

**REPORT OF THE INDEPENDENT REMUNERATION PANEL FOR NORTH YORKSHIRE
COUNCIL
RECOMMENDATIONS FOR MEMBER AND OTHER ALLOWANCES IN 2025-26**

SUMMARY OF RECOMMENDATIONS

1. The Basic Allowance (BA) paid to each councillor should increase to £17,340, a 2% increase over the 2024-25 allowance of £17,000.
2. There should be no general increase in the Special Responsibility Allowances (SRAs) paid to those councillors who take on additional duties and responsibilities.
3. New SRAs are recommended for the Vice-Chairs of the six Area Committees and the new Development Plan Committee.
4. The SRA paid to the Chair of the Licensing Sub-Committees should be amended so that it is apportioned between the Chair and members hearing appeals.
5. The SRAs paid to the councillor members of the North Yorkshire Police, Fire and Crime Panel should be reduced.
6. The remuneration received by councilor directors of Yorwaste Ltd., a company owned by North Yorkshire Council (the Council), should be reduced.

THE PANEL AND HOW IT WORKS

7. The law requires that a local authority must have regard to the recommendations of an independent remuneration panel (IRP) before it can pay its councillors any allowances. The IRP must consist of at least three people who are independent of the authority. Our Panel presently has four members, whose details are set out in Appendix A. We are not employees of the Council and no-one in the Council can tell us what to do or what to recommend. We choose our own Chair and agree our own procedures. However, we do receive a modest annual allowance, and we can claim travel expenses for attending meetings.
8. The Panel's Terms of Reference, defining our remit, are set out in Appendix B.

INFORMATION PROVIDED TO THE PANEL

9. We have been provided with contextual information by Council officers. This includes:
 - Comparator information showing allowances paid by other local authorities.
 - Inflation indices
 - Information on Council staff pay negotiations
 - Recent Executive Performance Reports produced quarterly by the Council, including budget monitoring report
 - Public information regarding councillors' employment and age demographic
 - Statistics on councillor attendance at meetings in 2023-24
 - Briefings regarding the North Yorkshire Police, Fire and Crime Panel and Yorwaste Ltd.

10. The Panel also met with Richard Flinton, the Council's Chief Executive, and Carl Les, the Leader of the Council. On 1 April 2023 the seven district and borough councils, and the county council, in North Yorkshire were replaced with a single unitary authority, North Yorkshire Council. Mr Flinton and Cllr. Les updated the IRP on how unitarisation is progressing, in terms of workload and financial demands.
11. From the information provided the Panel has in mind the following key points:
 - The Council is operating within its budget, but despite the savings created by unitarisation it needs to make additional savings of c. £90m in 2024-2027. Roughly just under half of this figure has been budgeted in 2024-25; the remainder will need to be found in the following two years.
 - There is increasing demand on Council services in the costly areas of adult social care, children's services, including special needs children, and homelessness. Home-to-school transport is being reduced to mainly the statutory level to save money.
 - There may be further unanticipated changes in funding by the new Government.
 - Operationally, unitarisation is progressing well.
 - Every councillor now has a wider brief and workload than they did as either just a district councillor or just a county councillor. Even if they were previously 'twin-hatted' as both district and county councillors there are now many fewer councillors overall, so it is possible that their workload has increased.
12. Councillor attendance at full Council meetings in its first year was 93.8%. So far in the current year it is 88.8%. Attendance at all committee meetings during the first year was 81.6%. We regard these attendance levels as satisfactory and note that the new Government has expressed a willingness to reconsider whether local authorities should be able to choose whether some formal public meetings may be attended remotely.
13. The Panel repeated last year's invitation to all councillors to make representations to us. In contrast to last year when 55 councillors responded, this year only 7 did so in writing, with 1 additional oral submission. We sought information from the Chairs and Vice-Chairs of the Area Planning Committees regarding their workload, with 6 out of a possible 12 responding.
14. As in previous years, senior Council officers have answered Panel queries about the scope and extent of the work of various Council committees. We have also been advised as to the likely impact of the new Mayoral Combined Authority (MCA) on the Council.

