

**Annex A**

**A Review**

**Of**

**Members'  
Allowances**

**For**

**City of York Council**

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**The Fourth Report**

**By**

**The  
Independent  
Remuneration  
Panel**

**Wendy Capelin  
Susanne Gilbert  
Dr Declan Hall  
Roger Shenton**

**November 2007**

## Foreword

This is the fourth report produced by the Independent Remuneration Panel for City of York Council. The original Panel, established in 2000 as a precursor to the wider modernisation agenda rolling out across England at the time, produced its first report in the autumn of 2000. This review took place in a context of limited experience of the new roles and structures but nonetheless the Independent Remuneration Panel made recommendations that at the time were very much in spirit with the new roles and responsibilities envisaged for local government. Consequently, the City of York Council was ahead of many of its contemporaries in the levels and range of allowances paid to Members.

The City of York Council was required (as were all local authorities) under the *Local Authorities (Members' Allowance) (England) Regulations 2003*<sup>1</sup> and subsequent amendments to re-establish its Panel to make recommendations on certain associated allowances before 31 December 2003, which was duly done. However, the review in 2003 was viewed very much as an interim measure to comply with the 2003 Regulations rather than an opportunity to undertake a wider review of allowances in light of experience by Members on the new roles and responsibilities they were required to undertake; thus, the essential framework was maintained.

A new Panel appointed at the end of 2003, charged with carrying out a more detailed review in the first half of 2004, which it duly did – producing a report in October 2004. However, while some minor changes arose out of the 2004 review – such as a marginally increased Basic Allowance and the abolition of some minor allowances – it did not result in any major changes in the current scheme. Nor did it result in the Council availing itself of the right to exercise discretion in other areas, such as indexation, pensions, and Co-optees' Allowance.

As required by the 2003 Regulations the Council is required to seek advice from its Independent Remuneration Panel (IRP) before it can amend or change its allowances scheme. The Regulations also require that a Council seek advice from its IRP at least every four years and that time line is one driver of this review; the Council would be required to reconvene this Panel within the next six month or so regardless. This review has not recommended major changes to the current scheme bar in relation to the Basic Allowance; the framework for current scheme is still broadly appropriate. The Panel has sought to address any anomalies in the current scheme rather than revisit the fundamental framework.

The Panel recognises that the Council (as with all Councils) should seek to attract a wider range of candidates, particularly from underrepresented groups, such as younger people who are employed, ethnic minorities, and adults charged with home caring responsibilities. A Members' Allowances Scheme can play a part in making standing and remaining as an elected Member a more feasible proposition for those from underrepresented groups. But, the reality is that if the Panel were to make recommendations that ensured being an elected Member was financially attractive it would be recommending levels of remuneration that would make Members in York by far the highest paid in the UK. The Panel is aware that the Council could not afford to pay such suggested levels nor was there any suggestion from the evidence received that it should do so.

This is not to suggest that the driver for this review is financial. While the Panel was aware of its fiduciary responsibilities in ensuring value for money for the Council Tax Payers of York it was concerned primarily with arriving at the appropriate allowances for the roles that Members are required to undertake. Moreover, the Panel did not feel entirely comfortable with making being an elected Member financially attractive even if it was affordable. The role of the Panel has been to balance the

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<sup>1</sup> See Statutory Instruments 2003 Nos. 1021, 1022 and 1692 for further details.

requirements that the Council provides proper remuneration for being an elected Member (within a sensible framework) while ensuring that a degree of public accountability is brought to bear on the Council's right to determine its own Members' Allowances Scheme.

Dr Declan Hall  
Chair of the Independent Remuneration Panel  
November 2007

**Summary of Remuneration Panel's Recommendations**

Post	Maximum Payable	Basic Allowance	Special Responsibility Allowance	Total Allowance Per Member	SRAs Total Payable
Basic Allowance	47	£8,880			
Leader	1	£8,880	£26,640	£35,520	£26,640
Deputy Leader	1	£8,880	£18,648	£27,528	£18,648
Executive Portfolio holders	7	£8,880	£15,984	£24,864	£111,888
Main Opposition Group leader	1	£8,880	£11,988	£20,868	£11,988
Chair of Scrutiny Management	1	£8,880	£7,992	£16,872	£7,992
Chair of Planning Committee	1	£8,880	£7,992	£16,872	£7,992
Main Opposition Deputy Group leader	1	£8,880	£5,328	£14,208	£5,328
Principal Minority Group Leader	1	£8,880	£5,328	£14,208	£5,328
Chairs of Planning sub-committees	2	£8,880	£5,328	£14,208	£10,656
Chairs of Standing Scrutiny Committees	2	£8,880	£5,328	£14,208	£10,656
Chairs of Ad Hoc Scrutiny Committees	4	£8,880	£5,328	£14,208	£21,312
Chair of Licensing & Regulatory Committee	1	£8,880	£5,328	£14,208	£5,328
Chair of Gambling & Licensing Committee	1	£8,880	£5,328	£14,208	£5,328
Shadow Executive	7	£8,880	£3,996	£12,876	£37,296
Chair of Audit & Governance	1	£8,880	£2,664	£11,544	£2,664
LM as Chair of Council	1	£8,880	£2,664	£11,544	£2,664
Group leader of third minority party	1	£8,880	£2,100	£10,980	£2,100
Chairs of Licensing Sub Committees	2	£8,880	£1,332	£10,212	£2,664
<b>Sub Totals</b>	<b>36</b>	<b>£417,360</b>			<b>£296,472</b>
<b>Total</b>					<b>£713,832</b>
Co-Optees' Allowance Chair of Standards	1			£2,664	£2,664
Co-Optees' Allowance Other Independent Members on Standards	2			£440	£880

The Panel considered the following posts but decided not to recommend they receive a SRA:

- The ordinary Members of the Licensing Committee
- The Chairs of the EMAPs
- All Vice Chairs
- Member Champions

The Independent Remuneration Panel also recommends the following; namely:

**An Expenses (Telecommunications and Support) Allowance**

- I. The current allowance for telephone line rental is discontinued and replaced by an annual £300 Expenses (Telecommunications and Support) Allowance.

**Access to the Local Government Pension Scheme (LGPS)**

- II. All Members should be eligible to join the LGPS, to include both their Basic Allowance and SRAs, if so agreed by the Council.

**The Dependants' Carers Allowance (DCA)**

- III. The DCA is paid at and indexed to minimum wage relevant to age of carer for child care element and to York Social Services hourly cost of home help for other care. The amount claimable capped at 12 hours per week.

**Travel and Subsistence Allowances**

- IV. The current terms and conditions and applicable rates for which Members can claim travel and subsistence allowances on approved duties continue.

**Member Performance**

- V. The Council publish attendance records alongside the annual publication of allowances and expenses received by Members and the publication of attendance records should take into account such things as illnesses, holidays, etc.

**Confirmation of Implementation and Indexing**

- VI. The recommendations contained within this report (with any amendments) implemented from the Annual Meeting of the Council in May 2007.
- VII. Furthermore, the Panel recommends and confirms the use of the following index for allowances:
  - Basic Allowance, SRAs, Co-optees' and Expenses (Telecommunications and Support) Allowances: increased by the annual percentage increase in the LGA daily session rate as published each year in March to be implemented the following May in that year from the date of the Council Annual Meeting commencing in 2008.
  - Travel and Subsistence: maintain current indices, namely Officer casual user rate or AMAP rates where relevant, unless related to actual cost re-imburement.
- VIII. That as per regulations the indices recommended by the Panel be utilised for four years, or until the Council requires a further review.

**Limits on SRAs**

- IX. That as per current practice Members should draw one SRA only regardless of number of remunerated posts they may hold.

**The Lord Mayor and Sheriff – Civic Allowances**

- X. That the Civic Allowance for the Lord Mayor and Sheriff be increased, and suggests a sum of £6,000 and £3,000 respectively.

