



To the Members of the Borough Council

Dear Sir/Madam

You are hereby summoned to attend a Meeting of the Ashford Borough Council to be held in the Council Chamber, Civic Centre, Tannery Lane, Ashford, Kent TN23 1PL on Thursday the 18th July 2013 at 7.00 pm.

Yours faithfully

T W Mortimer
Head of Legal and Democratic Services

Agenda

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1. Apologies	
2. To consider whether any items should be dealt with in private because of the likely disclosure of Exempt or Confidential Information.	
3. Declarations of Interest:- To declare any interests which fall under the following categories, as explained on the attached document:	1
1. Disclosable Pecuniary Interests (DPI)	
2. Other Significant Interests (OSI)	
3. Voluntary Announcements of Other Interests	
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4. To confirm the Minutes of the Council Meeting held on the 16 th May 2013	
5. To receive any announcements from the Mayor, Leader or other Members of the Cabinet	
6. To receive any petitions	
7. To receive any questions from, and provide answers to, the public (being resident of the Borough), which in the opinion of the Mayor are relevant to the business of the Meeting	
8. To receive, consider and adopt the recommendations set out in the Minutes of the Meetings of the Cabinet held on the 13 th June and the 11 th July 2013 (to follow)	2-11

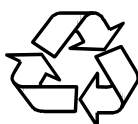
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9. To receive, consider and adopt the recommendations set out in the Minutes of the Audit Committee held on the 27 th June 2013	12-20
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13. To consider Motions of which Notice has been given pursuant to Procedure Rule 11	
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NOTE:- If debate on any item included within this Agenda gives rise to the need to exclude the press and public due to the likelihood of Exempt or Confidential information being disclosed the following resolution may be proposed and seconded and if carried, the press and public will be requested to leave the meeting for the duration of the debate.

That pursuant to Section 100A(4) of the Local Government Act 1972, as amended, the public be excluded from the meeting during consideration of this item as it is likely that in view of the nature of the business to be transacted or the nature of the proceedings that if members of the public were present there would be disclosure of exempt information hereinafter specified by reference to the appropriate paragraphs of Schedule 12A of the Act

KRF/AEH
10th July 2013

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Declarations of Interest (see also “Advice to Members” below)

- (a) **Disclosable Pecuniary Interests (DPI)** under the Localism Act 2011, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares a DPI in relation to any item will need to leave the meeting for that item (unless a relevant Dispensation has been granted).

- (b) **Other Significant Interests (OSI)** under the Kent Code of Conduct as adopted by the Council on 19 July 2012, relating to items on this agenda. The nature as well as the existence of any such interest must be declared, and the agenda item(s) to which it relates must be stated.

A Member who declares an OSI in relation to any item will need to leave the meeting before the debate and vote on that item (unless a relevant Dispensation has been granted). However, prior to leaving, the Member may address the Committee in the same way that a member of the public may do so.

- (c) **Voluntary Announcements of Other Interests** not required to be disclosed under (a) and (b), i.e. announcements made for transparency reasons alone, such as:

- a. Membership of outside bodies that have made representations on agenda items, or
- b. Where a Member knows a person involved, but does not have a close association with that person, or
- c. Where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position.

[Note: an effect on the financial position of a Member, relative, close associate, employer, etc; OR an application made by a Member, relative, close associate, employer, etc, would both probably constitute either an OSI or in some cases a DPI].

Advice to Members on Declarations of Interest:

- (a) Government Guidance on DPI is available in DCLG’s Guide for Councillors, at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5962/2193362.pdf plus the link sent out to Members at part of the Weekly Update email on the 3rd May 2013.
- (b) The Kent Code of Conduct was adopted by the Full Council on 19 July 2012, and a copy can be found in the Constitution at <http://www.ashford.gov.uk/part-5---codes-and-protocols>
- (c) If any Councillor has any doubt about the existence or nature of any DPI or OSI which he/she may have in any item on this agenda, he/she should seek advice from the Head of Legal and Democratic Services and Monitoring Officer or from other Solicitors in Legal and Democratic Services as early as possible, and in advance of the Meeting.

Ashford Borough Council

Minutes of a Meeting of the Ashford Borough Council held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **16th May 2013**.

Present:

His Worshipful the Mayor, Councillor R K Davidson (Chairman);

Cllrs. Adby, Apps, Bartlett, Mrs Bell, Bell, Bennett, Mrs Blanford, Britcher, Buchanan, Burgess, Chilton, Clark, Clarkson, Clokie, Davey, Davison, Mrs Dyer, Galpin, Heyes, Mrs Heyes, Hicks, Hodgkinson, Howard, Mrs Hutchinson, Link, Marriott, Miss Martin, Mrs Martin, Mortimer, Robey, Shorter, Sims, Smith, Wedgbury.

Prior to the commencement of the meeting: -

- (i) The Reverend Alan Dinnie said prayers.
- (ii) His Worshipful the Mayor said he would like to welcome Mr Richard Collins from Ashford Hospital Community Radio and advised that he had agreed that Mr Collins could record the meeting for broadcast at a future date.
- (iii) His Worshipful the Mayor also welcomed Councillor Jane Martin as the newest Member of Ashford Borough Council and former Mayors Mr Allen Wells and Mrs Palma Laughton who were also present this evening.

Apologies:

Cllrs. Adley, Claughton, Feacey, French, Michael, Taylor, Yeo.

Also Present:

Chief Executive, Deputy Chief Executive, Head of Legal and Democratic Services, Member Services and Scrutiny Manager, Assistant Communications Officer, Senior Member Services and Scrutiny Support Officer.

1 Election of Mayor

Councillor Howard nominated Councillor David Smith for election as Mayor of Ashford Borough Council for the forthcoming municipal year.

This was seconded by Councillor Sims.

Councillor Howard said he would firstly like to congratulate Councillor Davidson for his outstanding Mayoral year. He said his actions around the Borough had been exemplary and he knew that there were numerous people, groups and charities that would always be grateful for the work he had done for them. Now there was a considerable challenge for this Council – to fill the position that he would vacate this evening, but Councillor Howard believed he knew a man who could meet this challenge.

Councillor Howard said that unknown to many people in the Borough or even the World, there was a day of significant importance. On that day in 1904 the Daily

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Mirror began publishing and in 1924 the Daily Express published the first crossword. In 1936 on this day the first TV broadcast of the BBC took place and in 1959 the first section of the M1 was opened. Also, this day in 2000 saw the first crew of astronauts arriving on board the International Space Station. The 2nd November was that day that connected those events in our history. It was 1945 though that was the most significant of them all and not because it was the day Costa Rica officially joined the United Nations. The reason was that on that day a small baby boy was born and given the name David Smith. He joined the ranks of other great men who were born that year including Steve Martin, Eric Clapton, Tom Selleck, Bob Marley and "The Fonz" himself Henry Winkler. Perhaps in honour of this the Council should replace the Mayor's robe with a leather jacket, but if not at least we could be assured that with this Councillor's sense of humour 'Happy Days' were sure to remain in the Borough!

He said that after doing a lot of growing and learning, in 1961 Councillor David Smith finished his studies at Harvey Grammar School in Folkestone with 7 O Levels and was able to move in to his working life as a Trainee Accountant at Folkestone Council. After six years at Folkestone a well-qualified David was successful in becoming a Senior Accountant at Ashford Urban District Council. This first arrival in 1967 obviously proved an excellent fit because over the next 29 years David progressed through the ranks moving from a Senior Accountant, to a Principal Accountant, Principal Auditor, Principal Administrator and finally rising to the position of Principal Contract and Administration Manager. It was at this stage in 1996 that David decided to retire at the age of 50, something that those of Councillor Howard's age could only dream of, to have a long and relaxing time. However, obviously getting bored quickly, only a year later David went back in to the world of work at the London Scottish Finance Company, first as a Representative and then becoming a Branch Manager. In 2005 David decided at the age of 60 that this time retirement looked a bit more attractive, however it once again failed to launch and not even a year had gone by when David was found working as a self-employed Finance Manager and Consultant. Councillor Howard said he was pleased to report though that in 2007, at the third time of asking, David successfully retired.

However, before his loving and loyal wife Christine could start booking the holidays, much to the family's probable confusion at this point as to whether David was retiring or not, he started a whole new career as the Independent Borough Councillor for South Willesborough and it was a job he had carried out with the greatest integrity. Councillor David Smith had been a dedicated community leader who seemed to personally know every resident and was always on top of any issues that may be raised in his Ward. Councillor David Smith had also been an invaluable Member of this Council being able to provide many years of experience when he sat as an Officer in the Civic Centre. Colleagues had all enjoyed his stories and looked forward to him using those experiences to enhance the Mayoralty.

Councillor Howard said this was a man who was an inspirational figure and he stood before colleagues as proof as to how inspiring he could be. From the moment he had first seen this Councillor he said – "I must have that shirt and tie combination!" The bright colours that amazed and the patterns that were certainly ahead of their time. This Councillor had made his mark and had already established a tradition at Christmas where colleagues all waited to hear what festive tune would be played that year from his ensemble of ties. This Councillor's natural sense of humour was tremendous and was sure to raise smiles with anybody who came into contact with him.

He said that a connection both David and himself had was their passion for American sports and cars. David was an avid watcher of a sport where mostly men went round and round in circles all day long just for it all to change just before the finish - no, not the BBC Parliament channel or C-SPAN, but NASCAR and Indy Car! However, he must apologise as he had tried but they were not changing the Mayoral car to a Cadillac.

It was important to mention at this stage that the Mayor should always have a good support network around them and at David's side would be his most loyal and loving supporter Christine. She had always been there and could often be seen at Council events already. He was sure that all Members would agree that Christine would be an excellent Mayoress.

Councillor Howard said that the Borough was set for another exciting year ahead with Ashford acting as a beacon of excellence to the rest of the Country. With the arrival of John Lewis at Home, the development of the new Panorama building, the introduction of a new recycling service, and the opening of Conningbrook Park to name just a few, the Council needed a Mayor whose heart was dedicated to Ashford and believed in its future success and in Councillor David Smith he believed they had a man who would declare Ashford was 'Open for Business'. He said that David had been in this building serving the residents of the Borough for over 30 years, longer than nearly anyone, and was a great leader of his community. For this alone they owed him thanks. He had probably been in every part of the building and sat on every seat except one and he hoped the Council would resolve that today. He said it gave him great pleasure to nominate Councillor David Smith for the post of Mayor of the Borough of Ashford for the year 2013/14.

Councillor Sims began by congratulating Councillor Davidson and Daphne on their wonderful year in Office and being entertained each Thursday trying to work out which page of the Kentish Express their photograph was going to be on!

He said it was difficult to add to what Councillor Howard had said about David but being a relatively new Councillor he felt distinctly honoured to have been asked to second the nomination. He had wondered what to say as he did not know David's history and had only known him for two and a half years. He thought back to the first time he had met him and his good wife Christine and it was in a pub which was often a good start! They had all got on well and things were great but it was only afterwards thinking back on the experience that he realised he had met a person who could really affect you, because he had bought all of the drinks and that was most unusual as any of Councillor Sims' colleagues could tell you! In thinking up something to say to second the motion this evening, Councillor Sims said he had asked around for anecdotes and humorous tales about David from those who had known him longer. We all made faux pas in life but he had been unable to unearth any such stories about David. Being a cynical person, Councillor Sims said he may suggest that this was because he had been at the Council so long and come through Audit, he knew all of the skeletons in the closet and 'where all of the bodies were buried!' However he preferred to believe it was because people just didn't have a bad word to say about David, not only because he was a large, imposing and threatening person, but in all seriousness because they had the greatest affection and appreciation for him as a Ward Member, Council Officer, friend, neighbour and Trade Unionist. Councillor Sims said he believed Ashford would be very well served in the 12 months to come by its new Mayor Councillor David Smith. He therefore seconded the motion.

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There were no other nominations.

