West Surrey Shadow Authority		
Report title: West Surrey Council: Budget Procedure Rules and Budget Setting Protocol		
Report to: Constitution Working Group Standards Committee		
Date: Constitution Working Group – 29 October 2026 Standards Committee – 2 November 2026		
Executive Portfolio Holder: Cllr Victoria Kiehl & Cllr Leslie Rice		
Report of: Susan Sale, Monitoring Officer (interim)		
Report author(s): Susan Sale, Monitoring Officer (interim)		
Wards affected: All **Ward councillors informed:** No		
Exempt from publication: No		
Key Decision: No	**If a Key Decision, date registered on Forward Plan:** N/A	
Report cleared for publication by:		
People Workstream	N/A	N/A
Equalities Impact Assessment complete	N/A	N/A
Implementation Team Leader (or their delegate)	N/A	N/A
S151 Officer	Susan Sale on behalf of Vicky Radford	23 October 2026
Monitoring Officer	Susan Sale	23 October 2026
Executive Portfolio Holder consultation	Cllr Victoria Kiehl Cllr Leslie Rice	23 October 2026
Committee Chair consultation	Cllr Richard Wilson Cllr Joanne Shaw	23 October 2026
Head of Paid Service	Susan Sale on behalf of Andy Brown	23 October 2026

1. Executive Summary

1.1 The purpose of this report is to agree the Protocol and Procedure Rules for setting the Council's budget and council tax including proceedings at the February Budget Council meeting of the Shadow Authority, in order to facilitate the decision-making process.

1.2 If the Protocol and Procedure Rules are endorsed by the Constitution Working Group, and recommended by the Standards Committee for approval and formal adoption into the Constitution, the Shadow Authority shall be asked at their next meeting to adopt the Protocol and Procedure Rules into the West Surrey Shadow Authority Constitution with immediate effect, to be used at the February 2027 Budget meeting when the 2027/28 Budget shall be considered.

1.3 Further proposals, which may well be the same or similar, will be brought forwards to the Shadow Council in due course for the Council to approve arrangements for the post Vesting Day version of the Constitution, to be implemented from 1 April 2027 and used in February 2028 for the 28/29 budget setting process.

2 Recommendations:

2.1 That the Constitution Working Group:

2.1.1 **Considers the Budget Procedure Rules, as attached at appendix 1 to this report, and either endorses them or makes amendments before endorsing them, and recommending them to the Standards Committee; and**

2.1.2 **Considers the Budget Setting Protocol, as attached at appendix 2 to this report, and either endorses them or makes amendment before endorsing them, and recommending their them to the Standards Committee.**

2.2 That the Standards Committee resolves to:

2.2.1 **Approve the Budget Procedure Rules, as attached at appendix 1 to this report, including the tracked changes, and recommend approval of the Rules to the Shadow Authority for inclusion into the West Surrey Shadow Authority Constitution with immediate effect; and**

2.2.2 **Approve the Budget Setting Protocol, as attached at appendix 2 to this report, and recommend approval of the Protocol to the Shadow Authority for inclusion into the West Surrey Shadow Authority Constitution with immediate effect; and**

2.2.3 **Approve the Budget Procedure Rules and the Budget Setting Protocol, attached as appendix 1 as amended and 2 to the Shadow Authority in due course, for inclusion in the West Surrey Council Constitution, to be effective from 1 April 2027; and**

2.2.4 **Recommend to the Shadow Authority that a delegation be given to the Monitoring Officer to make minor and administrative amendments to the Budget Procedure Rules and the Budget Setting Protocol, and any consequential changes required elsewhere in the Constitution as a result of their adoption.**

3 Reason(s) for recommendation:

3.1 It is important that West Surrey Council, both in its Shadow format and after Vesting Day, has robust governance arrangements in place, relating to the setting of its annual budget.

3.2 The attached proposed Budget Procedure Rules and Budget Setting Protocol form part of the governance framework of the Council and by including them within the constitution, they provide good governance, clarity for all members, and transparency for the public.

4 Next steps

4.1 The Budget Procedure Rules and the Budget Setting Protocol will be considered by the Constitution Working Group on 29 October 2026.

4.2 If supported by the Constitution Working Group, both documents will be considered by the Standards Committee on 2 November 2026 where they will be asked to approve the documents and recommend them to the next meeting of the Shadow Authority for formal approval and adoption into the West Surrey Shadow Authority Constitution with immediate effect.

4.3 At a later date, likely to be early in 2027, the Standards Committee shall be recommending the formal adoption and inclusion of these documents to the Shadow Authority to be included in the West Surrey Constitution, effective from 1 April 2027.

4.4 The Constitution Working Group considered this matter at their meeting on 29 October 2026 and endorsed the proposed budget procedure rules in appendix 1 and budget protocol in appendix 2 and agreed to recommend them to the Standards Committee.

However, following the meeting, it was found that bearing in mind the schedule of meetings for West Surrey Shadow Authority in February 2027 for considering and determining budget matters, the deadlines for amendments and assessment of such amendments proposed in the procedure rules needed to be shortened. The Monitoring Officer has

therefore made tracked changes to the Budget Procedure Rules, as set out in appendix 1 to this report for the Standards Committee to consider.

5 Exemption from publication

5.1 None of this report is exempt from publication.

6 Background and Proposal

6.1 The Budget Council meeting is a special meeting of the Authority to set the Council Tax for each year and approve the General Fund and Housing Revenue Account budgets for the year ahead. In order to help councillors with the process and running of the meeting, and provide clarity for members of the public, Budget Procedure Rules and a Budget Setting Protocol have been developed. It is intended that both documents are formally adopted into the Constitution given their importance, and that the usual Council Procedure Rules be suspended for the Budget Council meeting.

