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Report to: Audit Committee

Date: 25 September 2014

Report Title: **Annual Governance Statement – Progress on Remedying Exceptions**

Introduction

The 2013-2014 Annual Governance Statement (AGS) was agreed by the June meeting of the committee and identified two areas for continued work and review as follows:

- a) The Leader's proposal for a further review of some aspects of the constitution to provide a clearer definition of member's responsibilities.

- b) Managing the risks of borrowing and income generation

This report updates on the progress made towards the areas of review highlighted by the 2013-2014 Annual Governance Statement as above.

Progress to Date

Review of some aspects of the constitution to provide a clearer definition of member's responsibilities : Ongoing

The AGS referenced the re-organisation of Portfolio Holder responsibilities and duties to more closely align them to the organisational structure of the Council and the introduction of Lead Members appointed to each Portfolio Holder to provide continuity and a wider inclusiveness. This new structure was implemented in May 2014 and is providing effective resilience and support.

Also in May this year the Leader amended his and other Cabinet members' portfolio responsibilities and added a new section to his own duties and responsibilities, including guidelines concerning what can be expected from him, and by members, when dealing with breaches of the constitution and code of conduct.

A report to the Selection and Constitutional Review Committee on 9 October will make a recommendation that the Constitution is amended to include a section on individual member's responsibilities when expressing views on behalf of the Council and another recommendation regarding members' participation in the government and management of the Council, including attendance at meetings to which they are appointed.

The Member Training Panel will make two recommendations to the Cabinet on 9 October. One will deal with the publishing of information on members' attendance at meetings and the other will recommend that information regarding the expected

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behaviour of members should be provided in the packs issued to all candidates prior to the elections next year.

Managing the risks of borrowing and income generation: Completed

This exception relates to principle four of the Annual Governance Statement, whilst also underpinning our plans for increasing income generation through an entrepreneurial approach, facilitated in part through prudential borrowing.

In July, Cabinet approved an Investment and Borrowing Strategy as part of a wider report on 'Informing the Next Five Years'. This strategy sets out the parameters to how associated risks will be managed, and sets an overall fiscal cap. The Overview and Scrutiny Committee were subsequently invited to review all of the plans included within this report, and so included consideration of the Investment and Borrowing Strategy in their August meeting. Recommendations from this task group are due to be considered again by the Overview and Scrutiny Committee in September.

Furthermore, no decisions on investment and borrowing in relation to capital projects will be undertaken without first being considered as an individual report by Cabinet.

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