THE BASIC ALLOWANCE

15. In the first year of North Yorkshire Council, the BA was set at £15,500, compared with £10,316 paid in the previous year to county councillors. The new BA reflected the anticipated increase in workload and responsibility following unitarisation, which has proved to be the case. In the second (current) year the BA was increased to £17,000, the Panel recommendation having taken into account representations from a wide range of councillors. We were mindful of the need to encourage persons of all ages and backgrounds to become councillors, and that the level of the basic allowance should not

be a disincentive, particularly at a time of significant inflation and cost-of-living pressures. However, the BA is not intended as a 'salary'.

16. Comparator BA information with other unitary councils is shown at Appendix C. North Yorkshire has the largest geographical area and third largest population of these comparators and the current BA is 18% higher than the average.
17. This year there was no significant concern expressed to us by councillors regarding the level of the BA and the Panel's view is that its real value should be unchanged. The annual CPI rate of inflation to June 2024¹ is 2% (compared with 7.9% in June 2023) and we therefore recommend a 2% increase in the BA, taking it up to £17,340.

SPECIAL RESPONSIBILITY ALLOWANCES – IN GENERAL

18. In 2024-25 60% of North Yorkshire councillors receive at least one SRA. This is a high proportion, but perhaps not surprising given the reduction in the overall number of councillors as a result of unitarisation.
19. When the Panel recommended new SRAs for the first year of the new Council, we did so, of necessity, with only a general view of anticipated workload and responsibilities. Last year we recommended an across-the-board 2% increase, at a time of much higher inflation.
20. There has been no concern expressed by councillors to us that the level of SRAs is too low. The Panel has a better understanding of how the various committees operate, how often they meet, and their workload. Councillors undertake a valued public service but allowances are not set at a commercial rate. Our view is that the current level of SRAs is appropriate, and we recommend no increase in 2025-26.

AREA COMMITTEE SRAs

21. The six Area committees, each consisting of all councillors in the area, have four scheduled meetings each year. Additional meetings may be convened if required. Unlike other committees, members elect the Chair and Vice-Chair on an annual basis. The Chair receives an SRA of £5,637. Currently, there is no SRA for the Vice-Chair, although that person is expected to attend the additional four mid-cycle briefings along with the Chair. The Vice-Chair of all other committees dealing with public-facing issues receives an SRA. As a result of unitarisation the Area Committees now have to liaise with a wider range of stakeholders, and they are considering broader issues than was the case before unitarisation.
22. In our view there is no justification for treating the Vice-Chairs of these committees differently from other Vice-Chairs. We recommend a new SRA of £1,879, that being the amount received by the majority of other committee Vice-Chairs.

¹ Last year the Panel referenced the June inflation figure, and we intend to continue to use June as the standard reference point in future years.

DEVELOPMENT PLAN COMMITTEE SRAs

23. This is a new committee that will be consulted and provide oversight and support in relation to new Development Plan Documents. The Chair will be the Executive Member for Planning, whose existing remit covers this area of work, and therefore no additional SRA is required for the Chair. The Panel recommends that the Vice-Chair should receive the same SRA of £1,879 as is paid to the majority of other committee Vice-Chairs.

