

## RECOMMENDATIONS TO CABINET 26 SEPTEMBER 2023 FROM THE CORPORATE PERFORMANCE PANEL HELD ON 11 SEPTEMBER 2023

### CP51 **CABINET REPORT: MEMBERS ALLOWANCES SCHEME**

[Click here to view a recording of this item on You Tube](#)

The Chair, Councillor Dark drew the Panel's attention to the updated report which was available on Mod Gov following the publication of the Agenda.

The Assistant Director, Central Services presented the report which sought to agree the cost of living increase applied to Member's allowances for the 2023/2024 year. The Panel was advised that the Members Allowance scheme was reviewed on an annual basis and explained that under the current scheme any increase agreed was in line with the staff pay award.

The Panel was advised that the details of this year's staff pay award was set out in the report which had been agreed.

Members were advised that the report would be considered by Cabinet on 26 September and then by Full Council in October for approval. The Panel was invited to submit any recommendations to Cabinet.

The options considered were outlined as set out in section 2 of the report and the financial implications was set out at section 4.

The Panel was informed that there was a requirement to review arrangements for Members allowance and a separate report would be submitted for consideration during the Municipal year 2023/2024.

The Chair, Councillor Dark invited questions and comments from the Panel, a summary of which is set out below.

Councillor Dickinson commented that she was puzzled as to why the report was on the Corporate Performance Panel Agenda as there were no policy implications and nothing to scrutinise. Councillor Dickinson added that no mention of such a report was included in Standing Orders. Councillor Dickinson highlighted that the report had not been included on the Panel's work programme for 2023/2024 as reported to the last Corporate Performance Panel of the previous Administration and appeared from an unknown source. The Panel did not consider the report the previous year as the approval of the Members Allowances Scheme had been incorporated as part of the budget setting process except when the Independent Review Panel has looked at a different set of circumstances as in 2021/2022.

In conclusion, Councillor Dickinson stated that there was no reason why the Corporate Performance Panel should debate the report and

the matter should be left to Group Leaders to discuss with their Members and agree any increase in the scheme and should therefore be removed from the Agenda. In 2022 it was left to the Group Leaders to consider and determine the increase in the Members Allowances Scheme. Councillor Dickinson added that the Staff Pay Award had been debated at the previous meeting in exempt session but the Members Allowances Scheme was in open session and the Panel debated its own pay award appeared to be odd. It was noted that the amount of expenses Councillors were paid was in the public domain, Councillors expenses were published on the Council's website on a monthly basis and at the end of the year published under primary legislation was the amount of what each Councillor was paid as a basic allowance and any special responsibility allowance.

Councillor Long commented that his thoughts were in line with those made by Councillor Dickinson and provided an overview of previous arrangements for a review of Members allowances. Councillor Long advised that when he was Leader prior to Covid pandemic a policy position was made and the Members Allowances would be increased each year in line with the staff pay award. Councillor Long further commented that by not taking the route this time and putting on an automatic increase to what was a previously agreed amount and had gone through the Independent Panel was actually adding administration, scheduled meetings, a Cabinet report and to Full Council for something that was already Council policy. In conclusion, Councillor Long stated that he did not see why the item was on the Panel agenda and outlined the various options for the Panel to debate. Councillor Long explained the reasons why he thought option 1 was his consideration but whatever the automatic percentage was should be applied and Councillors should not be having this meeting.

Councillor Jones proposed than an informal cross party working group be set to look at where the 10% came from.

The Chair, Councillor Dark commented that his previous experience last year was that following guidance from the Monitoring Officer there was an existing policy in place and was a discussion amongst Group Leaders and a decision made. The report now being presented would incur an inherent delay by doing it this way to be forwarded to Cabinet on 26 September and Full Council on 19 October. The Chair highlighted that the staff pay award had been determined quickly and delivered and backdated to 1 April 2023.

The Chair, Councillor Dark concurred by the comments made by Councillors Dickinson and Long as to why the report had appeared on the Panel Agenda.

