

**Report to:** Governance Committee

**Date of meeting:** 21 October 2025

**By:** Deputy Chief Executive and Chief Finance Officer

**Title:** Amendment to the Constitution - Budget Setting Meeting

**Purpose:** To consider proposed amendments to the process through which Budget Amendments are considered by Members within the Council's Constitution to reflect recent changes to the environment and the Council's financial position.

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***RECOMMENDATION:***

**The Governance Committee is recommended to recommend to the County Council:**

- 1. to agree the proposed process for presenting Budget Amendments to Full Council as set out in paragraph 2.6 of the report; and**
  - 2. the proposed amendments to the Constitution as set out in Appendix 1 of the report.**
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**1. Background**

1.1. The Local Government Finance Act 1992 sets out the Council's legal obligation to set an annual balanced or 'fully funded' budget prior to 11 March for the forthcoming financial year. Failure to set a budget by this date could have significant financial, administrative and legal implications and incur reputational harm for the Council.

1.2. The responsibility for determining the Council's budget rests with Full Council. Ahead of consideration by Full Council, Cabinet agrees at its meeting in January its recommendations to Full Council with regard to the draft Council Plan, revenue budget and capital programme for the following financial year. At its subsequent meeting in February each year, Full Council then debates the Cabinet's proposed budget and determines whether to adopt it in its proposed form or whether to agree an amended budget.

1.3. With regard to proposed amendments to the budget, Members wishing to move an amendment to the revenue budget or capital programme are encouraged to consult the relevant Chief Officer and the Chief Finance Officer (S151 Officer) prior to moving the amendments, and where possible prior to the meeting. Members are able to propose amendments at any time, provided they are seconded. The current arrangement therefore leaves little time to consider the implications of the proposed amendments and for advice to be provided to Members.

**2. Supporting information**

2.1. In support of this report, research was undertaken into the budget amendment procedures practiced by other local authorities. This indicates that there are varying approaches regarding the rules for when and how Members propose budget amendments. Neighbouring authorities, such as West Sussex County Council and Surrey County Council, do not specify the amendment process within their Constitutions and instead utilise an informal procedure comparable to the current approach adopted by ESCC. Whilst there is no consensus, it is the case that the majority of council's reviewed for this report do require budget amendments to be submitted prior to the budget setting meeting of their Councils.

2.2. Where authorities do engage a formalised process there is consensus that amendments must be submitted in writing and receive approval prior to circulation.

2.3. The S151 Officer carries responsibility for managing the Council's finances, including:

- ensuring that the budget submitted to Council for approval is balanced and soundly based;
- ensuring that all spend is fully and openly accounted for;
- ensuring that all decisions and commitments by the Council have clear financial implications set out and understood.

2.4. As such stipulating that the S151 Officer has approval of budget amendments ensures that proposals taken to Full Council are financially viable prior to Members debating whether they should be adopted.

### Circulation of amendments to Members

2.5. In a majority of the local authorities researched, the amendments proposed by Members are circulated to Full Council in advance of the meeting. The increased visibility of proposed amendments helps ensure that it is possible for officers to ensure that the proposal is viable and facilitates a stronger level of scrutiny and debate at the Full Council meetings.

2.6. It is therefore proposed to alter the process for tabling amendments so that Members would be required to submit budget proposals in writing to the S151 Officer and Monitoring Officer 3 clear working days in advance of the budget setting meeting. Proposals would then require S151 Officer approval prior to circulation to Members ahead of the budget meeting. Any proposals received less than 3 clear working days before the meeting would not be accepted and therefore not considered at the meeting, unless agreed by the Chief Finance Officer. As with questions from the public which are also circulated after the publication of the Council papers, budget amendments would be published as a supplement to the agenda.

2.7. It is proposed that Part 4, Part 3 Budget and Policy Framework of the Constitution is updated to ensure that the governance process is robust and is reflective of the changed environment and the Council's financial position. The revised process will enable greater oversight on amendments, for their implications to be properly considered and for effective support to be provided to Members on budget setting decisions. The changes are detailed at Appendix 1 with changes indicated in red.

2.8. The revisions to the Constitution outlining the proposed process are set out at Appendix 1.

## **3. Conclusion and reasons for recommendations**

3.1. The governance route for proposed amendments to budgets has been reviewed in light of the evolving financial and political environment of the Council. This is to enable those advising members to have sufficient time to make sure that the implications of the amendments are properly understood and help ensure that Members are able to make informed financial decisions.

3.2. It is recommended to formalise the amendment process by requiring that all proposed budget amendments be submitted in writing to both the s151 Officer and the Monitoring Officer 3 clear working days prior to the budget setting meeting. Should an amendment be received after this date it would not be allowed to proceed unless that CFO agreed it could, this is to ensure that where a situation arises such as late confirmation of Government funding late amendments can be made.

3.3. To formalise the budget amendment process, it is being recommended to alter the Constitution to include the additions outlined in Appendix 1 to clarify the route for proposals.

3.4. The Governance Committee is therefore recommended to recommend to County Council to agree the proposed amendments to the Constitution as set out in this report.

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