

Commercial Governance Review 2018

Member Task Group

Terms of Reference

Definition

The Commercial Governance Review Member Task Group is established in accordance with Protocol 2 of Part 5 of the Council's Constitution.

The Task Group is formally established by the Leader of the Council, who is responsible for appointing / removing Councillors to the group and selecting a Chairman.

Purpose

The Task Group has been established for a time limited duration to undertake a review of the commercial arrangements the Council has established in recent years. This is in accordance with the Executive Resolution on 29 March 2018, but it is explicitly acknowledged that the scope of the Task Group's work shall not be restricted to that which was set out in that Resolution.

It is intended that the review be completed by the end of September 2018.

Membership

The Task Group will be made up of 5 Councillors. Whilst there is no legal requirement to meet political balance requirements, the Task Group protocol states that membership should generally reflect the membership of the Council.

As a result the membership will include 4 (four) Councillors from the Conservative Group and 1 (one) other Councillor from another political group. Membership is set out in Annex 2.

Meetings

Meetings will be held on dates and at times agreed by the Chairman.

The conduct of the Task Group meetings shall be a matter for the Chairman.

In the absence of the Chairman, the Task Group shall elect a Chairman for the meeting.

Quorum

The quorum of the Task Group shall be not less than 3 (three) Members.

Voting

Voting at the Task Group shall be by a show of hands.

In the case of an equality of votes, the Chairman shall have a second or casting vote.

Decisions

All decisions of the Task Group shall be by way of recommendations to the Leader of the Council.

Attendance by non-Members

All Members have the right to attend a formal meeting of the Task Group but may only speak with the agreement of the Chairman.

Meetings will generally be held in private.

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Purpose

The purpose of the review is to examine the experience of the Council's commercial activities to date, to identify lessons which are relevant to and should be applied to its future commercial activities.

Scope

The Task Group will consider the arrangements in relation to all commercial activities that the Council is or has been involved in. This includes:

- Pathway for Care Limited
- RBBC Limited
- Greensand Holdings Limited
- Horley Business Park LLP
- Directly held Council investments (property and financial)
- Any known future commercial structures (e.g. revenues and benefits company)

Annex 1 sets out a non-exhaustive list of areas which the Task Group should consider.

Outcomes

The Task Group shall make recommendations on any changes that may be identified as a result of its work. This may include new policies / procedures, amendments to existing structures and revisions to the Constitution.

These will be reported to the Leader of the Council / Executive for consideration.

Stakeholders

There are a number of key stakeholders that need to be engaged in the review in order for it to be effective and deliver positive outcomes:

- Leader of the Council
- Portfolio Holders
- Overview & Scrutiny Committee
- All Councillors
- Company Directors (current and past)
- Monitoring Officer
- Head of Paid Service
- S151 Officer

Approach

As set out in the Executive Resolution, the Monitoring Officer will be the lead officer, managing the review.

It is proposed that an external consultant(s) be appointed to support Member workshops to ensure all stakeholders are engaged in the process. This will also ensure the process is seen as fair and unbiased.

Any negative contributory factors that are identified will not be attributed to named individuals or posts. The objective is to identify lessons learned for the future.

Specialised legal and/or accounting input may also be commissioned to assist with review of detailed questions.

The review should also seek to learn from how other Councils manage commercial activities and seek out best practice from across the sector and beyond.

Annex 1

The review should include the following considerations/elements of commercial activities:

- Roles and responsibilities
 - Within the company
 - Within the Council
- Company structures
 - Directors
 - Who?
 - Appointment process
 - Option for Non-Executive Directors?
 - Remuneration
 - Shareholder
 - Who?
 - How?
 - Clear and consistent structures and delegations
 - Conflicts of Interest
- Business plans and performance reporting
- Alignment to 5 Year Plan
- Criteria for future commercial activities
- Council Committee structures
 - What oversight is in place / should be in place
 - Council
 - Executive
 - Overview & Scrutiny Committee
 - Member Panel
- Access to information
 - Wholly owned companies
 - Joint venture companies
- Consistency of approach
- Proportionality and risk

Annex 2: Membership

Cllr Mark Brunt, Leader of the Council, has appointed the following Councillors to the Working Group

- Cllr Ellacott (Chairman)
- Cllr Harrison
- Cllr Lynch
- Cllr Parnall
- Cllr Walsh

Signed:

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Dated:

11 / 07 / 2018