Resolved:

That Councillor David Smith be elected Mayor of the Borough of Ashford for the Municipal Year 2013/2014.

2 Declaration of Acceptance of Office by the Mayor

Councillor Smith made his Declaration of Acceptance of Office. The retiring Mayor, the Chief Executive, the newly elected Mayor and his Chaplain then left the meeting. Upon their return, having been invested with his chains of office His Worshipful the Mayor, Councillor David Smith assumed the Chair.

3 Appointment of Mayor's Chaplain

His Worshipful the Mayor said that his Chaplain for the coming year would be the Reverend John MacKenzie. The Reverend MacKenzie then said prayers.

4 Vote of Thanks by the Mayor for his Election

His Worshipful the Mayor began by thanking fellow Councillors for electing him to the position of the Mayor of the Borough of Ashford for the year 2013/14, and for the kind words of the mover and seconder. One thing that had only dawned on him that morning was that today was the 70th anniversary of the Dambusters raid and it was something special that his Election as Mayor coincided with the date of that remarkable event. This was something that he had been fascinated by as a child, so it had been a pleasure to discover that this morning.

He said he wanted to give his thanks to the Members of this Council and the previous one for all their support, friendship and camaraderie. It had been a great experience coming in to this Council Chamber. He also thanked friends and colleagues in the public gallery for coming this evening and their support in his roles as a work colleague, Trade Unionist and as a Councillor representing them meant a lot to him and it was a pleasure to see them tonight.

His Worshipful the Mayor said he had chosen two charities to support this year. The first of these was Citizens Rights for Older People (CROP) and he had invited Mr Frank Doyle, one of the Trustees, to say a few words to explain what CROP was all about. Mr Doyle congratulated the Mayor and Mayoress on their appointment and said that CROP was a free and independent advocacy service for older people in Kent. They were based in Lenham and Canterbury and covered the administrative area of Kent County Council. They helped older people in their own homes to maximise benefits, complete paperwork for them, help with pension credits and financial matters, housing matters and interface with Local Councils. They could also offer help in dealing with complaints, family conflicts and negotiating care or moving to sheltered accommodation. It was a free and independent service and whilst they did receive some funding from KCC they also relied on charitable donations. They were lucky enough last year to achieve the Queen's Award for Voluntary Service which was something they were proud of and they were thankful that the Mayor had selected them as one of his charities this year. The Mayor said his second charity was Folly. Councillor Bennett had always said that when he became Mayor Councillor Smith would support something involving "fur" or "feathers", but he was

wrong as Folly was about “fur and feathers”. They were different from most rescue centres as they looked after injured wildlife such as foxes who had been hit by cars, hedgehogs, pigeons etc. The Mayor said he had first come across them when he and Christine had nursed an injured pigeon back to health but it had become too humanised to be released in to the wild and Folly had helped him find a place where it could live out the rest of its life. He had found out that the pigeon now lived in someone’s private home - in an aviary during the day and the living room at night! Folly set up about 25 years ago when the founder took a hedgehog home and it all started from there, overtaking their house, garden and everything and they now had a purpose built animal hospital on an old nursery site. He and Christine had always supported them and he was pleased to say they would be his other charity this year.

His Worshipful the Mayor also wanted to remind everyone that his Civic Service, at St Mary’s Church Willesborough, would be on Sunday 9th June at 10am and he hoped to see as many friends and colleagues there as possible. Finally, he thanked colleagues again for his election and said he would do his best to do what colleagues had suggested he could do.

5 Vote of Thanks to the Retiring Mayor and Mayoress

Councillor Chilton began his speech by congratulating Councillor Smith on his appointment as Mayor of the Borough.

Councillor Chilton said it gave him great pleasure to propose the vote of thanks to the outgoing Mayor, Councillor Bob Davidson and his wife and outgoing Mayoress Daphne. He said if he may be permitted he would like to start by expressing a note of personal frustration at Bob’s departure and he thought that frustration was shared by many others in the Council Chamber and beyond. The frustration arrived from a rather unique experience. Over the past year they had all endured a complex and varied linguistic and paralinguistic journey, one unique to Local Government. This journey had thoroughly challenged and sometimes confused the ‘Nancy Southerners’. Now, just as some had just started to make sense of those great scot tones he so brilliantly espoused, Bob’s term as Mayor was coming to an end *‘Ach ne what a great injustice!’*

Bob and Daphne had attended in excess of 400 events over the past year despite the moratorium on the Mayoralty, 24 of which were in the Jubilee Week alone. They had both had an action packed year as Mayor and Mayoress of Ashford and Her Majesty the Queen’s Diamond Jubilee and the Olympic and Paralympic Games had been some of the highlights of their Mayoral year. He thought it was fair to say that it had been a unique Mayoral year and a year that was unlikely to be repeated with all its variety, pomp and ceremony and the many momentous events. To have been Mayor and Mayoress over the past year must have been a truly remarkable and memorable experience. As well as the great national events, Bob and Daphne had participated in many events here in Ashford. For example, members of the public might have been alarmed to see the Mayor of Ashford wandering about the town in his pyjamas one evening. Fear not, he had not completely lost the plot at that stage he was joining the Pyjama Walk along with Daphne raising funds for charity. Bob and Daphne had entertained dozens of Scouts and Girl Guide groups with hot dogs and ice cream in the Mayors Parlour – an excellent way of introducing democracy and local government to children in the Borough.

Councillor Chilton said that Bob, being “good looking and so refined”, was partial to a big spender, because when a Shirley Bassey impersonator asked for a twirl around

the dance floor at an event recently, Bob was very obliging. So obliging in fact, that he would not be surprised to see him strutting his stuff on Strictly Come Dancing before too long! It was also not a well-known fact that Bob and Daphne were in fact regulars down at Liquid & Hustle nightclub on a Friday and Saturday night. It had become known to him late one evening, or rather early one morning, as he emerged from one of those clubs to his utter horror, shock and amazement that there stood the Mayor and Mayoress of Ashford. As he slipped past, doing his best not to be noticed and at the same time remaining balanced in a relatively decent and sober state, he observed that all of the girls were with the Mayor. "Damn cheek" he thought, "what did he have that I didn't?" Then it hit him, a big bit of bling round his neck and a nice big silver mace! Joking aside, the work of the street pastors was something Bob and Daphne, and indeed all Members, supported and admired.

He said that as Members, if they valued the Mayoralty it was vitally important that they continued to support it by attending functions and events. He had personally enjoyed attending some of those events this year and the highlight was certainly the Burns Night where they had the unique experience of the Chairman of Kent County Council dancing the Ceilidh. He said Bob must also be commended for one thing in particular this year - facing a mighty foe, a staunch individual who sometimes tormented the Cabinet, much to his delight. Mr Relf had been a prominent figure of their proceedings and he thought certainly the relationship that had developed between Mr Relf and Bob was something that would certainly be remembered! Again though in all seriousness, in presiding over their proceedings he had always been courteous, inclusive and fair and they certainly thanked him for that.

Councillor Chilton said that this year Bob and Daphne, with the support of their fundraiser Mary Ashley, had raised in excess of £15,000 for their charities. A special mention and thanks was due to Mary for all her efforts and support. He thought it was the regular appearance of the Mayor's tombola at community events that ensured this staggering amount was raised. The Mayor's charities would benefit greatly from those funds. Homestart Ashford would be able to train some volunteers it needed to continue its work. Ashford Arthritis Care would be able to continue to support elderly people in need in the villages and Headway Ashford would receive support for its sensory garden. In these times of austerity, charities were having to do more work than ever and thus the funds raised would go some way to assisting those charities here in Ashford.

He said that Bob had achieved a tremendous amount this year and all the way through he had had the support of the outgoing Mayoress Daphne. He was confident that staff would certainly miss Daphne, as the once a month sausage and bacon butty round had become a popular treat that all enjoyed. He thought the Cabinet was going to have to find funds somewhere to ensure this great tradition continued and that butties stayed on the menu! Special mention must also be made for Daphne completing the 10K run – a great achievement that supported the fundraising objectives.

Councillor Chilton said that as Bob and Daphne's Mayoral Year now closed they could look back with some pride at what had been achieved. They had ensured Ashford remained on the map and had promoted the town and its people at every opportunity. Their hard work had paid off and their charities would benefit enormously from the funds they had raised. He knew they were now off for a well deserved break to the United States and when they returned he looked forward to welcoming Bob back to the opposition benches. He knew Councillor Adby would be particularly pleased to see his group double in size in a moment, bucking the

national trend of Lib Dem decline! Their support for all causes and community events had been tremendous. The fact that virtually no invitations had been declined was a credit to their commitment to the Office of Mayor and to the Borough and people of Ashford. He thanked them once again for all they had done.

Councillor Davison said he wanted to first congratulate His Worshipful the Mayor on his elevation to the Mayoralty. He said it was a privilege to second the vote of thanks to this most 'patrician' of Mayors and his Mayoress. They had promoted the name and interests of Ashford in so many areas and it had been a popular and successful Mayoralty. He was happy to second the vote of thanks.

6 Response by the Retiring Mayor

Councillor Davidson began his response by congratulating the Mayor on his appointment as the Mayor of Ashford. He said he also wanted to apologise as at the start of the meeting he had not mentioned former Mayor John Holland who was also present this evening and who he had not spotted.

What a year it had been but like all good things it had to come to an end. He said it had been a great privilege to be the Mayor of the Borough during such a wonderful and exciting year. He had had the pleasure of witnessing events such as the Olympic Games and the Diamond Jubilee, which had spawned so many occasions such the Olympic torch visiting Ashford, the International Youth Games at the Julie Rose Stadium and their various Fun Days, the lighting of the beacon and the school children's torch parade. In addition he had been part of the Stour Valley Arts projects, a Royal visit, meeting the new Archbishop of Canterbury, attending graduation ceremonies, setting up the commemorations for the 70th anniversary of the bombing of Ashford in partnership with Highworth School and so many other events in and around the Borough. Who could have asked for any more?

Councillor Davidson said it was also an honour to be part of the Civic Awards ceremony, with awards given to unsung heroes, all of whom deserved to be recognised for their input in to the community on a voluntary basis. The awards scheme also rewarded members of staff who had given the Council 25 years of service and these individuals also deserved to be recognised for their commitment and input to the organisation. There were also awards recognising the best designed buildings in Ashford and it was pleasing to see that recognition of such a high standard.

He said that having been a Councillor for 22 years one of his highlights had been being given the honour by the Housing Department of opening three new social housing developments and having two plaques and a tree put in place to indicate that he had opened these wonderful developments. Her Royal Highness the Princess Royal did say in conversations with the Mayor that she was well aware that Ashford had taken a lead in relation to social housing developments and congratulated the Council for moving forward. Many developers had also indicated to him that Ashford as a Council were good partners in such new developments. He had also been given the honour of opening the new orchard garden at the Watercress Fields Community Project as well as planting a tree to commemorate the opening. Plum, cherry, pear and apple trees were all planted and ready to blossom and may bear some fruit this year. He hoped this project would be taken on further in the future and there were many more areas that could benefit from such a scheme.

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Councillor Davidson said he felt he had achieved his goal of meeting business people, volunteers, community organisations and young people from across the Borough. He had visited schools, youth clubs and entertained young people in the Mayor's Parlour, demonstrating to them the role of the Borough Council. Over 300 young people had come to the Parlour and the visits had all been finished up with hot dogs and ice cream. He wondered why he had received so many requests!

As he had said at the beginning of this response it had been an amazing year. He had to say thank you to Daphne who had been with him all the way and enjoyed her role as the Mayoress. She had always ensured he was ready on time, dressed for the occasion and supported him throughout. He also had to thank Mary Ashley who had taken on the role of his charity fundraiser throughout the year. Thanks also had to go to Andrea Collard, his PA, who had ensured that everything was in order, given him direction in all that he had done and of course to Sandra, his Chauffer, who had ensured he always got to events on time and provided help and assistance when needed. He also wanted to thank Colin Leek who was not only the Mace Bearer but also gave up his time to play an important role when young people visited the Chamber, as well as the Monitoring Centre colleagues who had supported him throughout the year as well as everyone else in the Chamber tonight and the many others in the Borough who had been involved and supported him as well in his year as Mayor in one form or another.

