

Council

15 December 2022

Report of the Director of Governance and Monitoring Officer

Members' Allowances

Summary

1. This report seeks Council approval on the potential uplift of Members' Allowances, prompted by the National Joint Council Pay Award negotiated for City of York Council employees under national collective bargaining.
2. An annual uplift of Members' Basic and Special Responsibility Allowances is traditionally applied on the same basis as employees' allowances and salary percentage increases. These rates are traditionally the same, however, for the 2022 pay award a variation to the normal percentage increase has been agreed therefore, posing several options to be applied to Members Allowances.
3. Given that the 2022-23 NJC pay award is of an unconventional nature (i.e., not a simple percentage rise to all salaries), the provisions of the constitution in relation to annual uplifts for Members' allowances do not clearly apply. As a consequence, and having consulted Group Leaders, it is considered necessary that full Council determine the issue.

Recommendations

4. It is recommended that Council considers the three options below, and determines its preferred Option:
 - a. Option 1 - Apply 4.04% to both the basic and special responsibility allowances
 - b. Option 2 - Apply '52.5% less a third' (in line with the calculation methodology used in the 2019 IRP Report) of £1,925 to the basic

allowance (which equates to £673) and 4.04% to the special responsibility allowances

- c. Option 3 - No uplift and a freeze on the current basic and special responsibility allowances
5. Should either Option 1 or Option 2 be the majority decision, the results will be applied (with backdating) to the January payment of Members' Allowances, in advance of a full review by the IRP.
6. Alternatively, should Option 3 be the majority decision, the current basic and special responsibility allowances will remain payable, pending a full review by the IRP.

Reasons: to seek the decision of Council on its preferred method for applying the NJC pay award to Members' allowances. Should there be a majority vote Officers will make arrangements to apply new rates in the payroll for January 2023 and associated back pay to 1st April 2022.

Background

7. The National Joint Council Pay Award for Local Government Employees was agreed on 1st November 2022. The pay award awarded a flat rate of £1,925 to all pay bands and 4.04% to all employee's allowances. This is a new approach to traditionally applying the same percentage rate to pay bands and allowances.
8. The Independent Remuneration Panel, who advise and recommend the City of York Council's scheme of Councillors' allowances, reported their findings and recommendations on the calculation of Councillor's basic and special responsibility allowances in 2019. This report was presented to Council in December 2019.
9. The recommendations from the Panel advised;
 - a. The Basic allowance is based on calculating 52.5% of the median pay figure for York, which is then reduced by a third. In 2019, this resulted in a basic allowance of £10,371. There was no recommendation to change this formula.
 - b. Special Responsibility Allowances are calculated as a percentage of the Leader's, which has traditionally been considered by the panels to be three times the basic allowance,

but the panel recommended four roles to have a higher percentage.

10. The full report of the IRP is attached to this report in background documents for further reference. Council held on 13th December 2019 agreed to accept in full the recommendations of the IRP.
11. Since 2019, members allowances have received an uplift of 2.75% in 2020 and 1.75% in 2021 corresponding with the National Joint Council Pay Awards following collective bargaining for employees as referenced in the Council's Constitution - Appendix 20 Members Allowances pages 659 to 660, which states 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*".
12. As the IRP last considered the issue of both the basic and special responsibility allowances in 2019, a further report will be prepared and submitted to Council after the elections in May 2023. That report will make recommendations on future allowances, together with recommendations on the implementation of non-percentage-based rises to Members' allowances.

Options for Uplifting Members Allowances

13. In November, Officers consulted with Group Leaders on the possible options for the uplifting of Member allowances. The three options were:
 - a. **Option 1 - Apply 4.04% to both the basic and special responsibility allowances.** This option is presented as a simple option as a percentage increase, it is aligned to the rate that employees have received for the uplift of allowances in the 2022 pay award. Members are not employees, although, their allowances are aligned to employees pay awards which have traditionally applied the same percentage increases to salary and allowances.
 - b. **Option 2 - Apply '52.5% less a third' (in line with the calculation methodology used in the 2019 IRP Report) of £1,925 to the basic allowance (which equates to £673) and a 4.04% to the special responsibility allowances.** This option follows the IRP considerations and recommendations of the 2019

report however, it is more costly with a 6.22% (£31,666 total) increase on the basic allowance for 47 Councillors. Noting that the 2019 IRP report recommended the calculation of the basic allowance of '52.5% less a third' on the average salary for York as a City rather than just City of York Council staff.

- c. **Option 3 - No uplift and a freeze on the current basic and special responsibility allowances.** This effectively represents the 'do nothing' option.

14. The following table sets out the current and proposed rates and costs for the above options. Costs are based on 47 Councillors receiving the basic rate and 23 Councillors receiving SRAs as per the recommendations of the IRP report in 2019.