LICENSING SUB-COMMITTEES SRAs

24. Prior to unitarisation licensing was dealt with by the district and borough councils. On the formation of North Yorkshire Council, two new committees were created, one for General Licensing and one for Statutory Licensing. The Chair and Vice-Chair of these committees, which formulate the Council's licensing policies, receive an SRA. In addition a pool of councillors is available to hear appeals as members of the two Licensing Sub-Committees. Each appeal is decided by a panel of three councillors from that pool. Participation is voluntary; some councillors may sit on many appeals, and others may participate rarely or never.
25. In 2023-24 the SRA for the Chair of each Sub-Committee was set at £250 per meeting on the assumption that various members of the Sub-Committees would sit as chairs. However, after reviewing the chairing arrangements, the SRA was amended in 2024-25 to a maximum of £750 pa per Chair, on the basis that the previous assumption would then materialise. This year, two councillors responding to the Panel's invitations for views suggested that the SRA should be shared between the chair and the other two councillors attending. This is because all three members have the same obligation to prepare thoroughly and participate in the meeting before reaching a decision, which is quasi-judicial in nature. Moreover, in contrast to other committees, meetings are often scheduled at short notice in the locality of the appellant, and members may have to travel long distances to attend. We have also been told that although there have been 72 meetings between 1 April 2023 and 13 September 2024, one person has chaired all of them. That individual is one of the councillors proposing that the SRA be shared, so that the Chair receives £100 per meeting, and the other two members receive £75 each.
26. Although the Panel is of the general view that an SRA should not be paid to a councillor for simply being a member of a committee, we conclude that there should be an exception to this rule for those members of Licensing Sub-Committees who actually attend meetings. This is because of the need to recruit members at short notice, who may have to travel long distances for long meetings, and who must devote considerable care, time and attention both prior to and at the meeting. We agree that a fair apportionment of the £250 SRA per meeting is to pay the Chair £100 and the other members £75 each. To ensure there is no significant increase in cost, we recommend retaining a cap of £750 pa per member.

POLICE FIRE AND CRIME PANEL (PFCP)

27. The PFCP performs a scrutiny and review role over various Plans and Reports prepared by the Mayor of the MCA in relation to Crime, Fire and Rescue. It makes recommendations, with a power of veto, on the proposed appointments for the roles of Chief Constable and Chief Fire Officer, and on the Council Tax precept for policing and fire. It also considers any non-criminal complaints made against the Deputy Mayor for

Policing Fire & Crime. Its duties are largely the same as those prior to the creation of the MCA, with a slight reduction in statutory confirmation hearings.

28. The last time the IRP reviewed the SRAs for councillors on the PFCP was in 2018. That was just after the PFCP's scrutiny remit had broadened out from policing and crime to incorporate fire and rescue. Workload had increased from around 4/5 meetings pa in 2016 to 7/8 pa in 2017-18. The County Council accepted the IRP's recommendation that the Chair and Vice-Chair SRA should increase, and that other councillor members should start to receive an SRA. Further, the allowance for the community co-opted members of the PFCP was also increased. Since 2019 the PFCP SRAs have increased in line with other SRAs, so that currently the Chair's SRA is £9,394, the Vice-Chair's SRA is £3,758 and all other PFCP members receive £1,879. However, soon after the SRA increase, PFCP meetings settled back down to 4-5 scheduled meetings pa, and that continues to be the case, although attendance at other meetings may be required at times. The PFCP has not had to perform its complaints jurisdiction since 2021.
29. Although the Council receives a Home Office grant towards the cost of the PFCP, there is a shortfall which is met by the Council. The Home Office grant includes the sum of £920 allocated to each member of the PFCP.
30. The IRP has been asked by the outgoing Chair of the PFCP to review the SRAs paid, and having reached a preliminary view that there should be a reduction, we invited comments from the councillor members of the PFCP. All responses have been carefully considered. We have concluded that the workload is comparable to that performed by most other Council Overview and Scrutiny committees, but in light of the outward-facing potentially high-profile role in relation to senior appointments and the Council Tax precept, we recommend that the Chair and Vice-Chair of the PFCP should receive the same level of SRA as that paid to the Chair and Vice-Chair of the Strategic Planning Committee, namely £7,110 and £2,184 respectively.
31. As previously stated, the Panel's general view is that a councillor should not receive an SRA simply for being a member of a committee. We have recommended an exception for licensing sub-committees (see para. 26 above), and we accept a further exception in the cases of PFCP members, simply because the Home Office has allocated £920 per member. Our recommendation is that the SRA is reduced to this amount.
32. As to the community co-opted PFC members, we recommend that the current allowance be retained, subject to a 2% increase so that it retains its real value. These individuals are members of the public who put themselves forward and, unlike councillors, they receive no other recompense for their time. Having been recruited on the basis that an allowance is paid, it would not be right to remove it.