Finally, he said that with regard to his three nominated charities, he could confirm that the figure now raised had risen to over £16,000 with still more to come in. So many people had helped him to achieve this. His only negative comment as outgoing Mayor was that it was important to try a bit harder to promote the Office of Mayor as being Mayor of the whole Borough of Ashford and not being seen by others outside the Borough as the Mayor of Ashford town. It was important to recognise that Ashford was the largest Borough in Kent and covered a wide area. Once again he wanted to thank everybody for supporting him and wished the new Mayor the best for the future.

7 Election and Appointment of Deputy Mayor

Councillor Galpin proposed that "Councillor John Link be elected Deputy Mayor for the Borough of Ashford for the ensuing year".

This was seconded by Councillor Davidson.

There were no other nominations.

Resolved:

That Councillor John Link be elected Deputy Mayor of the Borough of Ashford for the Municipal Year 2013/2014.

8 Declaration of Acceptance of Office by the Deputy Mayor

Councillor Link made his Declaration of Acceptance of Office. The Deputy Mayor was then invested with his chains of office.

9 Minutes

Resolved:

That the Minutes of the Meeting of the Council held on the 18th April 2013 be approved and confirmed as a correct record.

10 Selection and Constitutional Review Committee - 7th May 2013

Councillor Clarkson proposed that “the Minutes of the Selection and Constitutional Review Committee held on the 7th May 2013 be approved and adopted”.

This was seconded.

Resolved:

That the Minutes of the Meeting of the Selection and Constitutional Review Committee held on the 7th May 2013 be approved and adopted subject to the following:-

- (i) Member Training Panel – Councillor Mortimer be appointed as Vice-Chairman.**

11 Cabinet – 9th May 2013

Councillor Clarkson proposed that “the Minutes of the Meeting of the Cabinet held on the 9th May 2013 be approved and adopted or noted as appropriate”.

This was seconded.

Councillor Marriott referred to Minute No. 430 – Energy Saving Budget and Proposal for the Civic Centre. He said that the Minutes stated that the initial cost would be £60,000 but he considered that the project could be delivered for £40,000 so he believed it would be helpful to amend the sum to that figure to provide improved transparency for the informed community for this excellent project work.

Councillor Clarkson said he was grateful to his colleague for his intervention on this matter and he had been in communication with him beforehand, but the Cabinet Minutes showed that this was an indicative figure, allowing the Council to have enough money in reserves to complete this programme. They had not yet tendered for this work, nor had they yet specified the work needed. He had said in his communications with the Councillor that he was minded to refer this matter to the Overview & Scrutiny Committee because this Council had a great reputation for prudence in its financial management. They had not invested in Icelandic Banks, they had one of the lowest Council Taxes in the country, they had sound balances, and they were renowned for financial prudence as evidenced by the District Auditor’s annual report. This particular proposal had been supported by all parties in the Chamber and he had already spoken to the Chairman and Vice-Chairman of the Overview & Scrutiny Committee and he could assure his colleague that the matter would be reviewed by them and not a penny more would be paid from reserves than was absolutely necessary. Equally, the Council had to be prudent and allow sufficient reserves to be able to carry out this important ‘spend to save’ work which

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would save them a lot of money, energy costs and reduce the Council's carbon footprint in the long run. There was no value in amending the Minute as if there were insufficient funds in reserves to carry out the work they would have to go through the process again which would cost a great deal more money.

Councillor Marriott said he was happy that the point had been made that the job could be done for £40,000 and that the diligence of the Officers would provide that so he was not proposing any amendment to the Minutes.

Resolved:

That subject to the expiry of the period for which decisions arising from the meeting of the Cabinet held on the 9th May 2013 may be called in, i.e. 22nd May 2013, the Minutes of the Meeting of the Cabinet held on the 9th May 2013 be approved and adopted or noted as appropriate.

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Cabinet

Minutes of a Meeting of the Cabinet held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **13th June 2013**

Present:

Cllr. Clarkson (Chairman);

Cllr. Claughton (Vice-Chairman);

Cllrs. Mrs Bell, Mrs Blanford, Galpin, Heyes, Howard, Robey, Shorter.

Apologies:

Cllrs. Hicks, Marriott, Michael, Smith.

Also Present:

Cllrs. Bennett, Britcher, Chilton, Clokie, Davison, Mrs Dyer, Mortimer, Sims.

Chief Executive, Deputy Chief Executive, Head of Planning and Development, Head of Legal & Democratic Services, Head of Cultural and Project Services, Head of Customers, Homes and Property, Head of Business Change and Technology, Principal Solicitor – Strategic Development, Finance Manager, Policy and Performance Manager, Cultural and Youth Projects Leader, Assistant Communications Officer, Member Services and Scrutiny Manager.

31 Minutes

Resolved:

That the Minutes of the meeting of the Cabinet held on the 9th May 2013 be approved and confirmed as a correct record.

32 Adoption of the Housing Framework 2013-18 and Homelessness Strategy 2013-18

The report sought Cabinet approval of the Housing Framework 2013-18 and the Homelessness Strategy 2013-18 and recommended that they be adopted by Council. The report also gave an update on the outcome of the public consultation and subsequent amendments to the Draft Housing Framework.

The Head of Customers, Homes and Property said that the report largely advised that work was continuing as normal in terms of the delivery of homes and raising standards. She explained that paragraph 6 of the report set out the five overarching

priorities of the Housing Framework, and in paragraph 9 the priorities of the Homelessness Strategy.

Recommended:

That the Housing Framework 2013-18 and the Homelessness Strategy 2013-18 be approved.

33 Trading Companies

The report sought approval to the creation of two Local Authority Companies as outlined in the Business Plans set out in the Exempt Appendices for a Property Company and a Building Consultancy Company and for the Council to enter into the appropriate legal documentation and shareholders' agreements to set up the Trading Companies.

The Portfolio Holder said that he believed that this was an exciting opportunity for the Council to act in an entrepreneurial way and that it was a real business opportunity. He also drew attention to paragraph 6 of the report which explained that steps were being put in place to ensure that the company was set up to ensure a level playing field with the private sector.

In response to a series of questions from the Chairman, the Head of Customers, Homes and Property confirmed that officers had taken both appropriate professional and legal advice which had also included discussions with tax specialists. She also confirmed that any properties owned by the Property Company would not be subject to the Right to Buy legislation. The Deputy Chief Executive also explained that he and the Finance Manager had been closely involved from a financial point of view and he was happy with the proposals. He also confirmed that issues regarding risk management were detailed within the report.

In response to a question as to whether the funding for the Property Company would be made available in one sum, or on a piecemeal basis, the Portfolio Holder confirmed that the funding would be issued in tranches on the basis of loans which could be secured and for which interest would be paid. He considered that this presented a very low risk to the Council. The Chairman also explained that the Council would borrow money from the Public Works Loan Board at a given rate, but it would be lent to the Companies at normal commercial rates. He also confirmed that the Property Company would have assets.

The Head of Customers, Homes and Property also explained that full discussions had been held with Unison who had been very supportive of the proposals set out within the report.

Another Member said that whilst he was pleased to see provision for possible appointment of two outside Directors, he asked that if the Companies had difficulty repaying the loan, would this be dealt with in a transparent manner. The Chairman advised that at the Selection & Constitutional Review meeting immediately prior to the Cabinet they had recommended the establishment of a Committee of the Cabinet which would monitor the performance of the Companies. The Head of Legal &

Democratic Services also advised that members of the Trading and Enterprise Board agreed to be set up by the Selection and Constitutional Review Committee would not be advised by officers appointed to the Company board when dealing with that Company's matters and its Members would not be Directors of the Companies concerned.

Resolved:

- That**
- (i) the Business Case as set out in Appendix 1 of the report for the Property Company and in Appendix 2 of the report for the Building Consultancy Company and the creation of the Companies be approved.**
 - (ii) Delegated Authority be granted to the Head of Legal & Democratic Services to complete all necessary documentation for the creation and registration of the Trading Companies, including the completion of the Shareholders' Agreement and agreeing the Company names for registration.**
 - (iii) Delegated Authority be granted to the Leader of the Council and the Chief Executive to enter into the documents mentioned at Recommendation (ii) above.**
 - (iv) the Governance Structure as set out within the report be approved.**
 - (v) the appointment of the initial Directors of the Trading Companies as set out in the report be approved.**

Recommended:

- That**
- (i) Delegated Authority be granted to the Head of Legal & Democratic Services and (i) Deputy Chief Executive and (ii) the Finance Manager to draft and enter into the loan agreements between Ashford Borough Council and the Building Consultancy Company and the Property Company respectively.**
 - (ii) up to £10m be loaned to the Property Company.**
 - (iii) the revised Prudential Indicators as outlined in Appendix 3 of the report be approved.**
 - (iv) a Budget of £20,000 for the set up costs of the Companies be approved which will be funded from Revenue Reserves.**

34 Policy for the Application and Deployment of New Homes Bonus (NHB)

The report sought Cabinet approval for the strategic objectives which would enable projects to come forward for New Homes Bonus (NHB) funding and approval to fund those projects listed on the schedule attached to the report for 2013/14.

The Chairman drew attention to the proposed increase of the Ward Member grant to £4,000 per member. The Portfolio Holder for the Town Centre and Urban Economy said he was delighted to see so many of the proposed allocations of the NHB linked to the prosperity and growth of Ashford.

Resolved:

- That (i) **the strategic policy objectives set out in (a), (b), (c) below be approved as the basis for agreeing projects to be funded by New Homes Bonus**
- (a) furthering and supporting economic development and growth throughout the Borough;**
 - (b) pursuing quality in homes, infrastructure and design;**
 - (c) supporting communities by making funds available for local initiatives, particularly in respect of culture, arts and leisure – all areas that support the growth and sustainability of the Borough.**
- (ii) **the previously agreed guiding principles for the use of NHB be noted.**
- (iii) **the funding proposed set out in the schedule attached to the report be agreed.**

35 Singleton Park Project in Partnership with Great Chart with Singleton Parish Council and Trust for Conservation Volunteers

The report explained the progress made on the design of the Park and sought Cabinet approval to negotiate agreements with the Great Chart with Singleton Parish Council and the Trust for Conservation Volunteers (the trading name of BTCV, formerly the British Trust for Conservation Volunteers), for future management, maintenance and equipment renewal. It also set out the estimated capital and running costs of the Park, the methods of funding those costs, and sought approval to allocate funding to the project.

The Portfolio Holder said she was pleased to see the project coming forward, and confirmed that the Parish Council and the Trust for Conservation Volunteers would take on various aspects of the maintenance of the site.

The Vice-Chairman said he noted with delight the involvement of the children from the school in the project.

Resolved:

- That (i) the allocation of Section 106 Contributions to the project as detailed in Sections 10 and 11 of the report be approved.**
- (ii) the procurement of the Park, (Phase 1 Infrastructure excluding play equipment) be approved using the S106 funds held by the Council and the procurement of the Park, (Phase 2 Play Equipment) after the relevant S106 Contributions from the Knoll Lane development are received by the Council.**
- (iii) authority be delegated to the Head of Cultural and Project Services and the Head of Legal & Democratic Services, in consultation with the Portfolio Holder for Culture and the Environment, to negotiate and enter into Leases to:-**
- (a) transfer play equipment ownership and maintenance of the formal play area and equipment renewals to Great Chart with Singleton Parish Council;**
- (b) transfer the maintenance of the informal green park space to the Trust for Conservation Volunteers, and any other agreements necessary to deliver the project.**

36 Conningbrook Country Park – Commercial Agreement

The report set out the proposed terms of a Commercial Agreement between the Council and Brett Aggregates Limited to facilitate the delivery of Conningbrook Country Park, its infrastructure and the enabling residential development applied for by Brett Aggregates Limited.