The Monitoring Officer addressed the Panel and explained that Members expenses was a full Council function. In response to comments made earlier in the meeting by Councillor Dickinson, the Monitoring Officer reminded the Panel of the decision at Full Council

who had set the financial parameters regarding inflation which would be set in line with the staff pay award. It was highlighted that last year was the first time the flat rate had been introduced and explained the reason why the report was not on previous agendas as it never been an issue until last year. The Panel was informed that there was a lot of variation throughout the country on the Members Allowance Scheme but last year a discussion had been made that any proposed increase was discussed and determined by Group Leaders of all political parties. The authority was looking for a resolution on how this could be implemented and explained that whilst the option was put forward of the Chief Executive making an operational decision, the discussion at the time was that it was not ideal for an officer to be making a Full Council function decision about what the interest would be and because there was a range of options and it is a Full Council decision, that it would be better to come through process for a Full Council decision and for Members to make that decision for themselves what was required rather than it being an officer decision.

The Monitoring Officer highlighted that the intention going forward if the Council was to bring in an Independent Review Panel, the recommendations would be drafted in a way that once a full review of Member expenses was that the inflation would be drafted in such a way that it would not be required to bring the scheme back on an annual basis but would capture a way of fixing it even taking in account the officer flat rate payment and anything else that would skew and gave an example of this year which had skewed the percentage.

Councillor Dickinson stated that she begged to differ with the comment made by the Monitoring Officer and outlined her understanding of Full Council approval of the scheme. Last year it was acknowledged that it was remiss not reapproving the scheme on an annual basis before the new legislation on 1 April. Councillor Dickinson added that going forward the scheme would be approved on an annual basis by Cabinet and Council when the budget was approved. Last year there was a similar staff pay award and a flat rate given in combination with a percentage but clarification was sought on the legislation and how it was interpreted and it was confirmed that the percentage was equivalent within the range for staff. With regard to the staff pay award 2023/2024 Councillor Dickinson commented that a precedent had now been set and highlighted the point that it should not be on the Panel agenda in order to save time and not waste the Panel's time debating the report when there was no requirement to do so.

Councillor Osborne added that he understood the comments made by Councillor Dickinson and outlined his interpretation and added that there were a number of variances which information could be interpreted. Councillor Osborne referred to the Monitoring Officer's interpretation in that Councillors should determine any increase in the Members Allowance Scheme and highlighted the policy implication.

Councillor Long referred to the current policy position in that an automatic increase would be made in line with the Staff Pay Award at a previous Full Council and had never decided to change the system and what had happened to set a percentage in order that it was more difficult to resolve and that the cost of living lump sum was factored in and added that if the calculation was changed time would be required to work out the average and explained that no Councillor receiving the highest special responsibility allowance would breach the threshold and have a smaller percentage.

The Chair, Councillor Dark asked the Monitoring Officer if it was wrong last year to offer advice on the parameters and the policy range for the staff pay award and reiterated that the Group Leaders had met and decided the increase and asked why the position had changed which now caused a delay for Councillors.

In response to the comments made by Councillors Dickinson and Long, the Monitoring Officer explained this was a national issue and some Councils operating a Members Allowances Scheme included provision in line with the staff pay award – median which was easy to calculate and implement.

In response to the comments made by Councillor Osborne, the Monitoring Officer explained that last year the Borough Council had a range of options for a Full Council decision which was to apply the rate of inflation in line with the staff pay award and not include the former delegation to the Chief Executive to determine the inflation rate. Last year it was an operational decision on the recommendation but a caveat was added that officers were not comfortable and that going forward it would be a Councillor decision to determine the rate of inflation and this was not clear because of the flat rate awarded. The Monitoring Officer advised that there were 4 options being presented to the Panel for consideration and for the Panel to put forward recommendations to Cabinet.

The Chair, Councillor Dark added that to tidy up the process it would be sensible for the Panel to put forward a recommendation to Cabinet with a comment on the concern raised on the delay of payment to Councillors.

The Chair, Councillor Dark invited the Leader to address the Panel.

The Leader provided background for the new Councillors on the Corporate Performance Panel and explained that last year a review was undertaken by an Independent Review Panel (IRP) but had been ignored but there would be another IRP coming forward this year. He added that he had no idea this had come to the Corporate Performance Panel and assumed it was the decision of the Chair and Vice Chair. The Leader added that the options were not simple and that it was a complicated process, 5% had been offered to officers, options 1 to 3 set out in the report allowed for 5% which was in the

budget and the highest rate for officers pay which is 10.38% and the median.

