

This Report will be made public on 28 March 2023

URGENT REPORT



Report Number **A/22/39**

To: Council
Date: 29 March 2023
Status: Non-key Decision
Responsible Officer: Amandeep Khroud - Monitoring Officer

SUBJECT: URGENT ITEM – MEMBER ALLOWANCES

SUMMARY: A procedural matter has arisen that requires reporting to Council, following a decision made on 14th December 2022 by Cabinet not to increase Member allowances by the September CPI rate (10.1%) and subsequent approval of the General Fund budget by Council at its meeting on 22 February 2023. As Member allowance increases are applied automatically under the Council's Constitution, this matter ought to have been - but was not - specifically highlighted in the Council papers seeking approval of the General Fund budget on 22 February 2023. This paper is therefore brought forward to specifically highlight the decision taken by Cabinet on 14 December 2022 and for Council to be able to formally ratify the suspension of the relevant constitutional rule ahead of the 2023/24 budget year.

RECOMMENDATIONS:

1. To receive and note report A/22/39.
2. To ratify Cabinet's decision to suspend paragraph 11 of Part 9.8 of the Council's constitution and not apply a September 2022 CPI increase (10.1%) to Members allowances for the 2023/24 budget.

1. BACKGROUND

1.1 Cabinet considered the Budget Strategy 2023/24 papers on 14 December 2022 (see item 55 – report C/22/69). At appendix 2 to report C/22/69, growth item 5 “*Increase in Members allowances*” provided for a £61k increase in the base budget for a “*CPI increase in Members’ allowances*”.

1.2 In light of financial pressures highlighted by the MTFs and referenced in the main body of the Budget Strategy report, Cabinet resolved the following:

“RESOLVED:

1. *That report C/22/69 be received and noted.*
2. *That the Budget Strategy for 2023/24 set out in this report be agreed.*
3. *That the General Fund revenue growth & savings proposals for 2023/24 (Appendix 2) be approved subject to:*
The removal of the increase to Members Allowances of £61,000.
The removal of the allocation of £20,000 for Members ICT provision.
4. *That the General Fund capital growth proposals for 2023/24 (Appendix 3) be approved.*
5. *That the proposed timetable for preparing 2023/24 budgets (Appendix 4) be approved.*
6. *That the proposed arrangements for consultation be agreed.*

It was agreed by the Leader that the Corporate Action Plan working group be re-instated.

(Voting: For 9; Against 0; Abstentions 0)”

1.3 However, paragraph 11 of part 9.8 of the Folkestone and Hythe District Council’s constitution of May 2021 (‘the Constitution’) stipulates the following:

11. INDEXATION

The allowances shall be automatically adjusted, annually, by reference to the Consumer Price Index (CPI). The adjustment will be calculated on the September CPI index, for implementation the following April.

As the increase in allowance is automatic based on the terms of the Constitution, Cabinet’s decision to suspend the aforementioned rule would have to be ratified by Council as a reserved matter when approving the budget, in accordance with Article 15.1.2 of the Constitution.

1.4 Council approved the General Fund budget at its meeting on 22 February 2023 (item 68, report A/22/31). This budget took into account the removal of the growth in Members’ allowances (September CPI increase). However, it was not explicitly sought as a recommendation that paragraph 11 of Part 9.8 of the Constitution should be suspended. Notwithstanding, Council took the decision to approve the budget as proposed.

- 1.5 This paper is therefore brought to regularise the position and seek Council's express approval to ratify the suspension of paragraph 11 of Part 9.8 of the Constitution.

2. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

2.1 Legal Officer's Comments (AK)

The legal issues are covered in the main body of the report.

2.2 Finance Officer's Comments (JS)

Were Members to not approve the recommendations as set out in this report, this specific General Fund expenditure budget item would need to be increased by £61k and would require approval by Full Council.

2.3 Diversities and Equalities Implications (JS)

There are no diversity or equalities implications arising out of this report.

3. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

Amandeep Khroud, Assistant Director, Governance, Law and Service Delivery

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The following background documents have been relied upon in the preparation of this report:

None.