Tabled at the meeting was a further Exempt Appendix.

A Member referred to the Tabled Paper and said he was disappointed with the proposed apportionment figure set out within the paper.

In response the Chairman said there was only limited land that the Council was planning to dispose of and therefore it involved only a small sum of money.

Resolved:

- That (i) the principles of a Commercial Agreement with Brett Aggregates Limited be approved including the disposal of**

the land shown edged red on the plan attached to the report (subject to any changes which do not affect the principles set out in the report and are agreed by the Head of Cultural, Environmental and Project Services, in consultation with the Head of Legal & Democratic Services and the Chief Executive), on the terms set out in the report and the Exempt Appendix.

- (ii) the Head of Legal & Democratic Services, in consultation with the Head of Cultural, Environmental and Project Services, the Leader and the Chief Executive be authorised to finalise negotiations as to the detail of the Commercial Agreement and to enter into such agreement immediately before planning permission 12/01245/AS is granted as authorised by the Planning Committee on 15th May 2013.**
- (iii) the Head of Cultural, Environmental and Project Services be authorised to make appropriate arrangements with Ashford Leisure Trust and other occupiers to enable Brett Aggregates Limited to have possession of the land to be transferred when required under the Commercial Agreement.**
- (iv) the Head of Cultural, Environmental and Project Services be authorised to make all necessary arrangements with Ashford Leisure Trust, Kent Wildlife Trust, Mid Kent Fisheries and any other appropriate parties (such as graziers) for the management of the Country Park.**
- (v) the Chief Executive and the Leader (ex officio) be authorised to act as the Council's representatives on the proposed "Design and Contract Forum" and the Chief Executive be authorised to act in the proposed "Resolution Forum".**

37 Youth Development Activity (including Sk8Side Lease)

The report gave an update regarding Youth Development Activity in 2012/13 including results of the Kent County Council Youth Service Transformation Programme. It considered the partnership approach needed for effective and on-going local youth services and presented the areas that required the Council's support. The report also set out the proposed lease arrangements for Sk8Side for members' consideration.

The Portfolio Holder confirmed that the conditions of the Lease had now been agreed with the organisation which would run Sk8Side and he thanked the officers for all their hard work on this initiative. He believed that the report presented a chance to move forward and make Youth Development Activity sustainable for the next 5-10 years.

The Vice-Chairman said that the report showed that the future for youth in the Borough looked bright and clearly demonstrated that there were a number of activities that the youth could become involved with. He also asked what the latest position was regarding the former Stanhope Police Station Community Hub.

The Cultural and Youth Projects Leader said that there had been a planning application received in respect of the Stanhope Police Station and subject to it being approved it was hoped that it could open prior to the summer holiday period. The Ward Member said that there were other initiatives in the Stanhope area apart from the Hub which were being progressed such as ensuring that the library was kept open, work with the Ray Allen Centre and he said that he believed special appreciation should be shown to Moat Housing for their work in the area.

Resolved:

- That**
- (i) the achievements and developments of the Corporate Youth Priority work and the need to continue to support activity be noted.**
 - (ii) the negotiations to agree a favourable lease for Sk8Side including a subsidy contribution of up to £2,000 per annum for utility costs until 31st December 2015 from within the existing Cultural Services Budget be endorsed.**
 - (iii) the Head of Cultural, Environmental and Project Services, in consultation with the Portfolio Holder for Youth and the Elderly, be authorised to agree appropriate terms and conditions of the lease of Sk8Side in conjunction with the Head of Legal & Democratic Services and the Head of Customers, Homes and Property.**

38 Section 106 Cabinet Annual Monitoring 2012/13

The report set out the Section 106 activity for the period of 1st April 2012 to 31st March 2013 to show transparently how contributions were being collected and applied in a proper way and to demonstrate that the monitoring of Section 106 Contributions remained a very important resource stream.

The Portfolio Holder said that the report also demonstrated that the Planning Department often had to be pragmatic in terms of the settlement of Section 106 Agreements and by utilising claw back arrangements it had allowed such schemes as Charter House to commence.

Resolved:

That the report be endorsed and made available on line to provide information to the public and provide a transparent record of Section 106 activity over the last financial year.

39 To agree the Council's position on the Future of Further Education and Vocational Skills in the Borough

The report provided an update as to the current situation regarding the future of further education and training provision in Ashford and sought approval of a Council position that would inform discussions with potential new providers.

The Chairman of the Education and Vocational Skills Committee advised that the paper was largely an enabling report and said that if any funding was required in due course the Cabinet would be involved. The Portfolio Holder for Transportation, Highways and Engineering drew attention to some of the statistics set out in paragraph 10 of the report and said they needed to be addressed. He also said he was a little surprised that there was no mention of a possible University on the site.

The Chairman of the Education and Vocational Skills Committee said they were looking at taking the training of pupils from age 14 onwards and it was hoped that opportunities would exist to "staircase" to degree level. He also advised that he had asked both the Chamber of Trade at Tenterden and the Ashford Chamber of Commerce and Industry for their views on what they considered should be provided in any such facility. Other Members commented that in terms of the "lots" of provision at certain campuses Ashford was currently shown as being adjoined with Tonbridge and Tunbridge Wells. They considered that Ashford should be separate from those Authorities in the west of the county, as it had more in common with Dover and Folkestone.

The Portfolio Holder for the Young and Elderly advised that education had recently been added to his portfolio and he referred to previous comments made by youth in Ashford that they would wish to study and stay in Ashford and he hoped that this initiative would allow that to be achieved. He also indicated from the following year there would be additional students who would be seeking further education as the school leaving age was rising to 17 and then to 18. Another Member said he hoped that it would be possible to strive towards an establishment which could provide the skills industry needed.

Resolved:

- That**
- (i) the future provision in Ashford be offered via a self-sufficient college, albeit one that may be loosely federated with other institutions.**
 - (ii) the college offers an appropriate mix of FE, HE, apprenticeship and skill based offerings that meet the needs of local learners and employers.**
 - (iii) the aim of the Council to see the College operate from a redeveloped Elwick Road site be re-affirmed and that the Council was willing to look at innovative ways to support the relocation.**

40 Financial Outturn 2012/13 (Final)

The report detailed the final outturn position for the Budget for 2012/13 for both the General Fund and the Housing Revenue Account.

The Portfolio Holder advised that the report represented a successful budgetary year in that the General Fund had ended with a modest surplus. He referred to the figure setting out the surplus for the Housing Revenue Account and advised that this figure was incorrect and that it should be £1.069m. He thanked the report authors and all officers who had been involved throughout the budgetary year. He also said that there was a need to remain vigilant in both budget management and delivery during 2013/14 and in setting a prudent budget during the next six months for 2014/15. The Council's entrepreneurial activities (spend/invest to save) must form the basis of securing the Council's economic future as a well managed, financial adept organisation which relied less on the reduced Government grant.

Resolved:

- That**
- (i) the financial outturn for 2012/13 be noted.**
 - (ii) the budget roll forward requests as outlined in paragraphs 14-16 of the report be agreed.**
 - (iii) the transfers to and from reserves set out in Appendix A be agreed.**
 - (iv) the capital outturn of financing as set out in Table 4 of the report be noted.**

41 Village Caretaker Pilot Scheme

The report provided a history of the Village Caretaker Pilot Scheme as a whole and a background to the current pilot project in the Wittersham cluster. The report also explored the successes and issues of the pilot scheme and made proposals for the future.

The Portfolio Holder explained that the Pilot had given rise to a number of issues which had been examined, and she also explained that she had spoken to the Ward Members whose Wards had been within the trial areas. They believed that the scheme was very popular. However, the Portfolio Holder said that funding was key for this initiative and she referred to the three options in the report which would form the basis of the consultation.

The Chairman also advised that the Cabinet Members would have a further discussion on this particular issue.

Resolved:

- That (i) progress made on the Pilot Village Caretaker Scheme be noted and the approach taken to date be endorsed.
- (ii) the approach taken in the report, including the options for wider roll-out of the scheme as set out in paragraphs 36, 37 and 38 be approved as a basis for consultation with parishes in the forthcoming months.

42 Tenterden Projects Group – Recommendation to withdraw grant from the Tenterden Tigers Junior Football Club

The Portfolio Holder advised that he wished to withdraw this item from the agenda for further consideration.

43 Joint Transportation Board – Nomination of Membership

Resolved:

That the following Members be appointed to the Joint Transportation Board:-
Councillors Mrs Bell, Burgess, Claughton, Davey, Heyes (CH), Robey, Yeo.

44 Schedule of Key Decisions to be taken

The report set out the latest Schedule of Key Decisions to be taken by the Cabinet.

Resolved:

That the latest Schedule of Key Decisions as set out within the report be received and noted.

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Audit Committee

Minutes of a Meeting of the Audit Committee held in the Council Chamber, Civic Centre, Tannery Lane, Ashford on the **27th June 2013**

Present:

Cllr. Clokie (Chairman);
Cllr. Link (Vice-Chairman);

Cllrs. Marriott, Michael, Smith, Shorter, Taylor, Yeo.

Also Present:

Cllrs. Britcher, Chilton, Wright.

Deputy Chief Executive, Head of Personnel & Development, Head of Internal Audit Partnership, Audit Partnership Manager, Senior Member Services & Scrutiny Support Officer.

Steve Golding - Grant Thornton.

Prior to the commencement of the meeting the Chairman advised of a change of the order of business as per the Agenda.

56 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 5th March 2013 be approved and confirmed as a correct record.

57 Strategic Risk Review – Effective Workforce Planning

The report advised that following on from the informal meeting of the Committee in April when Members concluded that the Committee should more routinely have oversight of the individual risks on the Strategic Risk Register, a report on one of those risks had been proposed accordingly. Workforce planning was one of the Council's strategic risks and the report provided an opportunity to discuss its background and the mitigation plan. The plan focused on two issues: - succession planning and developing a strategic response to this need; and building a greater generic method operation to deliver important 'Best Service Resources Allow' business plan priorities.

The Head of Personnel & Development advised that the Council had recognised for a while that the age profile of the organisation meant there was a high risk of service continuity disruption from turnover due to retirement in the short to medium term. As a result Management Team had put in place a robust leadership development programme to enable succession planning for a number of future

management/leadership roles. There was also an issue of knowledge and passing that on to key posts/project leaders. Where there were known imminent retirements, opportunities for restructuring and grouping teams together, flexible management across teams to cover certain projects and generic working practices were all being looked at. Generic working and the “eyes and ears” idea was something that was intended to be rolled out across the Authority as opportunities arose.

The Chairman opened the item up to questions/comments and the following responses were given: -

- The state retirement age did not have much bearing on the Council as there was no longer a standard retirement age and people could work for as long as they wished. It would also not stop people retiring early if they wanted to.
- Personnel and Development (P&D) had spoken to Heads of Service to identify the areas most at risk and focused on the most important training and development needs first.
- Where changes to Services had been made it was difficult to compare ‘like for like’ because the make up of the new teams was very different, however the effectiveness of all re-organisations and the new arrangements would be the subject of future reviews. Members would have a role to play in those reviews.
- There was now a centralised training budget with the aim of maximising the benefit of a relatively small pot. The system had worked well but approaching a time where they wanted to make a concerted effort to up skill people, the budget would not go far. If common themes emerged P&D would try to deliver training internally to keep the costs down. Benchmarking the spend on training against other Councils to assess value for money could be done, as could a days per annum figure for training by grade, but the outcomes would of course be relative to budgets at other Councils.
- In terms of the current risk score of 4/3 and the target of 3/2, the Head of Personnel & Development said they were taking the issue seriously and she was confident of achieving the target.
- All Officers had a notice period and generally individuals who were retiring gave even more notice than that. Members expressed some concern that some of the notice periods for more senior members of staff were not long enough.

