



## OFFICER REPORT TO COUNCIL

### AMENDMENTS TO THE CONSTITUTION

#### **KEY ISSUE/DECISION:**

It is the Council's responsibility to approve changes to the Council's Constitution.

This report sets out proposed changes to the Officer Scheme of Delegation Scheme of Delegation (Part 3, Section 3, Part 3A) in relation to the delegation of Council functions, and proposed changes to the Financial Regulations (Part 5(2)). These are brought to Council for formal approval in accordance with Article 4.04(b) and Article 13.01 of the Council's Constitution.

#### **BACKGROUND:**

#### **CONTEXT AND SCOPE**

1. The Financial Regulations under Part 5(2) of the Constitution form part of the Rules of Procedure, and provide the framework of control, responsibility, and accountability for the proper administration of the Council's financial affairs. This review ensures that the Financial Regulations and Scheme of Delegation remain current and reflect changes in the Council's processes and procedures. The Financial Regulations were last updated in February 2020.
2. The proposed changes are the result of extensive consultation across Finance, Surrey Pension Fund, People & Change, Twelve15, Procurement and Legal Services.
3. The revised Financial Regulations were scrutinised by Audit and Governance Committee on 8 March 2023. On 27 February 2023, People, Performance and Development Committee (PPDC) proposed the amendments to the Scheme of Delegation relating to the special severance approval delegation.

#### **FINANCIAL REGULATIONS AND SCHEME OF DELEGATION AMENDMENTS**

4. The review has been limited to reflect current business practice. This review covers:

5. **Aligning current organisational changes, process and positions** applied to Page 3, FR2.2, FR2.10, FR2.17, FR6.3, FR6.7, FR11.1, FR13.7, FR15.4, FR18.1, FR18.3, FR19.1 – 19.6, FR22.6, FR23.5, FR25.1, FR 25.3, FR26.7.
6. **Rebranding, reflecting and providing greater clarity of current policies and strategies:** This updates terminology and policies (Front Page, Page 4, FR4.4) and provides clarity on a number of key governance outputs:
  - Thresholds and governance processes for capital scheme approval (FR11.2)
  - Purpose of the Budget Accountability Statement (FR2.12, FR12.1)
  - Purpose and differentiation of the Manager Assurance Statements (FR13.5), and
  - Differentiation of approval of non-severance claims, special severance claims and non-special severance applications (FR5.4 and FR5.5).
7. **External funding and partnership opportunities:** Since the previous review there has been a project to enable more effective identification of external funding and partnership opportunities. This change reflects the governance, advancements and available tools and support for Senior Officers (FR4.5 – FR4.7).
8. **Fees and Charges:** Updated to ensure a consistent approach to reviewing and approving annual changes to discretionary fees and charges (FR8.2 and FR8.3) and acknowledges requirements for statutory fees and charges (FR8.2). The amendments set out the approval processes required for changes to fees and charges (FR8.4).
9. **Agency, consultants and contractors:** This reflects the joint venture Connect2Surrey for interim staff (FR17.1). It also provides clarity on processes in respect of interim cover for permanent roles and interim resources for special projects or specific pieces of work (FR17.2 and FR17.3).
10. **Special and non-special severance approval limits:** The PPDC approved the process for Special Severance payments and the updated severance policy. The changes were required by the introduction of statutory guidance in May 2022 on the making and disclosure of Special Severance Payments by local authorities.
11. There are different delegation and approval limits for special and non-special severance. This reflects the significant differences between special and non-special severance due to disclosure returns and guidance. The delegation provides that the Chief Executive, in consultation with the Leader of the Council, as Chair of the PPDC will

sign off any special severance payments between £20,000 and £100,000 as required by statutory guidance.

12. The non-special severance applications process is unchanged however, an upper threshold of £150,000 for PPDC to approve has been implemented. The amendments to the Financial Regulations and Scheme of Delegation aligns the financial approval limits. The changes relate to Financial Regulation FR5.5 and Scheme of Delegation Part 3 Section 3, Part 3A – HR3 and proposed new delegation HR4 (existing delegations HR4 and HR5 will be renumbered).

<b>RECOMMENDATIONS:</b>
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- A. The amendments to the Financial Regulations and Scheme of Delegation, as set out, in Annexes 1 and 2 be approved.

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**Annexes:**

Annex 1 - Proposed amendments to the Financial Regulations

Annex 2 - Proposed amendments to the Scheme of Delegation

**Sources/background papers:**

Constitution of the Council

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