

# Independent Remuneration Panel

2023/24

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## 1 Introduction

- 1.1 The Independent Remuneration Panel (IRP) was convened to advise the City of York Council on its scheme of allowances for its Elected Members. The IRP last met in 2019 and made a number of recommendations regarding basic and special responsibility allowances.
- 1.2 The report produced by the IRP in December 2019 was received by Full Council at its meeting on 17 December 2019 when the recommended increases to basic and special responsibility allowances were approved in full and agreed to be backdated to the end of May 2019 (commencing as of the date of the Annual Meeting that year).
- 1.3 The IRP in 2023 has met on 8 occasions to consider information gathered by officers. The Panel also met with, and received written representations on behalf of Groups from, a range of current Members of the Council, including Executive Members, Chairs and backbench Members, from all political parties currently represented on the Council. The Panel acknowledges the hard work undertaken by Elected Members on behalf of the public and expresses its appreciation to all those Members who gave up their time to meet with them. The Panel learnt a great deal from those contributions which form the basis for the recommendations in this report, together with the legal framework setting the Panel's remit.
- 1.4 The Local Authorities (Members' Allowances) (England) Regulations 2003 require Councils to appoint an IRP and to have regard to its recommendations prior to amending their scheme of allowances.

- 1.5 Under Regulation 10 (5) of the Local Authorities (Members' Allowances) (England) Regulations 2003, Local Authorities 'cannot rely on an index for Elected Member allowances for more than 4 years' before they invite the IRP to make further recommendations on the application and relevance of the index.
- 1.6 In 2019, the Panel recommended that Member basic and special responsibility allowances should be uplifted in line with any National Joint Council Pay award salary increases awarded to employees. As a result, Elected Members have received the following increases to the basic allowance of £10,371 starting in May 2019:

<b>Year</b>	<b>Pay Award</b>	<b>Basic Allowance</b>
2019/2020	N/A	£10,371 set by IRP in 2019
2020/2021	2.75%	£10,656
2021/2022	1.75%	£10,843
2022/2023	4.04%	£11,282

It should be noted that staff received an increase of 3.88% for 2023/24 but the Panel understands that no corresponding increase to Members allowances has been applied for 2023/2024 pending the recommendations and report of the IRP to the Council in early 2024.

- 1.7 In York, local Council elections take place every four years, when the entire Council membership stands down. For many years, it has been custom and practice for an IRP to review the existing Scheme of Members allowances following the formation of a new Council in an 'election year'. The Panel received a suggestion that the IRP process should be carried out prior to the elections but after consideration decided not to make a recommendation to that effect.

- 1.8 The current cycle presents real benefits in providing an IRP with a substantial period over which the existing scheme can be assessed and in providing opportunities for the Panel to learn from the experiences of newly elected and long serving Elected Members.
- 1.9 Local Authorities can also convene an IRP at any time to respond to a specific issue or for an annual or biennial review.

### **Membership of the Panel**

- 1.10 Panelists were selected for appointment to the Independent Remuneration Panel in 2023, following a public recruitment exercise. As a result, the Council appointed the following to the Panel at its meeting on 21 July 2023:
- David Dickson (Chartered Accountant, Deputy Chair of the York and North Yorkshire LEP, Chair St Leonard’s Hospice and Former Treasurer of the University of York and member of its Remuneration Committee)
  - Elizabeth Heaps (Trustee of York Civic Trust, Former Pro Vice-Chancellor of University of York)
  - Lucy Shaw (Operations Director at Wildcat Law)
- 1.11 The Panel also received administrative support from officers of City of York Council.

### **Terms of Reference**

- 1.12 The Panel’s terms of reference are attached at Annex A to this report. They reflect the legal requirements governing the Panel and

set the parameters for its work.

