

Meeting:	Budget Council
Meeting date:	22 February 2024
Report of:	Bryn Roberts, Director of Governance
Portfolio of:	Cllr Claire Douglas, Leader of the Council

Decision Report: Report of Independent Remuneration Panel 2024

Subject of Report

1. This report invites Council to consider the final report of the Independent Remuneration Panel (“the Panel”) appointed to review Members’ allowances from May 2023, following the local elections held that year.
2. The Panel was appointed following a full recruitment and selection exercise and endorsement by Full Council in July 2023.
3. City of York Council appoints a Panel every four years to review member allowances, following its local election cycle.

Benefits and Challenges

4. Establishing an Independent Remuneration Panel to review its Members Allowances ensures that the Council meets its statutory requirements as set out in the legal implications in this report at paragraph 13.
5. Having independent oversight and review of any allowances and/or expenses the Council agrees to pay its Elected Members, ensure public transparency and accountability, and provides an impartial assessment of what allowances are considered reasonable and appropriate in comparison to other comparable local authorities.

6. A Panel is usually comprised of local residents with suitable experience and skills, willing to give their time at no cost to the Council to undertake the amount of work involved. It can prove challenging to attract appropriately qualified candidates given the time commitment involved and the potential local media profile associated with the role.

Policy Basis for Decision

7. The Council must make decisions regarding a Scheme of Allowances for Members that comply with its Constitution and must make those decisions further to any recommendations made by an independent review.

Financial Strategy Implications

8. If the Council agrees to implement the Panel's recommendations for a basic allowance and corresponding changes in Special Responsibility Allowances, there will be implications for the budget set for Members Allowances, as shown in paragraph 15 below.

Recommendation and Reasons

9. Council is asked to
 - (i) consider the report and recommendations of the Independent Remuneration Panel.
 - (ii) Authorise the Chief Operating Officer to implement any changes to allowances, backdated to 25 May 2023.
 - (iii) request the Monitoring Officer to make any consequential changes to the Scheme of Allowances for Members, as set out in the Constitution.
 - (iv) Consider whether it wishes to apply a temporary uplift of 3.88% for the previous term of office, applicable from 1 April to 25 May 2023, in line with the staff pay award for 2023/2024.

Reason: To ensure the Council meets its statutory requirements relating to the independent review and provision of Members allowances.

Background

10. The Council is legally obliged to consider a report from its Independent Remuneration Panel before making any changes to its Scheme of Allowances. It is good practice to have the Scheme reviewed periodically to ensure that it reflects any changes in the Council's operation. Where the scheme allows for increases by reference to an index, there is a requirement for review of this index at least once every four years by an Independent Panel. (Local Authorities [Members' Allowances] {England} Regulations 2003)
11. The Independent Remuneration Panel first met in September 2023 and has met on 7 occasions to undertake its work, culminating in its final report to Council at Annex A to this report.
12. The Council wishes to thank all the panellists for their work and commitment to their roles and for giving their time, freely, to the Council to undertake this review.
13. The Panel has made several recommendations for the Council to consider. Those include a new basic allowance and consequential changes to Special Responsibility Allowances for those Members holding additional roles, such as being an Executive Member or Chairing a committee. Its recommendations are set out in its full report at Appendix A and a summary of the financial changes to allowances is contained within Annex C to its report.
14. Whilst the IRP process concerns the current term of office, i.e. May 2023 to May 2027, Council must also consider whether it wishes to apply an uplift for the final few weeks of the previous term of office, i.e. 1 April 2023 to 25 May 2023.
15. The Council's constitution states that:

“The basic allowance will be uplifted on an annual basis in line with any general salary increases payable to Council staff taking into account any views specifically expressed by the Independent Remuneration Panel.”

16. Council has previously taken the decision to apply an uplift for member allowances in line with the pay award for staff. The 2023/2024 staff pay award, payable from 1 April 2023, was a flat rate payment which equated to an average increase of 3.88%.
17. If Council decides to apply this uplift it would only be applicable to current members who were in office during the 2019 to 2023 term, and who remained in office at the time of the May 2023 elections.
18. Any uplift would be temporary and will not have the effect of permanently raising the base limit of the basic allowance, as that is covered by the wider IRP review.
19. The financial implication of applying a 3.88% uplift to the basic allowance of £11,282 for eight weeks for the relevant elected members is £1,779.30, and with the addition of the Special Responsibility Allowances uplift the total is £3,038.33.