RECOMMENDATIONS ON OTHER ALLOWANCES

33. The Panel considered the current arrangements for travel and subsistence allowances. The arrangements are linked to rates for Council staff (45p per mile) which is the HMRC approved rate. The Panel takes the view that the Council mileage rate should remain in line with the HMRC mileage rate.

34. The Panel has reviewed the NYC's allowance scheme in relation to reimbursement for costs necessarily incurred by councillors performing their duties for the care of children and dependant relatives. We see no need for any change to the scheme.

YORWASTE LTD

35. Yorwaste is a commercial waste management business, incorporated in 1991. It is a Teckal company, meaning it is owned and controlled by a local authority, in this case a joint venture between North Yorkshire Council and the City of York Council. Its board of directors must include councillor and council-officer representatives. Yorwaste's directors are paid by the company, not the Council, but because one NYC councillor has been appointed as Non-Executive Chair of the Board and two other councillors (one from York) as non-executive directors (NEDs), the IRP can make recommendations as to their remuneration, which must be expressed as a percentage of an SRA paid to a specified councillor. Historically, they have been paid at the rate of 50% of the SRA paid to the Leader and Deputy Leader respectively of the county council. On unitarisation the SRAs paid to the Leader/Deputy Leader substantially increased, and thus so did those directors' remuneration, although there was no corresponding increase in workload and responsibility. The Chair currently receives £20,233 pa and the other NEDs £10,794 pa. The Chair has requested that the remuneration be reviewed, a matter the Panel has not considered for at least 12 years.
36. Originally there were two companies, Yorwaste and SJB Recycling. The latter ceased trading in March 2020 and Yorwaste has been restructured to include most of the work previously undertaken by SJB Recycling. Over time the work involved for the Board has become more routine, with meetings reduced from 12 pa to 7-8 pa, and an average Board session has reduced from around 6 hours to 2 hours.
37. The Panel has attempted to obtain comparables from other Teckel waste companies, but only very limited information has been found. One county-wide waste company with similar turnover and net profits to Yorwaste pays one NED £6,000 pa and two others £4,500 pa. Another borough-wide waste company pays nothing to its councillor NEDs. NYC owns other Teckel companies. Councillor NEDs on their boards do not receive payment for their role.
38. We recognise that comparable rates of pay for NEDS in other public bodies are of limited guidance. However, we note that NED remuneration in NHS Trusts (often overseeing budgets running into hundreds of millions) is currently set at £13000, although Chairs are paid much more (source: NHS England website). We also recognise that NED remuneration elsewhere in the public sector can be higher or lower than this. Whereas appointment as an NED in these organisations will normally be subject to open competitive application, in the case of Yorwaste the pool of applicants is limited to councillors, who may or may be subject-matter experts. Seen in the context of other allowances paid to councillors, the Yorwaste NED remuneration is significant.
39. The Panel has been told that Yorwaste NEDs have always been remunerated, because it was thought at the outset that the workload would be considerable and their role more 'hands-on', operating in a commercial field. There are presently no executive directors on the Yorwaste board apart from the Managing Director/CEO. Since the current MD was appointed about 6 years ago, the company's operations have become more streamlined and it has moved from a loss-making to a profitable operation.

40. All directors have legal and financial responsibilities. They are covered by insurance should they be sued personally for negligence or breach of duty, but nonetheless the responsibility is considerable, especially in a highly regulated field like waste.
41. We have received representations from the two NYC NEDs and from the MD of Yorwaste, and have taken into account all we have been told.
42. Were we being asked to recommend remuneration for a Yorwaste NED starting from scratch, our approach would be less generous than the one we are taking. That is because we consider that both the limited time commitment and the fact that councillor NED appointments are necessarily drawn from a very limited pool are key factors justifying modest remuneration in a company which ultimately operates for the public benefit. However, it would not be equitable to ignore the fact that to some extent a precedent has been set by levels of pay to date. We also accept that the Chair has an important additional role.
43. Taking everything into consideration our recommendation is that remuneration is reduced by 25%, resulting in the Chair receiving £15,167 pa and the other councillor NEDs £8,089 pa. These sums are 37.5% and 20.00% of the NYC Leader's SRA. We believe this level of remuneration is a more than fair rate for the roles. Ultimately it is for Yorwaste's shareholders (the local authorities) to decide whether to accept or reject our recommendation.