**Independent Remuneration Panel:**  
**Review of Members' Allowances**  
**For**  
**City of York Council**

**Introduction: The Regulatory Context**

1. The following is a synopsis of the proceedings and recommendations made by the Independent Remuneration Panel appointed by City of York Council to consider the current Members' allowances scheme and advise the Council on a revised scheme.
2. The Panel was convened under *The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021)* and subsequent amendments, to the regulations (*SI 1022 and SI 1692*).
3. These regulations require local authorities to set up and maintain an advisory Independent Remuneration Panel (IRP) to review and provide advice on their Members' allowances scheme. All Councils are required to convene their IRP before they make any changes to their allowances' scheme, and the Council must 'pay regard' to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.

**The Panel**

4. City of York Council reconvened its Allowances' Panel and the following Members carried out its independent remuneration review; namely:
  - Wendy Capelin, a HR professional with over 20 years experience
  - Susanne Gilbert, a Managing Director with over 30 years experience, a Member of the Institute of Directors, a Director of the York Chamber of Commerce, Diploma in Company Directing
  - Dr. Declan L. G. Hall, Chair, (Institute of Local Government, School of Public Policy, The University of Birmingham), an academic specialising in the field of Members' allowances and support
  - Roger Shenton, a retired supply chain consultant
5. The Panel was supported by the Democratic Services Team. The Panel would like to record its gratitude to the Members and Officers of City of York Council for making themselves available to meet with the Panel and to Member Support Staff in ensuring that the Panel was organised and operated in efficient and effective fashion.

## Terms of Reference

6. The Panel was given terms of reference that reflected the requirements of the 2003 Regulations, namely to:
  - 1) Advise the City of York Council on what would be the appropriate level of remuneration for councillors having regard to:
    - (a) Their role as elected ward councillors and council business common to all (Basic Allowance)
    - (b) Any additional allocated roles/responsibilities special responsibility allowance
  - 2) Advise the Council on the payment of other allowances to its members such as travel and subsistence allowances, dependants' carers' allowances, co-optees, etc.
  - 3) Make recommendations as to which Members of Council are to be entitled to pensions in accordance with the scheme made under Section 7 of the Superannuation Act 1972; and as to treating Basic Allowances and Special Responsibility Allowances as amounts in respect of which such pensions should be payable regarding the Local Government Pension Scheme (LGPS)
  - 4) Make recommendations and provide advice to the Council on any other issues referred to the panel by regulation or by the council e.g., indexation, provision for suspension, backdating, etc.

## Methodology

7. The Panel met at the Mansion House, York, 8<sup>th</sup> - 9<sup>th</sup> August, and 21<sup>st</sup> September 2007. The Panel meetings were held in private session to enable the Panel to interview Members and Officers in confidence. The details of the range of elected Members and Officers of the Council that met with the Panel are provided in Appendix 1.
8. The Panel's activity fell into 4 parts:
  - **One:** Review of background information; including, the current political structures and composition, briefing by the Panel Chair on the issues concerning allowances' reviews, other relevant information such as Council meetings schedule, membership of the Council, the previous report and the current allowances scheme, allowances paid in comparator authorities and copies of the regulations and statutory guidance. Full list of information considered by the Panel is reiterated in Appendix 2 and Appendix 3
  - **Two:** Interviews with Members and Officers of the Council
  - **Three:** Review of oral and written submissions and examples from other relevant authorities.
  - **Four:** Arriving at recommendations.

## Principles of the Review

9. Before the Panel arrived at its recommendations it decided that its deliberations should be underpinned by the following principles; namely that :
  - (i) The recommendations would seek to minimise barriers to public service without allowances becoming a motivating factor in serving the Council.
  - (ii) The recommendations should be based on a transparent and logical construct that is understandable and justifiable.

- (iii) Any scheme recommended should be simple to administer.
- (iv) Recommendations should seek to reflect the way of working and responsibilities held by Members in City of York Council.

10. The Panel has set out its deliberations in this report to assist Members and the public to understand its approach. The role of the Panel has been to consider the worth of Members' roles. It is for the Council to consider issues of public perception and affordability. The recommendations presented in this report at the present represent the view of the Panel and not the official view of City of York Council.

## The Evidence Considered

### Arriving at the Basic Allowance

11. As per the previous review took into account the statutory guidance to which it must pay regard to before arriving at its recommendations. In particular, the Panel was made aware that the authority's scheme of allowances must include provision for a Basic Allowance that is payable at an equal flat rate to all Members. The statutory guidance on arriving at the Basic Allowances further states:

*Having established what local Councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, Councillors ought to be remunerated.<sup>2</sup>*

12. The Panel based its underlying approach to setting the recommended Basic Allowance on the statutory guidance as published by Department of Communities and Local Government (DCLG) and the Inland Revenue and Customs (IR&C), par. 67. Based on the above statutory guidance the Panel was under a duty to arrive at answers for the following three variables:<sup>3</sup>
- \* What time is necessary to fulfil the role of the ordinary Member?
  - \* What amount of that time should be viewed as given as public service, known as the public service discount (PSD)?
  - \* At what rate of pay should be the remunerated hours?

### Recalibrating the Basic Allowance

13. If the Panel was simply to use the original variables from the 2004 review with an up dated rate for the job, which is £138.75 per day (the Local Government Association 'daily session' rate<sup>4</sup>) it would result in the following recalibrated Basic Allowance:
- [time required to undertake roles multiplied by rate for the job] minus public service discount
  - = [72 days per year X £138.75] – 30%
  - = £9,990
  - = £6,993
14. The current Basic Allowance (£6,300) has not kept pace with the LGA daily session rate as the Council made a decision not to accept an annual index. Thus, the up dated Basic Allowance should at least be just under £7,000, simply to maintain parity with the Basic Allowance set in 2004.
15. The Panel decided to revisit the original variables to test whether they were still appropriate. In other words, it wanted to find out whether the recalibration was robust in light of the current context in York Council.

<sup>2</sup> Department of Communities and Local Government and Her Majesty's Revenue and Customs, *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, London: TSO, July 2003, par 67

<sup>3</sup> See *Consolidated Guidance* July 2003 paragraphs 68-69 for further details.

<sup>4</sup> see LG Alert 55/07, *Members' Allowances* 7 March 2007

## Setting the Basic Allowance – Expected Time Inputs

### Original Time Estimate

16. The Panel in 2004 deliberated at length on the time required fulfilling the backbench role[s] - not what Members put in on average but what was the minimum necessary to put in to fulfil the role of a Member. The time that many Members have to supply can exceed the time necessary to do the job. The evidence from the interviews in 2004 on what was necessary to do the job of the Member effectively generally viewed the input necessary within the 12-15 hours per week range. The Panel opted for the lower end of this range and utilised 12 hours per week, as the minimum necessary to do the job of a Member as it sent out the message that most employed people would find their normal work compatible for standing for Council. The Panel then equated this to 1½ days per week or 72 days per year (on a notional 48 week working year) while recognising this was not in a formal 9-5 context and many members actually put in much more time in their backbench roles.

### The 2007 Time Estimate

17. A consistent theme coming out of this review was that an average of 12 hours per week did not recognise the required time commitments needed to be an effective backbench Member. Indeed, strong representation was made that the minimum time commitment needed was at least 15-20 hours per week (although that was by no means the only view). Nonetheless, the general view was that 1½ days per week was an underestimate of the time needed to fulfil all backbench roles.