Options Analysis and Evidential Basis

20. **(i) Approve the recommended basic allowance and consequential increase to Special Responsibility Allowances:**
The recommended increases will have a minimal impact on the budget for allowances for the next financial year;
21. **(ii) Approve the recommended basic allowance and consequential increase to Special Responsibility Allowances and the recommendation to apply annual staff pay rise as from April 2025 to March 2027:**
Agreeing to apply annual staff pay increases to Members Allowances during this period will have a further budgetary impact, which cannot be quantified until each year's pay rise is known. By way of example, a 3% increase every year from April 2025 would create an additional budgetary pressure of £48,320 against the new proposed basic allowance and corresponding SRA increases.
22. **(iii) Additional Individual Panel Recommendations:**
Review of roles attracting SRAs:
The Panel did not have the time or information to undertake a review of these roles, their workload or time commitment and is recommending a further review, particularly in view of the

creation of the new Mayoral Combined Authority and its impact on certain SRAs. The Council will need to consider how, when and if to put such a review into effect. Resources implications will need to be identified. Paragraphs 2.11 and 4.6 of Appendix A refer.

24. **Role Profiles for Ward Members:**

The Panel had invited the Council to consider adopting these for all Members, based on representations received from Members and in the knowledge that many other local authorities had introduced them. The Council will need to consider whether to proceed with this recommendation and allocate resources to implement the proposal accordingly. Paragraph 5.1 of Appendix A refers.

25. **Travel and Subsistence Expenses within York Boundaries:**

The Panel made no suggested changes to these expenses but asked the Council to consider reviewing current practices relating to the provision of car parking passes for all those Members requesting one. The Council will need to consider whether it wishes to review the current practice in light of its ambitions within its Climate and Transport Strategies. Paragraph 5.3 of Appendix A refers.

26. **Childcare and Dependent Carers Allowances:**

The Panel made no suggested changes to these expenses but wishes the Council to remind Members, periodically, that these exist and are claimable by those meeting the eligibility criteria. Paragraph 5.2 of Appendix A refers.

27. **Pensions:**

The Panel recognised that the matter of pensions was not within its remit but in light of some representations regarding the lack of pension provision and its impact on retaining effective Members long term, it is recommending the Council to consider making representations to His Majesty's Government to campaign for re-introducing a pension option for Elected Members. Council may wish to consider this suggestion but would ultimately need to take account of any financial impact in future years should legislation on this be reversed.

Organisational Impact and Implications

28. **Financial:** The total current budget for member's allowances is £786k per annum. If the Panel's recommendations are accepted, the budget will need to increase to around £793k per annum. The panel have also recommended that any changes are backdated to 25 May 2023 (Annual Council). There is no further immediate impact for the current financial year of the Panel's recommendations. However, should Council choose to apply any staff pay rises to Members allowances, as per the Panel's recommendations from April 2025 to March 2027, there would be an additional financial burden to be addressed when the value of those increases are known. If Council applies the recommended uplift for the previous term of office for the period 1 April to 25 May 2023, for both the basic allowances and SRA, the implication is an additional cost of £3,038.33. See paragraphs 8 and 19 for detail.
29. **Human Resources:** The Panel has made some comments regarding welfare support for Elected Members as it did in 2019 and Council may wish to have regard to the Panel's observations. Paragraph 5.2 of Appendix A refers.
30. **Legal:** In accordance with the Local Authorities [Members' Allowances] (England) Regulations 2003, the Council must convene an Independent Remuneration Panel to review its members' allowances scheme. Any changes to the scheme or consequential changes to the constitution, must be approved by Full Council.

Risks and Mitigations

31. The Council must commission and consider an independent review of allowances for its Members. It is not required to approve or implement the recommendations made by independent review. Depending upon the reasonableness of any independent panel's recommendations, however, there is a potential risk to the Council's reputation were it to choose not to approve recommendations regarded by public opinion to be otherwise reasonable and affordable. The Council needs to have regard to reasonableness and financial risks in considering and

approving any recommendations relating to its scheme of Member allowances.

Wards Impacted

32. All wards

Contact details

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Date:	12/02/2024

Background papers

City of York Council Constitution, Appendix 20
[Appendix 20 - Member Allowances and Member Allowances Scheme.pdf \(york.gov.uk\)](#)

Local Authorities [Members' Allowances] (England) Regulations 2003
[The Local Authorities \(Members' Allowances\) \(England\) Regulations 2003 \(legislation.gov.uk\)](#)

Annexes

Annex A Report of Independent Remuneration Panel