

# Guildford Borough Council

<b>Report to:</b>	Executive / Council
<b>Date:</b>	28 November / 3 December 2024
<b>Ward(s) affected:</b>	'All'
<b>Report of Strategic Director of:</b>	Legal & Democratic Services
<b>Report Author:</b>	Carrie Anderson, Senior Democratic Services Officer
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<b>Lead Executive Member:</b>	Cllr Merel Rehorst-Smith
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<b>Status:</b>	Open
<b>Key decision:</b>	No

## Review of Councillors' Allowances (including 12-month update)

### 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 to make recommendations for a new scheme. During the autumn of 2023, the Joint IRP conducted its review. On 5 December 2023, the Panel submitted its final report and recommendations (attached as Appendix 2 to this report) to full Council for consideration.

1.2 In view of the Council's financial position at the time and the Council's determination to resolve those difficulties, full Council resolved:

That the Council:

- (1) defers consideration of the report of the Independent Remuneration Panel on the review of councillors' allowances for a period of 12 months;
- (2) retains the current scheme of allowances without indexation, which effectively freezes councillors' allowances at their current level for the 2024-25 financial year; and

- (3) thanks the Independent Remuneration Panel for their work.
- 1.3 This report resubmits the Joint IRP 2023 report to full Council along with a smaller update report within which the Panel reflects upon certain changes that have taken place within the council during the last 12 months (Appendix 1). The recommendations arising from the IRP's 2023 report and its recent update report are set out as recommendations (1) to (23) below.
- 1.4 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 2024, Council is to reconsider 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 2025.

## **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 recommendations within the Joint Independent Remuneration Panel's 2023 report and its update report dated 11 October 2024, 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 Chair 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 2025-26 and that this allowance be reviewed again by the Independent Remuneration Panel in 12 months' time.
- (8) That the Chairs of the Overview and Scrutiny Committees and 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 Chair of the Licensing Committee, the Deputy Mayor, the Vice-Chair 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 and to note that no further review is required; and

- (b) 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 overnight 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 Councillors' Allowances Scheme be amended to include provisions that clarify that:

(a) All Councillors shall continue to receive their Basic Allowance in full for a period up to six months in the case of absence from their councillor duties due to leave related to maternity, paternity, adoption shared parental leave or sickness absence.

(b) Councillors entitled to a Special Responsibility Allowance shall continue to receive their allowance in full for a period of six months, in the case of absence from their Councillor duties due to leave related to maternity, paternity, adoption, shared parental leave or sickness absence.

(c) Where for reasons connected with sickness, maternity leave, adoption leave, paternity leave or shared parental leave a councillor is unable to attend a meeting of the Council for a period of six months, a dispensation by Council can be sought before the expiry of that six-month period in accordance with Section 85 of the Local Government Act 1972.

(d) If a replacement to cover the period of absence under these provisions is appointed by Council or the Leader (or in the case of a party group position the party group) the replacement shall be entitled to claim a Special Responsibility Allowance pro rata for the period over which the cover is provided.

- (19) That the basic allowance, each of the SRAs, the Co-Optees' Allowance and the Dependants' Carers' Allowance (Level 1) 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 removal by the Independent Remuneration Panel of its recommendation within its November 2023 report for a special responsibility allowance to the Chairmen of the two Executive Advisory Boards, and the resulting saving of £8,352 be noted.
- (21) That the new scheme of allowances to be agreed by the Council in December 2024 (draft of which is attached as Appendix 3) be implemented with effect from the beginning of the 2025-26 financial year, at which time the current scheme of allowances shall be revoked.
- (22) That the Independent Remuneration Panel be requested to undertake during the coming year a further mini review of the special responsibility allowance in respect of the role of the Overview and Scrutiny Chairs and submit a further short report for the 2026/27 financial year.
- (23) That the Independent Remuneration Panel's offer to review any new or significantly changed roles which might attract a special responsibility allowance as they arise and to make further recommendations to the Council, be welcomed.

### **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. Strategic Priorities**

5.1 The Council strives to be a resilient and well managed council, to have in place well managed and monitored finances, and to spend public money wisely within a Best Value budgetary framework.

