

CIVIC AFFAIRS

2 February 2022

5.35 - 7.26 pm

Present: Councillors Sargeant (Chair), Davey (Vice-Chair), Dryden, Gehring, Dalzell and Moore

Officers:

Chief Executive: Robert Pollock

Assistant Chief Executive: Andrew Limb

Deputy Head of Finance: Jody Etherington

Head of Finance: Caroline Ryba

Head of Human Resources: Deborah Simpson

Head of Shared Internal Audit Service: Jonathan Tully

Principal Internal Auditor: Stephanie Fisher

Committee Manager: Sarah Steed

Meeting Producer: Boris Herzog

Others Present:

Ernst & Young Audit Partner: Mark Hodgson

Ernst & Young External Audit Manager: Jacob McHugh

Independent Person: Rob Bennett

Councillor Bick

FOR THE INFORMATION OF THE COUNCIL**22/1/Civ Apologies**

Apologies were received from Councillors Flaubert and O'Reilly, Councillors Dalzell and Moore attended as alternates.

22/2/Civ Declarations of Interest

Item	Councillor	Interest
22/46/Civ	Dryden	Personal: He received an Members Allowance and may benefit from amendments proposed.

22/3/Civ Minutes

The minutes of the meetings held on 22 September 2021 were approved as a correct record and signed by the Chair.

22/4/Civ Public Questions

There were no public questions.

22/5/Civ External Auditor's Annual Report for the year ended 31 March 2021

The Committee received the Annual Report from Ernst & Young which summarised the key issues arising from the external audit of the 2020-21 Statement of Accounts.

The Committee made the following comment in response to the report:

- i. Referred to p27 of the agenda (p14 of the Auditor's report) and asked whether any audit differences had been identified. Commented that it was good practice for any audit differences to be recorded publicly.

The Audit Partner advised that the audit difference identified were disclosure rather than numeric differences and these were detailed on p27 of the agenda (p14 of the Auditor's report).

Unanimously resolved:

- i. To note the contents of the Auditor's Annual Report for the year ended 31 March 2021.

22/6/Civ 2021/22 Statement of Accounts - Accounting Policies and Significant Areas of Judgement

The Committee received a report from the Deputy Head of Finance regarding the Statement of Accounts 2021-22 Accounting Policies and Significant Areas of Judgement.

The Committee made the following comments in response to the report:

- i. Noted the tight deadline to provide a draft Statement of Accounts by 31 May and hoped that the Council would be able to meet this deadline. Asked what the implications would be if the Council could not meet this deadline. Asked what steps the Council was taking to mitigate any impact on the general fund as a result of the consultation on changes to the Minimum Revenue Provision (MRP).

- ii. Asked if Officers required any feedback from Councillors on the Statement of Account process. Did not believe that members of the public would look at or fully understand the Statement of Accounts. Asked for a summary table in the Statement of Accounts.

The Deputy Head of Finance and Head of Finance said the following in response to Members' questions:

- i. It would be a challenge to meet the 31 May Statement of Accounts deadline, but officers would make every effort to meet the deadline.
- ii. Concerns around the consultation on changes to the Minimum Revenue Provision (MRP) centred around the potential impact on capital loans and the knock-on effect of this on the Council's Corporate Objectives and the Housing Development Agency and development involving Cambridge Investment Partnership. The consultation on MRP ended on the 8 February 2022 and a response would be submitted on behalf of the Council. There was some discussion that capital loans may be exempt, but we would have to wait and see.
- iii. Commented that the Statement of Accounts had to comply with requirements set out in legislation but if officers could make the accounts more accessible and understandable then they would do so.

Unanimously resolved:

- i. To note that there are no significant changes to accounting policy anticipated for the 2021-22 Statement of Accounts.
- ii. To note and approve the proposed critical judgements and major sources of estimation uncertainty in respect of the 2021-22 Statement of Accounts.
- iii. To note and approve proposals to improve the presentation of the Statement of Accounts, in line with latest CIPFA guidance.
- iv. To note the request for informal feedback from Civic Affairs Committee members on the current format of the Statement of Accounts, and suggestions for improvement.

22/7/Civ Appointing Person: Arrangements for the Appointment of the External Auditor

The Committee received a report from the Head of Finance / Section 151 Officer regarding the options available to the council regarding the adoption of an appointing person arrangement for the appointment of an external auditor to the council for the years 2023/24 to 2027/28.