### The LGAR Analysis

18. The Panel in 2007 had the advantage of having the results of the very recent (23 March 2007) Local Government Analysis and Research (LGAR) on Members' Allowances and Members' workloads available to it for this review. The LGAR analysis reported that Members not holding "a senior position" spent on average 18.1 hours per week on their Council duties – this includes the London Boroughs, Metropolitan Boroughs, County and Unitary Councils as well as District Councils where the expectation exists that backbenchers' roles and responsibilities are less onerous.
19. The Panel did not accept the argument that 20 hours per week was the minimum time requirement to be an effective backbencher – the latest bench marking analysis bears out it should be no more than 18 hours per week.
20. Yet, it was clear that being an effective backbencher does require a greater commitment than is currently notionally allocated, the current assessment of 12 hours per week does not reflect reality.
21. Without undertaking a more extensive review, the Panel has limited means by which to judge the current size of the role of the backbencher. However, it did test out in interview whether 12 hours was still appropriate with the interviewees, and attempted to map out what was expected of a back bencher and what time commitment it entailed.

22. The Panel noted the following aspects of the backbenchers roles as a minimum:
- **Full Council:** all Members are expected to attend 7-8 Council meetings per year
  - **Executive Member Advisory Panel (EMAP):** all non-executive Members are expected to sit on at least 1 EMAP and attend at least 4 meetings per year
  - **Overview & Scrutiny Committees (ad hoc or standing),** including all subsequent sub committees and panels, working groups, and other associated activity: all non-executive Members are expected to sit on an O&S Committee and attend at least 6 meetings per year
  - **Quasi Judicial Role:** all Members are expected to sit on least one quasi judicial committee, appeals panels, including sub committees and sub panels and attend at least 6 meetings per year on average.
  - **Representing the Council on outside bodies,** whether formally or informally: all Members are expected to sit on those outside bodies that the Council has to appoint to and where appropriate undertake other civic/representative duties such as attending religious services as a council representative at least 8 times per year
  - **Member Training and Development:** All members are expected to fulfil their on-going obligation to undertake member development and training activities at least 4 times per year
  - **Ward Committees:** all Members are expected to attend their own ward committee at least 6 times per year
  - **Constituency Representation/Advocacy:** all Members have to attend to ward concerns, dealing with constituents' complaints, holding surgeries, and acting as the advocate for their local community and community groups.
  - **Other community leadership roles:** all Members have wider community leadership roles that they generally are expected to undertake but not specifically as representative of Council. These activities include being on School Governor Boards, attending tenants and community group meetings, serving on their boards, and being on other public boards such as colleges of further education, and local charities.
  - **Other research, correspondence, emails, preparation, and ad hoc meetings:** all Members will have ad hoc demands on their time such as occasional meetings with Officers, as well as having to undertake research, reading and preparation associated with all the above activities and in relation to a Councillors' particular interests.
23. The delineation of backbench roles outlined above was useful to the Panel as it enabled a conceptualisation of what can reasonably be expected from an elected Member in return for their Basic Allowance. **Based on the various elements of the role it is the view of the Panel that a more considered estimation of the expected time input for the Basic Allowance is now 96 days per year, or at least 2 days per week.** The Panel accepts that some Members have the capacity to put more than 96 days per year into their backbench roles as an individual choice. The Panel has based its recommended Basic Allowance on a minimum of 96 days per year as a reasonable expectation to undertake the job of ordinary Member with no significant responsibilities in an effective manner, compatible with outside activities, whether it is employment, other public duties or caring responsibilities.

### The Rate for the Job

24. In 2004, the Panel continued to utilise the LGA 'daily session' rate as the most appropriate benchmark to assess a Councillor's worth. In other words, to establish a rate for the job, it was recommended that a Member time is worth the daily session rate as put forward each year by the LGA. This is commonly known as the Local Government Association (LGA) 'daily session'

rate which the LGA publishes each year as a means to assist remuneration panels in arriving at a rate for the job when setting the Basic Allowance. The current LGA daily session rate is £138.75 per day (2007/08) and is weighted towards the median male non-manual wage for Great Britain. The Panel sees no reason to deviate from this accepted rate for the job in York Council.

### The Voluntary Principle – Or Public Service Ethos

25. The statutory guidance requires that the principle of public service is maintained when setting an appropriate Basic Allowance. This is the notion that an important part of being a Councillor is serving the public and, therefore, not all of what a Councillor does should be remunerated - a portion of a Councillor's time should be given voluntarily.
26. The Panel in its 2004 review assessed the Public Service Discount (PSD) at 30 per cent. In other words, the recommended Basic Allowance should be discounted by 30% to take into account the public service principle. The Panel noted that the most common level of the PSD chosen by other reviews is one third.
27. The 2006 national consensus of councillors points out that "Engaging with constituents, conducting surgeries and answering enquiries accounted for 7.2 hours of the week ..." This equates to just over 39% of the 18.1 hours per week that all councillors (without responsibilities) on average report that they put into council activities. The same survey also points out that councillors from districts spend on average less time on this (and all over) activities.<sup>5</sup> Thus, the Panel felt that a one third PSD was appropriate on the grounds that it is the common standard across the country and district councillors spend at least that proportion of their time on ward and constituent issues.
28. **Thus, the discounted daily session rate for Councillors in the City of York Council is £92.50 per day.**

### Calculating the Basic Allowance

29. Consequently, the Panel calculated that the Basic Allowance for Members of City of York Council (2007/08) should be based on the following formula:
  - 96 days minimum annual expected mean input X [£138.75 per day minus one third Public Service Discount]  
 = 96 remunerated days per year X £92.50  
 = **£8,880**

### Benchmarking the Basic Allowances

<sup>5</sup>LGAR, *National census of local authority councillors in England 2006*, March 2006, p. 14. The survey also points out that the total number of hours councillors report doing and how they it break down don't always match up

30. The Panel benchmarked its recommended Basic Allowance against the Basic Allowances paid in comparable, namely CIPFA<sup>6</sup> Near Neighbour authorities – those authorities deemed by CIPFA to be the closest to York on a range of demographic criteria such as population, socio-economic profile, etc. The Panel wanted to test whether its recommended Basic Allowance was comparable with that paid in similar authorities – see table 1 below.
31. The Panel noted that the average Basic Allowance paid last year in English Unitary Councils was £7,406 (See LGAR survey of allowances 23 March 2007 – which relate to figures collected in autumn 2006). However, the City of York's peers are not simply other unitary authorities; it is also compared with metropolitan authorities, where the average Basic Allowance was £9,512 last year. A closer benchmarking (see table 1) shows that amongst its near neighbours York pays the lowest Basic Allowance. The average Basic Allowance paid amongst the six near neighbours is £8,653 with the median being £8,334, although these figures include some Councils on 2006/07 rates as they have not yet indexed their allowances as the local government pay settlement has yet to be finalised. Nonetheless, even in this context the recommended Basic Allowance (£8,880) for City of York Council by this Panel is only marginally above the average and median currently being paid in comparable authorities – and once the indexing for some of the councils has been applied it will be even closer to the mean and median.

**Table 1: BA in CIPFA Near Neighbour Authorities 2007/08**

<b>Council</b>	<b>Basic Allowance</b>
York	£6,300
Bath & NE Somerset	£7,215
North Lincolnshire	£7,302
Calderdale	£9,366
Wakefield	£10,330
Kirklees	£11,405
<b>Mean</b>	<b>£8,653</b>
<b>Median</b>	<b>£8,334</b>

32. The Panel was confident in its recommendation; based on the variables it had utilised. The benchmarking exercise shows that a Basic Allowance of £8,880 is appropriate for a council the size of and with the responsibilities of the City of York Council.

### **Expenses, and Communication and Support Allowance**

33. Presently Members are expected to pay for a number of expenses out of the Basic Allowance, including headed stationery, their own postage, council related telephone calls both land line (but the cost of a land line rental is provided for up to £12.48 per month) and mobile, and other incidental expenses. IT and internet access is provided separately to Members.

