

Meeting:	Council
Meeting date:	21 March 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 seeks Council’s consideration of, and agreement to the adoption of, the 2024 Independent Remuneration Panel report into Members’ Allowances, covering the period 1 April 2023 to 31 March 2027.
2. Council is also asked to agree consequential suspension of paragraph 1.3 of Appendix 20 to the Constitution for the period 1 April 2023 to 7 May 2023, and for the Municipal Year 2024-25.

Benefits and Challenges

3. Council will recall that the final report of the Independent Remuneration Panel (“the Panel”) was originally presented to the Budget Council meeting on 22 February 2024, for consideration and approval.
4. Following publication of the report, and prior to consideration by Council, however, it became apparent that there were a number of outstanding queries which required further investigation before Council would be in a position to make a fully informed decision. As a result, the issue was deferred from the 22 February 2024 Budget Council meeting for those matters to be resolved.
5. Following discussions with Group Leaders, it is proposed that Council:

- a) agrees, for the period 1 April 2023 to 7 May 2023, to apply the newly-recommended IRP Basic Allowance rate of £11,392, pro rata, for all Councillors who were then in office and who remain so today;
 - b) adopts the newly-recommended IRP Basic Allowance rate of £11,392 for the municipal year 2023-24, for all Councillors whose term of office began on 8 May 2023;
 - c) agrees, for the period 1 April 2023 to 24 May 2023, to apply the newly-recommended IRP Special Responsibility Allowance rates, pro rata, for all Councillors who were then in office and receiving SRAs, and who remain Councillors today;
 - d) adopts the newly-recommended IRP Special Responsibility Allowance rates for the municipal year 2023-24, for SRA recipients whose term of office began on 25 May 2023;
 - e) adopts the Basic Allowance and SRA 'freeze' for the municipal year 2024-25, as indicated in paragraph 4.3 of the IRP Report; and
 - f) adopts the Basic Allowance and SRA uplift, in line with any National Joint Council Pay award, for the municipal years 2025-26 and 2026-27.
6. The effect of the above will be to apply the IRP recommended Basic Allowances and SRAs from 1 April 2023 onwards, with any necessary back pay being paid to qualifying Councillors. Details of the proposed back payments are set out in Appendix B to this report.

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 17 below.

Recommendation and Reasons

9. Council is asked to:
- (i) consider the report and recommendations of the Independent Remuneration Panel;
 - (ii) agree the proposals set out at paragraph 5 above;
 - (iii) request the Monitoring Officer to make any consequential changes to the Scheme of Allowances for Members, as set out in the Constitution; and
 - (iv) agree that paragraph 1.3 of Appendix 20 to the Constitution will not apply for the period 1 April 2023 to 7 May 2023 and for the 2024-25 Municipal Year.

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, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
11. 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.
12. 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.

13. 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 7 May 2023. If Council decides to apply this uplift it would only be applicable to those members who were in office during the 2019 to 2023 term, and who remained in office at the time of the May 2023 elections.

14. 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."

15. The IRP Report also makes the following ancillary 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.

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.

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.

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.

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.

Options

16. Council has two available options in respect of this report:

- (i) **Approve the recommended Basic Allowance and consequential increase to Special Responsibility Allowances, as recommended by the IRP Report and set out in paragraph 5 above:**

The recommended increases will have a minimal impact on the budget for allowances for the next financial year. This is the recommended option;

- (ii) **Not approve the recommended Basic Allowance and consequential increase to Special Responsibility Allowances, as recommended by the IRP Report and set out in paragraph 5 above, and instead substitute a lower amount:**

This option will have no impact on the budget for allowances for the next financial year, but risks devaluing the work of Members, and turning the role of Member into one performable only by those of independent means. This is not the recommended option.

Organisational Impact and Implications

17. **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. Should Council choose to adopt the Panel's recommendations in relation to allowance increases, as set out in paragraph 4.3 of their Report, there will be growth in the Members' Allowances budget from the 2025-26 year onwards; it is important to note, however, that such growth is already included in the Medium-Term Financial Strategy for the 2024-25 year onwards, so there will be no unbudgeted pressure resulting.
18. **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 3.2 of Appendix A refers.
19. **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

20. 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

21. All wards

Contact details

For further information please contact the author of the report.

Authors

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Service Area:	Governance
Report approved:	Yes
Date:	8 March 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 \(legislation.gov.uk\)](#)

Report to Budget Council with Appendices:
[Agenda for Council on Thursday, 22 February 2024 - see Item 6](#)

Annexes

Appendix A Report of Independent Remuneration Panel
Appendix B Table of proposed back payments