Resolved:

That the Committee note the current position with the Workforce Planning Strategic Risk.

58 Internal Audit Annual Report 2012/13

The report outlined the work of the Internal Audit Team over the financial year 2012/13 and the opinion of the Head of Internal Audit Partnership in relation to the Council's control environment in the context of the Annual Governance Statement. It also asked the Committee to decide whether the outcomes of the Internal Audit work and the other matters referred to in the report provided evidence of a substantial level of internal control within the Authority and of an effective internal audit, which would support the findings and conclusions shown in the Annual Governance Statement for 2012/13. The Head of Internal Audit Partnership introduced the report and explained that the recommendations had to be written in a certain way to meet the requirements of the Public Sector Internal Audit Standards (PSIAS).

The Chairman opened the item up to the Committee and the following responses were given to questions/comments: -

- PSIAS required an external assessment to be carried out to ensure that Internal Audit complied with those standards and that reliance could be placed on it. This had to happen once every five years but because Ashford was part of an assessment of the Internal Audit Partnership the cost of the assessment could be spread over the four Authorities.
- With regard to the Car Parking Enforcement audit, a Member said he hoped the performance benchmarking across Authorities did not encourage parking attendants to be over-zealous. He also asked about incorrect or misleading signage. The Audit Partnership Manager confirmed that part of the audit had included a review of the correctness of signage. The Deputy Chief Executive said he would also check this point.
- In terms of whistleblowing and similar issues, it was recognised that some of the policies were now quite old and had tended to be reviewed when issues arose. The existing whistleblowing policy was considered pretty sound but there was a need to ensure it still met best practice requirements. A report on that and other 'fraud type' policies would be coming to the September meeting. In terms of other policies such as anti fraud and corruption and money laundering, the objectives had not changed so they were still valid. Consideration had been given to suggesting a regular review period, but the key point to ensure was that they were well publicised and staff were aware of them. A Member said that rather than reviewing the policies themselves it was more important to ensure that the Council was compliant with them and that they were easily accessible and understood by staff. How far could the Audit Committee or Internal Audit go to gain assurance on these points? The Head of Internal Audit Partnership said when these policies were agreed there would be a need to build in a process for ongoing monitoring and publicity although that was not something they would generally do as auditors. Internal Audit would instead carry out periodic compliance audit reviews.
- With regard to the CCTV/Telescan audit seven of the nine recommendations had been agreed with and would be implemented. The Audit Partnership

Manager explained that the other two recommendations were low risk items therefore they were happy to accept that the Manager wanted to accept that low level risk. If Internal Audit felt that these were significant risks there would have been further dialogue.

- There had been some inconsistency of application against the scheme set out by Members for Ward Member Grants. The aim of highlighting this via audit recommendations was to help to ensure Members complied with scheme guidance. If the guidance was too onerous it should be reviewed. This was a new scheme and as it entered its second year the funds were increasing and the new scheme rules were being refined to be more relevant. This would be an ongoing process.
- The Portfolio Holder said he fully endorsed the finding under the Members Allowances Audit that the Members ICT Allowance needed to be used appropriately and in accordance with the provisions of the scheme.

Resolved:

- That**
- (i) the Head of Internal Audit Partnership's opinion that substantial reliance can be placed on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control be noted.**
 - (ii) the results of the work of the Internal Audit team over the period April 2012 to March 2013 as shown in Appendix A to the report be noted and this is the prime evidence source for the Head of Internal Audit Partnership's opinion.**
 - (iii) it be agreed that the summary of the work and the other matters referred to in the report supports 'the opinion' and that the report can be used to inform the Annual Governance Statement for 2012/13.**
 - (iv) the improvements in control that occur as a result of the audit process be noted.**
 - (v) the contents of the report provide evidence of an effective internal audit.**

59 Audit Committee Annual Report 2012/13

The report set out the Annual Report of the Audit Committee for 2012/13 to be submitted to Full Council.

The Committee agreed to add the establishment of the two new Trading Companies to the 'Future Challenges' section of the report and a minor typographical change was suggested under 'Areas for Development'. It was also agreed that from next year the report should include a Chairman's foreword.

The Committee considered that following Full Council the document should be made available to all Members as required reading in case they were ever needed to substitute at an Audit Committee Meeting and that it was provided as a matter of course to any future new Members of the Committee.

Resolved:

That subject to the comments made above, the format and content of the Annual Audit Committee report be agreed and the Chairman provides the report to a Meeting of the Full Council to demonstrate how the Committee has discharged its duties.

60 Annual Governance Statement 2012/13

The report explained that each year the Council must produce and approve an Annual Governance Statement that summarised the approach to governance, showed how its approach fulfilled the principles for good corporate governance in the public sector, and drew conclusions about the effectiveness of the Council's governance arrangements. The Statement would be published alongside the Council's formal audited financial statements which would be considered by the Committee in September. The Statement was submitted for the Audit Committee to approve on behalf of the Council. The format of this year's Statement had changed in an attempt to aid understanding and highlight key points and was designed to be more personal to Ashford Borough Council including, for the first time, an introduction from the Leader. The Deputy Chief Executive advised that five areas of significance for ongoing review had been identified and these were highlighted within the report.

The Chairman said he would like the Committee to be kept informed of any changes between now and when the Statement was signed off by the Leader and Chief Executive.

Resolved:

That the 2012/13 Annual Governance Statement be approved and signed by the Leader and Chief Executive as required by regulations.

61 Governance and Risk – Grant Thornton's National Research Reports

The report advised that at the last formal meeting of the Committee in March, the Council's External Auditors (Grant Thornton) had introduced two national reports they had issued that were of particular relevance and interest to the Committee and the Council. These were subsequently considered at an informal meeting in April where the general feeling had been that the Committee could be more proactive with regard to risk. Summaries of the reports and the conclusions from the informal meeting were included within the papers. The Committee was now being asked to endorse a number of actions designed to further evolve both the Committee's role in governance and the Council's arrangements more generally.

Members asked about the Medium Term Financial Plan (MTFP) and the role Members in general had to play. In the past there had been a MTFP Task Group but the monitoring role now appeared to be solely undertaken by Cabinet Members. Was there a role for this Committee? The Cabinet Member said the direction of MTFP and budget monitoring reports was something that was under discussion. The Head of Internal Audit Partnership said that in terms of risk an Audit Committee should seek assurance that this was being dealt with but it would not normally routinely receive budget monitoring reports and get too bogged down with the detail. If Members were unhappy with the overall process there were always opportunities to ask the Officers to report to the Committee. Mr Golding said that in terms of External Audit, they looked at strategic financial planning and there would be a report to the September Committee on the financial resilience of the Authority, so that should help provide some assurance from a third party.

The Deputy Chief Executive said that the Strategic Risk Register included a risk on 'Volatility of Income' and that could perhaps be expanded to include the MTFP and be a report to the next meeting.

In response to a question the Deputy Chief Executive said that following the "Towards a Tipping Point" national report, the Council had undertaken a self assessment of its current position related to a number of financial issues. Borrowing, for example, had been set at an 'Amber' level because they had to take a long term view in light of issues such as HRA debt, interest rates, notional depreciation etc. In each year's budget an additional £500k was allowed for borrowing, which was in essence unsupported, and a decision had been taken to use that for the next five years to deal with a growing backlog of property maintenance (repairs and renewals).

In terms of risk management more generally a Member said he had concerns that the MFTP seemed to be based on assumptions and he wondered who was monitoring those assumptions. Should there be regular reports back to the Committee? The Deputy Chief Executive said that as Section 151 Officer he had professional and statutory obligations to ensure that all Members understood risks and the dangers that ignoring those risks may cause. It was his duty to advise Members in such cases and it was a role he took very seriously.

Recommended:

That the conclusions set out in the table below be supported and the various actions, which respond to issues raised in the Council's External Auditor's national research projects on governance and risk, be recommended to Council.

Issue	Conclusion	Action
Question of non-elected member(s) representation on	Members concluded that this question should be re-visited after the 2015 election, and therefore by a new	No action recommended at this time

the Committee	administration	
Aligning Audit Committee work and Overview and Scrutiny work to support Council's priorities	Accepted the Committee should develop its role to further support the Council achieving its strategic objectives – see the next point concerning risk management. Also considered there should be a discussion with the chairman of the Overview and Scrutiny Committee to establish the potential for stronger alignment of the two Committees' work.	The chairs of this committee and the Overview and Scrutiny Committee have since met and there was agreement for a stronger alignment of work to support helping the council to achieve its overall priorities. For the O&S Committee it was viewed by its Chairman as providing welcome opportunities for productive reviews for the benefit of Members generally. Discussion to be held with the Leader and further ideas shaped.
Audit Committee's role in strategic risk management	Agreed the Committee should more frequently discuss the position regarding the identified strategic risks, with the various risk owners.	This action is starting with this Committee, and subject to review it would be the intention for each meeting to consider a specific risk(s).
Medium Term Financial Plan Risk	In view of the 'Tipping Point' report, Members felt it necessary to review the strategic risks concerning the medium term financial plan.	The Deputy Chief Executive was asked to bring forward a report to the next meeting.
Annual Governance Statement	Its presentation needed to be addressed, as well as ensuring it adequately reflected governance matters needing attention.	These points have been addressed in the draft annual governance statement included on the agenda for this meeting.
Annual Report	Members concluded the Council should produce an annual report that is web-enabled.	This is to be taken forward, given also the Leader's similar commitment for such a report.

<p>Developing members' awareness</p>	<p>Concluded that pre-Committee briefings should take place routinely before each Audit Committee, to provide opportunities for briefings and discussion of topical matters.</p> <p>It was also concluded that the Head of the Audit Partnership should circulate a 'skills matrix' to Committee Members to help determine Members' needs.</p>	<p>A programme is being developed.</p> <p>The Head of Internal Audit Partnership has this in hand.</p>
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62 Local Audit and Accountability Bill

The information report advised that in May the Government had introduced its Local Audit and Accountability Bill that had now had its second reading in the House of Lords. A summary of the Bill from the Local Government Association (LGA), including its own views on behalf of LGA members, was included with the report. Among other things the Bill would bring about the final closedown of the Audit Commission and introduce the requirement that Councils must then procure their own external audit including the requirement for an independent (non-elected) panel to make recommendations on this to the Council. The Bill also made other provisions that tightened the Council Tax referendum principles and provided the Secretary of State with an ability to determine if a Council's publicity was contravening a publicity code (the Secretary of State was particularly concerned about some Councils competing with local newspapers).

Resolved:

That the report be received and noted.

63 Grant Thornton's Audit Committee Update

The report brought the Committee up to date on Grant Thornton's progress in delivering their responsibilities as the Council's External Auditors. Mr Golding explained that the audit of the Council's financial statements would begin the following week and there would be an update on that to the September Meeting of the Committee.

Resolved:

That the report be received and noted.

64 Report Tracker and Future Meetings

Resolved:

That subject to the additional items discussed during the Meeting, the report be received and noted.

Queries concerning these Minutes? Please contact Danny Sheppard:
Telephone: 01233 330349 Email: danny.sheppard@ashford.gov.uk
Agendas, Reports and Minutes are available on: www.ashford.gov.uk/committees

Selection & Constitutional Review Committee

Minutes of a Meeting of the Selection & Constitutional Review Committee held in Committee Room No.2 (Bad Münstereifel Room), Civic Centre, Tannery Lane, Ashford on the **13th June 2013**

Present:

Cllr. Clarkson (Chairman);
Cllr. Cloughton (Vice-Chairman);
Cllrs. Bennett, Chilton, Davison, Mrs Dyer, Galpin, Howard, Mrs Martin, Robey, Sims.

In accordance with Procedure Rule 1.2 (iii) Councillor Sims attended as Substitute Member for Councillor Smith.