<sup>6</sup> CIPFA – Chartered Institute of Public Finance Accountants

34. The Panel noted that the statutory guidance<sup>7</sup> on Members' Allowances states, the:

*Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.*<sup>8</sup>

35. Thus, the Basic Allowance is deemed to cover incidental expenses yet representation was received that there are expenses that go beyond 'incidental' and merited recognition in the Panel's recommendations. **The Panel has some sympathy with this view and recommends that the current provision for line rental is discontinued and replaced with an annual £300 expenses allowance to pay for *inter alia* the following:**

- Telephone land line rental
- Mobile phone rental
- Council related telephone calls from land line and mobile line
- Headed stationery,
- Minor office equipment
- Office furniture

36. It is recommended that this allowance is paid upon the production of receipts for the reimbursement of actual expenditure incurred up to an annual maximum of £300 per annum.

37. The Panel also notes that this should not negate the current level of provision and access by elected Members to those services provided by Democratic Services, such as broadband provision.

## Arriving at the Special Responsibility Allowances

### Testing the Leader's SRA

38. The Panel discussed the Leader's SRA in some depth before deciding on the appropriate level. It has summarised the approaches considered below and laid out the deliberations in Appendix 4 for a more in depth explanation of each approach.

### Replicating the Previous Approach

39. If the previous approach were replicated and the formula utilised for arriving at the Leader's SRA in 2004 up dated with the current daily session rate it would produce a sum of **£22,378**. The Panel felt that this approach is no longer appropriate as it maintains a public service discount for SRAs, it is not a statutory requirement and it penalises the post holders twice, as they already have their public service accounted for in the Basic Allowance.

### Utilising Time and Responsibility without the PSD

<sup>7</sup> DETR, *Guidance on Members' Allowances for Local Authorities in England*, paragraph 14, 9 April

<sup>8</sup> DETR and Inland Revenue 2003 Consolidated Guidance, par. 10.

40. The Panel also developed a variant of the previous approach by making an assessment of the time required to fulfil the role **and** the responsibility the post carries without factoring in a public service discount which produces a figure of **£31,968**. The problem with this approach is that the responsibility factor of an extra 60% is not necessarily appropriate when the public service discount is not built in: it was always a means to dilute the responsibility factor, thus the latter was never a true measure in its own right.

### Time and Responsibility (Via a Points System)

41. A variation on the above approach is to look afresh at the Leader's post and responsibility assign the responsibility on a points system while maintaining the current time assessment. The approach the Panel utilised arrived at a SRA of **£26,640**. The Panel also developed a more straightforward variant of the time + responsibility approach
42. Another approach, a somewhat more straightforward variant developed by the Panel arrived at a SRA of **£25,980**.

### Comparing the Leader to peers

43. The average SRA paid to Leaders of unitary authorities in 2006 as reported by LGAR was £20,338, while the average paid to Leaders of Metropolitan authorities was £25,690. Thus, the current SRA (£23,520) for the Leader is in between unitary and metropolitan peers nationally. However, the LGAR figures are up to 12 months old and more importantly do not take into account those Leaders who are still able to pick up multiple SRAs, e.g., as Leader and a Group Leader, whereas the York IRP has always factored the multiple roles into the single SRA paid to the Leader of City of York.
44. The average SRA paid to Leaders in the six Near Neighbour cluster of authorities is £25,015, with a median figure of £26,158. This benchmarking shows that the Leader of York's SRA is on a par with Leaders of Councils deemed closer to York. Yet, once the total package is taken into account the Leader's remuneration is below peers in the Near Neighbours.

**Table 2: Benchmarking the Leader's SRA to Near Neighbours**

Near Neighbour	BA	Leader's SRA	Leader's Total
North Lincolnshire	£7,302	£18,000	£25,302
York	£6,300	£24,218	£30,518
Kirklees	£11,405	£19,728	£31,133
Bath & NE Somerset	£7,215	£28,523	£35,738
Calderdale	£9,366	£28,098	£37,464
Wakefield	£10,330	£31,521	£41,851
<b>Mean</b>	<b>£8,653</b>	<b>£25,015</b>	<b>£33,668</b>
<b>Median</b>	<b>£8,334</b>	<b>£26,158</b>	<b>£33,436</b>

### **As a multiple of the Basic Allowance**

45. The statutory guidance shows one method of arriving at the Leader's SRA: as a multiplier of the Basic Allowance. The Statutory Guidance (July 2003 paragraph 76) states

*One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.*

46. The Panel applied the maximum factor of 3 to the recommended Basic Allowance, which equates to **£26,640**.

### **Applying a Retrospective Index**

47. By applying a retrospective index to the Leader's current SRA (£23,520) it produces an up rated SRA of £25,613, a figure that is only marginally less than produced by utilising a factor of 3 on the Basic Allowance (£26,640). It is also similar to that paid in near neighbours (median of £26,158 and an average of £25,015) and the time and responsibility approach when responsibility is allocated on time-derived points (£26,640).

48. **The above extensive deliberations of the Panel shows that there is a range of figures it could realistically recommend for the Leader's SRA, but at least four of the approaches indicate that a more appropriate SRA is closer to the £26,000 mark.**

49. **The Panel recommends the factor and time-derived points approaches be adopted to arrive at the Leaders SRA and should be set at £26,640.**

### **Arriving at Other SRAs**

50. In arriving at the other SRAs the Panel took cognisance of the 2003 Statutory Guidance (paragraph 76) which states

*A good starting point in determining special responsibility allowances may be to agree the allowance which should be attached to the most time consuming post on the Council (this maybe the elected mayor or the leader) and pro rata downwards for the other roles which it has agreed ought to receive an extra allowance.*

51. In other words, this approach assesses the Leaders' post (SRA) as 100% and relates all other posts as a percentage of the Leaders' SRA, e.g., 70%, 50% and so on. The advantages of this approach are that the Panel is able to maintain current differentials between SRAs (unless in any particular case there is reason to alter a differential), is transparent and relatively simple to understand as it assesses posts in a hierarchical fashion based on the council political structures. Moreover, if the IRP was to maintain a factor and time plus responsibility points approach for all SRAs throughout the political structure it leads to convoluted fractions at the lower end. The pro rata approach simply uses the current differentials unless there is a case to alter them. As a general rule if a current post holder is remunerated comparatively well then the IRP has rounded its present ratio down and vice versa where a post is paid at a comparatively low level.

52. The Panel also maintained the approach of the previous Panel in that for any new posts to be considered for an SRA it had to carry a level of time commitment and significant responsibility above and beyond what could be expected from that of the backbencher.

### **The Deputy Leader**

53. Currently the Deputy Leader receives a SRA of £16,905 which is 71.9% of the Leader's current SRA. This ratio is at the high end of the normal range and the Panel simply decided to round it down to 70% of the recommended SRA for the Leader, which equates to £18,648.

### **Other Executive Portfolio Holders**

54. Currently the 7 Executive Members (or Executive Portfolio Holders) each receive a SRA of £14,700, which is 62.5% of the Leader's SRA. This ratio is towards the higher end of the normal range particularly in the absence of formal individual decision-making powers for Executive Portfolio Holders. The Panel decided to round it down to 60% of the Leader's recommended SRA. This equates to £15,984.

### **Scrutiny Management Committee**

55. The previous overview and scrutiny structures have been replaced, with the Scrutiny Boards being replaced by two standing Scrutiny Committees – Education and Health – which reflect the Council's statutory obligations vis-à-vis these areas; and ad hoc Scrutiny Committees (see below). The Scrutiny Management Committee has been retained and continues to exercise overall responsibility for the scrutiny work programme and budget.
56. Currently, the Chair of the Scrutiny Management Committee receives a SRA of £6,300, which is 26.8% of the Leaders current SRA. Although not all councils have a Scrutiny Management Committee where it does exist it is often remunerated on a higher ratio than is currently the case in York. A 26.8% ratio is very much at the low end of the normal range and indeed is the lowest among the Near Neighbours. The IRP decided to round it up to 30% of the recommended SRA for the Leader to compensate. This equates to £7,992.

### **The Health and Education Scrutiny Committees**

57. Currently the Chairs of the Health and Education (standing) Scrutiny Committees each receive a SRA of £4,200, which is 17.9% of the Leader's current SRA. This ratio is at the low end of the normal range and the Panel decided to round it up and set it at 20% of the recommended SRA for the Leader. This equates to £5,328.

