

Executive Report

Ward(s) affected: n/a

Report of Director of Finance

Author: John Armstrong, Democratic Services Manager

Tel: 01483 444102

Email: john.armstrong@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: : 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 26 November 2019

Review of Councillors' Allowances: Report of the Independent Remuneration Panel

Executive Summary

The Council appointed an Independent Remuneration Panel (IRP) in October 2018 to review the existing scheme of councillors' allowances and make recommendations for a new scheme. In October 2019, the IRP concluded its review and produced its report and recommendations (attached as Appendix 1 to this report).

According to legislation, before the Council makes or amends a scheme of councillors' allowances it must have regard to the recommendations made by the IRP. On 3 December 2019, Council is to consider the IRP's recommendations for a new scheme of allowances, together with any recommendations of the Executive, prior to determining a new scheme of councillors' allowances to come into effect on 1 April 2020.

Recommendation to Council (3 December 2019):

The Executive is asked to make appropriate recommendations to the Council in respect of a new scheme of councillors' allowances, taking into account the Independent Remuneration Panel's recommendations contained in its report, which are set out in full below:

- (1) That the Basic Allowance payable to all members of Guildford Borough Council be £7,405 per annum.
- (2) That that no councillor shall be entitled to receive at any time more than one Special Responsibility Allowance (SRA) and that this 'One SRA Only Rule' be adopted into the Scheme of Allowances.
- (3) That the maximum number of recipients of Special Responsibility Allowances at any one time does not exceed 50% of Council Members (24 Members)
- (4) That the Leader of the Council continues to receive a Special Responsibility Allowance of 200% of the basic allowance, £14,810 per annum.
- (5) That the Deputy Leader receives a Special Responsibility Allowance of 50% of the Leader's Special Responsibility Allowance, £7,405 per annum.

- (6) That the Members of the Executive, the Chair of the Planning Committee, the Chair of Overview and Scrutiny Committee and the Mayor receive a Special Responsibility Allowance of 40% of the Leader's Special Responsibility Allowance, £5,924 per annum.
- (7) That the Shadow Leader's Special Responsibility Allowance be withdrawn.
- (8) That the Chairman of the Licensing Committee, the Deputy Mayor, the Chairman of the Corporate Governance and Standards Committee, the Chairs of the Executive Advisory Boards and the Guildford Joint Committee Chair each receive a Special Responsibility Allowance of 25% of the Leader's Special Responsibility Allowance, £3,703 per annum.
- (9) That the Vice Chair of the Guildford Joint Committee receive a Special Responsibility Allowance of 10% of the Leader's Special Responsibility Allowance, £1,481 per annum.
- (10) That the Chairs of the Licensing Sub-Committees continue to be eligible to receive a Special Responsibility Allowance on a per meeting basis, currently £280 per meeting
- (11) That Political Group Leaders continue to receive a Special Responsibility Allowance of 1% of the Basic Allowance per group member (£74 per councillor per annum) subject to the application of the 'One SRA Only' rule.
- (12) That the role of Deputy Lead Councillor should not be awarded a Special Responsibility Allowance.
- (13) That co-optees continue to receive an allowance of 2.5% of the Leader's Special Responsibility Allowance, £370 per annum.
- (14) That Travelling and Subsistence Allowance should continue to be payable to councillors and co-opted members in connection with any approved duties.
- (15) That the amounts payable in respect of Travelling and Subsistence Allowance should continue to be the amounts which are payable to officers of the Council for travelling and subsistence undertaken in the course of their duties.
- (16) That Councillors should also be permitted to claim for reimbursement of any reasonable parking charges incurred whilst on approved duties.
- (17) That the Dependants' Carers' Allowance should be based on two rates. Rate one for general care be at a rate of £10.58 per hour, with no monthly maximum claim. Rate two should be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required.
- (18) That no change should be made to the current eligibility conditions for receipt of the Dependants' Carers' Allowance, except that the duties for which this allowance is payable should be in accordance with the list of approved Councillor duties. The Council should also actively promote the allowance to prospective and new councillors both before and following an election.
- (19) That the level of the Mayor's and the Deputy Mayor's allowances payable under Sections 3 and 5 respectively of the Local Government Act 1972 to meet the expenses of their offices should remain unchanged at £8,000 and £2,000 per annum respectively.
- (20) That the recommended duties for which Dependants' Carers' Allowance and Travelling and Subsistence Allowance should be payable should be amended to include councillor ward and constituency activities including attendance at ward surgeries.
- (21) That the Council considers the introduction of a policy to support parental leave for councillors as outlined in the Panel's report.
- (22) That the basic allowance, each of the SRAs, the Co-Optees' Allowance and the Dependants' Carers' Allowance be increased annually in line with the percentage increase in staff salaries until 2023, at which time the Scheme shall

- be reviewed again by an independent remuneration panel.
- (23) That the new scheme of allowances to be agreed by the Council in December 2019 be implemented with effect from the beginning of the 2020-21 financial year, at which time the current scheme of allowances will be revoked.