Apologies:

Cllrs. Davey, Davidson, Smith.

Also Present:

Cllrs. Mortimer, Shorter

Head of Legal & Democratic Services, Senior Member Services & Scrutiny Support Officer.

28 Minutes

Resolved:

That the Minutes of the Meeting of this Committee held on the 7th May 2013 be approved and confirmed as a correct record.

29 The Creation of a Trading and Enterprise Committee of the Cabinet

The report sought approval to the creation of a Trading and Enterprise Board, which would be a Committee of the Cabinet, to support the activities, oversee the governance arrangements and approve the trading activities of the two trading companies that were proposed to be set up by the Cabinet (Property and Building Consultancy). The recommendations would be subject to Cabinet agreement to form the companies later that evening. The Chairman explained that the Board should comprise of four Members of the Cabinet and one Member from outside the Cabinet as an observer.

A Member said that she had no objection to the principle of setting up the two trading companies, but she felt it was wrong that such companies and the Board monitoring

them would be set up by the Cabinet and comprised solely of Cabinet Members. She said in her view this was undemocratic and the Full Council should have the opportunity to discuss these matters as the Cabinet Members had a conflict of interest. She also stated that the Selection & Constitutional Review Committee itself had a majority of Cabinet Members but the Chairman explained that this was not the position – five Cabinet Members and seven non-Cabinet Members made up the Committee. She proposed that a decision on the formation of the companies and the Board should be postponed until Full Council could debate these matters fully, in an open forum and without Cabinet Members. The Chairman asked if this proposal was seconded but it was not.

Another Member said he had some questions about setting up the companies in terms of safeguarding. He felt he did not know enough about issues of ownership, shareholders, funding, Board Members and Directors and their duties and responsibilities etc.

The Head of Legal & Democratic Services clarified that the report in front of the Committee tonight was purely to set up the Trading and Enterprise Board and agree the Terms of Reference of that Board. The report to Cabinet later that evening proposed the establishment of the two trading companies and any questions relating to this could be dealt with at that meeting. Recommendations from the Selection report on the Board were dependent on the outcome of the Cabinet report. The Cabinet report set out the arrangements proposed for the two companies in terms of safeguarding. In terms of the Cabinet's remit, the functions proposed to be undertaken by the companies, (property assets and building consultancy), were Executive functions and as such the decisions were for the Cabinet. There was no conflict of interest. In terms of the Board, as a Committee of the Cabinet it could only be made up of Cabinet Members and it was not possible to have non-Cabinet Members on there, although there was a proposed observer.

A proposal to agree the recommendation in the report was moved and seconded and, in the absence of any earlier seconded motion, this was put to the vote and carried. In response to a question from a Member the Head of Legal & Democratic Services confirmed this was in accordance with correct procedure.

Recommended:

- That (i) subject to the formation of the Trading Companies, the Trading and Enterprise Board be created on the Terms of Reference set out in the report.**
- (ii) Cabinet note the creation of the Trading and Enterprise Board as outlined above.**

In accordance with Procedure Rule 15.5 Councillor Mrs Martin asked for it to be recorded that she had voted against the recommendation. She then left the Meeting.

30 Constitutional Issues

The report advised of the need to update on two minor issues arising from the previous Meeting of this Committee. The Chairman directed Members' attention to the Addendum Paper which advised of two further issues for consideration.

Resolved:

That it be noted that responsibility for Education and Vocational Skills should be added to the Portfolio for Youth and the Elderly.

Recommended:

- That
- (i) Councillor Sims take the Independent Group's seat on the Licensing and Health and Safety Committee.**
 - (ii) Councillor Mrs Bell be appointed as Chairman of the Parish Council Review and Polling District Review Task Group.**
 - (iii) the Terms of Reference of the Joint Consultative Committee be amended to reflect the Leader's wish to no longer be a Member of that Committee and Councillor Taylor be added to the membership of the Committee in place of Councillor Clarkson.**

DS

Agenda Item No: 11
Report To: Council
Date: 18th July 2013
Report Title: AUDIT COMMITTEE ANNUAL REPORT 2012/13
Report Author: Ian Cumberworth



Summary:	This report introduces the Annual report of the Audit Committee for 2012/2013
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Key Decision: No

Affected Wards: All

Recommendations: **The Council note the Annual Audit Committee Report 2012/13, setting out how the Committee has discharged its responsibilities.**

Policy Overview: Not Applicable

Financial Implications: Not Applicable

Risk Assessment No

Equalities Impact Assessment No

Other Material Implications: Not Applicable

Background Papers: Audit Committee Annual Report 2012/13

Contacts: ian.cumberworth@ashford.gov.uk – Tel: (01233) 330442

Report Title: Audit Committee Annual Report 2012/13

Purpose of the Report

1. To provide Members of the Council with evidence of the effectiveness of the Audit Committee.
2. The outcomes of the report provide further assurance for the Annual Governance Statement, which is signed by the Leader and the Chief Executive.

Background

3. The Annual Report is provided to Council in order to provide assurance that the role and function of the Committee has been met.
4. The role of the Audit Committee is to obtain assurance on the control environment of the organisation. The attached report sets out how the Committee has sought to achieve this.
5. The internal control environment comprises the whole network of systems and controls established to manage the Council in order to ensure that its objectives are met. It includes financial and other controls, and arrangements for ensuring the Council is achieving good value for money from its activities.
6. The Committee has produced an Annual Report for the Council in accordance with best practice.

Risk Assessment

7. Not Applicable

Equalities Impact Assessment

8. Not Applicable

Other Options Considered

9. An Annual Report is considered to be good practice, no other option could be recommended.

Consultation

10. The Audit Committee have been consulted and it agreed the Annual Report at its Meeting on the 27th June 2013.

Implications Assessment

11. Not Applicable

Handling

12. Not Applicable

Conclusion

13. The Committee is working effectively and is properly discharging its responsibilities.

Portfolio Holder's Views

14. The Portfolio Holder is a Member of the Audit Committee and supports the content of the Annual Report

Contact: Ian Cumberworth Tel: (01233) 330442

Email: ian.cumberworth@ashford.gov.uk

Audit Committee Annual Report 2012/13



ASHFORD
BOROUGH COUNCIL

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Ashford Borough Council

Audit Committee Annual Report – 2012/13

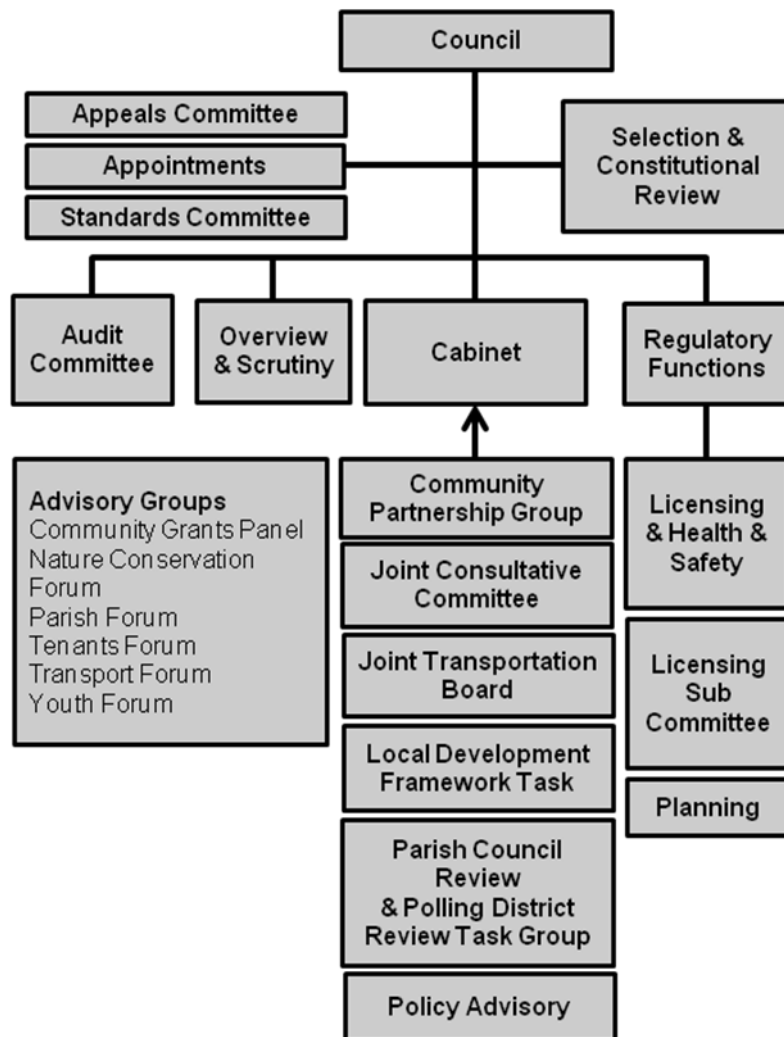
1. Introduction

The Council established the Audit Committee as a full committee with effect from December 2006. Whilst there is currently no statutory obligation to have an Audit Committee, they are widely recognised as a core component of effective governance. In recent years there has been a significant amount of regulation and guidance issued on governance arrangements for private and public sector bodies, the common feature of governance arrangements being the existence of an Audit Committee:

Audit Committees differ from the Scrutiny Committees in that the role of scrutiny is to review policy and challenge whether the executive has made the right decisions to deliver policy goals. The Audit Committee, however, exists to provide **independent assurance** of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and affects the control environment, and oversight of the financial reporting process.

The Committee **is not a substitute for the executive function** in the management of internal or external audit, risk management, corporate governance, stewardship reporting, internal control or any other review or assurance function. It is the Committee's role to examine these functions, and to offer opinions or recommendations on the way the management of these functions is conducted.

Ashford Borough Council – Committee structure 31st March 2013



There are many benefits to be gained from an effective Audit Committee. In fulfilling its role the committee will:

- raise greater awareness of the need for internal control and the implementation of audit recommendations;
- increase public confidence in the objectivity and fairness of financial and other reporting;
- reinforce the importance and independence of internal and external audit and any other similar review process (for example, providing a view on the Annual Governance Statement);
- Provide additional assurance to the Authority and its stakeholders through the results of its reviews.

2. Terms of reference and responsibilities

The Committee's detailed terms of reference are set out in the Council's Constitution and are based on the Chartered Institute of Public Finance and Accounting (CIPFA) model.;

Audit Activity

1. The Head of Internal Audit's Annual Report and Opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's Corporate Governance arrangements.
2. The summary of internal audit reports issued in the previous period.
3. Reports on the management and performance of the Audit Partnership Agreement.
4. Reports from the Head of Internal Audit on agreed recommendations not implemented within a reasonable timescale.
5. The External Auditor's Annual Management Letter and relevant reports.
6. Any detailed responses to the External Auditor's Annual Letter.
7. Specific reports as agreed with the External Auditor.
8. The scope and depth of external audit work and to ensure it gives value for money.
9. Liaison with the Audit Commission on the appointment of the Council's External Auditor.
10. The commissioning of work from internal and external audit.

Regulatory Framework/Risk Management

11. An overview of the Council's Constitution in respect of Contract Procedure Rules and Financial Regulations.
12. The effective development and operation of financial management, risk management and those elements of corporate governance within the remit of the Audit Committee.
13. Council policies on "raising concerns at work" i.e. whistle-blowing in the context of the Anti-Fraud and Anti-Corruption Strategy and the Council's complaints process.
14. To recommend the Authority's Annual Governance Statement for approval to the Executive. (Minute No. 531/5/10).
15. The Council's compliance with its own and other published financial standards and controls.
16. The External Auditor's report on issues arising from the Audit of the Accounts.
17. The ability to refer matters to the Overview and Scrutiny Committee for their consideration (Minute No. 62/6/09).

