



OFFICER REPORT TO COUNCIL

AMENDMENTS TO THE CONSTITUTION

KEY ISSUE/DECISION:

Surrey County Council has a Constitution which is agreed by Members and sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that they are efficient, transparent and accountable to the residents of Surrey.

Council is asked to approve changes to the Constitution in relation to the 'call in' process and membership of the Shareholder Board.

BACKGROUND:

The Select Committee 'call in' procedure

1. The current Select Committee Call In procedure is set out in the Standing Orders of the Constitution (SO117-126). It currently states that a decision can be called in only by one of the following:
 - The Chairman of the relevant Select Committee or;
 - The Vice-Chairman of the relevant Select Committee or;
 - Any three Members of the relevant Select Committee comprising more than one political group.
2. When the 'call in' rules were first introduced, the constitution allowed for a larger number of Members on each select committee than are currently permitted. Following the recent decision to reduce the number of Members on each committee, the constitution of the new committees allows a total of 10 Members on each select committee. Application of political proportionality rules mean that each opposition group has only one allocated seat on each select committee.
3. Currently the chairmanships and most vice-chairmanships of select committees are held by members of the majority group. With most of the select committees comprising a maximum of two opposition group members, it could be seen that all three of the conditions for calling in a decision are more difficult to satisfy than previously. Leaders of the opposition groups have raised a concern that this means that they are disadvantaged should they wish to 'call in' a Cabinet or Cabinet Member decision.

4. Following discussions with Political Group Leaders, it is proposed that Surrey County Council should adopt the revised 'call in' process set out below in order for it to be deemed as fair and in line with political proportionality:

'A decision can be called in by:

- Chairman or Vice-Chairman of the relevant Select Committee or;
- Two Members of the relevant Select Committee comprising of more than one political group.'

Shareholder Board Terms of Reference

5. As part of its strategy to innovate in developing new models of delivery and to benefit from the freedoms introduced by the Localism Act, Surrey County Council has made investments and created trading companies to deliver income and efficiencies.
6. The Shareholder Board is an executive committee that has been established to safeguard the council's interests as shareholder and to take decisions in matters that require the approval of the Council as owner of a company.
7. The membership of this committee has been reviewed and the Chief Executive will no longer be a member of this board. As a result the Terms of Reference have been amended to reflect this. The revised Terms of Reference can be found at **Annex A** and Council are asked to approve them.

RECOMMENDATIONS:

- A. That Council approves the changes to the 'call in' procedure as follows:
'A decision can be called in by:
 - Chairman or Vice-Chairman of the relevant Select Committee or;
 - Two Members of the relevant Select Committee comprising of more than one political group.'
- B. That Council approves the change in Membership for the Shareholder Board as set out in the Terms of Reference at **Annex A**.
- C. That once approved, these changes be incorporated into the Council's Constitution and published on the Council's website.

Lead/Contact Officers:

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Sources/background papers:

Constitution of the Council

8.12 SHAREHOLDER BOARD

8.13 Membership

The Leader of the Council, the Deputy Leader and the Cabinet Member for Corporate Support. The quorum for the board will be a minimum of two members.

8.14 Terms of reference

The Board will:

- (a) have the power to appoint and remove Company Directors
- (b) approve and monitor Company Business Plans
- (c) approve the allotment of further shares in a Company (whether to third party shareholders or the Council)
- (d) exercise any reserved powers in the Articles of a Company
- (e) endorse any amendments to Company Business Plans
- (f) periodically evaluate financial performance of a Company
- (g) agree significant capital or revenue investments proposed by a Company
- (h) determine the distribution of any surplus or the issue of any dividends from a Company
- (i) consider any recommendation from Company Directors to cease trading
- (j) report to the Council annually on trading activity
- (k) review the risks associated with trading activities.

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