Reason for Recommendation:

In order to comply with the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended).

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 To enable the Executive to make recommendations to the Council at its meeting on 3 December 2019 in connection with the review of the scheme of councillors' allowances conducted recently by the Council's Independent Remuneration Panel (IRP).

2. Strategic Priorities

- 2.1 The appointment of an independent remuneration panel to review and make recommendations on the scheme of councillors' allowances demonstrates that the Council's work is publicly accountable and presented with openness and transparency.
- 2.2 The delivery of the IRP's review of the scheme of allowances supports the Council's strategic framework by ensuring payments to councillors are reflective of their roles and responsibilities. It will help to ensure allowances are set at a level that facilitates suitably able, qualified, and representative people standing as candidates for Council (and their retention and development once elected).

3. Background

- 3.1 The current Scheme of Councillors' Allowances, contained within Part 6 of the Constitution, has been operating (with index-linked updates) since April 2016.
- 3.2 In October 2018, the Council complied with the requirements of Section 99 of the Local Government Act 2000 and The Local Authorities (Members' Allowances) (England) Regulations 2003, ("the 2003 Regulations") by reappointing the existing IRP; namely,
- Vivienne Cameron
 - Michael Burke
 - Susan Tresman
- 3.3 Since the reappointment of the IRP, Susan Tresman and Michael Burke stepped down for personal reasons and were replaced by Mark Palmer, Development Director for South East Employers and Dennis Frost, who had previous experience as a member of Elmbridge Borough Council's IRP.

- 3.4 The IRP was tasked with reviewing the existing scheme of allowances and making recommendations in respect of a new scheme. This review included the allowances payable to the Mayor and Deputy Mayor of Guildford under separate legislation¹ to meet the expenses of their offices, and a review as to whether a special responsibility allowance:
- (a) should be paid to Deputy Lead Councillors, and the chairman/vice-chairman of the Guildford Joint Committee whenever a Borough Councillor is performing those roles; and
 - (b) should continue to be paid in respect of the existing Shadow Leader's Allowance.
- 3.5 The IRP conducted their review between September and October 2019 and have now produced their report and recommendations, a copy of which is attached as **Appendix 1**. The Chairman of the IRP, Mark Palmer, has been invited to attend the meeting to respond to councillors' queries/questions/requests for clarification.
- 3.6 To comply with the requirements of the 2003 Regulations, details of the IRP's recommendations were published in the *Surrey Advertiser* and online on 8 November 2019. A copy of the IRP's report is also available for viewing on the Council's website².

4. Recommendations of the IRP

- 4.1 The IRP recommends the basic allowance be set at £7,405 per annum (paragraph 4.15 of the IRP report).
- 4.2 The IRP recognises that the following offices bear significant additional responsibility that warrant appropriate levels of special responsibility allowances (SRAs):
- Leader of the Council
 - Deputy Leader of the Council
 - Members of the Executive
 - The Mayor and Deputy Mayor
 - Chairman of the Planning Committee
 - Chairman of the Overview and Scrutiny Committee
 - Chairman of the Corporate Governance and Standards
 - Chairmen of the Executive Advisory Boards
 - Chairman of the Licensing Committee
 - Designated Licensing Sub Committee Chairmen (payable on a per meeting basis)
 - Chairman and Vice-Chairman of the Guildford Joint Committee (NEW) (see paragraphs 4.42 and 4.43 of the IRP report)
 - Political Group Leaders

¹ Sections 3 and 5 of the Local Government Act 1972

² <https://www.guildford.gov.uk/article/18872/Councillors-allowances>

Details of the recommended amounts of SRA to be allocated to each of the above roles are set out in the IRP report (see summary of the recommendations in Appendix 1 to the IRP's report).