## Context and Current Scheme of Allowances

1.13 All Elected Members, irrespective of particular Offices held on the Council, are entitled to the same level of basic allowance. Basic allowances are intended to reflect the expected time commitment of all its Elected Members. This includes, but is not limited to:

- attendance at Council meetings and committees
- meetings with residents and Council officers
- responding to and dealing with casework and enquiries

1.14 Basic Allowances should also cover incidental costs such as travel within the City and internet and phone provision. Currently, travel expenses can only be claimed outside of the City and when the purpose involves representing the authority at an external meeting or undertaking duties specifically associated with the role (for example as an Executive Member).

1.15 Between 2008 and 2015, there was no movement in the level of allowances for Elected Members. In that time, Council declined the increases suggested by IRP panels and declined increases in line with Council pay awards. As a consequence, the real value of allowances fell well below that of comparative authorities. However, in 2019, as set out in paragraph 1.6 above, the IRP recommended significant increases in Member Allowances in order to bring York allowances back in line with other benchmarked and similar authorities in terms of size, complexion and area, as well as in recognition of the increased time commitment to the role undertaken by the modern Elected Member.

1.16 As set out in paragraph 1.6, the figure agreed by the IRP in 2019 as a basic allowance was £10,371 per annum. This figure was

calculated by taking 52.5% of the median pay figure for York to reflect evidence that the workload involved in being an Elected Member equated to a little more than half a working week on average. This figure was then discounted by a third. This discount reflects that an important aspect of the role of an Elected Member is to serve the public and therefore, not all of what they do, should be remunerated. The one third discount for public service is a standard widely applied across the country.

- 1.17 The Leader's Special Responsibility Allowance (SRA) was calculated by multiplying the basic allowance by three. Statutory guidance also suggests that this is an appropriate methodology and one that previous IRPs in York have used in recent years. Traditionally, all other Special Responsibility Allowances have then been calculated as a percentage of the Leader's SRA.

## 2 Rationale

### Basic principles

- 2.1 The Panel agreed to maintain the following principles on which the methodology and recommendations for its review in 2023 should be based:
- The level of allowances within the scheme should not discriminate or create barriers for those who may wish to stand for office.
  - The level and availability of travel allowances should not act as an obstacle to appropriate travel outside the City to promote the City's interests.
  - The scheme of basic and special responsibility allowances should provide for an adequate level of reward that neither encourages nor discourages those who may wish to stand for office.

- The scheme should be easily understood.
- The scheme should continue to move towards being easy to administer.

2.2 The Panel sought to account for the current context for Members allowances, looking at any changes in the workload since the last review and any changes to local or national context during that time.

## **Benchmarking**

- 2.3 Details of benchmarking information and statistics considered by the Panel are attached at Annex B. This included evidence of allowances paid in other local authorities chosen based on a mixture of population size, locality and status. These figures were compared with those paid in York. The Panel also received information on annual York pay figures for 2022. The median figure for people working in York in 2022 being £32,533<sup>1</sup> (rising from £29,631 in 2018). Median pay figures are a recommended basis for calculating allowances for Elected Members and have been adopted by previous Panels to date.
- 2.4 In comparison to some other unitary authorities shown in Annex B, York's basic allowance is above the mean, whilst it is appropriately above local districts and below metropolitan authorities. The Panel noted that the allowances paid in North Yorkshire are higher than those in City of York Council. In view of the introduction of the Mayoral Combined Authority, responsibilities and allowances will need to be reviewed.
- 2.5 In the interests of consistency and clarity, the Panel remained of the view that the median pay figure for people working in York was still the most appropriate basis from which to calculate allowances and

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<sup>1</sup> Source: ONS Crown Copyright Reserved [from Nomis on 19 October 2023]



therefore adopted the latest available figure (2022) as its starting point.