## **6. Background**

6.1 The current Scheme of Councillors' Allowances, contained within Part 6 of the Constitution, has been operating (with index-linked updates) since April 2020.

6.2 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.

6.3 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 to meet the expenses of their respective offices.

6.4 The IRP conducted their review between September and October 2023 and produced their report and recommendations, a copy of which is attached as Appendix 1. The Chair 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.

6.5 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.



- 6.6 On 5 December 2023, the Panel submitted its final report and recommendations (attached as Appendix 2 to this report) to full Council for consideration.
- 6.7 In view of the Council's financial position at the time and the Council's determination to resolve those difficulties, full Council resolved:

That the Council:

- (1) defers consideration of the report of the Independent Remuneration Panel on the review of councillors' allowances for a period of 12 months;
  - (2) retains the current scheme of allowances without indexation, which effectively freezes councillors' allowances at their current level for the 2024-25 financial year; and
  - (3) thanks the Independent Remuneration Panel for their work.
- 6.8 This report resubmits the Joint IRP 2023 report to full Council along with a smaller update report within which the Panel reflects upon certain changes that have taken place within the council during the last 12 months (Appendix 1). The recommendations arising from the IRP's 2023 report and its recent update report are set out as recommendations (1) to (23) below.

## **7. Options**

- 7.1 The Council has a duty to have regard to the recommendations of its Independent Remuneration Panel but is under no obligation to accept them. Council may accept all, some, or none of the recommendations.

## **8. Consultation**

- 8.1 During the 2023 review, the Panel received a briefing from the then Joint Chief Executive focused on the financial circumstances of the council. In July 2024, the Panel received a similar update briefing from the Joint Strategic Director for Finance (s.151).
- 8.2 During the 2023 review, the Panel undertook to consult with all councillors by means of an online questionnaire and an extensive schedule of interviews.

## 9. Key Risks

9.1 Any risk implications arising from this report would be focused upon the council's financial circumstances (see paragraph 11).

## 10. Legal and Governance Implications

10.1 The Council has a duty to periodically review allowances paid to councillors and that such review must be undertaken by an independent remuneration panel. Before the council makes or amends a scheme of allowances, it must have regard to the recommendations made to it by the panel.

10.2 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. Financial Implications

11.1 Following the deferral of the decision to increase allowances last year, provision was made in the MTFP for the 2025-26 revenue budget to reflect the increased costs as detailed below. The increase of £89,100 was approved by full council in February 2024.

	£
Basic Allowance	411,792
Special Responsibility Allowances	130,926
SRA for Designated Licensing Sub-Ctte chairs based on approx. 15 meetings p.a. (£71 x 15)	1,065
Co-Optees' Allowance	2,574
Employer's National Insurance (est)	18,153
Travelling & Subsistence Allowance (est)	5,000
Dependants' Carers' Allowance (est)	2,500
Total:	<b>572,010</b>

## 12. Human Resources Implications

12.1 There are no human resources implications arising from this report.

### **13. Equality and Diversity Implications**

13.1 The Equalities Officer has advised there are no equality and diversity implications arising from this report.

### **14. Climate Change and Sustainability Implications**

14.1 There are no climate change or environmental sustainability implications arising from this report.

### **15. Next Steps**

15.1 The next steps for this report will be to incorporate any comments arising from the Executive debate and the final report forwarded to full Council for consideration on 3 December 2024.

15.2 If the revised Scheme of Allowances is approved by full Council the changes to the Scheme of Allowances will be introduced from 1 April 2025.

### **16. Background Papers**

Guildford Borough Council, 5 December 2023, Minute CO75

### **17. Appendices**

Appendix 1: Joint Independent Remuneration Panel Update Report  
2024

Appendix 2: Joint Independent Remuneration Panel Review of  
Councillor Allowances Report 2023

Appendix 3: Draft Revised Scheme of Councillors' Allowances 2025

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This box must not be deleted and will be published with the report

Finance	Jo Knight	19/11/24
Legal & Governance	Insert name	20/11/24
Human Resources	Francesca Chapman	17/10/24
Equalities	Ali Holmn	22/10/24
Strategic Director	Insert name	20/11/24 (CB)