

# Guildford Borough Council

Executive Report

Date: 23 November 2023

Ward(s) affected: n/a

Report of Strategic Director: Transformation & Governance

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

### **1. Executive Summary**

- 1.1 The Council appointed an Independent Remuneration Panel (IRP) – jointly with Waverley in October 2022 to review the existing scheme of councillors' allowances and make recommendations for a new scheme. On 2 November 2023, the IRP concluded its review and produced its report and recommendations (attached as Appendix 1 to this report).
- 1.2 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 5 December 2023, 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 2024.

### **2. Recommendation to Executive**

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 £8,579 per annum.
- (2) That that no councillor shall be entitled to receive at any time more than one Special Responsibility Allowance (SRA), and that where a councillor would otherwise be entitled to two or more SRAs, then only the higher-valued allowance should be received, and that this 'One SRA Only Rule' be adopted into the Scheme of Allowances.
- (3) That the maximum number of recipients of SRAs at any one time does not exceed 50% of Council Members (24 Members).
- (4) That the Leader of the Council should receive a Tier One Special Responsibility Allowance of 250% of the Basic Allowance, £21,448 per annum.
- (5) That the Deputy Leader should receive a Tier Two Special Responsibility Allowance of 100% of the Basic Allowance, £8,579 per annum.
- (6) That the Members of the Executive (excluding the Leader and Deputy Leader), the Chairman of the Planning Committee, should each receive a Tier Three Special Responsibility Allowance of 75% of the Basic Allowance, £6,434 per annum.
- (7) That the level of the Mayor's Special Responsibility Allowance should also be at Tier Three (75% of the Basic Allowance, £6,434 per annum) for 2024-25 and that this allowance be reviewed again by the Independent Remuneration Panel in 12 months' time.
- (8) That the Chairman of the Overview and Scrutiny Committee, the Chairman of the Corporate Governance and Standards Committee, and Political Group Leaders (of groups comprising more than 10% of members overall) should each receive a Tier

Four Special Responsibility Allowance of 50% of the Basic Allowance, £4,290 per annum.

- (9) That the Chairman of the Licensing Committee, Chairmen of the Executive Advisory Boards, the Deputy Mayor, the Vice-Chairman of the Planning Committee, and Political Group Leaders (of groups comprising less than 10% of members overall) should each receive a Tier Five Special Responsibility Allowance of 25% of the Basic Allowance, £2,145 per annum.
- (10) That the current Special Responsibility Allowance for Designated Licensing Sub-Committee Chairmen in respect of chairing Licensing Sub-Committee and Licensing Regulatory Sub-Committee meetings be set at £71 per meeting.
- (11) That, in relation to 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:
  - (a) the level of those allowances should remain unchanged at £8,000 and £2,000 per annum respectively;
  - (b) the Mayor's Allowance be reviewed again by the Independent Remuneration Panel in 12 months' time; and
  - (c) with immediate effect, the cost of the Mayor's travel arrangements for attending certain functions where it is inadvisable for them to drive themselves should be met from the Mayor's Allowance.
- (12) That co-optees receive an allowance of 5% of the Basic Allowance, £429 per annum.
- (13) That the amounts currently payable to councillors and co-opted members whilst on approved duties in respect of motor mileage and cycle allowances should continue.
- (14) That councillors and co-opted members, whilst on approved duties, should continue to be reimbursed the cost of:

- second class or any available cheap rate travel using public transport on production of proof of purchase of a valid ticket;
- travel by taxi or private hire vehicle where no public transport is reasonably available or for reasons of health/disability/safety; and
- any reasonable parking charges incurred.

(15) That the Day Subsistence and Overnight Subsistence Allowances be withdrawn and that the following be included in the new scheme of allowances:

*“Subsistence Allowance:*

*Reasonable subsistence allowances will be paid for the “Approved Duties” within the Scheme (see Appendix 2 to the IRP’s report), provided that:*

- (a) subsistence allowances are only payable for attending approved duties outside of the Borough;*
- (b) refreshments are not provided as part of the meeting/function attended.*
- (c) meal allowances will be paid only where a member is undertaking an approved duty which involves their absence from home for a period exceeding four hours; and*
- (d) all claims are accompanied by valid receipts.*

*Overnight Accommodation:*

*There is no set allowance for overnight accommodation. However, councillors should endeavour to stay in accommodation which provides good value for money but, if the reason for requiring overnight accommodation is to attend a training event, conference, or similar event, councillors may stay overnight at the venue being used for that event. Receipts must be provided with all claims for reimbursement of accommodation costs.*

*Reimbursement of reasonable overnight accommodation costs will also only be payable for attending approved duties outside of the Borough.*

*By way of guidance, it is considered that accommodation costs ranging from £100 to £150 are deemed to be “reasonable”,*

*dependent on the location. All overnight accommodation should be pre-booked by officers wherever possible. No claims for alcoholic drinks will be reimbursed.”*

- (16) That a new Dependants’ Carers’ Allowance be included in the scheme of allowances as follows:

Level 1 (a) – A £500 annual allowance for Councillors where there is one or more children aged 12 or younger that normally reside in their household and for whom they are caring. This allowance would only be payable until the child’s 13<sup>th</sup> birthday. This allowance would be taxable.

