

Agenda Item No: 4
Report To: Audit Committee
Date: 2 December 2014
Report Title: Annual Governance Statement – Progress on Remediating Exceptions
Report Author: Michelle Byrne, Funding and Partnerships Officer



Summary:	This report updates on the progress made towards the areas of review highlighted by the 2013-2014 Annual Governance Statement
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Key Decision: NO

Affected Wards: All

Recommendations: **The Cabinet be asked to:- Note progress made towards the areas of review highlighted by the Annual Governance Statement as detailed in this report**

Policy Overview: Each year the council must produce and approve an Annual Governance Statement (AGS). AGS are designed to summarise for members and residents the council's approach to governance and show how the council fulfils the principles for good corporate governance in the public sector.

Financial Implications: None

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Report Title: Annual Governance Statement – Progress on Remediating Exceptions

Purpose of the Report

1. To update on the progress made towards the areas of review highlighted by the 2013-2014 Annual Governance Statement

Issue to be Decided

2. To note progress made towards the areas of review highlighted by the 2013-2014 Annual Governance Statement

Background

3. Each year the council must produce and approve an Annual Governance Statement (AGS). AGS are designed to summarise for members and residents the council's approach to governance and show how the council fulfils the principles for good corporate governance in the public sector. The AGS needs to draw conclusions, based on evidence throughout the past year, about the effectiveness of the council's arrangements.
4. The 2013-2014 Annual Governance Statement (AGS) was agreed by the June meeting of the audit committee and identified two areas for continued work and review as follows:
 5. The Leader's proposal for a further review of some aspects of the constitution to provide a clearer definition of members' responsibilities.
 6. Managing the risks of borrowing and income generation
 7. 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

8. A report to the Selection and Constitutional Review Committee on 9 October made two recommendations regarding amendments to the constitution to include a section on individual member's responsibilities when expressing views on behalf of the Council, and a section on the obligation on all councillors to undertake duties and attend meetings to which they have been appointed

9. These recommendations were agreed and the appropriate additions have been inserted into Article 2.03 (page 12 mauve pages) of the constitution
10. The Member Training Panel made two recommendations to Cabinet on 9 October; one dealing with the publishing of information on members' attendance at meetings and training sessions and the other recommending that information regarding the expected behaviours of members should be included in the nomination packs issued to all candidates prior to elections.
11. Concerns were expressed at Cabinet that the publishing of members' attendance figures in isolation of other information could give a distorted impression to the public of the overall engagement and involvement of members. Concerns were also voiced over the proposal to include information on members' behaviour in nomination packs. It was felt that the information may be too prescriptive and that in any case, each political group already had its own expected performance standards for members.
12. In light of these concerns, Cabinet resolved that the recommendations within the report of the Member Training Panel be referred to the Selection and Constitutional Review Committee on 9 December.

Managing the risks of borrowing and income generation: Completed

13. 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.
14. In July, the Cabinet approved an Investment and Borrowing Strategy as part of the wider report "Informing the Next Five Years". The strategy sets out the parameters to how associated risks will be managed and sets a fiscal cap. The Overview and Scrutiny Budget Task Group was subsequently invited to review "Informing the Next Five Years" at its August meeting and reported its recommendations to Overview and Scrutiny Committee.
15. At its meeting on 23 September, the Overview and Scrutiny Committee recommended that the Cabinet was advised that the committee broadly supported Appendices A, B, C and E of the 'Informing the Next Five Years' report. Appendix E relates to the Borrowing and Investment Strategy.

Conclusion

16. Good progress has been made towards the areas highlighted for review by the 2013- 2014 Annual Governance Statement.

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