### **Evidence Base**

- 2.6 The Panel met with a selection of Elected Members as stated in paragraph 1.3 above. It also received written representations from Groups and individual Members unable to attend interview.
- 2.7 The Panel heard that there continued to be a significant level of responsibility attached to the role of being an Elected Member. They also learnt that, on average, Members spent in excess of 20 hours per week performing Council duties. For those with other commitments such as paid employment, their Council duties provided an additional workload and, in some instances, financial challenges. The Panel acknowledged the commitment of time and effort to the public cause given by Elected Members and noted that financial recompense was not a consideration for those who volunteered to stand for election to represent their residents in public life. The Panel noted that the time commitment expressed, however, was not significantly different from that indicated to the Panel in 2019.
- 2.8 The frequency of some Council meetings had increased since 2019. Following the local elections in May 2023, Scrutiny Committees were now meeting on a monthly basis, rather than bi-monthly, although the Panel noted that there were no scrutiny meetings in February or August.
- 2.9 In its nature, the role of an Elected Member has always been public facing. Members are the spokespersons for their communities, and this has not changed.
- 2.10 The Panel heard of the ongoing workload and stress pressures upon Members created by the impact of social media and the

demands of supporting residents effectively and transparently. Since Covid19, the volume of health issues, including mental welfare and wellbeing, had increased and was increasingly becoming centre stage. As a result, Elected Members were continuing to find the day-to-day activities of the role time-consuming and complex.

- 2.11 The Panel noted the continuing requirement for a greater level of expertise and knowledge and the need for such knowledge to be current and maintained.
- 2.12 The Panel heard that the role of Committee Chair and Executive member both continued to provide challenging time commitments, which historically have attracted Special Responsibility allowances. The Panel also heard the view repeatedly that at meetings all committee members, or other unremunerated roles such as Vice Chairs, were required to be fully committed and informed, and that the differential between the basic allowances and SRAs was too wide. The Panel felt that the evidence before them of roles and responsibilities across all committees was not sufficient to recommend any changes to basic allowances or SRAs. Instead, they would recommend that a full review of such roles, responsibilities, workloads and time commitments be carried out urgently, to enable any changes to be made with as little delay as possible. This is timely in view of the introduction of the new Mayoral Combined Authority as a result of which roles and responsibilities would change, and comparisons will be made with equivalent roles in North Yorkshire. (See paragraphs 4.5 and 4.6)

## **3 Additional Recommendations made in 2019**

- 3.1 In 2019, the Panel had made a number of additional recommendations not within its specific remit but which related to issues that had arisen during its discussion with Elected Members at that time. In the interests of completeness, a full update against those recommendations is set out at Annex D.
- 3.2 The Panel was pleased to learn that reference was now made within the Allowances Scheme for Elected Members to the provision of welfare support needs (including access to the Employee Assistance Programme) should an appropriate need arise in the opinion of the Head of Human Resources. Although not strictly within its remit and being mindful that Members were not classed as paid employees of the Council, the Panel remained sufficiently concerned to ensure that the Council took due regard of any wellbeing and welfare support needs which Members may present. It was apparent from discussions in 2023 that many Members were unaware of any available welfare support, including mental health.
- 3.3 Public expectations of Elected Members remained high and, as the Panel heard, often significantly higher than candidates may have understood prior to taking office. As in previous years, a number of newly elected Members had been surprised by the workload confronting them. However, the Panel noted the steps taken by the Council to put in place a training and induction programme across the whole spectrum of Council and Elected Member activities for 2023. It also noted that contact had been established with Groups about what information could helpfully be provided to candidates in advance of the local elections.
- 3.4 The Panel heard from some single ward Members and learnt how they could often struggle with capacity to support their residents,

given other roles and time commitments. In contrast, Elected Members in multiple Member wards acknowledged the welcome support they were able to receive from fellow ward Members, whether of the same or opposing parties.

## 4 The Panel's Recommendations

### Basic Allowance

- 4.1 Taking into account the statistical information reviewed, the Panel agreed that the same method of calculation as that used in 2019 continued to remain appropriate in its consistency and transparency.
- 4.2 In 2019, the basic allowance was calculated at 52.5% of the median pay figure for people working in York (see paragraph 2.3). Taking into account all the evidence (soundings from a wide selection of Members in different roles both experienced and inexperienced, benchmarking against other local authorities and the local median salary), the Panel considered that the same rate of calculation at 52.5% of the York median pay figure remained appropriate. It further considered it necessary to apply the standard recommended public sector voluntary discount of one third to the basic allowance (see also paragraph 1.16).
- 4.3 In 2019, the Panel had recommended that Members' basic allowances should be uplifted in line with any National Joint Council Pay award salary increases awarded to employees (see para 1.6 above). In line with legal requirements (see para 1.5 above), the Panel now considered such uplifts, and recommended that from April 2025 to March in the next election year, uplifts should be applied annually to the basic allowance in the same way.

