

## NORTH YORKSHIRE COUNTY COUNCIL

24 FEBRUARY 2016

## MEMBERS ALLOWANCE SCHEME

**1.0 PURPOSE OF PAPER**

- 1.1 To seek approval to keep the existing Members' Allowance Scheme at existing levels and remove a Special Responsibility Allowance on a pilot basis as identified in Appendix 2.

**2.0 BACKGROUND**

- 2.1 The report of the Independent Panel on Members Remuneration is attached as **Appendix A** for consideration by the County Council.
- 2.2 The County Council needs to consider the report and its recommendations and decide whether it wishes to amend its allowance scheme.

**3.0 RECOMMENDATIONS**

- 3.1 The County Council must approve any amendments to the Members Scheme of Allowances.
- 3.2 It is proposed to keep the existing scheme except for the removal of the Special Responsibility allowance for the Chair of the Employment Appeals Committee on a temporary basis. The proposed amendment is shown in Appendix 2 and provides an annual saving of £1,544. In addition it is proposed not to increase the Members Scheme of Allowances by inflation and to freeze the payment rates for another year.
- 3.3 If the County Council adopts the proposed amendment then it must ensure that copies of the Scheme are available for inspection by the public. In addition the Council must publish in one or more newspapers circulating in their area a notice which states that the Council has amended the Allowances Scheme and specify the period of time for which the Scheme has effect. In line with previous practice, this notice will be placed in the Yorkshire Post, and on the County Council's website.

**4.0 RECOMMENDATION**

- 4.1 That the County Council approves to keep the existing Members' Allowance Scheme for 2016/17 with one amendment as identified in Appendix 2.

Report prepared by:  
Barry Khan, Assistant Chief Executive – Legal & Democratic Services

Background papers: None

County Hall  
Northallerton

**REPORT OF THE INDEPENDENT PANEL ON THE REMUNERATION OF MEMBERS OF NORTH YORKSHIRE COUNTY COUNCIL**

**Executive Summary**

As the Independent Remuneration Panel, we consist of three independent individuals who review the Council's Members Allowance Scheme to ensure that payments to Councillors are set at the appropriate level. We make independent recommendations to the County Council on the levels of remuneration we consider are justified.

The Independent Remuneration Panel has to consider the scheme every four years and make recommendations to the County Council for any changes. The Panel carried out an extensive review of the Scheme last year and therefore there is not the need to carry out a further in depth review for this year.

The premise on which undertake our role is to ensure that allowances are allocated on an equitable basis and that there is no additional cost to the Tax payer for the new Scheme.

Under the last review we recommended that there would be a nil increase to the basic and special responsibility allowance after the County Council, in considering the austerity measures, refused to accept a raise in 2014/15 as recommended by the Panel. It is on this basis we make the same recommendation to freeze the rate of basic responsibility allowance and the special responsibility allowance.

The only role that is considered appropriate to review is the Special Responsibility Allowance of the Employment Appeals Committee where it is recommended to suspend that payment for the period of the pilot period, or until a further review is undertaken, thereby making an overall saving of £1,544.

**1.0 Introduction**

1.1 The membership of the Independent Remuneration Panel is as follows:-

Mrs Denise Wilson (appointed 2010) – Chairman  
Mr John Robinson (appointed 2013)  
Mr John Thompson (appointed 2013)

1.2 The Terms of Reference of the Panel are as follows:-

- (i) To consider issues relating to Members' remuneration and expenses;
- (ii) To consider representations; and
- (iii) To make recommendations and provide advice to the County Council.

1.3 Following the previous in depth review taken in 2015, it is considered appropriate keep the payments at existing levels, apart from the change noted below.

## 2.0 CONTEXTUAL BACKGROUND

2.1 The following contextual issues have been taken into consideration.

2.2 **Attendance at meetings 2014/15** – Overall attendance of Councillors was at 84% in 2014/15. The attendance level for full meetings of the County Council was 86%.

2.3 **Financial position of the Council** – There is a total savings requirement of £166.3m in the 9 year period 2011/12 to 2019/20; which equates to an approximate 33% reduction in the Council’s spending power since 2011. Whilst savings proposals of £36.3m have been identified from 2016-2020, there is still a residual shortfall of £14m that is needed to be delivered by 2020.