The Committee made the following comments in response to the report:

- i. Noted that when a committee member first became a councillor there were concerns about Public Sector Audit Appointments Limited (PSAA). Asked if Officer's felt confident about appointing PSAA.
- ii. Asked what the process was for providing feedback to PSAA on their level of service.
- iii. Asked how easy it was for PSAA to find auditors.

The Head of Finance said the following in response to Members' questions:

- i. Acknowledged there had been issues with the audit market and delays in the production of audits in the last couple of years. Officers felt confident with the way in which PSAA had communicated their procurement process and their contract management. Encouraged members to have a look at the PSAA website. PSAA had taken criticism seriously. PSAA could be used as a point of reference for any disagreement over fees between Council's and their auditors.
- ii. Confirmed that PSAA conducted surveys and meetings with audit clients so that they could provide feedback on their level of service.
- iii. Noted that it was a challenge for the PSAA to find auditors. One of the frequently asked questions on their website was how many auditors they had who could audit local authorities; understood there were 8 or 9.

Unanimously resolved:

- i. To recommend to Council the adoption of Public Sector Audit Appointments Ltd (PSAA) as the appointing person for the council.
- ii. To delegate acceptance of the invitation to the Head of Finance, as the council's Section 151 Officer.

22/8/Civ Draft Pay Policy Statement 2022/23

The Committee received a report from the Head of Human Resources. The report set out a draft pay policy statement as required under the Localism Act. The Localism Act requires the Council to have considered, approved and published a pay policy statement for each financial year. This must be approved by Full Council and be in place by 31st March each year.

Councillor Bick attended the Committee and made the following points:

- i. Referred to section 5 of the officer's report and stated that he felt that he had been approached only to be informed about the proposed changes

to performance reviews for Directors and the Chief Executive, rather than to provide input.

- ii. Felt a change such as this should have been done via consensus between Councillors.
- iii. Had been a member of the Chief Officer Performance Review Panel for the past 10 years and could have provided feedback about what worked well and what could be improved.
- iv. Felt the Panel had worked collaboratively on a cross-party basis and had produced a shared output at the end, which meant that Senior Officers were kept out of political conflict.
- v. The report did not explain why the changes were required.
- vi. Asked for a cross-party discussion on the changes proposed in section 5 of the Officer's report before the Committee took a decision.
- vii. Had no issue with a 360-feedback model but this was not the same as a small group of councillors providing the review.

The Head of Human Resources said the following in response:

- i. Apologised that Cllr Bick had not been involved with the process.
- ii. Advised that the proposed performance review process for both Directors and the Chief Executive would still involve Group Leaders and Executive Councillors; there would be a change in who would conduct the meetings.
- iii. For Directors it was proposed that feedback would be gathered internally and externally, and their review would be conducted by their line manager (the Chief Executive).
- iv. For the Chief Executive it was proposed that rather than a body of six councillors, one person (the Leader of the Council) would conduct the meeting after a 360-feedback process.

Councillor Davey also apologised that Councillor Bick had not been involved with the process and said lessons could be learnt. Felt the proposals regarding Chief Officer Performance Reviews enhanced and improved the process.

Councillor Gehring expressed concerns about the proposed changes to the Chief Officer Performance Reviews and the timing of these changes. Stated

that he felt the proposed 360 feedback review could be communicated to the current Chief Officer Performance Review Panel. Asked if under the new process the 360-feedback review would be available to Group Leaders or just to the Leader of the Council.

The Head of Human Resources confirmed that officers would investigate who would be provided with a copy of the 360-feedback review.

Councillor Moore noted that no changes were proposed to the recruitment process of Senior Officers (Director / Chief Executive level).

Councillor Dalzell commented as a minority opposition councillor he had always found the officer team worked with councillors equally and noted that this may have been a legacy of the previous Chief Executive. Shared concerns of colleagues about the proposed changes to Chief Officer Performance Review Process. Queried why the cross-party review panel had been taken away.

