

Council Report

Ward(s) affected: All

Report of Director of Finance

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Review of Councillors' Allowances 2019 – Appointment of the Independent Remuneration Panel

Executive Summary

The Council needs to appoint an Independent Remuneration Panel (IRP) to conduct a full review of the Scheme of Councillors' Allowances ('the Scheme') next year.

In 2015, the membership of the IRP was refreshed and there was a comprehensive review of councillor allowances with findings and recommendations reported to Council on 10 February 2016. At this meeting, Council adopted the current Scheme of Allowances¹ and determined that the allowances would be adjusted annually in line with the percentage increase in staff salaries until 2019, at which time the Scheme would be reviewed again by the IRP. This decision was in line with the Regulations² that state that where a council has regard to an index for the purpose of annual adjustment of allowances, it must not rely on that index for longer than a period of four years before seeking a further recommendation from the IRP. This report sets out the timescale for the formal appointment of the IRP and undertaking the next review of the Scheme.

The 2015 IRP comprised three independent persons, which is the minimum number of members required under the Regulations. The three existing members have confirmed they are willing to remain on the IRP for the 2019 review of allowances, subject to the Council's approval. We have asked each of them to provide an updated CV, copies of which will be available for viewing in the Members' Room prior to this meeting.

In order to ensure that the IRP remains quorate during the review, it is proposed that the Council advertises for up to two additional IRP members.

Recommendation to Council:

- (1) That, subject to confirmation of their continued eligibility for appointment, Michael Burke, Vivienne Cameron, and Susan Tresman be appointed to the Council's

¹ Guildford Borough Council, Council Meeting, 10 February 2016, Minute No: CO103

² The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended)

Independent Remuneration Panel for a further period of four years commencing with the 2019-20 municipal year.

- (2) That the Democratic Services Manager be authorised to advertise for candidates from the general public and a wide range of organisations, including the local business community and voluntary organisations for up to two additional members of the IRP to serve for a period of four years and conduct the next review of borough councillors' allowances and the review of parish allowances within the Borough.
- (3) That the Democratic Services Manager, the Lead Councillors for Infrastructure & Governance and Finance & Asset Management, and the Director of Finance, be authorised to shortlist, interview, and recommend for selection up to two nominees for appointment to the IRP.
- (4) That the proposed timetable for appointment of the IRP and review of allowances set out in paragraph 4.11 of this report, be approved.
- (5) That the honorarium to be paid to each Panel member in respect of their four year term of office remain unchanged at £500.
- (6) That the IRP elects its own Chairman.

Reason for Recommendation:

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

1. Purpose of Report

- 1.1 This report asks the Council to approve a process for the appointment of an Independent Remuneration Panel to conduct the forthcoming review (in 2019) of this Council's Scheme of Councillors' Allowances together with the review of allowances paid to councillors of parish councils within the Borough.

2. Strategic Priorities

- 2.1 The appointment and purpose of an independent remuneration panel is to review and make recommendations on the scheme of allowances. This demonstrates that the Council's work is publicly accountable and presented with openness and transparency. Furthermore, the members of the IRP are required to be independent and the IRP's recommendations must be publicised.

3. Background

- 3.1 In accordance with Regulations under the Local Government Act 2000³, the Council must establish an Independent Remuneration Panel to review councillors' allowances. A council cannot determine or amend allowances until it has considered and had regard to the recommendations of its IRP.

³ Local Government Act 2000, Part V, Section 99-100

- 3.2 The IRP has reviewed the overall scheme of allowances on five occasions: 2001, 2003, 2007, 2011 and 2015. In addition, the IRP has conducted separate reviews and submitted recommendations to Council on specific elements of the scheme of allowances.
- 3.3 In February 2016, following consideration of the IRP's report, the Council approved the current Scheme of Allowances (which came into effect on 1 April 2016). The Council also agreed to adjust the scheme of allowances in line with the percentage increase in staff salaries until the next formal review of the Scheme in 2019.

4. Main Considerations

The Current IRP

- 4.1 The Council is extremely grateful to the current IRP for the work that it has carried out. The members of the Panel are:

IRP member:	Year of first appointment:
Ms Vivienne Cameron (Chairman)	2007
Mr Michael Burke	2015
Ms Susan Tresman	2015

Appointing an IRP

- 4.2 The Regulations do not prescribe how a council should appoint IRP members. The Guidance advises that the appointment process should ensure the IRP is independent, qualified to discharge its functions, and representative of the diversity of the communities in the local authority's area. Candidates' knowledge of local government structures and functions is important, but a lack of familiarity with such matters should not be a bar to appointment.⁴
- 4.3 The Regulations require that an IRP must have at least three members, but do not specify a maximum number. The Guidance advises avoiding unduly large Panels that would be unable to be an effective and publicly accountable source of clear recommendations. In order to ensure that meetings of the IRP will always be quorate with at least three members present, it is proposed that the IRP size should be up to five members.
- 4.4 As all three of the current IRP members have indicated that they would be happy to continue in that capacity for the 2019 review, it is recommended that the Council confirms their appointment at this stage, with the recruitment process focusing on the appointment of up to two additional IRP members.
- 4.5 The Guidance asks local authorities to consider the term of office of members of the IRP, and suggests a period of 3-5 years. A period of four years is recommended.

