

**MAIDSTONE BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**14 JANUARY 2013**

**REFERENCE FROM THE CABINET**

**PROPERTY INVESTMENT GOVERNANCE ARRANGEMENTS**

The Cabinet, at its meeting held on 19 December 2012, considered the reference of the Audit Committee seeking assurances that the property investment governance arrangements are sound and that controls are in place to minimise the risks to the Council associated with this new area of activity.

A copy of the Terms of Reference of the Member Advisory Panel and the Property investment Cabinet Committee are attached as an Appendix to this reference for the Audit Committee's information.

**RECOMMENDED:** That Audit Committee note that the Cabinet are satisfied that the governance arrangements relating to property investment are strong and democratic, taking into account that the decision is made by a Cabinet Committee with the Advisory Panel having no decision making powers but enabling an all-party involvement in the advice given to the decision making Cabinet Committee.

## **APPENDIX**

### **Terms of Reference of the Members Advisory Panel relating to Property Investment**

- To consist of 6 members politically balanced (for 2012/13):  
3 Conservatives, 2 Liberal Democrat, 1 Independent
- To meet as necessary as proposals come forward
- To consider specific business cases for potential property investment, analyse the risks and possible value and either reject, request more information or recommend to the Cabinet Committee that the proposals be brought forward for decision.
- The panel must have specific regard to the Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the decision of Cabinet, relating to possible prudential borrowing agreed at its meeting on 25 July 2012.

### **Terms of Reference of the Property Investment Cabinet Committee**

- To comprise three cabinet members who must be present:-
  - Leader of the Council
  - Cabinet Member for Economic and Commercial Development
  - Cabinet Member for Corporate Services
- Cabinet Members will be allowed to substitute
- To meet as necessary as proposals come forward
- To consider specific business cases for potential property investment and based on the view of the members advisory panel make the appropriate decision
- The committee must have specific regard to the Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the decision of Cabinet, relating to the possible borrowing agreed at its meeting on 25 July 2012.