normally take decisions which are contrary to or not wholly in accordance with the policy framework and/or budget/capital plan except where any additional costs incurred can be offset by additional (unforeseen) income, contingency funds (reserves and balances) or savings from elsewhere within the budgetary allocations to functions which are its responsibility and do not exceed £100,000 in any instance. Otherwise the Cabinet, Committees of the Cabinet or any other committee member or officer discharging Cabinet functions, shall only take such a decision where:
  - (a) the decision is a matter of urgency (agreed by the Chair [or vice-chair in his/her absence] of a relevant Overview and Scrutiny Committee);
  - (b) it is not practical to convene a quorate meeting of the Council;

- (c) any additional costs incurred can be offset by additional (unforeseen) income, contingency funds (reserves and balances) or savings from elsewhere within budgetary allocations to functions which are the responsibility of the Cabinet; and
  - (d) any such additional cost does not exceed £50,000.
- (7) A decision on any such matter which does not meet the criteria set out at (6) above shall only be taken by the Council.
- (8) Where an 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 the call-in procedure shall be as set out in the Budget and Policy Framework Rules in the Constitution.
- (9) The inclusion of items in approved revenue estimates or capital programmes shall constitute authority to incur such expenditure save to the extent to which the Cabinet or the Council shall have placed a reservation on any such item or items. Expenditure on any such reserved items may be incurred only when, and to the extent that, such reservation has been removed.