⁴ New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances (former Office of the Deputy Prime Minister: July 2003).

Recruitment process

- 4.6 It is proposed that the Council advertise for IRP candidates in the local press and ask a wide range of organisations, including those in the third sector and the local business community, to propose candidates. In addition, an advertisement would be placed on the Council's website and sent to Parish Councils for parish noticeboards.
- 4.7 To help ensure that the IRP's work meets the budget-setting process for the Council, it is suggested that the Democratic Services Manager, together with the Lead Councillors for Infrastructure & Governance and Finance & Asset Management, and the Director of Finance, be authorised to shortlist and interview candidates, and make recommendations to Council in respect of formal appointments to the IRP for a period of four years.

2019 Review

- 4.8 It is envisaged that the IRP will undertake a full review of all current allowances payable to councillors as required by the Regulations. The IRP will also be appointed as the relevant Parish Remuneration Panel, with responsibility for making recommendations to parish councils within the borough as to the types and levels of allowances payable to parish councillors.
- 4.9 Whilst the Regulations do not require councils to include allowances payable to the Mayor and Deputy Mayor in any formal review, these allowances were included in previous reviews. In terms of openness, transparency, and consistency it is appropriate to ask the IRP to review these allowances as part of its forthcoming review.
- 4.10 Councillors will recall that, at its last meeting on 24 July 2018, the Council agreed to establish a new Guildford Joint Committee with Surrey County Council, which would involve the chairman and vice-chairman of the Joint Committee alternating between borough and county councillors each year. The Council agreed that, as part of the 2019 review, the IRP should be asked to consider and make recommendations on whether any Special Responsibility Allowance should be payable to the chairman (or vice-chairman) of the Joint Committee whenever that role is undertaken by a borough councillor.
- 4.11 The proposed timetable for appointing the IRP and conducting the review is set out below:

Date	Action
9 Oct 2018	Council to consider re-appointment of three current IRP members and authorise process for recruiting up to two additional IRP members
2 Nov 2018	Closing date for receipt of applications (12 noon)
w/c 12 Nov 2018	Interviews of short-listed candidates
w/c 19 Nov 2018	Confirm nomination of successful candidates
4 Dec 2018	Council to consider and approve up to two nominees for appointment to the IRP
tbc Jun 2019	Induction training / briefing and first meeting of the IRP

Date	Action
1 Jul 2019 – 13 Sep 2019	IRP to review the Scheme of Allowances and compile draft report
22 Oct 2019	Executive to consider IRP draft report
3 Dec 2019	Full Council to consider IRP draft report and adopt new scheme of allowances
1 Apr 2020	New scheme of allowances comes into effect

5. Other considerations

Chairman of the IRP

- 5.1 In 2015, Council decided the IRP would elect its own Chairman. It is recommended that this should continue in respect of the 2019 review of allowances.

Honorarium

- 5.2 The Council is requested to consider the level of honorarium payable to IRP members. Since 2001, this has been set at £500 for each panel member in recognition of their time commitment for the four year term of office.

6. Consultations

- 6.1 There are no consultations to report at this point in the process

7. Equality and Diversity Implications

- 7.1 Public authorities are required to have due regard to the aims of the Public Sector Equality Duty (Equality Act 2010) when making decisions and setting policies.
- 7.2 Members of the IRP will be required to read and comply with this Council's Equality Scheme prior to commencement of the review process.

8. Financial Implications

- 8.1 The costs associated with the appointment of the IRP and the conduct of the review of allowances are set out in the table below:

	£
Appointment of IRP:	
• Advert in local newspaper	400 (approx)
• External induction training for IRP	800 (approx)
• Honoraria for up to five IRP members	2,500
Conduct of the Review:	
• Statutory public notices	1,500 (approx)
Total:	5,200 (approx)

- 8.2 With the exception of the £400 in respect of the advertisement referred to above, all of the other costs (approximately £4,800) will be incurred in the 2019-20 financial year, for which budgetary provision will need to be made.

9. Legal Implications

- 9.1 The Council must appoint an independent remuneration panel to review its scheme of allowances, and make recommendations thereon, in accordance with the Regulations referred to above.

10. Human Resource Implications

- 10.1 The administrative support to the panel will be provided from within existing staffing resources in Committee Services.

11. Summary of Options

- 11.1 Under the Regulations, the Council may retain the services of just three members of the IRP, but it is recommended that one or two additional panel members be sought in order to ensure a quorum throughout the review.

12. Conclusion

- 12.1 The public perception of the independence of the IRP and the robustness of the review process is important. It is essential for the Council to ensure the Panel remains representative and in touch with the issues and challenges faced by those making decisions.

13. Background Papers

- The report of the Independent Remuneration Panel appointed to review the allowances paid to Councillors of Guildford Borough Council, November 2015
- Report to Council 10 February 2016, (Minute No. CO103)

14. Appendices

None