Agenda item number: 11
Review of Mayoral Allowances

Council Report
Report of Executive Head of Governance
Author: James Dearling
Tel: 01483 444141
Email: james.dearling@guildford.gov.uk
Lead Councillor responsible: Paul Spooner
Tel: 01252 341666
Email: paul.spooner@guildford.gov.uk
Date: 8 July 2014

Review of the Mayor’s and Deputy Mayor’s Allowances and possible Special Responsibility Allowance for the Mayor: recommendations of the Independent Remuneration Panel

Recommendation to Council:
The Council is asked to consider the report and recommendations of the Independent Remuneration Panel and to:

(1) agree appropriate levels for the Mayor’s and Deputy Mayor’s Allowances; and
(2) consider the introduction of a Special Responsibility Allowance for the Mayor in respect of chairing Council meetings.

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 To give formal consideration to the report and recommendations arising from the review by the Council’s Independent Remuneration Panel (IRP) of the Mayor and Deputy Mayor’s Allowances and the possible introduction of a Special Responsibility Allowance (SRA) for the Mayor in respect of chairing Council meetings.

2. Strategic Framework
2.1 The appointment and work of an independent remuneration panel to review and make recommendations on the Mayor and Deputy Mayor’s Allowances and the introduction of an SRA for the Mayor demonstrates that the Council’s work is publicly accountable and presented with openness and transparency. The
members of the IRP are required to be independent and their recommendations publicised.

3. **Background**

3.1 The current Councillors’ Allowances Scheme, contained within Part 6 of the Constitution, has been operating since 1 April 2012.

3.2 In February 2011, the Council complied with the requirements of Section 99 of the Local Government Act 2000 and The Local Authorities (Members’ Allowances) (England) Regulations 2003, by appointing an IRP that comprised:

- Dr Michael Clark (Chairman)
- Tony Allenby
- Vivienne Cameron
- David Clay

The role of the IRP is to make recommendations about the allowances paid to councillors.

3.3 Shortly after the last borough council elections in the summer of 2011, the IRP conducted a main review of all councillors’ allowances which included, for the first time, a review of the Mayor’s and Deputy Mayor’s Allowances.

3.4 The IRP undertook an interim review in 2013 relating only to specific elements of the scheme of allowances (principally to make recommendations in respect of possible SRAs for the chairman of the Standards Committee and the Audit and Corporate Governance Committee, SRA arrangements for the chairman of the Licensing Committee and the five Licensing Sub-Committee chairmen, and adjustments to allowances in line with the percentage increase in staff salaries).

3.5 The terms of reference for the IRP’s latest review and report were determined by Council. Specifically, on 10 April 2014 the Council considered the findings of a Review of the Civic Function and asked the IRP to:

(a) review the current levels of existing Mayor’s and Deputy Mayor’s Allowances;

(b) consider the possible introduction of an SRA for the Mayor in respect of chairing Council meetings; and

(c) submit their recommendations in respect of (a) and (b) above to the 13 May 2014 Council meeting.

3.6 Under Section 3 of the Local Government Act 1972, the Council may pay the chairman of the Council (the Mayor) such allowance as the Council judges reasonable “for the purpose of enabling him to meet the expenses of his office”. Section 5 of the 1972 Act also makes a similar provision for an allowance to be paid to the vice-chairman of the Council (the Deputy Mayor).
3.7 The existing level of allowance payable to the Mayor is £8,000 for the mayoral year. The total budget for the Mayor’s allowance is currently £10,620, which includes £2,620 to cover tax and any NI contributions payable by the Council on their behalf. The Deputy Mayor’s allowance is currently £1,100, the total budget for which is £1,330, which includes £220 to cover tax and NI contributions.

3.8 At the time of the last full review of councillors’ allowances in 2011, the IRP made no recommendation for change in the current level of allowances paid to the Mayor and Deputy Mayor, but asked the Council to bear in mind that “the level of these allowances had not changed since 2007-08 and inflation had inevitably reduced buying power”.

3.9 The Council has not previously asked the IRP to review and submit recommendations on the possibility of a separate SRA for the Mayor for chairing Council meetings. The rationale for the Council’s request to the IRP is twofold: the high profile nature of recent council meetings and the responsibility resting with the Mayor to conduct Council business fairly and efficiently in accordance with the Constitution, occasionally in a hostile environment. Such an SRA would be in addition to the allowance to meet the expenses of the office of Mayor referred to above.