6.2 The Procedure Rules and the Protocol are being recommended to the Council for adoption well before the Budget Council meeting in February 2027 so that Members can be fully aware of the procedure that will be followed, if they are approved.

6.3 The Procedure Rules propose that there shall be a limitation as to the number of amendments that relate to the budget, being the substantive proposal from the Executive and a maximum of three budget amendments from each Political Group on the Council.

6.4 The Procedure Rules also propose that there shall be a mechanism for proposed amendments to be cleared or allowed by the three Statutory Officers of the Council, so that they may be refused in appropriate circumstances, such as where the amendment, if agreed, would result in an unlawful budget.

6.5 The Procedure Rules also provide for a defined timeline for their clearance prior to the Budget Council meeting in order that safe and manageable decision making may be achieved, to enable finance officers to consider and prepare any advice in respect of any individual amendments and consider the consequences of various amendments should they be agreed, on the substantive proposal.

6.6 The budget proposals are firstly considered by the Executive who make proposals for a budget to the Council. Under the usual Council Procedure Rules, amendments may be permitted at the Council meeting considering a matter, provided they do not negate the motion, but this is not appropriate for amendments that impact on the budget, as they will require officer consideration and advice. Consequently it is necessary to

suspend the usual Council Procedure Rules at the budget Council meeting to enable the Budget Procedure Rules to prevail.

6.7 To further aid the achievement of an agreed budget, the Procedure Rules provide for the sharing of all accepted amendments from Political Group with Group Leaders in advance of the meeting. And a Group Leader's meeting is to be arranged and facilitated by the Chief Executive in advance of the Budget Council meeting with a view to aiding the conversation which will require compromise and may potentially result in the withdrawal or amalgamation of some amendments in advance of the meeting.

6.8 To further enable robust but agile decision making, the Procedure Rules provide that all amendments to the proposed budget are proposed and seconded, before there is one debate of the Council, on all proposals. Votes are then taken on each individual proposed amendment, before determining whether the substantive motion is amended or not, and then that is voted upon.

6.9 The Protocol is aimed at guiding and supporting councillors in their role when involved in setting the budget for West Surrey Council. It sets out the legal obligations of the Council collectively, and the risks and consequences of not setting a lawful budget, and offers practical advice.

7 Consultation

7.1 Consultation on the Budget Procedure Rules and the Budget Setting Protocol has been undertaken with the Leader and the relevant Portfolio Holders.

7.2 Consultation has also been undertaken with the West Surrey Council interim Statutory Officers.

7.3 Consultation on the budget proposals themselves will be undertaken in due course with the Overview and Scrutiny Committee, before the Executive proposes a budget to the Shadow Authority in February 2027.

8 Key Risks

8.1 The key risks of not setting a lawful budget are set out in Appendix 2 the Budget Setting Protocol.

8.2 Without the proposed Procedure Rules and Protocol, there is a serious risk of a lack of agile and robust decision making at the Budget Council meeting. It is highly likely that there would need to be a serious of lengthy adjournments to enable officers to consider amendments proposed during

the meeting, and their consequence and impact on the substantive motion.

8.3 Without the proposed Procedure Rules and Protocol, there is further risk that agreement would not be reached by the Council as to a lawful budget for the Council, as there would not be the opportunity for a facilitated discussion and negotiation to aid agreement prior to the meeting.

9 Options

9.1 To recommend the Budget Procedure Rules and the Budget Setting Protocol for approval and adoption into the West Surrey Shadow Authority Constitution with immediate effect – recommended.

9.2 To not recommend the Budget Procedure Rules and the Budget Setting Protocol for approval and adoption into the Constitution – not recommended.

10 Issues for consideration

10.1 Financial Implications

10.1.1 There are no financial implications arising from the adoption of the Budget Procedure Rules and the Budget Setting Protocol. The documents are aimed at facilitating a smooth but robust procedure for the budget and Council Tax setting process at the Budget Council.

10.1.2 Financial Implications of not setting a timely budget or determining Council Tax are set out within the Protocol.

10.2 Section 151 Officer Commentary

10.2.1 There are no additional comments to the report but verbal commentary will be provided by the Chief Finance Officer at the Standards Committee on 2nd November 2026.

10.3 Legal Implications

10.3.1 The legal implications of not setting a budget are set out within the Protocol.

10.4 Monitoring Officer Commentary

10.4.1 The adoption of clear Procedure Rules and a Protocol to support the meeting will assist councillors with the smooth running of the meeting

and support the Council to meet its legal obligation to set a budget within the statutory timescales.

10.5 People/Human Resources Implications

10.5.1 There are no people nor human resources implications arising from the proposals within this report.

10.6 Equality and Diversity Implications

10.6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

(a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
(b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

10.6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

10.6.3 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report. The Protocol and Procedure Rules have been drawn up to enable a full discussion of the budget and for all Members who wish to participate in the debate and budget setting process to be able to do so.

10.7 Climate Change and Sustainability Implications

10.7.1 The Protocol and Procedure Rules are intended to ensure the smooth running of the Budget Council meeting and to enable a budget to be set rather than having to reconvene the meeting on another day which would then have an impact in terms of the resources required for a further meeting.

10.8 Stakeholders Implications

10.8.1 There are none.

11 Overview & Scrutiny Comments

11.1 N/A

12 List of Appendices

12.1 Appendix 1: Proposed Budget Procedure Rules

12.2 Appendix 2: Proposed Budget Setting Protocol

13 List of Background papers

13.1 None