Resolved:

- i. Unanimously - to recommend Council approved the draft Pay Policy Statement 2022/2023 attached as Appendix 1 to the officer's report.
- ii. Unanimously – to note the update on the review of senior officer salaries which was scheduled for late 2021 and had now been moved until 2022 due to the delay in the national pay award settlement for 2021 and the forthcoming review of the senior management structure.
- iii. By 4 votes to 2 - to approve the proposal for director performance reviews to be undertaken by the Chief Executive, as outlined in Section 5 of the officer's report.
- iv. By 4 votes to 2 - to approve the proposal for chief executive performance reviews to be undertaken by the Leader, as outlined in Section 5 of the officer's report.
- v. Unanimously - to recommend to Council to delegate authority to the Head of Human Resources to update the Pay Policy Statement 2022/23 should a chief executive and/or chief officer and/or NJC pay award be agreed.

22/9/Civ Risk Management - Committee Update

The Committee received a report from the Principal Internal Auditor which provided an update on the agreed actions from the previous meeting of Civic Affairs Committee in September 2021.

The Committee asked for clarification of the difference between 'residual risk' and 'inherent risk'.

The Principal Internal Auditor said that 'inherent risk' was the total risk before any mitigation measures were taken into consideration. 'Residual risk' took into account controls which had been put in place to mitigate risks.

Unanimously resolved:

- i. To note the work undertaken by Internal Audit since the last committee and the outline of proposals for further Risk Management work to be completed.
- ii. To advise whether subsequent progress reports are required at future meetings of the Committee.

22/10/Civ Amendments to the Constitution Pt4A Appendix F (A) - Protocol on Media Relations

The Committee received a report from the Assistant Chief Executive regarding proposed amendments to the Constitution Part 4A Appendix F(A) – Protocol and Media Relations.

The Committee made the following comments in response to the report:

- i. Asked if it was necessary to delete as much as was proposed out of the Media Relations Protocol.
- ii. Asked if Appendix B would be incorporated within the Constitution or if it was the process that the City Council would follow.
- iii. Asked if level of information which was currently guaranteed by the Constitution for Opposition Councillors would be safeguarded by the changes.
- iv. Asked why the title about filming council meetings had been changed.

The Assistant Chief Executive said the following in response to Members' questions:

- i. The current Media Relations Protocol was outdated and too prescriptive.
- ii. Appendix B was for information and would not be incorporated within the Constitution.
- iii. The parts relating to impartiality would remain. Member involvement in press releases would be largely unchanged. The intention behind the proposed changes was to give more responsibility to the Communications Teams.

- iv. The title about filming council meetings had been changed to reflect the information which would be left in the Constitution.

Resolved (by 5 votes to 1):

- i. To recommend to Council that sections 1-3 of Part 4A Appendix F(A) of the constitution be deleted, as illustrated in Appendix A of the officer's report.

22/11/Civ Members' Allowances/Parental Leave Policy/Virtual Area Committees

The Committee received a report from the Council's Independent Person and the Assistant Chief Executive regarding three topics within democratic services. Firstly the consideration of the Independent Remuneration Panel's report on recommendations for a Members' Allowance Scheme 2022/23; secondly a review of Area Committees which had been held virtually June-December 2021; and finally a response to a Council Motion on a parental leave policy for Councillors.

Councillor Davey proposed the following amendments to the Member Allowance Scheme (deleted text ~~struck through~~, additional text underlined).

Recommendations

- (i) Consider the Panel's report and ~~recommend an~~ with respect to the Allowance Scheme and recommend making the following amendments to Council on 3 March 2022

- 1) Basic Allowances

The Independent Remuneration Panel Report noted:

"There was a general concern among Councillors that, although the Basic Allowance for City Councillors is now commensurate with that of benchmarked District Councils, the non-typical nature of this council could mean that there are anomalies in the level of Basic Allowance in relation to the spread and depth of responsibilities undertaken by Councillors in Cambridge. The IRP recommends that the level of Basic Allowance be reviewed again in four years – together with the distribution between BA and SRAs."

Cambridge City Council has had a City Deal since 2015 and a Devolution Deal from 2017. These have put additional responsibilities on the Council in addition to those of a District Council. It has also put additional workload on Councillors

and this has been partly reflected by SRAs for those who served on the Greater Cambridge Partnership and Cambridgeshire and Peterborough Combined Authority Boards and Committees. The Basic Allowance however has not been updated to reflect the additional work for Councillors who are for instance directly involved now in transport and highways projects such as the GCP Histon Road and Milton Road schemes and consultations across the city. This has involved working with residents, residents' associations and officers of the GCP and Cambridgeshire County Council and serving as Chairs of Local Liaison Forums.

