

## **Part 4 C**

# Budget and Policy Framework Procedure Rules



## ***Part 4C - Budget and Policy Framework Procedure Rules***

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**RULE 1*****The Framework for Executive decisions***

The County Council will be responsible for the adoption of its Budget (which includes both the annual revenue budget and the capital programme) and for the adoption of each of the Plans which comprise the Policy Framework as set out in Article 4. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Executive to implement it.

**RULE 2*****Process for developing the Policy Framework***

The process by which the Plans comprising the Policy Framework are developed will be:

- (a) The Policy Framework will usually be developed through the work of the *ad hoc* review panels and as a product of the roll-forward of the Plans which form part of the Policy Framework. Those undertaking any review and roll-forward process will canvass the views of local stakeholders as appropriate and in a manner suitable to the matter under consideration. The results of a review or roll-forward process will be presented to the Executive for consideration.
- (b) The Executive's proposals in response to the review or roll-forward process will be referred to the relevant overview and scrutiny committee for any further advice and consideration. The overview and scrutiny committee will canvass the views of local stakeholders if it considers it appropriate in accordance with the matter under consideration, but having particular regard not to duplicate any consultation carried out earlier. The overview and scrutiny committee will report to the Executive on the outcome of its deliberations. The overview and scrutiny committee will have four weeks to respond to the initial proposals of the Executive unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it will inform the overview and scrutiny committee of the time for response when the proposals are referred to it.
- (c) The Executive, if it considers it appropriate, may amend its proposals having considered the report of the overview and scrutiny committee. If the Executive's final proposals do not require submission to the County Council because they are within the approved Policy Framework and/or Budget, then those proposals may be implemented by the Executive without reference to the County Council. If the

Executive's proposals do require submission to the County Council, then they will be submitted to the County Council for consideration. The Executive will also report to County Council on how it has taken into account any recommendations from the overview and scrutiny committee.

- (d) The County Council will consider the proposals of the Executive and may adopt them, amend them, refer them back to the Executive for further consideration, or substitute its own proposals in their place. In considering the matter, the County Council shall have before it the Executive's proposals and any report from any relevant overview and scrutiny committee.

### **RULE 3**

#### ***Process for approving the Budget***

The County Council adopts a Medium Term Financial Strategy which sets out the financial proposals for the County Council for a four year period. This will be reviewed and updated annually. The process by which the Budget is approved will be:

- (a) In early December the Executive will consider and determine its budget strategy. This will enable detailed budget proposals to be determined taking into account any developments and particularly any announcement from the Secretary of State concerning local government finance.
- (b) By mid-January the Executive will publish its detailed budget proposals and will refer them to the relevant overview and scrutiny committee(s) for consideration. The overview and scrutiny committee(s) will have at least three weeks to respond to the detailed budget proposals of the Executive unless the Executive considers that there are special factors that make this timescale inappropriate. If it does, it will inform the overview and scrutiny committee(s) of the reasons why and of the time for response when the detailed budget proposals are referred to it.
- (c) The Executive may, if it considers it appropriate, amend its detailed budget proposals in time for submission to the Budget Meeting of the County Council, alerting the Chairman of the Scrutiny Commission to any major changes so that if appropriate and practical these can be the subject of further consideration by the Scrutiny Commission.
- (d) Changes to the Budget and Policy Framework are reserved to the County Council.

### **RULE 4**

#### ***Council decision and Leader's objection***

- (a) The County Council's decision on the Policy Framework or Budget will be publicised in accordance with Article 4 and a copy shall be given to

the Leader. The notice of decision will be dated and will state either that the decision shall be effective immediately (if the County Council accepts the Executive's proposals without amendment) or (if the Executive's proposals are not accepted without amendment), that the County Council's decision will become effective on the expiry of five working days after the publication of the notice of decision, unless the Leader objects to it in that period.

- (b) If the Leader objects to the decision of the County Council, he/she will give written notice to the Chief Executive to that effect prior to the date upon which the decision is to be effective. The written notification must state the reasons for the objection. Where such notification is received, the Chief Executive will convene a further meeting of the County Council to reconsider its decision and the decision shall not be effective pending that meeting.
- (c) The County Council meeting must take place within 21 working days of the receipt of the Leader's written objection. At that County Council meeting, the decision of the County Council will be reconsidered in the light of the objection, which will be available in writing for the County Council.
- (d) The County Council will at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public in accordance with Article 4, and shall be implemented immediately.
- (e) The Leader may, in respect of a specific decision of the County Council, waive his/her right of objection as described in paragraph (a) above if he/she deems that the interests of the County Council will be better served if the County Council's decision (even though it represents an amendment to the Executive's proposals) is acceptable and should be implemented immediately. The Leader may signify his/her waiver (which will be irrevocable) verbally at any time during the County Council meeting or in writing at any time during the five working days thereafter. If made at the meeting, the Leader's waiver will be recorded in the minutes. If made after the meeting, the Chief Executive will keep the written waiver and its existence will be noted in the minutes of the meeting involved.