2.4 **Inflation rates** - The figures below show the position as at October 2015

	Inflation Rates for the 12 months up to		
	October 2013	October 2014	October 2015
Retail Price Index (RPI)	2.6%	2.3%	0.7%
Consumer Price Index (CPI)	2.2%	1.3%	-0.1%

## 3.0 COUNCILLORS’ BASIC ALLOWANCE

3.1 Regulations provide that all local authorities must make a scheme of allowances for their members. The Regulations further set out that it must establish an independent remuneration panel to make recommendations to Council about the scheme and the amounts to be paid.

3.2 Every local authority must make provision in its scheme of allowances for a basic flat rate allowance payable to members (Basic Allowance). This allowance must be the same for every Councillor and is paid in instalments through the year. One of the purposes of the Basic Allowance is to recognise the time commitment of Councillors and to compensate Councillors for the expense of being a Councillor.

3.3 The Basic Allowance for 2015/16 is £8,994 or 5.825 units (the value of 1 unit is £1,544).

3.4 We received comparator information for the last four years which is shown in **Appendix 1** for a group of the nearest 15 comparable County Councils. This shows that North Yorkshire County Council are ranked 13<sup>th</sup> and its basic allowance is 7.9% below average Basic Allowance.

3.5 We appreciate that that there is a need to attract a good calibre of candidates for election to Council, and that some authorities in the comparator group increased the allowance. The dedicated work of Councillors is also recognised and noted. However, we continue to be aware of the impact on the residents and communities of the Council's planned savings and are mindful of the decision taken by the Council with regard to the recommended 1% increase for 2014/15. Affordability also remains a key consideration. Thus we consider a nil increase in the Basic Allowance for 2016/17 is appropriate.

#### 4.0 **SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)**

4.1 In addition to the Basic Allowance, each local authority may make provision for the Payment of an SRA for those Councillors who have significant responsibilities over and above the normal work of a Councillor. Previously an in depth look at SRA has been undertaken and therefore there was not a need to review this work for this year.

4.2 The only role that we have been informed off which has changed significantly is the role of the Chair of the Employment Appeals Committee.

4.3 At the County Council meeting on the 22<sup>nd</sup> July 2015, the Council agreed to pilot for two years a new arrangement to the Council's disciplinary and capability procedures, whereby appeals for conduct/capability dismissals would be heard by a 2 person panel, consisting of an officer and a member of the Employment Appeals Committee. This Panel would be chaired by an officer and not the Chair of the Employment Appeals Committee.

4.4 Therefore some of the work of the Employment Appeals Committee is considered by the Panel, leaving the Committee to be responsible for determining appeals regarding group grievances, collective disputes and appeals by the Chief Executive Officer in limited circumstances.

4.5 Since the decision made in July, there has not been the need to convene the Employment Appeals Committee. Bearing in mind the reduced work load of the Employment Appeals Committee, and therefore the reduction in work for the Chairman of that Committee, it is considered appropriate to suspend the payment for the Chairman of the Employment Appeals Committee for next year during the pilot period. However the work of the Employment Appeals Committee will be kept under review and if the work load increases for the Committee, then this recommendation can be revisited. Further, once the pilot period has ceased, the Panel will reconsider the appropriate remuneration for the Chairman of this committee.

4.6 Therefore it is proposed to keep the same scheme, with a slight amendment as shown in Appendix 2.

Denise Wilson  
Chair of the Independent Remuneration Panel  
February 2016

## BASIC ALLOWANCE - COMPARATOR INFORMATION

Authority	2012/13		2013/14		2014/15		2015/16	
	£	Rank	£	Rank	£	Rank	£	Rank
Nottinghamshire	12,906	1	12,906	1	12,906	1	13,190	1
Devon	10,970	2	10,970	2	10,970	2	10,970	2
Dorset	10,185	3	10,185	3	10,536	3	10,536	4
Leicestershire	10,152	4	10,152	4	10,152	5	10,152	6
Derbyshire	9,948	5	9,948	5	10,047	7	10,047	7
Somerset	9,880	6	9,880	6	10,354	4	10,580	3
Staffordshire	9,244	7	9,244	7	9,022	8	9,072	10
Worcestershire	9,020	8	9,020	8	9,020	9	9,020	12
<b>NYCC</b>	8,994	9	8,994	9	8,994	12	8,994	13
Warwickshire	8,975	10	8,975	10	8,975	13	8,975	14
Norfolk	8,929	11	8,929	11	9,018	10	9,216	9
Gloucestershire	8,800	12	8,800	12	9,000	11	9,100	11
Oxfordshire	8,295	13	8,295	13	8,377	14	10,000	8
Lincolnshire	8,184	14	8,184	14	10,100	6	10,322	5
Cumbria	8,030	15	8,030	15	8,030	15	8,322	15
Cambridgeshire	7,610	16	7,610	16	7,700	16	7,700	16
Year Average	9,383		9,383		9,575		9,762	
NYCC % of Average	95.9		95.9		93.9		92.1	