Note: The Overview and Scrutiny Committee has a similar provision to refer matters to the Audit Committee

Delegations

18. The approval of the Annual Statement of Accounts in line with the statutory Requirements including those relating to the publishing deadlines
 - . Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the Audit that need to be brought to the attention of the Council.

3. Membership

The Audit Committee comprises of eight members. The current Committee met on four occasions in 2012/13. Committee agenda papers and minutes are available on the Council's website www.ashford.gov.uk

Current 2012/13 Audit Committee Members

**Cllr Clokie
Chairman**



**Cllr Link
Vice-Chairman**



Cllr Wright



Cllr Smith



Cllr Taylor



Cllr Michael



Cllr Marriott



Cllr Yeo



4. Committee Attendance 2012/13

The Committee has been well supported throughout the year by both members and officers, and attendance records are set out in the table below.

Member/Officer	25/6/12	27/09/12	4/12/12	5/3/13
<u>Audit Committee Members 2012/13</u>				
Cllr Clokie (Chairman)	Y	Y	Y	Y
Cllr Link (Vice Chairman)	Y	A	A	Y
Cllr Taylor	Y	Y	A	A
Cllr Smith	A	Y	Y	Y
Cllr Marriott	Y	A	Y	A
Cllr Sims	Y	n/a	n/a	n/a
Cllr Michael	n/a	A	Y	Y
Cllr Wright	Y	A	Y	Y
Cllr Yeo	A	A	Y	Y
<u>Substitutes</u>				
Cllr Apps			Y	
<u>Officers</u>				
Deputy Chief Executive	Y	Y	Y	Y
Finance Manager	-	Y	-	-
Head of Internal Audit Partnership	Y	Y	Y	Y
Audit Manager	Y	Y	Y	A
Principal Accountant (Technical)	Y	Y	-	Y
Senior Member Services Officer	Y	Y	Y	Y
Investigations & Visiting Manager	Y	-	-	Y
Revenues & Benefits Manager	-	-	-	-
Senior Auditor	-	Y	-	-
Policy & Performance Officer	-	Y	-	-
Auditor	-	Y	-	-
<u>Audit Commission/Grant Thornton</u>				
Andy Mack	Y	A	Y	Y
Daniel Woodcock	-	Y	-	-
Debbie Moorhouse	-	Y	Y	-

Key: Y = Attendance, N = Non Attendance, A = Apologies Received, N/A = Not a Member

5. The Committee completed the following programme during 2012/13

Function/Issue	25/06/12	27/09/12	04/12/12	05/03/13
<u>INTERNAL AUDIT ACTIVITY</u>				
Operational Plan 2013/2014	-	-	-	Y
Public sector Internal Audit standards	-	-	-	Y
Annual Audit Committee report 2011/12	Y		-	-
Interim six monthly report 2012/2013	-	-	Y	
Annual Report 2011/12	Y	-	-	-
Internal Audit Progress report	-	-	Y	-
<u>EXTERNAL AUDIT ACTIVITY</u>				
Annual Fee Proposal	Y	-	Y	-
Certification of Grant Claims	-	-	-	Y
Progress Report/External Audit Update	Y	-	-	Y
Compliance with International Auditing Standards	Y	-	-	-
Audit Plan 2012/13 (Grant Thornton)	-	-	-	Y
Annual Audit Letter 2011/12	-	-	Y	-
<u>REGULARITY FRAMEWORK / INTERNAL CONTROL ARRANGEMENTS</u>				
Benefit Fraud Annual Report	Y	Y	-	-
Governance Statement action plan update	-	Y	-	Y
Future of Fraud Investigation Team				Y
Financial Statements				Y
Annual Governance Statement 2011/12	Y	Y	-	
Risk Management	Y	-	-	-
Strategic Risk Management Plans	-	Y	-	Y
Assurance from those charged with Governance				Y
Principles of Partnership Governance	-	Y	-	
<u>ACCOUNTS</u>				
Statement of accounts 2011/12		Y		
<u>FORWARD PLAN</u>				
Future Work Programme				Y
Tracker	Y	Y	Y	Y

Induction Training

The Committee has also received other training/briefing sessions during the year prior to the commencement of the formal meetings on areas such as IT.

6. Assurance

The Audit Committee has considered the following areas to assist it in gaining assurance of the governance arrangements within the organisation as part of its annual work programme.

Risk Management
<ul style="list-style-type: none">• Consider the effectiveness of the Authority's risk management arrangements• Seek assurance that action is being taken on risk-related issues identified by auditors and inspectors

This has been achieved by:

- Establishing a member/officer working group to review and develop progress on the development of Strategic Risk management within the authority.
- Participated in development of a revised Risk Register which has resulted in the establishment of a new revised Strategic Risk register.
- Receiving progress reports on Strategic risk areas, considering individual risks and their categorisation, and influencing the format and presentation of risk reports;
- Receiving progress reports on internal and external audit issues.

Internal Control assurance
<ul style="list-style-type: none">• Consider the effectiveness of the Authority's control environment• Be satisfied that the Authority's assurance statements including the Annual Governance Statement properly reflect the control environment and any actions required to improve it

This has been achieved by:

- Considering the review of internal control for 2011/12 and agreeing the significant issues to be included in the Council's Annual Assurance Statement for 2011/12
- Approving the Authority's Annual Governance Statement for 2011/12 and the action plan to address significant improvements. These were incorporated into the Improvement Plan and actions have been monitored by the Committee throughout the year;
- Received and considered the Annual Fraud report

Audit Activity

- **Approve (but not direct) Internal Audit's strategy; plan and monitor performance**
- **Review summary Internal Audit reports where they've received a 'limited' or 'minimal' assurance and seek assurances that action has been taken where necessary**
- **Receive the annual report of the Head of Internal Audit Partnership.**
- **Consider the reports of external audit and inspection agencies**
- **Ensure there are effective relationships between internal and external audit, and inspection agencies**

Internal Audit

The Committee has:

- Considered and agreed the Internal Audit Plan for 2012/13;
- Received and considered the Head of Internal Audit Partnership Manager's Annual Report for 2011/2012, including the opinion on the Authority's control environment which was incorporated into the Annual Governance Statement;
- Received reports on the Internal Audit team's progress against the Plan;
- Received reports setting out the position regarding the agreement of audit reports and the assurance opinions provided for each review area;
- Considered and agreed the Internal Audit Annual Plan for 2013/14

External Audit

The Committee has:

- Received and agreed the Annual Audit & Inspection Letter for 2011/12,
- Considered and agreed the Audit & Inspection Plan for 2012/13;
- Considered and agreed the certification of grant claim reports;
- Received progress reports on the action taken in response to external audit recommendations via the corporate improvement reports.
- Received progress reports on the abolition of the Audit Commission and the selection process/outcomes for the appoint of the new regional external auditors (Grant Thornton)

Accounts

- **Review the financial statements, external auditor's opinion and reports to members, and monitor management action in response to the issues raised by external audit**

The Committee has sought assurance by:

- Considering changes both to the format of the Accounts and the accounting policies used to prepare the accounts;
- Approving the Statement of Accounts for 2011/12 and later amendments;
- Receiving and considering the Annual Governance Report 2011/12, and agreeing the signing of the letter of representation by the Chairman of the Audit Committee, Deputy Chief Executive and the Leader of the Council;

7. Review of the Audit Committee's Effectiveness

It is regarded as best practice to periodically review the Audit Committee's effectiveness. In 2011/12 the Audit Partnership commissioned a peer review (Government & Improvement & Development (LGID) to be undertaken on the four partners Audit Committees covering the following elements:

- Terms of Reference
- Internal Audit Process
- External Audit Process
- Membership
- Meetings
- Training
- Administration

The committee considered this report and agreed to consider a number of the recommendations, the summary set out below provide an update of the current position

Ashford Borough Council

Strengths

- Well regarded chair and members
- Audit Committee has supported the Council to improve its financial position over the last three years
- Is now achieving greater independence
- Committee reviews its own effectiveness
- Committee well supported by officers
- Briefings are provided to Audit Committee members on topical issues
- Annual governance statement developed with member and officer Involvement

Areas for Development

- Risk reports need enhancing
- Committee should expand its governance assurance role to cover partnerships
- Audit Committee should produce an annual report of its activities and effectiveness
- Skills assessment and further development for committee members
- Council could consider appointing co-opted non-voting members
- Greater promotion of the role of the Audit Committee across the Council

8. Summary update

In response to this report the committee has already taken steps to address some of the issues raised as part of this review. The attached table/appendices updates the position as at 31st March 2013 on progress made to implement the review recommendations. Progress made in the last year is set out in italics in the final column.

ASHFORD BOROUGH COUNCIL – AUDIT COMMITTEE ACTION PLAN

N o.	Recommendation	Progress to Date	Comments/Current Position
1	To further explore the option of a co- opted Independent member sitting on the Audit Committee	Members determined to keep this option under review and consider this issue periodically to determine whether it would benefit the Committees needs. The constitution has been amended to allow the Committee to pursue this option at some future time if required.	<p>This option will continue to be reviewed by members to ensure that the needs of the Committee are effectively discharged. If it is determined at a future time that it would be beneficial to the Committee to appoint an independent (non elected) member appropriate action will taken to do so. <u>Update 31/3/13</u></p> <p><i>The committee will continue to keep this option under review however at the present time this option is unlikely to be taken forward.</i></p>
2	Produce the Audit Committees first annual report for 2010/2011	The <i>first Audit Committee Annual report was considered by the June (2011) Audit Committee and full Council in 2011. A similar report is to be published for the June 2012 meeting</i>	<p style="text-align: center;">Implemented <u>Update (31/3/13)</u> Subsequent reports have been generated for 2012 and 2013</p>
3	The Head of the Internal Audit Partnership will develop a training programme across the partnership authorities to ensure economies of scale and a co-ordinated training programme is delivered to Audit Committee members. to ensure they are appropriately equipped to discharge there responsibilities	Audit Committee induction training has been provided together with a number of other training opportunities which have been held prior to the Audit Committee meetings during the year (areas such as Governance/Accounts and Risk) via briefing sessions	<p>Implemented – Ongoing training will continue to be provided as when required.</p> <p style="text-align: center;"><u>Update (31/3/13)</u> <i>Audit Committee Members are to be requested to complete a training needs assessment questionnaire to assist in developing focused training/awareness initiatives for members.</i></p>
4	A report will be developed by the Head of Audit Partnership on the development of risk within Ashford Borough Council which will be brought forward for the committee for consideration	Officer member/working party established and risk workshops run to refresh the strategic risk register. Reports have been provided to Audit Committee members to update them on the progress being made; it is anticipated that the revised Strategic Risk register will come forward to this committee for consideration in the early part of the new financial year.	<p>Implemented – significant progress has been made with the support of the Audit Committee to develop a new Strategic Risk Register which should be formally adopted in the near future. <u>Update (31/3/13)</u> <i>In 2012 a revised Strategic Risk Register was established and adopted. Update reports have been considered by the Audit Committee to gain assurance that the risks are being</i></p>

			<i>appropriately managed and assessed. In addition members have agreed to examine one strategic risk in detail at each Audit committee meeting to gain ongoing assurance that the risk is being appropriately managed.</i>
5	Committee could expand its governance assurance role to cover partnerships	Members considered a report in March 2012 on Good Principles of Partnership Governance which will form the basis of a review of governance arrangements in key partnerships ABC is currently involved in.	<i>A report is proposed to be brought back to Audit committee in September 2012 with the results of this governance evaluation. <u>Update (31/3/13)</u> A report was brought back to Audit Committee in September 2012 setting out the governance arrangements in place in respect of key partnerships which were evaluated against Good Principles of Partnership Governance. https://secure.ashford.gov.uk/cgi-bin/committee/index.cfm?fuseaction=DocTrack.getAgendaDoc&AgendaID=15102</i>
6	Greater promotion of the role of the Audit Committee across the Council	The Annual Audit Committee report is considered by full Council setting out the work programme covered in the previous year and the work programme for the forthcoming year. In addition the Committee has the ability to escalate issues if necessary via an Audit Committee member who also sits on Cabinet.	Implemented

Future Challenges

The Audit Committee will continue with its existing duties whilst continually striving to achieve best practice where this is feasible and affordable.