The Leader informed the Panel that option 4 had been added back into the report as Cabinet Members could not decide on 5%, 10.38% or nothing and it was there the intention for the 4 options to be considered at Full Council.

Councillor Long thanked the Leader for the response and commented that listening to views of the Panel on the proposed options it was now not possible to recommend that the decision be made by Group Leaders and suggested that the Panel recommend option 4 to Cabinet.

The Chair, Councillor Dark summarised the position of the Panel and the advice from the Monitoring Officer as to why the report was on the Agenda and the comments made by Councillor Long on it not being possible for a decision to be determined by Group Leaders and highlighted the 4 options available for the Panel to vote on with additional commentary on the delay to payments to Councillors.

Councillor Osborne, Vice Chair provided an overview as to why the item was on the Agenda and explained that it was agreed at a sifting meeting in August when the Chair and Vice Chair were present.

Councillor Dickinson stated that she had listened to the comments made by the Panel and the Leader and that the point was being missed and added that it was the wrong decision for all Councillors and referred to personal circumstances unlike officers whose job was likely to be the only income and the inflation rate applied, allowances were different and commented that there were a range of Councillors. It was noted that Independents favoured option 1 no increase but it was key not to debate Councillor's personal circumstances in the public domain. What was missing was that currently Councillors could revoke part or all of their allowances.

Councillor Devulapalli concurred with the comments made by Councillor Dickinson.

The Chair, Councillor Dark summarised the views of the Panel.

Councillor Osborne commented that this was a fair summary by the Chair and that Full Council would debate the 4 options available and consideration be given on the best way to vote.

Councillor Long added that he set the local levy on the Great Ouse and if the proposal was to increase the levy by a certain percentage and the majority agreed it was accepted and that budget provision may not had been made but the Committee determined the decision.

The Chair, Councillor Dark commented that the comments made by the Leader were helpful in the process going forward and emphasised that

if the Panel did not recommend an option to Cabinet there would be no steer in assisting Cabinet making a decision.

Councillor Long added that he appreciated the comments made by the Leader and outlined the options available for the Panel to recommend to Council. Councillor Long explained that he could see the logic for option 4 and added that Cabinet would then have comments from the Panel to assist in their debate as to which option to recommend to Full Council for debate by all Councillors.

Councillor de Whalley commented that he had listened to the discussion and highlighted the importance of looking to come to a solution next year if the flat rate was to be payable to staff and commented that a discussion with the Independent Review Panel to review how to go forward if a flat rate payment was included in the staff pay award rather than to Councillors to avoid any issues in future years.

Councillor Osborne commented that in his view perhaps the Council could think about medians as other Councils had applied and added that in the future the Council could adopt the median approach or an alternative to address the flat rate lump sum payment to staff.

Councillor Dickinson stated that heard the comments from fellow Councillors and felt that it was not for the Corporate Panel to come to a decision as to what happened in future years. If the median approach was to be considered Councillor Dickinson explained that she would like to see evidence to support that.

The Chair, Councillor Dark summed up the debate and invited the Panel to consider the 4 options.

Councillor Long provided an overview of the difference between employed staff and Councillors receiving an annual allowance.

Councillor Blunt suggested additional commentary – that a full review of the process be undertaken in order to assist in better decision making going forward.

The Chair, Councillor Dark commented that he understood the merits of an informal working group proposed by Councillor Jones but added that a potential way to go forward was the suggestion from Councillor Blunt as set out above.

The Panel agreed the way forward was to undertake a full review of the process, potentially as part of the IRP, so that we did not end up in the same position next year which was agreed by the Panel. Councillor Dickinson abstained.

The Panel voted on the four options available.

There were no votes for Options 1 or 2.

Councillors B Jones and J Osborne voted for Option 3.

Councillor Osborne outlined the reasons why he had voted for Option 3. Councillor Jones concurred with the reasons given by Councillor Osborne.

The Chair, Councillor Dark summarised his reasons for voting for option 4.

The Panel then voted on Option 4 (5 for, 2 against, 1 abstention).

**RESOLVED:** The Panel recommended option 4 to Cabinet with the additional recommendation that officer and Member time be spent so that we are not in the same position next year.