#### **RULE 5**

##### ***Decisions outside the Budget or Policy Framework***

- (a) Subject to the provisions of Rule 7 below (virement) and Financial Procedure Rule 8 (Implementation and amendment of approved capital programme) the Executive, committees of the Executive, individual members of the Executive and any officers, area committees or joint arrangements discharging Executive functions may only take decisions which are in line with the Budget and Policy Framework. If any of these bodies or persons wishes 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 County Council, then that decision may only be taken by the County Council, subject to Rule 6 below.

- (b) If the Executive, committees of the Executive, individual members of the Executive and any officers, area committees or joint arrangements discharging Executive functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Financial 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. If the advice of either of those officers is that the decision would not be in line with the existing Budget and/or Policy Framework, then the decision must be referred by that body or person to the County 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) shall apply.

*[Note: the County Council decided, with the concurrence of the Executive, that no individual member of the Executive will be authorised to take an executive decision; such decisions will be taken either by the Executive collectively at a properly convened meeting or by professional officers under the published schemes of delegation. While that decision remains effective and is reflected in Article 7.08, those provisions in Rules 5 and 6 which relate to individual members of the Executive have no practical effect]*

*[Note: the County Council has yet to decide to appoint area committees.]*

## **RULE 6**

### ***Urgent decisions outside the Budget or Policy Framework***

- (a) The Executive, a committee of the Executive, an individual member of the Executive or officers, area committees or joint arrangements discharging Executive functions may take a decision which is contrary to the County Council's Policy Framework or contrary to or not wholly in accordance with the Budget approved by full County 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 County Council; and
  - (ii) if the chairman of a relevant overview and scrutiny committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full County Council and the chairman of the relevant overview and scrutiny committees' 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 a relevant overview and scrutiny committee the consent of

the Chairman of the County Council, and in the absence of both, the Vice-chairman, will be sufficient.

- (b) Following the decision, the decision taker will provide a full report to the next available County Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

#### **RULE 7**

##### ***Virement***

Steps taken by the Executive, a committee of the Executive, an individual member of the Executive, officers, area committees or joint arrangements discharging Executive functions to implement County Council policy shall not exceed those budgets allocated. Such bodies or individuals shall be entitled to vire across budget heads in accordance with the Standard Financial Instructions made under the Financial Procedure Rules in Part F.

#### **RULE 8**

##### ***In-year changes to Policy Framework***

The responsibility for agreeing the Budget and Policy Framework lies with the County Council, and decisions by the Executive, a committee of the Executive, an individual member of the Executive 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;
- (c) in relation to the Policy Framework in respect of a policy which would normally be agreed annually by the County Council following consultation, but where the existing policy document is silent on the matter under consideration; or
- (d) which relate to policy in relation to schools, where the majority of school governing bodies agree with the proposed change.

#### **RULE 9**

##### ***Call-in of decisions outside the Budget or Policy Framework***

- (a) Where an overview and scrutiny committee is of the opinion that an Executive decision is, or if made would be, contrary to the Policy Framework, or contrary to or not wholly in accordance with the County Council's Budget, then it shall seek advice from the Monitoring Officer and/or Chief Financial Officer.
- (b) In respect of functions which are the responsibility of the Executive, the Monitoring Officer's report and/or Chief Financial Officer's report shall be addressed to the Executive, with a copy to every member of the

County Council. Regardless of whether the decision is delegated or not, the Executive must meet to decide what action to take in respect of the report and to prepare a report to County Council in the event that the Monitoring Officer or the Chief Financial Officer conclude that the decision was a departure, and to the overview and scrutiny committee if the Monitoring Officer or the Chief Financial 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 Financial 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 committee may refer the matter to County Council. In such cases, no further action will be taken in respect of the decision or its implementation until the County Council has met and considered the matter. The County Council shall meet within 21 days of the request by the overview and scrutiny committee. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Financial Officer. The County Council may either:
- (i) endorse a decision or proposal of the Executive decision taker as falling within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the County Council be minuted and circulated to all county councillors in the normal way; or
  - (ii) amend the County Council's financial arrangements or policy concerned to encompass the decision or proposal of the body or individual responsible for that Executive function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the County Council be minuted and circulated to all county councillors in the normal way; or
  - (iii) where the County 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, require the Executive to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Financial Officer.

**[end of Budget and Policy Framework Rules]**

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