### **The Ad Hoc Scrutiny Committees**

58. Currently the Chairs of the ad hoc Scrutiny Committees are not eligible to receive a SRA. It is difficult to draw meaningful comparisons as the ad hoc model of scrutiny is not commonly deployed. Nonetheless, the Panel took the view that they performed a useful function; being tasked to examine particular issues that reflect Council priorities. Thus, the Panel felt that the Chairs of the ad hoc Scrutiny Committees should be placed on a par with the Chairs of the standing Scrutiny Committees and paid a SRA set at 20% of the Leader's recommended SRA

which is £5,328 – subject to two restrictions to ensure that these SRAs do not proliferate; namely:

1. That within each municipal year there should be no more than 4 SRAs payable to Chairs of the ad hoc Scrutiny Committees, on a pro rata basis.
2. That any SRA payable should be limited to a maximum of 12 months, after that period if the ad hoc Scrutiny Committee is still in place the SRA should lapse automatically.

### **The Planning Committee**

59. Currently the Chair of the Planning Committee receives a SRA of £6,300, which is 26.8% of the Leaders current SRA and on a par with the Chair of the Scrutiny Management Committee. It is difficult to draw meaningful comparisons, as this two-tier model is not a particularly common one. If anything, the Panel was inclined to view the Chair of this committee as having a lesser time commitment than the Chair of the Scrutiny Management Committee, particularly as the vast bulk of the development control decisions are made by its two Planning Sub Committees. On the other hand, the Chair does have a large workload and responsibility when the committee exercises its powers vis-à-vis the major developments in York, which occurs on a regular basis. On this basis, the Panel decided to maintain this post on a par with the Chair of the Scrutiny Management Committee and set the SRA at 30% of the recommended SRA for the Leader. This equates to £7,992.

### **The Chairs of the Planning Sub Committees (East and West & City)**

60. The area Planning Sub Committees meet fortnightly and also have a site visit associated with each meeting, so they meet for up to one day per fortnight to ensure planning applications are dealt within statutory timelines. Currently the Chairs of the Planning Sub Committees receive a SRA of £4,200, which is 17.9% of the Leaders current SRA and on a par with the Chairs of the Scrutiny Committees (both standing and ad hoc). Again, it is not easy to draw meaningful comparisons since this two-tier model with area Planning Sub Committees is not a particularly common one. The only other Council in the Near Neighbour group that has an area planning model, Kirklees, pays their 2 Chairs of their Planning Sub Committees £2,851, which makes the York Council SRAs appear generous particularly as Kirklees does not have a parent planning committee, making the planning function in York even more relatively well remunerated in total.
61. Nonetheless, planning remains a high profile topic in York and the chairs of the sub committees exercise a great deal of responsibility in terms of decision making (even if much of it is directed by legislation) and the Panel felt that these posts should be maintained at their current relative level and on a par with the chairs of scrutiny.
62. Thus, the Panel recommends that the SRAs for the two Chairs of the Planning Sub Committees are set at 20% of the recommended SRA for the Leader. This equates to £5,328.

### **Licensing and Regulatory Committee**

63. Currently the Chair of the Licensing and Regulatory Committee receives a SRA of £6,300, which is 26.8% of the Leaders current SRA and on a par with the Chairs of the Scrutiny Management and Planning Committees. Yet again, it is difficult to draw meaningful comparisons, but amongst

the Near Neighbours Calderdale appears to have a similar committee and the Chair is paid £5,620, it also pays a SRA of £1,900 to the Chair of the Licensing and Safety Committee.

64. The Panel was inclined to view the Chair of this committee as having a lesser time commitment than the Chair of the Scrutiny Management Committee, and in all probability less responsibility than the Chair of the Gambling and Licensing Act Committee (see below). Yet, the Chair does exercise decision-making powers on a wide range of issues affecting the Council and an SRA is merited; although not on current ratios.
65. The Panel decided to place this post on a par with the Chairs of the Scrutiny Committees and Planning Sub Committees and set the SRA at 20% of the recommended SRA for the Leader. This equates to £5,328.

### **Gambling and Licensing Act Committee**

66. This committee in present formation is relatively recent – the gambling responsibility is a new addition. Its prime function is to exercise all the functions of the ‘Licensing Authority’ under the Licensing Act 2003 – when the Council became responsible for liquor licensing in York. The gambling responsibility refers more to the future than the present but nonetheless the Council is also the licensing authority under the Gambling Act 2005 (assuming full implementation of the Act).
67. Presently, the Chair of the Gambling and Licensing Act Committee does not receive an SRA and the Panel could find no example of a comparable committee. While much of the work vis-à-vis liquor licensing is carried out by the licensing sub panels and/or officers the Chair of the Gambling and Licensing Act Committee does have a broad policy responsibility as well as definite time commitment in the wider community not necessarily reflected in the formal meetings. On this basis the Panel felt that the post merited an SRA.
68. As the impact of the gambling legislation is yet to be known the Panel took a relatively cautious view of this post and placed it on a par with the Chairs of the Scrutiny and Planning Sub Committees. Thus, the Panel recommends that the SRA for the Chair of the Gambling and Licensing Committee is set at 20% of the recommended SRA for the Leader. This equates to £5,382.

### **Licensing Sub Committees**

69. The Panel considered whether there was a case to remunerate the Chairs of the Licensing Sub Committees. Indeed, some representation was made to the Panel presenting a case for remuneration for these posts. The Panel noted the Chairs of the Licensing Sub Committees are paid in 3 out of five of Near Neighbours, and they are not necessarily modest payments, namely:

- Bath & NE Somerset: £3,799
- Kirklees: £ 950
- Wakefield: £8,277 (3 chairs rather than 5)

70. In effect, the Licensing Sub Committees are the appeals panels to adjudicate over objections to any application from a licensed premise to vary hours of business. Each Sub Committee meets with three members drawn from the 15 members on the Gambling and Licensing Committee. The Panel is required to appoint a chair for each hearing and in theory the post rotates between

all Members as indeed each Member of the G&LC is supposed to sit in turn on a Licensing Sub Committee, which means on average they sit on one out of every five sessions. However, the reality is that the bulk of the work is carried out by a core of members from the G&LC – often those who are available to meet throughout the day.

71. The Panel had available the meetings schedule for Licensing Sub Committees for the previous year, including records of which Members sat on them and who chaired them. It noted that actual workload, i.e., sitting on the Licensing Sub Committees was not onerous, even taking into account that the majority of hearings are carried out by a core of 7-8 members. For the previous 12 months ending 30<sup>th</sup> June 2007 there were 23 hearings which means on average a member of the Gambling and Licensing Committee would have been called upon no more than 5 times last year assuming strict rotation. Even without proper rotation, the 7-8 core members were called upon no more than 9 times on average – a workload that is not as onerous as being on a Planning Sub Committee.

### **Members of Licensing Sub Committees**

72. **The Panel recommends that the ordinary Members serving on the Licensing Sub Committees are not paid an SRA, their workload associated with this area is part of the reasonable expectation of all Members to undertake a quasi-judicial role on behalf of the Council for which they are remunerated via the Basic Allowance.**

### **Chairs of Licensing Sub Committees**

73. The Panel felt there was a stronger case to remunerate the Chairs of the Licensing Sub Committees, not necessarily in terms of workload and responsibility carried compared to other remunerated posts on the Council but more to provide a small incentive to serve as a Chair to ensure the Council discharges its statutory responsibilities vis-à-vis the Licensing Act 2003. The Panel felt it would be problematic to recommend a standing SRA for Licensing Sub Committee Chairs when potentially all 15 Members of G&LC could reasonably expect to undertake the role within the life of the Council. Moreover, it appears a somewhat tighter circle of Licensing Members are shouldering the chairing responsibilities for licensing appeals hearings and an SRA payable in normal sense, i.e., as a fixed per annum sum, would not recognise the differences in input.
74. **The Panel recommends that the Chairs of Licensing Sub Committees receive a one off SRA that is only applicable when a Member chairs five Sub Committees within a municipal year.** Thus, if a Member only chairs four in a municipal year no SRA is payable.
75. In deciding the appropriate sum the Panel decided that it should be set at 5% of the Leaders' recommended SRS (£26,640), which equates to a one off SRA of £1,332 once the threshold has been reached.
76. By extension, in the unlikely event that a Licensing Member chairs 10+ Licensing Sub Committees within a municipal year the SRA payable should be increased to £2,664 (10% of the Leader's recommended SRA) and in corresponding increments for further increases in chairing responsibilities by 5 per annum.