4.3 The IRP further recommend:

- (a) That a councillor may receive just one SRA at any one time (see paragraphs 4.19 and 4.20 of the IRP report).
- (b) That no more than 50% of councillors should receive an SRA at any one time (see paragraph 4.21 of the IRP report).
- (c) That the Shadow Leader's SRA be withdrawn (see paragraph 4.35 of the IRP report).
- (d) That the role of Deputy Lead Councillor should not receive an SRA (see paragraphs 4.47 and 4.48 of the IRP report).
- (e) That the rates for Travelling and Subsistence Allowance should continue to be the amounts which are payable to officers of the Council for travelling and subsistence undertaken in the course of their duties (see paragraph 4.50 of the IRP report).
- (f) That the Dependants' Carers' Allowance to be payable in respect of approved duties remain the same at £10.58 per hour for general care with no monthly maximum claim, but that there be a new rate for specialist care that should be reimbursed at actual cost on presentation of receipts (see paragraphs 4.51 and 4.52 of the IRP report).
- (g) That the list of approved duties shall include ward and constituency work, including attendance of ward surgeries.
- (h) That the basic allowance, the SRAs, the Dependants' Carers' Allowance, and the Co-optees' Allowance be indexed and increased annually in line with the percentage increase in staff salaries until 2023 (at which time the scheme of allowances will be reviewed again by an IRP) (see paragraph 4.57 of the IRP report).
- (i) That the current scheme of allowances should be revoked, and the new scheme implemented with effect from 1 April 2020 (see paragraph 4.58 of the IRP report).

5. Equality and Diversity Implications

- 5.1 A screening Equalities Impact Assessment (EIA) has taken place and the section below is drawn from that document.
- 5.2 The purpose of the scheme of allowances is to create a schedule of remuneration that will support and enable councillors to execute their roles across a range of governance duties and responsibilities. A successful scheme will enable any local person, regardless of their income and status, to be able to

stand for election and fulfil the roles of office without experiencing the deterrent of financial disadvantage.

- 5.3 A successful scheme of allowances will assist in increasing the diversity of councillors, to better reflect the communities they represent and serve.
- 5.4 In addition, a scheme of allowances should encourage local democratic participation.

6. Financial Implications

- 6.1 If the IRP's recommendations are adopted, with exception of the 1 SRA per councillor rule, the following provision would need to be made in the 2020-21 revenue budget:

| | £ |
|--|----------------|
| Basic Allowance | 355,440 |
| Special Responsibility Allowance* | 115,953 |
| Co-Optees' Allowance | 2,220 |
| Travelling & Subsistence Allowance** | 5,263 |
| Dependants' Carers' Allowance** | 61 |
| Employers' National Insurance (estimate) | 10,500 |
| Total: | 489,437 |

* Excludes £1,481 for SRA for Vice-Chairman of Guildford Joint Committee as GBC will hold the chairman role in both 2020-21 and 2021-22

** Estimates based on level of allowances claimed by councillors in 2018-19, plus a 2% increase on the current allowances

This would result in an increase of £39,177 (just over eight per cent) compared with the 2019-20 estimate of £450,260, which is the equivalent of £0.69p (0.34 per cent) on Council Tax at Band D³.

- 6.2 By way of comparison, the table overleaf shows the current level of allowances (based on the scheme adopted by the Council in 2016, and subsequently increased annually in accordance with the percentage increase in staff salaries) compared with those that the IRP has recommended in its recent report.

| Allowance | Current Allowance (2019-20) £ | Number | Current total per annum £ | Recommended Allowance (35% PSD) £ | Recommended Allowance Calculation | Recommended Allowance total per annum £ |
|------------|-------------------------------|--------|---------------------------|-----------------------------------|-----------------------------------|---|
| Basic (BA) | | | | | | |

³ based on 2019-20 values

| | | | | | | |
|---------------------|--------------|-----------|----------------|--------------|----------|----------------|
| Total Basic: | 7,001 | 48 | 336,048 | 7,405 | – | 355,440 |
| Increase | | | | | | 19,392 |