## Special Responsibility Allowances, Other Allowances, and Allowances for the Police and Crime Panel 2016/17

	Number of Units	Current Allowance £	Number of Allowances	Total Cost of allowance £	Recommended change £	Updated allowance if implemented £	Updated total cost if implemented £	Review Comments
	A	B	C	D	E	F	G	H
<b>Value of a Unit</b>		1,544						
<b>SPECIAL RESPONSIBILITY ALLOWANCES</b>								
Chairman of the County Council	6	9,264	1	9,264		9,264	9,264	
Vice Chairman of the County Council	2	3,088	1	3,088		3,088	3,088	
Leader of the County Council	16	24,704	1	24,704		24,704	24,704	
Deputy Leader	10	15,440	1	15,440		15,440	15,440	
Other Executive Members	9	13,896	6	83,376		13,896	83,376	
Chairman Of Health Overview and Scrutiny Committee	6	9,264	1	9,264		9,264	9,264	
Chairman of Other Overview and Scrutiny Committees	3	4,632	4	18,528		4,632	18,528	
Vice-Chairman of Overview and Scrutiny Committees	1	1,544	5	7,720		1,544	7,720	
Chairman of Area Committee	2	2,316	7	16,212		2,316	16,212	
Chairman of Planning and Regulatory Functions Committee	2	3,860	1	3,860	0	3,860	3,860	
Regulatory Functions Sub-Committee (new from 04/06/13)	1	1,544	1	1,544		1,544	1,544	
Chairman of Appeals Committee	2	4,632	1	4,632	0	4,632	4,632	
Vice Chairman of Appeals Committee	0	772	1	772	0	772	772	
Chairman of Employment Appeals Committee	1	1,544	1	1,544	-1,544	0	0	Considered appropriate to suspend payment until after the pilot scheme and will be kept
Chairman of Pensions Committee	3	4,632	1	4,632		4,632	4,632	
Chairman of Scrutiny Board	1	1,544	1	1,544		1,544	1,544	
Chairman of Audit Committee	2	3,088	1	3,088		3,088	3,088	
Chairman of Standards Committee	1	1,544	1	1,544		1,544	1,544	
Champion for Young People	3	4,632	1	4,632		4,632	4,632	
Champion for Older People	3	4,632	1	4,632		4,632	4,632	
<u>Leaders of Political Groups</u>								
Second largest group membership	3	4,632	1	4,632		4,632	4,632	
Third largest group membership nb the allowance for the Third largest group leader is shared equally where there is more than one eligible group	1.5	2,316	1	2,316		2,316	2,316	
<u>Secretaries of Political Groups</u>								
Largest Group Membership	1.5	2,316	1	2,316		2,316	2,316	
Second largest group membership	1	1,544	1	1,544		1,544	1,544	
Third largest group membership nb the allowance for the Third largest group secretary is shared equally where there is more than one eligible group	0.5	772	1	772		772	772	
<b>POLICE &amp; CRIME PANEL (PCP)</b>								
Chair of the Police and Crime Panel	3	4,632	1	2,316		4,632	2,316	
Vice Chair of the Police and Crime Panel	1	1,544	2	772		1,544	772	
<b>OTHER ALLOWANCES</b>								
Independent Persons	0.5	772	2	1,544		772	1,544	

<b>Total Special Responsibility Allowances</b>	43	<b>231,600</b>					<b>230,056</b>	
<b>Total Police &amp; Crime Panel Allowances</b>	3	<b>3,088</b>					<b>3,088</b>	
<b>Total Other Allowances</b>	2	<b>1,544</b>					<b>1,544</b>	
<b>Total</b>	<b>48</b>			<b>236,232</b>			<b>234,688</b>	
						<b>Overall Change</b>	<b>-1,544</b>	