### **The Audit and Governance Committee**

77. Currently the Chair of the Audit and Governance Committee is paid a SRA of £2,100, which equates to 8.9% of the Leader's current SRA. The Audit Chair is not always remunerated in other authorities but in York it has also been allied to the Governance function, e.g., reviewing the constitution and how the Council operates. The Panel felt that it merited a SRA and marginally increased to reflect dual responsibilities and set at 10% of the Leader's recommended SRA, which is £2,664.

### **Executive Member Advisory Panel (EMAP) Chairs**

78. The Panel decided not to recommend an SRA for the Chairs of the Executive Member Advisory Panels. These Panels are an arrangement that is peculiar to York and while they may fulfil a valuable function there is limited evidence to suggest the chairs merit a SRA.

### **The Chair of Standards as a Co-Optee**

79. As per government guidance, the Chair of the Standards Committee is a non-elected appointee or Co-optee and as such is eligible for a Co-optees Allowance, which is currently not payable. The regulations specify that the Co-optees' Allowance must be paid as a specified sum and if a Co-optee is Chair of the Standards Committee then they must be paid a Co-optees' Allowance equal to what would be payable to a Chair who was an elected Member.
80. The Panel was informed that Standards Committee continued to meet relatively infrequently, usually no more than three times per year. But it has acquired some extra functions and powers (from central government) vis-a-vis local determination of complaints against Councillors and the power to suspend Councillors. This is potentially a major area of work that the Panel felt needed further recognition. The Panel took the view that Chair of Standards should be placed on a par with the Chair of the Audit Committee, set at 10% of the Leader's recommended SRA.
81. **The Panel recommends that the Chair of the Standards Committee receive a Co-optees Allowance of £2,664 per annum.**

### **Other Co-optees on Standards Committee**

82. The Panel also decided to revisit the Co-optees Allowance for the other statutory appointees to the Standards Committee. Currently they are not remunerated but the Panel felt that they merited a recognition via a Co-optees' Allowance. The regulations require that the ordinary Co-optees' Allowance is paid as a percentage of the Basic Allowance. The Panel felt that that the ordinary Co-optees' Allowance should be set at 5% of the recommended Basic Allowance (£8,880), which equals £440 per annum.
83. **Thus, the recommended Co-optees' Allowance for the statutory members on the Standards Committee is £440.**

### **Main Opposition Group Leader**

84. Presently the Leader of the main Opposition Group (which is the Labour Group with 18 members) receives an SRA of £10,500, which equates to 44.6% of the Leader's current SRA. Even though this level is generous in the comparative context the Panel felt that this ratio was appropriate due to the large size of the group. Thus, the Panel rounded the current ratio up to 45% of the recommended SRA (£26,640) for the Leader.

85. **Thus, the recommended SRA the Leader of the Main Opposition Group is £11,988.**

#### **Main Opposition Group Deputy Leader**

86. The Deputy Leader of the main Opposition Group receives an SRA of £6,300, which is on a par with the Chair of the Scrutiny Management and the Planning Committees. It is currently set at 26.8% of the Leader's present SRA. Comparatively this is also a generous SRA. The Panel recognised the case to continue remunerating this post but not at present levels. The Panel decided to place this post on a par with the Chairs of the Scrutiny and Licensing and Regulatory Committees, and Planning Sub Committees and set the SRA at 20% of the recommended SRA for the Leader.

87. **Thus, the recommended SRA the Deputy Leader of the Main Opposition Group is £5,328.**

#### **The Shadow Executive**

88. At present the main opposition Group forms a shadow executive with 7 members who each receive a SRA of £4,200 (not including the Leader and Deputy Leader of the Main Opposition Group). This is set at 17.9% of the Leaders current SRA and on a par with the chairs of the planning sub committees and chairs of Scrutiny Committees. Again, this is generous in the comparative context. The Panel accepted the need to ensure a well-resourced opposition but decided that it should be set at 15% of the Leader's recommended SRA.

89. **Thus, the recommended SRA the 7 other members of the shadow executive is Deputy Leader of the Main Opposition Group is £3,996.**

#### **Leader of the Principal Minority Opposition Group**

90. Presently the Leader of the Second Opposition Group receives the same SRA (£2,100) as the Leader of the Third Opposition Group – both receive a 'Minority Group' Leaders' SRA despite the fact that the former has eight members and the latter has two members. The Panel felt that there was a case to differentiate between the two minority group leaders based on size of group. In the present context the Leader of the principal minority group plays an important role and the Panel felt that this post should be placed on a par with the Chairs of the Scrutiny and Licensing and Regulatory Committees, and Planning Sub Committees and Deputy Leader of the Main Opposition Group, and set at 20% of the Leader's recommended SRA.

91. **Thus, the recommended SRA the Leader of the Principal Minority Group is £5,328.**

#### **Leader of the Third Opposition Group**

92. At present, the Leader of third Opposition Group receives an SRA of £2,100, which is 9% of the Leader current SRA. The Panel confirms this SRA at this level. **Thus, the recommended SRA the Leader of the Third Opposition Group is £2,100.**

#### **SRAs for Vice Chairs**

93. The Panel considered whether SRAs for committee Vice Chairs should be reinstated. The Panel decided not to make such a recommendation as Vice Chairs in York do not meet the significant

responsibility threshold. While they are important roles and expected to work closely with their respective chairs the Panel also noted:

- It was a reasonable assumption for all Councillors to hold a vice chair in course of council lifetime and therefore the Basic Allowances takes this into account
- The Panel was keen to abide by statutory guidance and make recommendations that ensured the majority of councillors were not in receipt of an SRA

### Member Champions

94. The Panel considered whether Member Champions merited an SRA but decided against it, as the Panel does not wish to see a profusion of SRAs nor did it receive enough information to support such a SRA.

### Councillors and the Local Government Pension Scheme

95. The legislation provides for the Council to pay pension contributions on allowances to all Members, specifically through membership of the Local Government Pension Scheme (LGPS). It is the only pension scheme that Members are permitted to join that attracts the 'employers' contribution. The Panel can make recommendations on whether all or some Members should be permitted to join the LGPS. It can also recommend whether pensionability should apply to the Basic Allowance, SRAs or both. This is the one binding recommendation that the Panel can make in a negative sense. In other words, if the Panel does not recommend that any Members should be able to join the LGPS then the Council cannot alter that recommendation to allow all or some Members to join. However, if the Panel recommends that all Members be permitted to join the LGPS and it should apply to both the Basic Allowance and SRAs then the Council can revise the scope of this recommendation downwards by, for instance by limiting it to SRA holders only, or just the Leader. Furthermore, individual Members can decline to join the LGPS if they feel it does not suit them. Presently, the Council does not have the option to decide on whether it should permit Councillors to join the LGPS as a previous Panel decision prevents the Council from doing so.
96. The Panel noted that within the Near Neighbour group of authorities, Bath & North East Somerset, Calderdale, Kirklees and Wakefield have the right to offer their Councillors members of the LGPS, this option has been blocked by the local panel in North Lincolnshire but is under reconsideration.
97. However, it is the view of this Panel that the Council *should* be offered the right to decide if Councillors should be able to join the LGPS, on the following grounds:
- It is not for the Panel to consider the personal circumstances of individual members and their suitability regarding the LGPS
  - Exercising its only binding power removes the element of choice from both the Council and individual Member on deciding if the LGPS is appropriate on first a collective and then individual level
  - To do otherwise means that Members are being financially penalised by not having their remuneration benefiting from pension provision.