| Special Responsibility: | | | | | | |
|---------------------------------------|--------------------------------------|---------------|----------------------------------|--|--|--|
| Leader of the Council | 14,002 | 1 | 14,002 | 14,810 | 200% of BA | 14,810 |
| Deputy Leader | 7,001 | 1 | 7,001 | 7,405 | 50% of Leader's SRA | 7,405 |
| Members of the Executive | 5,601 | 8 | 44,808 | 5,924 | 40% of Leader's SRA | 47,392 |
| Chair: Overview & Scrutiny Cttee | 5,601 | 1 | 5,601 | 5,924 | 40% of Leader's SRA | 5,924 |
| Shadow Leader | 5,601 | 1 | 5,601 | 0 | Allowance Withdrawn | 0 |
| Chair: Planning Committee | 5,601 | 1 | 5,601 | 5,924 | 40% of Leader's SRA | 5,924 |
| Mayor | 5,601 | 1 | 5,601 | 5,924 | 40% of Leader's SRA | 5,924 |
| Chair: Licensing Committee | 3,501 | 1 | 3,501 | 3,703 | 25% of Leader's SRA | 3,703 |
| Chair: Corp Gov & Standards Cttee | 3,501 | 1 | 3,501 | 3,703 | 25% of Leader's SRA | 3,703 |
| Chair: Executive Advisory Board | 3,501 | 2 | 7,002 | 3,703 | 25% of Leader's SRA | 7,406 |
| Deputy Mayor | 2,800 | 1 | 2,800 | 3,703 | 25% of Leader's SRA | 3,703 |
| Chair: Guildford Joint Committee | | 1 | | 3,703 | 25% of Leader's SRA | 3,703 |
| Vice Chair: Guildford Joint Cttee | | 1 | | 1,481 | 10% of Leader's SRA | 1,481* |
| Designated Licensing Sub Cttee Chairs | 280.40 | 6 | 2,804** | 280 | - | 2,804 |
| Group Leaders | 69.83 per group member | 5 | 3,352 | 74 per group member | 1% of the Basic Allowance | 3,552 |
| Total SRAs | | | 111,175 | | | 117,434*** |
| Increase | | | | | | 6,259 |
| Allowance | Current Allowance (2019-20) £ | Number | Current total per annum £ | Recommended Allowance (35% PSD) £ | Recommended Allowance Calculation | Recommended Allowance total per annum £ |
| Co-Optees' Allowance | 351 | 6 | 2,106 | 370 | 2.5% of Leader's SRA | 2,220 |

| | | | | | | |
|------------------------------|--|--|----------------|--|--|----------------|
| BA + SRAs + Co-Optees | | | 449,329 | | | 475,094 |
| Increase | | | | | | 25,765 |

* As GBC will hold the chairman role of the Guildford Joint Committee in 2020-21, this SRA would not be payable in 2020-21

** Based on approximately 10 meetings per annum

*** This figure would be lower if the Council adopted the 1 SRA Only Rule

| | | | | | | |
|--------------------------------------|----------------|--|--|----------------|--|--|
| Dependants' Carers' Allowance | 10.58 per hour | | | 10.58 per hour | | |
|--------------------------------------|----------------|--|--|----------------|--|--|

| | | | | | | |
|--|--------------|--|--|-----------|--|--|
| Travelling & Subsistence Allowances | | | | | | |
| <u>Motor Mileage Allowance</u> | | | | | | |
| Cars | 45p per mile | | | | | |
| Motorcycles | 24p per mile | | | | | |
| Cycle Mileage Allowance: | 22p per mile | | | | | |
| <u>Day Subsistence Allowance:</u> | | | | unchanged | | |
| Breakfast | £6.88 | | | | | |
| Lunch | £9.50 | | | | | |
| Tea | £3.76 | | | | | |
| Evening Meal | £11.76 | | | | | |
| <u>Overnight Subsistence Allowance:</u> | | | | | | |
| London | £102 | | | | | |
| Elsewhere | £89 | | | | | |

7. Legal Implications

- 7.1 The allowances payable to councillors are matters for local determination. While the Council has a duty under the 2003 Regulations to have regard to recommendations made to it by the IRP before it makes or amends the scheme of allowances, it is not bound to follow those recommendations.
- 7.2 The Council is also required to publish a notice in the local press setting out the main features of the Panel's recommendations (which was placed in the *Surrey Advertiser* on 8 November 2019) and a further notice once the Council has adopted a new scheme of allowances.

7.3 Under paragraph 13 (iv) of the Council's adopted Code of Conduct for Councillors, there is no requirement for councillors to disclose any pecuniary interest in respect of business relating to the scheme of allowances.

8. Human Resource Implications

8.1 There are no significant human resource implications.

9. Climate Change/Sustainability Implications

9.1 There are no significant implications for climate change or sustainability.

10. Conclusion

10.1 Having received the IRP's report, the Council must now consider the recommendations and agree a new scheme of councillors' allowances for implementation with effect from the beginning of the 2020-21 financial year.

10.2 Taking account of the recommendations in the IRP's report, officers have drafted a written scheme of allowances incorporating the various provisions required to be included (see Appendix 2). The Executive is asked to consider the IRP report and make recommendations as appropriate to the Council on 3 December 2019.

10.3 The new Scheme, once adopted, will be included in Part 6 of the Council's Constitution and be available for viewing on the Council's website.

11. Background Papers

- The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended)
- New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances (July 2003)

12. Appendices

Appendix 1: The Independent Remuneration Panel's report (November 2019)

Appendix 2: Draft Scheme of Allowances