Level 1 (b) – A £500 annual allowance for Councillors where there is one or more persons that normally reside in their household and for whom they are a registered carer. This allowance would be taxable.

Level 2 – This shall be for specialist care based at cost upon production of receipts and requiring medical evidence that this type of care is required. This allowance would not be taxable and shall apply for councillors with caring responsibility for persons of any age. There shall be no limit to these claims, provided that they are made in respect of approved duties.

Councillors shall only be entitled to claim one dependants’ carers’ allowance (at either Level 1 (a) or (b), or Level 2) regardless of circumstances. Councillors wishing to claim for this allowance will be required to submit proof on an annual basis such as a child’s birth certificate and/or official confirmation that they live at their address, being formally registered as a carer with a GP, or professional medical evidence before the Allowance will be payable.

- (17) That no changes be made to the Approved Duties for which Dependants’ Carers’ Allowance and Travelling and Subsistence Allowance should be payable.
- (18) That the approach outlined in the IRP’s report to support parental leave for councillors be adopted and incorporated into the scheme of allowances.

- (19) 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 2027, at which time the Scheme shall be reviewed again by an independent remuneration panel. Where staff salaries are increased by way of a lump sum payment, the Allowances referred to above shall be adjusted by applying an average percentage increase.
- (20) That the new scheme of allowances to be agreed by the Council in December 2023 be implemented with effect from the beginning of the 2024-25 financial year, at which time the current scheme of allowances will be revoked.

### **3. Reason for Recommendation**

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

### **4. Exemption from publication**

- 4.1. None

### **5. Purpose of Report**

- 5.1 To enable the Executive to make recommendations to the Council at its meeting on 5 December 2023 in connection with the review of the scheme of councillors' allowances conducted recently by the Council's Independent Remuneration Panel (IRP).

### **6. Strategic Priorities**

- 6.1 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.
- 6.2 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).

## 7. Background

- 7.1 The current Scheme of Councillors' Allowances, contained within Part 6 of the Constitution, has been operating (with index-linked updates) since April 2020.
- 7.2 In October 2022, 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 appointing an independent remuneration panel, jointly with Waverley, comprising Vivienne Cameron, Dennis Frost and Gordon Manickam. Both councils agreed to appoint two further panel members, and in February 2023, Council formally approved the appointment of Rodney Bates and Paul Marcus to the panel.
- 7.3 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 legislation<sup>1</sup> to meet the expenses of their offices.
- 7.4 The IRP conducted their review between September and October 2023 and have now produced their report and recommendations, a copy of which is attached as **Appendix 1**. The Chairman of the IRP, Dennis Frost and other panel members have been invited to attend the meeting to respond to councillors' queries/questions/requests for clarification.
- 7.5 To comply with the requirements of the 2003 Regulations, details of the IRP's recommendations were published in the *Surrey Advertiser* and online on 17 November 2023. A copy of the IRP's report is also available for viewing on the Council's website<sup>2</sup>.

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<sup>1</sup> Sections 3 and 5 of the Local Government Act 1972

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

## **8. Equality and Diversity Implications**

- 8.1 A screening Equalities Impact Assessment (EIA) has taken place and the section below is drawn from that document.
- 8.2 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.
- 8.3 A successful scheme of allowances will assist in increasing the diversity of councillors, to better reflect the communities they represent and serve.
- 8.4 In addition, a scheme of allowances should encourage local democratic participation.

## **9. Financial Implications**

- 9.1 If the IRP's recommendations are adopted, the following provision would need to be made in the 2024-25 revenue budget:

	<b>£</b>
Basic Allowance	411,792
Special Responsibility Allowances	131,542
Co-Optees' Allowance	2,574
Employer's National Insurance	1,814
Travelling & Subsistence Allowance (est)	5,000
Dependants' Carers' Allowance (est)	2,500
Total:	<b>555,222</b>

## **10. Legal Implications**

- 10.1 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.

10.2 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 17 November 2023) and a further notice once the Council has adopted a new scheme of allowances.

10.3 Under paragraph 16 (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.

## **11. Human Resource Implications**

11.1 There are no significant human resource implications.

## **12. Climate Change/Sustainability Implications**

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

## **13. Conclusion**

13.1 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 2024-25 financial year.

13.2 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 5 December 2023.

13.3 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.

## **14. 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)

## **15. Appendices**

Appendix 1: The Independent Remuneration Panel's report (November 2023)

Appendix 2: Draft Scheme of Allowances 2024-25 based on the IRP's recommendations.