

Extract from the minutes of the Council's Special Meeting held on 3 March 2017 setting out the Council resolution in relation to Members' Allowances 2017/18 and onward

RESOLVED: That this Council:-

- (a) notes the report of the Acting Executive Director, Resources commenting on and appending the report of the Council's Independent Remuneration Panel, dated January 2017, and thanks the members of the Panel for their report;
- (b) having regard to the recommendations contained in the Panel's report, together with the information contained in the report of the Acting Executive Director, Resources, approves and adopts from 1st April 2017 and onwards, a Members' Allowances Scheme comprising the arrangements approved and adopted by the City Council for the years 2013/14 to 2016/17, unchanged; and
- (c) (i) as regards the annual index-linked increase, confirms that, as in previous years, the annual index in relation to Basic, Special Responsibility (including the Pensions Authority), Co-optees and Dependent Carers' Allowances shall be the average percentage officer pay award in Sheffield, and in relation to travel and subsistence, the annual index shall be the relevant officer rates agreed from time to time; such arrangements to be implemented for a period of four years and (ii) in line with the recommendation of the Independent Remuneration Panel, agrees to implement the annual increase during 2017/18 in relation to Basic, Special Responsibility (including the Pensions Authority), Co-optees and Dependent Carers' Allowances, the first such increase in 7 years, with provision having been made in the Council's Revenue Budget for 2017/18 to accommodate a 1% uplift on those Allowances.



SHEFFIELD CITY COUNCIL

Report to Council

Report of: Acting Executive Director, Resources

Date: 3rd March 2017

Subject: Members' Allowances 2017/18 onward

Author of Report: Jason Dietsch, Head of Member Services
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Summary:

Prior to 1st April each year, the Council has to agree a Members' Allowances Scheme for the forthcoming financial year. This report sets out the recommendations from the Independent Remuneration Panel for consideration and to enable recommendations to be made to the Special Meeting (Budget) of the City Council on the Members' Allowances Scheme to be agreed for the Municipal Year 2017/18 and onward.

Recommendations:

That consideration is given to the recommendations of the Independent Remuneration Panel and that any recommendations arising therefrom are submitted for consideration by the City Council at its Special Meeting (Budget) to be held on 3rd March 2017.

Background Papers: Report of the Independent Remuneration Panel on Members' Allowances for 2017/18 and Onward (attached as an Appendix).

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Hayley Ashforth
Legal Implications
YES Cleared by: Gillian Duckworth
Equality of Opportunity Implications
NO Cleared by: Michael Bowles
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
NO
Property implications
NO
Area(s) affected
Relevant Scrutiny Committee if decision called in
Not applicable
Is the item a matter which is reserved for approval by the City Council?
YES
Press release
NO

1. PROPOSAL

- 1.1 Prior to 1st April each year, the Council has to agree a Members' Allowances Scheme for the forthcoming financial year. The Council is also able to amend its Scheme at any time if it needs or chooses to do so and is required by regulations to seek, and have regard to, the views of an Independent Remuneration Panel (IRP). It must do this at least every four years or whenever the Council wishes to amend its Scheme. The Panel has to consider the Scheme and any proposed changes and make recommendations to the Council. However, it is for the Council to decide on the Members' Allowances Scheme that is put in place, having regard to the Panel's recommendations.
- 1.2 The Panel last reviewed the Members' Allowances Scheme four years ago (in March 2013) and was therefore required to consider the Scheme for 2017/18 onward. The Panel has been convened and has produced a report (dated January 2017) which includes its recommendations, and that is appended to this report
- 1.3 It is proposed that consideration is given to the recommendations of the Independent Remuneration Panel and that any recommendations arising therefrom are submitted for consideration by the City Council at its Special Meeting (Budget) to be held on 3rd March 2017.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 The Independent Remuneration Panel looks at the following areas and may make recommendations about them:
 - the level of Basic Allowance for all Members of the Council;
 - the categories of special responsibility for which a Special Responsibility Allowance should be paid and the levels of those allowances;
 - as to whether Dependant Carers' allowance should be payable to Members and the amount of such an allowance
 - travelling and subsistence allowances
 - any annual increase
- 2.2 The Panel's recommendations are considered by Council, which is responsible for agreeing the Members' Allowances Scheme. The Scheme is published information and it sets out the amounts of allowances to be paid, or that are available, to Members of the Council for undertaking duties or responsibilities during that Municipal Year.
- 2.3 The Scheme which will be approved by the Council on 3rd March 2017 will reflect the Council's decision-making arrangements for the Municipal Year 2017/18.
- 2.4 The Independent Remuneration Panel last reviewed the Members'