- 4.4 **The calculation results in a basic allowance of £11,392 per annum, compared to the current figure of £11,282, and will form the basis of all other allowances.**

### Special Responsibility Allowances

- 4.5 As stated above, all SRAs are calculated as a percentage of the Leader's, which has traditionally been considered by Panels to be three times the basic allowance. **The Panel saw no reason to alter that assessment on the basis that it had no substantial evidence to rebut the current assessment or otherwise.** Equally, the Panel understood that this approach was widely recognized standard practice.
- 4.6 The Panel heard various representations regarding levels of Special Responsibility Allowances (SRAs) and the roles to which they were attached. The Panel felt unable to recommend changes to the Special Responsibility Allowances in the absence of detailed evidence of roles and responsibilities, workloads and time commitments required to carry out roles with additional responsibilities. In addition, the introduction of the new Mayoral Combined Authority, will have impacts on existing and future roles both in City of York Council area and the combined Authority. **The Panel therefore recommended that a detailed review of such roles and responsibilities be carried out urgently.**
- 4.7 The Panel also considered the potential for increasing the SRA specifically for the Executive Member for Transport as the Council's representative on the West Yorkshire Combined Authority (WYCA), on the basis that WYCA stipulated that each local authority was responsible for considering whether to award an allowance specially for the role up to a value of £2616 per annum. The Panel was not persuaded that there was a specific necessity to support an additional allowance for this role. It concluded this in the knowledge

that any Member performing this role could claim travel and subsistence expenses for WYCA meetings they attended.

- 4.8 Annex C shows the current and recommended basic allowance and list of Special Responsibility Allowances, based on the methodology adopted in this report.
- 4.9 **The Panel recommended that any changes to Basic and Special Responsibility Allowances should be backdated to the date in 2023 on which Elected Members commenced their respective roles.**

## 5 Additional Recommendations

- 5.1 Consideration was given to the value of role profiles for Ward Members to outline the basics of their role. Many Members commented that they would find this useful. The Panel learnt that such role profiles were inconsistently available across different authorities. Benefits would be to provide a clear picture of roles and responsibilities for those aspiring to be Elected Members, a guide to assist them in managing priorities and their time, and guidance to constituents as to Members' roles and limitations. **The Panel therefore recommended that the Council consider developing and adopting role profiles for Members and publishing them on the Council's website.**
- 5.2 The Panel reviewed the current **provision for childcare/dependent carer allowances and made no recommendation for change.** The Panel noted, however, that many Members appeared to be unaware of the support provisions available to them and suggested that repeat information channels

ensure that Members remain up to date with information provided upon induction.

- 5.3 The Panel **was content with travel and subsistence expenses within York boundaries**, given that it received no information from Elected Members or Officers which would suggest any alteration to existing rates was necessary. However, the Panel acknowledged the provision of car parking passes to those Members who requested them and invites the Council to consider reviewing this arrangement, in the light of the Council's ambitions on cars within the city centre and its economic agenda.
- 5.4 Further to paragraph 4.6, The Panel recognised that **the new Mayoral Combined Authority would drive changes in roles and responsibilities of Elected Members and recommends a complete review of all roles involving special responsibilities.**
- 5.5 Finally, the Panel was concerned at the lack of pension provision which had been removed from legal consideration by a former Government Minister. It **suggested that the Council may wish to make renewed representations to the relevant Secretary of State about reinstating the option for Elected Members to enter into a pension scheme**, to help attract and retain well trained, committed and competent Members.

**Independent Remuneration Panel 2023:  
David Dickson (Chair), Elizabeth Heaps and Lucy Shaw**

**14.02.24**