	Current Rates	No. of Cllrs	Current Cost	Option rate	New Proposed Cost
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Option 1					
Basic Allowance	£10,844	47	£509,668	4.04% (£11,282)	£530,259 (+£20,591)
Special Responsibility Allowances	£3,253 to £32,528	23	£298,277	4.04%	£310,327 (+£12,050)
Totals			£807,945		£840,586 (+4.04%) (+£32,641)

Option 2					
Basic Allowance	£10,844	47	£509,668	+£673 (£11,518)	£541,334 (+6.22%) (+£31,666)
Special Responsibility Allowances	£3,253 to £32,528	23	£298,277	4.04%	£310,327 (+£12,050)
Totals			£807,945		£851,661 (+5.41%) (+£43,716)

Option 3					
Basic Allowance	£10,844	47	£509,668	0%	£509,668

Special Responsibility Allowances	£3,253 to £32,528	23	£298,277	0%	£298,277
Totals			£807,945		£807,945

15. The following rates are the current and proposed Special Responsibility Allowances for the presented Options. It is not proposed that there will be a new formula for calculating the percentage proportion for each role below the Leader, these remain at the percentages as identified in the 2019 IRP report.

Role	Current Rate	Proposed Rates	
		Options 1 & 2 (+4.04%)	Option 3 (zero uplift)
Leader	£32,528	£33,842	£32,528
Deputy Leader of the Council	£22,769	£23,689	£22,769
Executive Member x7	£19,518	£20,236	£19,518
Group Leader (Main Opposition)	£14,638	£15,229	£14,638
Planning Committee Chair	£10,386	£10,806	£10,386
Audit & Governance Committee Chair	£8,132	£8,461	£8,132
Licensing & Regulatory Committee Chair	£8,132	£8,461	£8,132
Planning Sub Committee Chair	£8,132	£8,461	£8,132
Scrutiny Management Committee	£8,132	£8,461	£8,132
Deputy Group Leader	£6,507	£6,770	£6,507
Group Leader (Minority Party)	£6,507	£6,770	£6,507
Scrutiny Committee Chairs x 5	£6,507	£6,770	£6,507
Lord Major as Chair of Council	£3,253	£3,384	£3,253

Consultation

16. Engagement with Group Leaders has taken place prior to the preparation and presentation of this report to full Council.
17. Discussions have taken place with neighbouring Councils; for many, discussions are ongoing, but proposals are largely to apply 4.04% to both the Members Basic Allowance and SRAs. North Yorkshire County Council is applying 4.04% to both allowances and will review allowances next year following the implementation of Local

Government Reorganisation from April 2023 when all district councils come under the new North Yorkshire Council.

Options for future pay awards and uplifting of Members' Allowances

18. As noted above, the IRP will be asked to consider how best to apply both the traditional pay award (i.e., a simple overall percentage uplift) and other non-traditional pay awards, and will revert back to Council in due course.

Council Plan

19. The uplift of Members' allowances does not directly impact on the Council plan, however, the rates and formula options reflect the IRP's report in 2019 and the application is detailed in the Council's Constitution.

Implications

20. Financial – the financial costs associated with each option is presented in the body of this report
21. Legal – the IRP will be asked to review the Members' allowances scheme again after the May 2023 elections, in accordance with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003. That report, together with any proposed changes to the current scheme, together with any consequential constitutional amendments, will be presented to Council for consideration in due course.
22. Equalities – rates will be applied to all Councillors as per the agreed vote unless a Councillor personally requests that an uplift is not applied to them personally.
23. There are no specific Human Resources, Crime and Disorder, Information Technology, Property or other issues or implications

Contact Details

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Bryn Roberts – Director of
Governance and Monitoring Officer

Report
Approved



Date 8/12/22

Specialist Implications Officer(s)

Bryn Roberts – Director of Governance and Monitoring Officer
Debbie Mitchell – Chief Finance Officer

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Council Report 19th December 2019 Independent Remuneration Panel
and Annexes

<https://democracy.york.gov.uk/documents/s136685/IRP%20Cover%20Report.pdf>

<https://democracy.york.gov.uk/documents/s136686/Final%20IRP%202019%20report.pdf>

<https://democracy.york.gov.uk/documents/s136687/Annex%20A%20-%20IRP%202019%20Terms%20of%20Reference.pdf>

<https://democracy.york.gov.uk/documents/s136688/Annex%20B%20-%20Benchmarking%20statistics.pdf>

<https://democracy.york.gov.uk/documents/s136689/Annex%20C%20-%20Summary%20of%20Recommendations.pdf>

City of York Council Constitution (reference to Members Allowances –
Appendix 20)

<https://democracy.york.gov.uk/documents/s162057/Appendix%2020-%20Member%20Allowances%20and%20Member%20Allowance%20Scheme.pdf>

Annexes: None