Allowances Scheme in March 2013 (for 2013/14 and onward). The Council, having regard to the Panel's recommendations, agreed a Scheme for 2013/14 and onwards at its meeting on 15th May 2013. The decision made by the Council is set out at Appendix B to the Panel's report.

- 2.5 The Scheme approved for 2013/14 has been adopted by the Council for each financial year since (i.e. 2014/15, 2015/16 and 2016/17), a total of 4 years. This means the Scheme needed to be reviewed by the Panel prior to 2017/18, in accordance with statutory requirements.
- 2.6 The Independent Remuneration Panel was convened to meet on 26 January 2017 to review the Members' Allowances Scheme and it has put forward recommendations for the Council to consider. The recommendations take account of the Council's political composition and the various roles which are carried out by Members, as well as its governance arrangements. The Panel, whilst fully appreciating the financial pressures confronting the Council and the continuing need to make substantial savings, attempted to carry out its review as objectively as possible and did not allow its awareness of those pressures to cloud its judgement or influence its recommendations.
- 2.7 The specific recommendations made by the Panel are set out in paragraphs 2.7.1 to 2.7.9 below. In many instances, the Panel has endorsed the arrangements in place within the current Members' Allowances Scheme. For the sake of clarity, unless specifically mentioned in the following recommendations, the provisions within the Council's Members' Allowances Scheme for 2016/17 were endorsed by the Panel. Two of the Panel's recommendations (those at paragraphs 2.7.2 and 2.7.9 below) have financial implications, and those implications are outlined in section 4.2 of this report.
- 2.7.1 *That no change should be made to the composition and amount of Basic Allowance.*
- 2.7.2 *That the Council should give consideration to the significantly lower levels of Special Responsibility Allowances in relation to its Leader and Executive Members, when next amending its Members' Allowances Scheme (see paragraph 5.3.3 of the Panel's report).*
- 2.7.3 *That the responsibilities/duties in respect of which Special Responsibility Allowance should be available, and the rates of those allowances (notwithstanding the recommendation made above in relation to reviewing the SRA rates for its Leader and Executive Members), should be as set out in paragraph 5.3.4 of the Panel's report.*
- 2.7.4 *That travel allowances should continue to be made available for travel within the city as well as for travel out of the city, for the same "approved duties" as set out in the Scheme. The travel allowances should be based on officer rates as agreed by the Council from time to time.*

- 2.7.5 *That subsistence allowances should continue to be made available for “approved duties” undertaken out of the city. The subsistence allowances should be based on officer rates as agreed by the Council from time to time.*
- 2.7.6 *That a Dependent Carer’s Allowance should continue to be made available for the same “approved duties” as for travelling and subsistence, subject to the production of appropriate receipts. No change should be made to the maximum rate of the allowance.*
- 2.7.7 *That no change should be made to the amount of the Co-optees’ Allowance.*
- 2.7.8 *That the current index for adjusting Basic, Special Responsibility (including the Pensions Authority), Co-optees’ and Dependent Carers’ Allowances on an annual basis should continue to be the average percentage pay award for employees of the Council. The index should be applied for the maximum period of four years, and be reviewed for the 2021/22 Scheme.*
- 2.7.9 *That the Council should consider implementing the annual increase in order to assist its position relative to its comparator local authorities in terms of the levels of allowances paid to its Members (see paragraph 5.5.1 of the Panel’s report).*

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 When considering the Members’ Allowance Scheme, the Council must seek the views of the Independent Remuneration Panel and have regard to its recommendations. The report of the IRP is attached.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 The level of allowances agreed for Members may impact on the aim of attracting more members of the public from all sections of the community to stand for public office.

