

Executive Report

Ward(s) affected: All

Report Joint Strategic Director (Transformation and Governance)

Author: Carrie Anderson

Tel: 01483 444078

Email: carrie.anderson@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

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Review of Councillors' Allowances – Proposed appointment of a Joint Independent Remuneration Panel

Executive Summary

The Council is required to conduct the next review of councillors' allowances in 2023 following the local elections. Under The Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations"), the Council must appoint an independent remuneration panel to make recommendations as to the type and level of allowances to be included in the next scheme of allowances for councillors. The Council has a duty to have regard to the panel's recommendations.

Waverley Borough Council is also committed to conduct a review of allowances for its councillors following next year's local elections.

Taking account of the current collaborative arrangements for joint working between Guildford and Waverley, the Corporate Management Board supports the principle of establishing a Joint Independent Remuneration Panel to conduct separate reviews of the allowances payable to councillors of both authorities and make separate recommendations to both councils. The panel would also act as a parish remuneration panel and would be required to produce a separate report collectively for the parish councils in Guildford borough and another report for the town and parish councils in Waverley borough.

This report sets out a proposal to establish a joint independent remuneration panel, and seeks approval of its proposed terms of reference, a process for the recruitment of members to the Joint Independent Remuneration Panel (including the suggested re-appointment of three persons who have served previously on the independent remuneration panels for both Guildford and Waverley), level of honorarium to be paid

to each panel member, and a proposed timetable for the appointment process and for the review itself next year.

Waverley Borough Council has delegated authority to its Monitoring Officer to establish an Independent Remuneration Panel. Waverley's Monitoring Officer will be invited to agree the process for the appointment of a Joint Independent Remuneration Panel as described in this report.

Recommendation to Executive

That the Executive recommends to Council (11 October 2022):

- (1) That the Council agrees to establish jointly with Waverley Borough Council a Joint Independent Remuneration Panel to conduct a review and make recommendations to each council on their respective scheme of allowances for councillors in 2023.
- (2) That the draft terms of reference of the Joint Independent Remuneration Panel, attached as Appendix 1 to this report, be approved.
- (3) That, subject to confirmation of their continued eligibility for appointment, Vivienne Cameron, Dennis Frost, and Gordon Manickam be appointed to the Joint Independent Remuneration Panel for a period of up to four years commencing with the 2023-24 municipal year.
- (4) That the Joint Executive Head of Legal and Democratic Services 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 the appointment of up to two other members of the Joint Independent Remuneration Panel to serve for a period of up to four years commencing with the 2023-24 municipal year, and together with the Leaders and Deputy Leaders of both councils to shortlist, interview, and recommend for selection up to two nominees for appointment to the Joint Independent Remuneration Panel.
- (5) That the nominees for appointment to the Joint Independent Remuneration Panel referred to in paragraph (4) above be subject to formal approval by the Councils at its full council meeting in February 2023.
- (6) That the honorarium to be paid to each Panel member be set at £1,500, the cost of which shall be divided equally between the two councils.
- (7) That the proposed timetable for appointment of the Joint Independent Remuneration Panel and review of Guildford's allowances set out in paragraph 4.13 of this report, be approved.

(8) That provision be made in the 2023-24 revenue budget of £6,200 for the review of councillors' allowances.

(9) That the Joint Monitoring Officer be authorised to make all arrangements for the establishment and appointment of future independent remuneration panels, including approval of terms of reference, honoraria for panel members, and timetables for appointment and reviews of allowances.

Reason for Recommendation:

To comply with the requirements of The Local Authorities (Members' Allowances) (England) Regulations 2003.

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

1. Purpose of Report

1.1 This report asks the Council to approve a process for the appointment of a joint Independent Remuneration Panel (IRP) to conduct the forthcoming review (in 2023) of both Guildford's and Waverley's Scheme of Councillors' Allowances, together with the review of allowances paid to councillors of parish councils within this Borough and the town and parish councils within Waverley.

2. Strategic Priorities

2.1 The appointment and purpose of an IRP 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 an IRP are required to be independent, and its recommendations must be publicised.

3. Background

3.1 In accordance with the 2003 Regulations, local authorities must establish an IRP to review councillors' allowances. A council cannot determine or amend a scheme of allowances until it has considered and had regard to the recommendations of its IRP.

3.2 Previously, this Council's IRP has reviewed the overall scheme of allowances for councillors on six occasions: 2001, 2003, 2007, 2011, 2015, and 2019. In addition, over the past 20 years the IRP has conducted a small number of separate reviews on specific elements of the scheme of allowances and submitted recommendations to Council.

3.3 In December 2019, following consideration of the IRP's most recent report, the Council approved the current Scheme of Allowances (which came into

effect on 1 April 2020). The Council also agreed to adjust the level of allowances annually in line with the percentage increase in staff salaries until the next formal review of the Scheme, which will take place in 2023 following the local elections.

