

**SOUTH EAST ENGLAND COUNCILS
EXTRAORDINARY EXECUTIVE MEETING**

Date: 14 July 2010

Subject: **South East England Councils' Constitution**

Report of: Paul Watkins, SEEC Secretary

**Recommendation:**

SEEC is recommended to agree changes to its constitution and approve the establishment of SEEC as an unincorporated association.

1. Introduction

- 1.1 The current SEEC constitution was written on the formation of the organisation in 2009. Primarily, SEEC was established as a membership organisation and representative body for local government in the South East. It also provided the statutory Leaders' Board required to work with SEEDA, through a Partnership Board, on developing a regional strategy for the South East.
- 1.2 While SEEC maintains its role as a membership organisation representing the views of local government, in the two months since the May 2010 General Election, there have already been significant changes in regional structures. These include removal of the CLG grant which funded a team of staff to advise the Leaders' Board on regional planning work. As a result the decision has been made to wind up SEERA Ltd, the company which employed those regional planning staff. The coalition Government has also made commitments to:
- Abolish regional plans.
 - Abolish top-down targets for local authorities, for example on housing.
 - Abolish SEEDA and introduce Local Enterprise Partnerships in its place.
 - Consult on abolition of the Government Office for the South East.
- 1.3 These policies mark a significant change in SEEC's operating environment, creating both opportunities and challenges. Changes to SEEC's constitution are required to enable the organisation to respond to these challenges and opportunities.
- 1.4 An immediate challenge is that if South East local authorities wish to continue to influence central Government policy and investment decisions it needs to establish and fund its own small officer team, as is already happening in other areas of the country. A decision in principle to support such an approach was agreed at the SEEC Extraordinary

Plenary on 16 June 2010. Recommendations of a member working group on required subscriptions and staffing recommendations appear elsewhere as agenda item Ex3 on today's agenda. An opportunity for SEEC is that it may be able to take ownership of assets, reserves and intellectual property following the wind up of SEERA Ltd.

- 1.5 The revised constitution has been drafted following legal advice on the most appropriate form of organisation for SEEC, the main areas that must be covered in the constitution and the financial management detail required to pave the way for SEEC to take ownership of SEERA Ltd assets. A full copy of the proposed new SEEC constitution is attached.

2. **Proposals for the new SEEC Constitution**

- 2.1 **Form of organisation** - It is proposed that SEEC becomes an 'unincorporated association'. This is a simple and cost effective form of organisation favoured by many trade associations and membership bodies. It has fewer legal requirements than other types of organisation (such as limited companies) and therefore is cheaper to run.
- 2.2 **Finances and the ability to hold assets** - As an unincorporated association, SEEC would be able to hold assets and property (including intellectual property), recruit staff, manage finances and receive subscriptions and other income in a dedicated bank account(s). The Executive Committee would have responsibility for agreeing financial regulations to govern SEEC activities and ensuring funds are spent solely to promote SEEC objectives. Nominal ownership and management of assets and income would be the responsibility of a small board of trustees, who would hold the assets and responsibilities on behalf of the wider membership. Appropriate liability insurance would be required for SEEC and trustees.
- 2.3 **Trustees** - Trustees would be appointed by the Executive Committee. The minimum requirement is two trustees but it is proposed that SEEC has five trustees who also form a management committee to oversee financial, property and recruitment matters on behalf of the Executive Committee and wider membership. It is proposed that the trustees/ management committee comprise five office holders elected at the SEEC AGM each year:
- Chairman
 - Deputy Chairman
 - Secretary/Treasurer
 - Two opposition party Vice-Chairmen.
- 2.4 **Objectives** - In order to be in a position to possibly take ownership of assets and reserves remaining after the winding up of SEERA Ltd, SEEC must demonstrate it has similar objectives to SEERA Ltd and will use those assets and reserves for the benefit of the South East as a whole. SEEC objectives are already similar to those of SEERA Ltd (with the exception of regional planning, which no longer exists).

- 2.5 **Membership and area covered** - No changes of substance have been made to these areas of the constitution. However, the notice period for withdrawing from SEEC has been extended to 12 months to recognise the fact that, by recruiting staff, SEEC will incur liabilities that require longer term financial planning.
- 2.6 **Representation** - The new constitution has provided the opportunity to clarify a number of issues relating to representation, nomination and substitutions. Clarifications include identifying certain external roles that exclude members from holding SEEC offices, and setting out clearer procedures for replacing members who resign or lose their eligibility to represent their council.
- 2.7 **Meetings, committees, voting and political balance** - The rules on party political balance, voting and allocation of seats by type of council are unchanged. The constitution removes reference to the former committees established as part of the previous regional planning structures. The Executive Committee remains and has power to establish new standing or time limited committees or working groups. There is also now provision for elected SEEC spokespersons to represent its views on particular topics. The constitution also now specifies how SEEC should notify members of important issues – for example meeting dates.
- 2.8 **Dissolution** - In order to possibly take ownership of SEERA Ltd assets, SEEC must change its current provision that distributes any remaining assets to its members if SEEC itself is dissolved as an organisation. Transfer of SEERA Ltd assets can only take place to an organisation that prohibits such distribution to its members. As a result the constitution has been changed to specify that SEEC assets on dissolution would be transferred to an organisation with similar South East-wide objectives or used for charitable purposes.

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