FINANCIAL IMPLICATIONS OF OUR RECOMMENDATIONS

44. The recommendations concerning Yorwaste will have a positive financial implication for the Council.
45. The proposed 2% increase in the BA will cost an additional £30,600 pa, increasing the total cost to £1,560,000.
46. Attached as Appendix D is a spreadsheet showing our recommendations for all SRAs and the cost to the Council. The additional cost of the Area and Development Plan Committee Vice-Chairs is largely offset by the reductions in the cost of the PFCP, so the net increase in cost is £2,698.
47. If our recommendations are accepted, the overall increase in cost for 2025-26 would therefore be £33,298.

APPENDIX A – MEMBERSHIP OF THE IRP

Members of the IRP are recruited when a vacancy arises by open advert for a four-year term of office. Any member of the public may apply. Members may be re-appointed for a further term of up to four years. The current members are:

Philip Battle – Panel Member. Appointed 2024 – Director of Strategic Accounts at SMT-Volvo CE, responsible for global accounts, major infrastructure projects and net zero transformation. Currently an MBA candidate studying at the University of Bradford specialising in Innovation, Enterprise and Circular Economy.

Dr Stuart Green – Panel Member. Appointed 2019 – reappointed July 2023 – Fellow of the Chartered Institute of Public Finance and Accountancy, and Association of Chartered Certified Accountants. Current employment as a lecturer at a leading UK university. Holds and has held a variety of non-executive and governance roles.

Ann Harding – Panel Member. Appointed 2022 – currently Chief executive of the Settle Victoria Hall Ltd Charity.

Elizabeth Morrison – Panel Chair. Appointed 2022 – retired judge, former solicitor. Appointed by the Ministry of Justice as a part-time judge of the county court (2005-2020) and of a property tribunal (2011-2022).

APPENDIX B – TERMS OF REFERENCE OF THE IRP

The Panel is convened under the Local Authorities (Members' Allowances) (England) Regulations 2003. These Regulations, which arise out of the relevant provisions in the Local Government Act 2000, require all local authorities to maintain an Independent Remuneration Panel to review and provide advice on Members' allowances. Before the Council makes or amends its allowances scheme, it must have regard to the Panel's recommendations.

North Yorkshire's Members Allowances Scheme is set out in its Constitution. The following key principles underpin the Scheme:

- (1) It is important to encourage individuals to be involved in the work of the Council. People of all backgrounds and ages should feel attracted to become councillors if they so wish, and at the very least the allowance structure should put no barriers in their way.
- (2) The work of a councillor requires commitment and – if the role is to be carried out well – a significant investment of time. Councillors have a wide ranging role varying from local issues to the national scene. It is the Government's intention that this should be reasonably and properly remunerated.
- (3) That said, we do not wish to see the Public Service ethos lost from our Council. A balance has to be struck between paying 'a rate for the job' and recognising the significant Public Service element that is rightfully a strong feature of our system of local government.
- (4) The cost of any scheme must give value for money.
- (5) Any system must be easily understood, transparent and ensure accountability to the electorate.

The Panel must consist of a minimum of three members and will normally be four in number. It is required to produce a report making recommendations as to the matters set out in Regulation 21. These matters include the amount of allowances, and the responsibilities or duties which attract a special responsibility allowance.

Terms of Reference

- (i) To consider any issues within its remit under the Regulations relating to Members' Allowances
- (ii) In undertaking the above, to require the Council to provide all relevant information, and to request representations from Members and officers as it considers appropriate
- (iii) To consider any other representations made to the Panel
- (iv) To provide an annual report with recommendations as to Members' Allowances in a timely manner
- (v) To carry out a full review of the responsibilities and duties attracting a special responsibility allowance at least once every four years

- (vi) If necessary to carry out ad hoc reviews of allowances
- (vii) Outside the statutory scheme, to consider if requested the allowances to be paid to Members serving on other bodies.