4.2 Financial and Commercial Implications

- 4.2.1 The financial implications arising from the approval of the Members’ Allowances Scheme are dependent upon the action which the Council takes in response to the issues raised in the report of the Independent Remuneration Panel. The Panel has recommended that the Council should consider the levels of Special Responsibility Allowances in relation to its Leader and Executive Members, which are significantly

lower than the average for the Core Cities and neighbouring (South Yorkshire) local authorities. The Panel also recommends that the Council should consider implementing an annual increase across all its Allowances in 2017/18 in order to assist its position relative to its comparator local authorities – having noted that the allowances in Sheffield have not been increased for 6 consecutive years.

- 4.2.2 In terms of the proposed budget for Members' Allowances for 2017/18, provision of 1% has been built into the Revenue Budget towards the costs of the pay award to Council officers in that year. The index used for adjusting Sheffield's Members' Allowances is the average percentage pay award for officers and the Independent Remuneration Panel has recommended the continued use of that index for the next four years. Therefore, subject to the Council approving that budget provision at its meeting on 3rd March 2017, there will be provision to accommodate a 1% uplift on the Basic, Special Responsibility (including the Pensions Authority), Childcare and Dependent Carers' and Co-optees Allowances in 2017/18, which would cost approximately £14K with on-costs.
- 4.2.3 As regards the Panel's recommendation regarding the levels of Special Responsibility Allowances in relation to its Leader and Executive Members, should the Council wish to increase those allowances, it would either need to reduce other allowances or find alternative savings from the budget for Members' Allowances to offset the increased costs for its Leader and Executive Members, and thus contain spending within the available budget, or have to identify additional savings measures from elsewhere in the Council's budgets for 2017/18. The proposed 2017/18 budget for Members' Allowances and expenses already includes proposals to save approximately £21K.
- 4.2.4 Set out below are details of the current allowances paid to Members, the amounts of the allowances and the number of posts for which the allowances are paid. These allowances are also subject to employer National Insurance contributions which increase the costs by approximately 8%.

<u>Allowance</u>	<u>Amount of Allowance (£) & No. of Posts</u>	<u>Total Amount per Category of Allowance (£)</u>
Basic Allowance	11, 742.45 x 84	986,365.80
<i>Special Responsibility Allowances:-</i>		
Leader	18,167.68 x 1	18,167.68
Deputy Leader	9,083.86 x 1	9,083.86
Cabinet Members	9,083.86 x 8	72,670.88
Chairs of Scrutiny Committees	7,509.32 x 4	30,037.28
Leader of the largest Group (not forming the Executive)	7,509.32 x 1	7,509.32
Chairs of Local Area Partnerships	5,268.63 x 7	36,880.41

Chairs of Planning and Highways Committees	5,268.63 x 2	10,537.26
Chairs of Licensing Committee	5,268.63 x 2	10,537.26
Opposition Group Office Holders *	5,268.63 x 1	5,268.63
Cabinet Advisers	4,148.29 x 10	41,482.90
Deputy Chair of Licensing Committee	3,027.95 x 0	0

Total SRAs		£242,175.48
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* 1 allowance for Group membership greater than 20%, but less than 30%

Pensions Authority

Member	3,385.22 x 5	16,926.10
Chair	11,207.97 x 0	0
Vice Chair	5,603.99 x 0	0

Total SRAs & Pensions		£259,101.58
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Total Allowances (Basic, SRAs & Pensions)		£1,245,467.38
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4.3 Legal Implications

4.3.1 It is a requirement of the Local Authorities (Members' Allowances) (England) Regulations 2003 that an Independent Panel on Members' Allowances has to consider certain issues and put forward recommendations for the Council to consider. It is for the Council to decide on the Members' Allowances Scheme that is put in place, having regard to the Panel's recommendations.

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Although the Council has to approve a scheme for 2017/18, it can choose whether to reaffirm the current scheme, or amend it as it sees fit.

5.2 Further options that could be considered by the Council have been suggested by the Independent Remuneration Panel and these are set out above (at section 4.2) and outlined in the attached report of the Panel.