98. The Panel recognises that for most Members membership of the LGPS will not provide a living pension for their retirement but is designed to compensate for 'damage' that might have been done to their occupational pension by being a Member due to one or more of the following situations:
- Having to take unpaid leave from work
  - Restricted overtime over working career
  - Lack of normal career progression
99. Moreover, the Panel feels that pensionability could reduce a potential barrier to public service; which is one of its guiding principles. To 'close the door' by exercising its one binding power by taking a restrictive view vis-à-vis the LGPS would be inequitable. As such, the Panel also **recommends that all Members should be eligible to join the LGPS, applied to both their Basic Allowance and SRAs.** This recommendation then leaves the Council and individual Members to decide on issues of affordability, public perception and, if relevant, suitability for individual circumstances.

#### **Dependants' Carers' Allowance (DCA)**

100. **The Panel recommends that the current terms and conditions and applicable rates for which Members can claim DCA on approved duties are maintained.**

#### **Travel and Subsistence Allowances**

101. **The Panel recommends that the current terms and conditions and applicable rates for which Members can claim travel and subsistence allowances on approved duties are maintained.**

#### **Member Performance**

102. Member performance was not a major issue for this review; the Panel was informed that generally Members were assiduous in attending to the duties for which they are paid. However, the Panel took the view that increased allowances should at least lead to a more transparent means by which to judge Members performance.
103. **The Panel recommends that the Council publish attendance records alongside the annual publication of allowances and expenses received by Members.** The Panel recognises that attendance at meetings is but one measure of performance, and a formal one at that. Yet, it is a start, and the Panel also recommends that the publication of attendance records should take into account such things as illnesses, holidays, etc.

#### **Confirmation of Implementation and Indexing**

104. The Panel recommends that the recommendations contained within this report (with any amendments) are implemented from the Annual Meeting of the Council in May 2007.

105. Furthermore, the Panel recommends and confirms the use of the following index for allowances:
- Basic Allowance, SRAs and Co-optees' Allowances: increased by the annual percentage increase in the LGA daily session rate as published each year in March to be implemented the following May in that year from the date of the Council Annual Meeting commencing in 2008.
  - Travel and Subsistence: maintain current indexes, namely Officer casual user rate or AMAP rates where relevant, unless related to actual cost re-imburement.
106. The Panel further recommends that as per regulations the indices recommended by the Panel be utilised for four years, or until the Council requires a further review.

### **Limits on SRAs**

107. The Panel recommends that as per current practice Members should be able to receive one SRA only regardless of number of remunerated posts they may hold.

### **The Lord Mayor and Sheriff**

108. The Panel received representation that the Civic Allowance for the Lord Mayor and Sheriff of York is too low. They are currently paid as a direct Civic Allowance £4,000 and £2,000 respectively. While this issue is not within the Panel's terms of reference the Panel did agree with the representations made to it and recommends that the Civic Allowance for the Lord Mayor and Sheriff should be increased, and suggests a sum of £6,000 and £3,000 respectively. Furthermore, to recognise the role the Lord Mayor plays in chairing the full council, the Panel further recommends that the Lord Mayor is paid an SRA of £2,664, which is 10% of the Leader's recommended SRA.

## **Appendix One: Members and Officers who met with the Panel**

### **Members**

Cllr Denise Bowgett, (Lab)

Cllr Dave Sandy Fraser, (Lab) Shadow Exec Member

Cllr Tina Funnell, (Lab) Chair of Health Scrutiny Committee

Cllr Keith Hyman, (LD) Sheriff

Cllr Ceredig Jamieson-Ball (LD) Exec Member and Deputy Leader of the Council

Cllr Dave Merrett, (Lab) Shadow Exec Member

Cllr Richard Moore, (LD) Chair Planning Sub-Committee

Cllr Keith Orrell, (LD)

Cllr Roger Pierce, (Lab) Chair of Audit and Governance Committee

Cllr Ann Reid, (LD) Executive Member

Cllr David Scott, Labour Group Leader

Cllr Dave Taylor, (Green)

Cllr Brian Watson, (Lab)

Cllr Irene Waudby, (LD) Lord Mayor

Cllr Siân Wiseman, (Con)

The Leader of the Council, Cllr Stephen Galloway, was unable to be interviewed as he was on holiday when the panel met.

The following Members also made written submissions:

Cllr Ian Gilles, Leader Conservative group

Cllr Paul Healy, (Con), EMAP Chair

Cllr David Scott Lab Group Leader (1 as Group Leader and 1 from the Labour Group)

### **Officers**

Suzanne Hemingway, Head of Legal, Civic and Democratic Services

Dawn Steel, Democratic Services Manager

## **Appendix Two: Information Received by the Panel**

1. Terms of Reference
2. The Local Authorities (Members' Allowances) (England) Regulations 2003
3. Guidance on Consolidated Regulations for Local Authority Allowances 2003
4. Power point Presentation on Reviewing Allowances by D. Hall
5. Current Members' Allowances Scheme 2007/08
6. Summary of expenses and allowances paid for financial year 2006/07
7. Committee structure, schedule of meetings and compositions of Committees for 2007/08
8. Details of Member Allowances Schemes for Near Neighbours and LGAR analysis
9. Previous Reports of IRP
10. Schedule of Licensing & Appeals Hearings 06/07 and May 2007/August 2007
11. Co-optees' Leaflet from City of York Council
12. Council guide to decision making
13. Summary of Local Government White Paper *Strong and Prosperous Communities 2006*

## Appendix Three: Allowances in Near Neighbour Councils 2007/08

COMPARISONS OF KEY POSTS  
IN THE 'FAMILY' OF AUTHORITIES

ALLOWANCES	AUTHORITIES (£)					
	YORK	BATH & NTH EAST SOMERSET	CALDERDALE	KIRKLEES	NORTH LINCS	WAKEFIELD
<b>Basic Allowance</b>	6,300	6,649 £566 incidental cost add-on to Basic Allowance	9,366	11,405	7,302	10,330 (£700 supplement for T & S and telephone to add-on to Basic Allowance)
<b>Leader of the Council</b>	23,520	28,523	28,098	19,728	18,000	31,521
<b>Deputy Leader</b>	16,905	22,819	14,049	14,256	13,902	16,489
<b>Leader of the Opposition</b>	10,500	4,749	11,239	5,702	8,802	4,172
<b>Leader of minority party</b>	2,100					
<b>Executive Member</b>	14,700	22,819	11,239	11,690	12,000	12,383
<b>Shadow Executive Member</b>	4,200					
<b>Chair of Scrutiny</b>	6,300	9,498	7,025	7,603		8,277
<b>Scrutiny Cttee Chairs (standing)</b>	4,200	9,498	7,025		11,850	8,277
<b>Chair of Planning</b>	6,300	3,799	8,429		11,850	8,277
<b>Chair of Planning Sub-Committees</b>	4,200			2,851		
<b>Chairs of Licensing Sub-Committees</b>		3,799		950	11,850	8,277
<b>Chair of regulatory Access Committee</b>		3,799				
<b>Chair of Regulatory and appeals Committee</b>						8,277
<b>Chair of Licensing &amp; Regulatory Committee</b>	6,300		5,620			
<b>Chair of Licensing &amp; Safety Committee</b>				1,900		

ALLOWANCES	AUTHORITIES (£)					
	YORK	BATH & NTH EAST SOMERSET	CALDERDALE	KIRKLEES	NORTH LINCS	WAKEFIELD
Chair of Audit Committee					7,002	
Co-optees Allowance			322		£20.50 per meeting attended	
Chair of Standards Committee				1,900		8,277

Please note that in addition to the above it appears that one of our neighbours also pays an allowance to its Member Champions (£1,060). Some Member Champions here in York attract more responsibility than others.