The Independent Remuneration Panel recommendation is to review the Basic Allowances in 4 years time -2025. This will be 10 years after the City Deal was implemented and 8 years after the Devolution Deal was implemented increasing the responsibilities and workload for Cambridge City Councillors.

Civic Affairs Committee therefore resolves to ask the Independent Remuneration Panel to review the Basic Allowance for Councillors due to the non-typical nature of Cambridge City Council in addition to benchmarked District Councils with an in-year recommendation to be back dated to the beginning of the 2022 / 23 municipal year.

2) Planning Committee and Joint Development Control Committee SRAs

The Planning Committee and Joint Development Control Committee both meet on a monthly basis with meetings lasting typically all day for the Planning Committee and nearly all day for the Joint Development Control Committee. They are regulatory committees and are therefore making decisions on behalf of the Council. They are also involved in site visits. Both committees are typically composed of members who are retired or of independent means and are therefore unrepresentative of Cambridge City Councillors and residents.

Members of the Planning Committee receive 15% of SRA and members of the Joint Development Control Committee receive no SRA. This does not reflect the workload for members of these 2 committees.

Civic Affairs Committee therefore resolves to address this situation by updating the SRAs:

Planning Committee members 30% of Basic Allowance

Joint Development Control Committee members 20% of Basic Allowance

3) SRA for Leader

Civic Affairs Committee notes that the Independent Remuneration Panel recommends the two Deputies SRAs at 25% of an Executive Councillor's allowance – i.e. 0.5 times Basic Allowance. While welcoming this recognition of the role of the Deputy Leaders, this would create the anomaly that Deputy Leaders that have a portfolio responsibility will have allowances close to that of the Leader of the Council - Leader 2.75 Basic Allowance, Deputy Leader with portfolio responsibility 2.5 Basic Allowance.

Civic Affairs therefore resolves that the SRA for the Leader should be 3 times Basic Allowance to recognise the responsibilities of the Leader of Cambridge City Council

- 4) Any percentage increase in the Basic Allowance increases in line with the National Living Wage

On a show of hands the amendment was carried by 4 votes to 0.

The Committee made the following comments in response to the report:

- i. Thanked the Independent Remuneration Panel for their report. Wanted the seven recommendations to come back to the Civic Affairs Committee. Asked for the Greater Cambridge Partnership (GCP) and Combined Authority (CA) special responsibility allowances (SRA) to be included in the review.
- ii. Queried why the amendment proposed to increase the Leader's SRA.
- iii. Asked the Independent Person why the IRP recommended that Member Allowances were increased by the index used for City Council employees and then asked why the amendment proposed to increase Members Allowances by the National Living Wage.
- iv. Was pleased that the Parental Leave Policy was moving forward.
- v. Would like to discuss the tabled amendments to the Members Allowances Scheme with their group and would therefore abstain from the Civic Affairs Committee vote.

Councillor Davey advised that when the level of SRA for the Deputy Leader with Executive Portfolio was calculated they would be receiving a higher SRA than the Leader. The Leader's SRA was therefore adjusted so that they were in receipt of a higher SRA.

The Independent Person advised that the recommendation to increase Member's Allowances by the index used for City Council employees came out of discussions with Members as part of their review.

Councillor Davey advised that the amendment to increase Members Allowances by the National Living Wage was felt to be more equitable and reflect the level of responsibility and work members undertook.

Councillor Moore advised that the Labour Group had carried out their own benchmarking exercise regarding SRAs paid to other Council Leaders.

Councillor Sargeant commented that the role of the Leader of the Council was in itself like a full-time job and that it was difficult to compare against equivalent District Council Leader roles. He also asked for a review of the points made in paragraph 1.5 of the officer's report (on page 117 of the agenda) preferably within 6 months.

Resolved (by 4 votes to 0):

- i. To recommend the Members Allowance Scheme as amended to Council on 3 March 2022.
- ii. To receive a progress report on the Independent Remuneration Panel's non-financial recommendations in February 2023.
- iii. To recommend to Council that Area Committees continued virtually for March 2022 as set out in paragraph 1.6 of the officer's report.
- iv. To note a report recommending a parental leave policy would be submitted later this year.

The meeting ended at 7.26 pm

CHAIR