3.10 The IRP conducted their 2014 interim review between April and June 2014 and have produced their report and recommendations, a copy of which is attached as Appendix 1. While the ambition for submission of the Panel’s findings to the 13 May Council meeting was not achievable, the Panel did complete their review for the next scheduled Council meeting. The IRP’s report was published on the Council’s website on 24 June 2014.

http://www.guildford.gov.uk/article/5128/Councillors---allowances

4. Key issues arising from IRP’s report

4.1 The IRP conclude that it is not yet possible to determine the effect on Mayoral expenses of the changes to the Mayor’s role approved by the Council in April 2014. The re-focusing of the Mayoral role towards the delivery of the Council’s corporate objectives is envisaged to involve future Mayors carrying out fewer but different engagements. Having considered the limited evidence available about this change, together with the significant underspends in the Mayor’s Allowance in recent years, the Panel suggest making firm recommendations now would be injudicious. Accordingly, the Panel recommends no immediate change in the level of the Mayor’s Allowance and suggests the issue be revisited in the full review of the councillors’ scheme of allowances in 2015 when a greater understanding of the effects of the role change will be attainable.

4.2 In relation to the Deputy Mayor’s Allowance the IRP recommend an increase from £1,100 to £2,000 (net of any provision for tax and NI contributions). Referring to expectations that the Deputy Mayor will in future cover more mayoral engagements and noting overspends in the Deputy Mayor’s Allowance in recent years, the Panel conclude the case for an increase is sound.
4.3 The IRP recommend the introduction of an SRA for the Mayor in respect of chairing Council meetings, backdated to 7 May 2014 – the beginning of the 2014-15 mayoral year. The Panel acknowledge that chairing Council meetings is a responsibility that has gone unrecognised and one worthy of recognition but do not suggest backdating the SRA to the beginning of the 2013-14 mayoral year.

4.4 The Panel suggests the SRA for the Mayor be set at half the level assigned to the role of scrutiny committee chairman. This is because the Panel judges the Mayor’s chairing responsibilities not as onerous as that of a chair of a major committee of the Council.

4.5 The Council should amend only those specific aspects of the scheme of allowances that the IRP was asked to consider (as detailed in paragraph 3.5 above).

5. **Financial Implications**

5.1 If the IRP’s recommendations were adopted without change, additional provision would need to be made in the 2014-15 revenue budget as indicated in the table below.

<table>
<thead>
<tr>
<th>Allowance</th>
<th>2013-14</th>
<th>2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor’s Allowance:</td>
<td>£8,000</td>
<td>£8,000</td>
</tr>
<tr>
<td>Deputy Mayor’s Allowance:</td>
<td>£1,100</td>
<td>£2,000</td>
</tr>
<tr>
<td>Mayor’s Special Responsibility Allowance:</td>
<td>–</td>
<td>£1,592</td>
</tr>
<tr>
<td>Additional Revenue Budget (including provision for tax and NI contributions):</td>
<td>–</td>
<td>£3,334</td>
</tr>
</tbody>
</table>

6. **Legal Implications**

6.1 The allowances payable to councillors are matters for local determination. Whilst 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.

6.2 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 4 July 2014) and a further notice once the Council has adopted, or amended, its scheme of allowances.

6.3 An IRP is required to review the Councillors’ Allowances Scheme every four years; the last full review was held in the summer of 2011 and the next is anticipated shortly after the local elections in 2015.
7. **Human Resource Implications**

7.1 There are no significant human resource implications.

8. **Conclusion**

8.1 Having received the IRP’s report of its findings, the Council must take the recommendations into account when it now considers its decision on possible amendments to the scheme of allowances.

8.2 Once adopted, any amendments to the scheme will be included in Part 6 of the Council’s Constitution and available for viewing on the Council’s website. In accordance with legislation, a notice is to be placed in a local newspaper publicising specified details of the scheme as soon as practicable after its determination.

9. **Background Papers**

Briefing Note for Independent Remuneration Panel on Review of the Mayor and Deputy Mayor’s allowance and possible Special Responsibility Allowance for the Mayor issued by Democratic Services Manager (March 2014)

10. **Appendices**

Appendix 1: The Independent Remuneration Panel’s report (June 2014)