- Older People's Champion
- Information Management Champion
- Children and Young People's Champion
- Procurement Champion
- Efficiency Champion
- E-Government Champion
- Risk Management Champion
- Energy & Efficiency Champion

## Appendix Four: The Panel's Approaches to Arriving at the Leaders' Explained

### Replicating the Previous Approach

- I. The previous Panel arrived at the Leader's Basic Allowance by assessing time and responsibility in relation to the SRAs for the executive members. The formula up dated formula would be as follows:
  - Executive Post
  - = full time post = extra 3 days per year X 48 weeks = 144 remunerated days per year
  - Day rate = £138.75 per day
  - 144 days X £138.75 = £19,980
  - Public Service Discount = 30%
  - = £13,986
  - Leader's Post = £13,986 (Executive SRA) + 60% responsibility factor
  - = £22,378
  
- II. The Panel felt that this approach is no longer appropriate, as the time element allotted to the Leader has decreased by half a day per week. In addition, the public service discount has increased marginally by 3 percentage points, although the day rate is up rated. Moreover, the Panel does not feel that applying the public service discount is appropriate, it is not a statutory requirement as with the Basic Allowance. Furthermore, it penalises the post holders twice, as they already have their public service accounted for in the Basic Allowance.

### Utilising Time and Responsibility without the PSD

- III. The Panel also developed a variant of the previous approach by assessing the time required to fulfil the role **and** the responsibility the post carries without factoring in a public service discount.
  
- IV. The time element is by far the simplest – there is general acceptance that the of Leader's post is full time. This is not necessarily within a 9-5 context as a lot of the work required from the Leader is outside normal working hours but the post demands such a time commitment that it precludes employment in the normal sense. As the Leader is allocated the Basic Allowance on a notional two days per week already it that leaves a notional 3 days per week remuneration, which on a 48-week working year at the LGA daily session rate equals £19,980.
  
- V. The previous Panel arrived at the responsibility element by simply assigning the Leader at 60% on the time, which is the equivalent of £19,980 multiplied by 160%, which equals £31,968. The problem with this approach is that the responsibility factor of an extra 60% is not necessarily appropriate when the

public service discount is not built in, as it was always a means by which the responsibility factor was diluted, thus it was never a true measure.

### Time and Responsibility (Via a Points System)

- VI. A variation on the above approach is to look afresh at the Leader's responsibility assign the responsibility on a points system. For instance, the time element remains at £19,980, while the additional responsibility element is a proportion of the rate for the job. For instance, Members receive £6,660 for a day's work per week over a year (48 paid days per year multiplied by £138.75). Factor that notional one days' salary by 20%, which equals £1,332, and then equate this to one responsibility point. Assuming that the Leader is assigned a maximum of, for example, five responsibility points the recommended SRA would equate to the following:

Basic Allowance:	£ 8,880
SRA (3 days per week X 48 weeks at LGA rate):	£19,980
SRA (5 points @ £1,332 per point):	£ 6,660
Total SRA:	£ 26,640

- VII. The advantage of this approach is that it can be utilised to arrive at all the SRAs, enabling the identification and reward of additional time spent in a particular post and any *significant* decision making responsibility the post carries independently of each other. Each post can be assessed on its own and not in relation to another fixed point. Of course, the two main disadvantages are the arbitrary nature of valuing and assigning responsibility points (but that is an inherent problem in arriving at all allowances in a political context regardless of the approach utilised to a greater or lesser extent); secondly, it is not the most transparent and simple to understand approach.

- VIII. Another approach, a somewhat more straightforward variant on the one outline above is to assign a number of responsibility points to the Leader at say £25 per point, which equals £1,200 per point assigned to the post over a year. If the Leader is assigned 5 points, which equates to £6,000 annual responsibility points for the Leader on top of the time related SRA of £19,980. It would then lead to a remuneration package for the Leader which follows:

Basic Allowance:	£ 8,880
SRA (3 days per week X 48 weeks at LGA rate):	£19,980
SRA (5 points @ £25 per point X 48 weeks):	£ 6,000
Total SRA:	£ 25,980

- IX. What this approach gains in greater transparency and simplicity it loses in logic, in the sense that £25 per responsibility point bear little relationship to anything in particular.

### Comparing the Leader to peers

- X. The average SRA paid to Leaders of unitary authorities in 2006 as reported by LGAR was £20,338, while the average paid to Leaders of Metropolitan authorities was £25,690. Thus, the current SRA (£23,520) for the Leader is comparable with peers nationally. However, the LGAR figures are up to 12 months old and more importantly do not take into account those Leaders who are still able to pick up multiple SRAs, e.g., as Leader and a Group Leader, whereas we have factored the multiple roles into the single SRA paid to the Leader of City of York.
- XI. The average SRA paid to Leaders in the six Near Neighbour Councils is £24,898, with a median figure of £25,809. Again, when contrasted against that paid to the York Leader, the latter is on a par with Leaders of Councils similar to York, and even marginally below the comparative figures, particularly when total package is taken into account.

	BA	Leader's SRA	Leader's Total
Bath & NE Somerset	£7,215	£28,523	£35,738
Calderdale	£9,366	£28,098	£37,464
Kirklees	£11,405	£19,728	£31,133
North Lincs	£7,302	£18,000	£25,302
Wakefield	£10,330	£31,521	£41,851
York	£6,300	£24,218	£30,518
Mean	£8,653	£25,015	£33,668
Median	£8,334	£26,158	£33,436

### **As a multiple of the Basic Allowance**

- XII. The statutory guidance does suggest however, a particular approach to arrive at the Leader's SRA and that is as a multiplier of the Basic Allowance. The Statutory Guidance (July 2003 paragraph 76) states

One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.

- XIII. The subjective element in this approach is deciding on what multiple of the Basic Allowance to utilise. Currently, the Leader's SRA (£23,520) is a factor of 3.75 of the Basic Allowance. The LGAR figures show that for Unitary Councils in 2006 the average Leader's SRA (£20,338) was a factor of 2.75 of the average Basic Allowance (£7,408) while the same ratio was 2.7 in Metropolitan Councils – a factor that is similar in the other types of

authorities (see Appendix 3). Similarly, the ratio between the average Basic Allowance and average SRA for Leader in near neighbour authorities is 2.85, while the ratio using median figures is 3.1.

- XIV. Whereas if the Panel was to replicate the current ratio between the Basic Allowance and the Leader's SRA in York it would mean multiplying the recommended BA by 3.75 which equates to £33,330. Comparatively, the differential between the Leader's SRA and the BA is relatively large and a more common differential is a factor of three (or more often slightly less on average). If the Panel was to use a factor of three to multiply the recommended Basic Allowance to arrive at a SRA for the Leader, it equates to £26,640.

#### **Applying a Retrospective Index**

- XV. As the Basic Allowance has been up dated by applying up dated variables the Panel also considered the Leader's SRA by applying the recommended index (local government annual percentage pay increase – see above) since 2004. The public sector trade union UNISON reports that between 2004 and 2006 pay in local government rose by 8.9% (see UNISON Press Release 11 July 2007 – the national percentage increase has not been announced for 2007).
- XVI. **By applying retrospective, index to the Leader's current SRA (£23,520) it produces an up rated SRA of £25,613: a figure only marginally less than that produced by utilising a factor of three on the Basic Allowance (£26,640). It is also similar to that paid in near neighbours (median of £25,809 and an average of £24,898) and the time and responsibility approach when responsibility is allocated via points at £25 per (£25,980).**

**Appendix Five: Declarations of Interest**

Susanne Gilbert declared a non-fiduciary interest regarding Cllr Ceredig Jamieson-Ball, who is the City of York Council's representative on the York Science Park (Innovation Centre) Ltd's Board.

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