4. Main Considerations

Appointing an IRP

- 4.1 Although the 2003 Regulations do not prescribe how a council should appoint IRP members, the associated 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.
- 4.2 The 2003 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.
- 4.3 Whilst experience and continuity are very important for an independent remuneration panel, it is also vital to ensure that a panel is refreshed periodically with new members with different outlooks and perspectives. Therefore, although the minimum number of members of an independent remuneration panel is three, Guildford and Waverley officers feel that a joint panel should ideally comprise of five members, particularly given that the joint panel would be expected to produce separate reports not only for the two borough councils but also, in their capacity as a parish remuneration panel, a separate report for the parish councils in Guildford borough and another report for the town and parish councils in Waverley borough.
- 4.4 Two or more local authorities are able, under the 2003 Regulations, to establish and maintain a joint independent remuneration panel to advise them on their respective schemes. Such a panel must make separate recommendations to the appointing authorities.
- 4.5 Taking account of the current collaborative working arrangements between Guildford and Waverley and given that both councils are committed to conducting a review of their respective schemes of allowances following next year's local elections, the Corporate Management Board supports the principle of establishing a joint independent remuneration panel to conduct separate reviews of allowances payable to councillors of both authorities and make separate recommendations to both councils.

- 4.6 Both councils appointed Mark Palmer of South East Employers to their respective IRPs to assist with the last formal reviews of allowances at Guildford and Waverley. Mr Palmer chaired both panels. Both councils also appointed Dennis Frost to their respective panels. The third member of Guildford's panel was Vivienne Cameron – who has been a panel member since 2007, and the third member of Waverley's panel was Gordon Manickam.
- 4.7 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.
- 4.8 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.

Recruitment process

- 4.9 It is proposed that both councils advertise jointly 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 both councils' websites and sent to Parish and Town Councils in Guildford and Waverley for parish noticeboards.
- 4.10 It is suggested that the Joint Executive Head of Legal and Democratic Services, together with the Leaders and Deputy Leaders of both councils, be authorised to shortlist and interview candidates, and make recommendations to Council in February 2023 in respect of formal appointments to the Joint IRP for a period of four years commencing with the 2023-24 municipal year.

2023 Review

- 4.11 It is envisaged that the Joint IRP will undertake a full review of all current allowances payable to councillors as required by the 2003 Regulations. As stated above, the Joint 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.
- 4.12 Whilst the 2003 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 Joint IRP to review these allowances as part of its forthcoming review.

Proposed Timetable for Appointment of a Joint IRP / conduct of the review

- 4.13 The proposed timetable for appointing the Joint IRP and conducting the review is set out below:

| Date | Action |
|--------------------------|--|
| 11 Oct 2022 | Council to consider establishing a Joint IRP and appointment of three current IRP members to the new Joint IRP and authorise joint process for recruiting up to two additional Joint IRP members |
| 31 Oct 2022 | Advertise for applications for appointment to Joint IRP |
| 2 Dec 2022 | Closing date for receipt of applications (12 noon) |
| w/c 5 Dec 2022 | Joint Exec Head of Legal & Democratic Services and G & W Leaders and Deputy Leaders to shortlist candidates for interview |
| w/c 9 Jan 2023 | Interviews of short-listed candidates by Joint Exec Head of Legal & Democratic Services, and G & W Leaders and Deputy Leaders |
| 13 Jan 2023 | Confirmation of recommended candidates for appointment to Joint IRP |
| 8 Feb 2023 | Council to consider and approve up to two nominees for appointment to the Joint IRP |
| tbc Jun 2023 | Induction training / briefing and first meeting of the Joint IRP |
| 3 Jul 2023 – 29 Sep 2023 | Joint IRP to review G & W Schemes of Allowances and compile separate draft report for each council |
| Nov 2023 | G & W Executives to consider Joint IRP draft report |
| Dec 2023 | G & W Full Council meetings to consider IRP draft report and to adopt new scheme of allowances |
| 1 Apr 2024 | New scheme of allowances comes into effect |

5. Other considerations

Chairman of the IRP

- 5.1 In 2019, Council decided the IRP would elect its own Chairman. It is recommended that this should continue in respect of the 2023 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. It is acknowledged that, in order to properly recognise the time commitment involved, the level of honorarium for each panel member should be increased to £750.

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 estimated costs associated with the appointment of the Joint IRP and the conduct of the review of allowances are set out in the table below:

| | Total Cost | Cost to GBC |
|---|-------------------|--------------------|
| | £ | £ |
| Appointment of Joint IRP: | | |
| • Advert in local newspaper (approx.) | 500 | 250 |
| • External induction training for Joint IRP (approx.) | 900 | 450 |
| • Honoraria for up to five Joint IRP members | 7,500 | 3,750 |
| Conduct of the Review: | | |
| • Statutory public notices (approx.) | 4,000 | 2,000 |
| Total: | 12,900 | 6,450 |

- 8.2 With the exception of the £250 in respect of the advertisement referred to above, all of the other costs (approximately £6,200) will be incurred in the 2023-24 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 2003 Regulations referred to above. The Council is permitted to establish and maintain a joint independent remuneration panel with Waverley to advise both councils separately on their respective schemes.

10. Human Resource Implications

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

11. Conclusion

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

12. Background Papers

- The report of the Independent Remuneration Panel appointed to review the allowances paid to Councillors of Guildford Borough Council, November 2019
- Report to Council 3 December 2019 (Minute No. CO86)

13. Appendices

Appendix 1: Draft Terms of Reference – Joint Independent Remuneration Panel for Guildford and Waverley