ABC has recently agreed to establish two trading companies which are wholly owned subsidiaries of ABC along with associated governance frameworks.

The Chair of the Audit Committee attended a CIPFA Better Governance Forum Workshop / seminar on 'The Influential Audit Committee' on 16th January 2013. The workshop provided briefings on current developments relevant to the role of audit committees within public sector organisations.

A paper was considered at the March audit committee

<https://secure.ashford.gov.uk/cgi-bin/committee/index.cfm?fuseaction=DocTrack.getAgendaDoc&AgendaID=15733>

In response to some of those issues raised the committee held a workshop to draw up an action plan to specifically address a number of issues that will form part of future work streams;

A number of actions have already been implemented.

- Audit Chair has met with the Chair of Overview & Scrutiny Committee to co-ordinate work programmes to explore opportunities to co-ordinate work streams.
- To ensure members gain assurance that Strategic Risks are being actively monitored and reviewed it was agreed that risk would be incorporated as a standing item on the committees agenda so that an opportunity is provided for a look more closely at a specific risk at each meeting (effective from June Committee)
- Pre Committee briefing sessions would be re-instated to enable members to be kept abreast of relevant /topical issues and provide relevant training opportunities. (effective from June Committee)

It is anticipated that further initiatives will be considered and developed into the forward plan for consideration

9. 2013/14 Work Programme

- The Committee faces a challenging year ahead and the Committee's detailed work programme for the forthcoming year is set out below.

Function/Issue	27/06/13	26/09/13	03/12/13	xx/03/14
<u>INTERNAL AUDIT ACTIVITY</u>				
Operational Plan 2014/15		-	-	X
Annual Report 2012/13	X	-	-	-
Audit Committee Annual Report 2012/13	X	-	-	-
Interim Report	-	-	X	-
Strategic Risk review	-	X	-	X
Strategic Risk - considered	X	X	X	X
<u>EXTERNAL AUDIT ACTIVITY</u>				
Audit Plan	-	-	-	X
Fee Proposal	X	-	-	X
Grant Claims	-	-	-	X
2012/13 Accounts & Governance statement		X	-	-
Audit Plan 2013/14	-	-	-	X
Audit Letter	-	-	X	-
<u>REGULARITY FRAMEWORK / INTERNAL CONTROL ARRANGEMENTS</u>				
Benefit Fraud – Annual Report	-	X	-	-
Governance statement	X	-	-	-
Governance Statement - Action Plan	-	X	X	X
Performance Compendium	-	X	-	-
<u>ACCOUNTS</u>				
Statement of Accounts 2012/13	X	-	-	-
<u>FORWARD</u>				
Tracker	X	X	X	X

Agenda Item No: 12
Report To: Council
Date: 18 July 2013
Report Title: Overview and Scrutiny Annual Report
Report Author: Senior Scrutiny Officer



Summary:	The Council's constitution requires the O&S Committee to make an annual report to full council. This is the report for the Municipal Year May 2012 – April 2013.
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Key Decision: No

Affected Wards: None

Recommendations: **Council are asked to note the report**

Policy Overview: None

Financial Implications: None

Risk Assessment No

Background Papers: O&S Committee Agendas and Minutes from May 2012 – April 2013

Contacts: julia.vink@ashford.gov.uk 01233 330491

Report Title: Overview and Scrutiny Annual Report

Purpose of the Report

1. The Council's constitution requires the O&S Committee to make an annual report to full Council on the work they have undertaken during the year.
2. This report will give an overview of the work the O&S Committee and its Task Groups have been involved in during 2012/13.

Background

3. Under Section 21 of the Local Government Act 2000, the Overview and Scrutiny Committee has power to make reports and/or recommendations either to the Cabinet or to the Authority on any aspect of Council business. The Overview and Scrutiny Committee also has the power to make reports and/or recommendations about other matters which affect the authority's area or its population.
4. For the period covered by this report, the O&S Committee had 19 members, representing all political groups on the council, who worked together to ensure that the Council and its Services were acting effectively and efficiently. For subsequent years the Committee will be composed of 16 members. Reviews may be undertaken by the whole Committee or a Task Group.

Issues Scrutinised by the Committee since May 2013

5. Since May 2012 items considered by the main O&S Committee have included: -
 - ABC Business Plan quarterly performance report
 - Shared Space 3 year post implementation report
 - Post 2010 Mayoralty review – update on effect of changes
 - Apprenticeships
 - Listed Buildings
 - Presentation from the Ashford Clinical Commissioning Group on Health Care provision in Ashford Borough
 - Stour Centre – Biomass/CHP review
 - Briefing on Welfare reform
 - Community safety partnership update
 - Code of conduct for charity street collections.
 - The council's draft 2013/14 budget

Further information about some issues reviewed by the main committee/Task Groups (to read the full reports please see www.ashford.gov.uk/committees for agendas, reports and minutes of O&S meetings)

Budget Scrutiny

6. The Overview and Scrutiny Committee has a duty to scrutinise the council's draft Capital and Revenue budget. The Budget Scrutiny Task Group's remit was to ensure that the draft 2013/14 budget was achievable and in line with the council's 5 year business plan.
7. By the end of the scrutiny process the Task Group were confident that the Budget was achievable. The biggest potential risk was in relation to the introduction of the forthcoming Universal Benefit, the changes to the way Housing benefit was paid and changes to Council Tax support. The Task Group suggested five Recommendations for O&S to put to the Cabinet and the full Committee agreed these. At the subsequent Cabinet meeting all five Recommendations were Resolved. These recommendations included:-
 - Noting that the O&S Committee regarded the Council's draft 2013/14 budget as achievable;
 - Encouraging Portfolio Holders to attend the Budget Scrutiny meetings dealing with their relevant service areas; and,
 - In terms of the consequences of the Makro case, the Council to take a robust approach in countering claims which should, if necessary, include supporting lobbying to overturn case law and supporting any other council which challenges it in higher courts.

Review of changes made to the Mayoralty following O&S review in 2010

8. In May 2011 the amendments to the operation of the Mayoralty, as proposed by O&S and agreed by full Council in Dec 2010, were implemented.
9. These amendments included reduction of the Mayor's entertainment allowance, restrictions on the number/type of engagements which could be attended outside of the Borough, terminating the lease on the Mayor's car and using a private hire firm as and when necessary, and, as a result of deleting the Mayor's attendant's post, Mace bearing and other duties to be covered on an ad hoc basis by an employee of the Council.
10. When these amendments were agreed, O&S required a progress report, to review the situation, to be provided in September 2012.
11. The Mayor for 2011/12 and the Mayor for 2012/13 were both at the meeting when the review was presented to the Committee. The Mayor for 2012/13 had been Mayor before and so was able to compare the two regimes. In his opinion the conditions were not onerous and he found no difficulty working within the guidelines or the budget. He now only attended events outside of the Borough if it was a Civic or ceremonial event where his attendance to represent Ashford was essential. If he wished to attend other non-ceremonial events outside of the Borough, he funded these himself from his personal mayoral allowance. With regard to the arrangements with the private car hire

firm, he found these most satisfactory and commented on the professionalism and helpfulness of the private hire chauffeurs.

12. The Mayor for 2011/12 also said that he had no concerns over the reduced budget, but considered that the restrictions might discourage people from putting themselves forward for becoming Mayor.
13. Figures presented to the Committee showed that the cost of the Mayoralty was reducing - in 2007/08 the outturn on the Mayoral budget was £70,781, by 2010/11 this had reduced to £57,750. In 2011/12, following the changes, outturn was £43,225. The number of engagements also showed a reduction – from 287 in 2007/08 to 187 in 2011/12, however it was important to note that the number of engagements was more a reflection of the demand for, and capacity of, the Mayor to attend events. The number of events did not necessarily indicate high expenditure especially if many of them were within the Borough.
14. Overall the Committee were happy with the alterations to the budget and functioning of the Mayoralty as long as this did not diminish the Mayor's role as ambassador for the Borough.

Apprenticeships

15. Apprenticeships are work based training programmes designed around the needs of employers. They give rise to nationally recognised qualifications and can be used to train both new and existing employees.
16. Ashford Borough Council has an apprenticeship scheme, most of the training given is 'on the job' i.e. at the council's premises. The council currently offers two levels of apprenticeship –Intermediate level: a one year contract leading to a Level 2 competence qualification and Advanced level: a two year contract leading to a Level 3 competence qualification.
17. The Council has been offering apprenticeships since August 2008 and, at the time of presenting the report to O&S, 14 people had been employed as apprentices.
18. There is a National Minimum Wage for Apprentices (not to be confused with the National Minimum Wage) but employers are free to pay above that level if they wish, apprentices also have a statutory entitlement to 28 days paid holiday (inclusive of bank holidays) per year. The council pays slightly above the minimum wage for apprentices and provides for 30 days paid holiday (inclusive of bank holidays) per year.
19. The number of apprentices in the Council at any one time has to reflect what there was for them to do and how available other members of staff were to train them. In order to gain their qualifications, apprentices have to be offered good quality work in order for them to be able to demonstrate their competence.

Stour and Civic Centres – Biomass/Combined Heat and Power (CHP) for heat provision to the buildings.

20. In January 2013, the Cabinet approved the recommendation for implementation of the Stour Centre essential repairs and Proposed Invest to Save Project (including the choice of a CHP plant for heating and power supply to the buildings)
'subject to more sensitivity work being undertaken, and a reappraisal of the financial aspects of this scheme and subject to any recommendations following a review by the Overview and Scrutiny committee..'
21. A comprehensive review was carried out by officers including
 - A reappraisal of the financial savings and environmental benefits
 - A sensitivity analysis identifying the impact of changes in gas and electricity prices on predicted savings
 - A refreshed comparison of the pros and cons of the two systems
 - A visit with Members to see three Biomass boilers at leisure centres in the south east.
22. The findings from this review were that the use of biomass heating could generate local environmental and employment benefits if the wood fuel supply contact was won by a local firm, but the size of this contract would mean that it would have to be advertised in the European Journal which could mean that the wood might not even come from this country. Also, the use of Biomass would cost the council £140,000 more than its current utilities cost. However, the CHP option would save the council £1.384m.
23. Based on these significant savings the O&S Committee recommended that Cabinet confirmed its decision in January to proceed with the choice of CHP plant for heating and power and that consideration be made to using biomass boilers for other more suitable and less sensitive buildings. Both these recommendations were resolved by Cabinet.

Reviews on the Forward Plan

24. The Overview and Scrutiny committee sets its own work programme. Future reviews/other items on the Forward Plan include:-
 - Quarterly Updates on the ABC Business Plan performance
 - Refurbishment of the Stour Centre
 - Communication and consultation with the public (re planning policy)

The Future

25. The Overview and Scrutiny Committee's work is aimed at ensuring the effective and efficient provision of Council services for the residents of the Borough. However the O&S Committee can also act as a 'critical friend' in reviewing the services of other 'partner' organisations e.g. KCC.
26. With the agreement of the Chairman, items can be put on the O&S agenda following a request from Cabinet or another Committee (e.g. Audit). Members of the O&S Committee are also able to suggest items to the Chairman that he

may wish to put on the Committee's agenda – such items must represent a Borough wide perspective and provide the opportunity to influence, to improve services or contribute to policy development. The Chairman will then decide if the item is appropriate for O&S to consider and, if so, is there room on the work programme.

Conclusion

27. The Overview and Scrutiny Committee has received reports, commented on and made recommendations to Cabinet on a variety of issues which directly affect the Council or residents of the borough. Should the Committee consider that a decision made by the Cabinet is unwise then Members are always able to Call-in that decision.

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