6. **REASONS FOR RECOMMENDATIONS**

6.1 The Council has to agree a Members' Allowances Scheme prior to 1st April each year and that Scheme essentially remains in place until 31st March the following year. As part of that process, an Independent Remuneration Panel has to consider certain issues and put forward recommendations for the Council to consider. It is for the Council to decide on the Members' Allowances Scheme that is put in place, having

regard to the Panel's recommendations.



MEMBERS' ALLOWANCES

*REPORT OF THE INDEPENDENT
REMUNERATION PANEL*

2017/18 AND ONWARD

January 2017

1. Recommendations of the Panel – January 2017

- 1.1 In many instances, the Panel has endorsed the arrangements in place within the current Members' Allowances Scheme. For the sake of clarity, unless specifically mentioned in the following recommendations, the provisions within the Council's Members' Allowances Scheme for 2016/17 are endorsed. The specific recommendations which the Panel wishes to make are set out below.
 - 1.1.1 That no change should be made to the composition and amount of Basic Allowance.
 - 1.1.2 That the Council should give consideration to the significantly lower levels of Special Responsibility Allowances in relation to its Leader and Executive Members, when next amending its Members' Allowances Scheme (see paragraph 5.3.3 of the Panel's report).
 - 1.1.3 That the responsibilities/duties in respect of which Special Responsibility Allowance should be available, and the rates of those allowances (notwithstanding the recommendation made above in relation to reviewing the SRA rates for its Leader and Executive Members), should be as set out in paragraph 5.3.4 of the Panel's report.
 - 1.1.4 That travel allowances should continue to be made available for travel within the city as well as for travel out of the city, for the same "approved duties" as set out in the Scheme. The travel allowances should be based on officer rates as agreed by the Council from time to time.
 - 1.1.5 That subsistence allowances should continue to be made available for "approved duties" undertaken out of the city. The subsistence allowances should be based on officer rates as agreed by the Council from time to time.
 - 1.1.6 That a Dependent Carer's Allowance should continue to be made available for the same "approved duties" as for travelling and subsistence, subject to the production of appropriate receipts. No change should be made to the maximum rate of the allowance.
 - 1.1.7 That no change should be made to the amount of the Co-optees' Allowance.
 - 1.1.8 That the current index for adjusting Basic, Special Responsibility (including the Pensions Authority), Co-optees' and Dependent Carers' Allowances on an annual basis should continue to be the average percentage pay award for employees of the Council. The index should be applied for the maximum period of four years, and be reviewed for the 2021/22 Scheme.

1.1.9 That the Council should consider implementing the annual increase in order to assist its position relative to its comparator local authorities in terms of the levels of allowances paid to its Members (see paragraph 5.5.1 of the Panel's report).

2. Introduction

2.1 The Local Government Act 2000 and subsequent regulations set out the process to establish and maintain the Members' Allowances Scheme.

2.2 Prior to 1 April each year, the Council has to agree a Scheme for the forthcoming financial year. The Council is able to amend its Scheme at any time if it needs or chooses to do so.

2.3 An Independent Remuneration Panel has to consider certain issues and put forward recommendations for the Council to consider (see terms of reference – paragraph 2.2). The Panel is required to make recommendations to the Council at least every four years or whenever the Council decides to amend its current Scheme.

2.4 It is for the Council to decide on the Members' Allowances Scheme that is put in place having regard to the Panel's recommendations.

2.5 The Independent Remuneration Panel first reported to the Council on the issue of the Members' Allowances Scheme in November 2001 and has presented further reports to Council periodically since that date.

3. Membership and Terms of Reference of the Panel

3.1 Membership of the Panel

Although the Panel may operate with 3 members, Sheffield's Panel normally comprises 4 members, drawn, if possible, from the public, private, and voluntary, community and faith sectors. The membership of the Panel currently comprises:-

David Baldwin	- Retired Health Service Executive
Mark Power	- Group Risk Manager, SIG Plc
Edward Fleming	- Former Independent Co-optee on the Council's Standards Committee

There is a vacancy for a Panel member, and the Council's Monitoring Officer is taking steps towards appointing a representative drawn from the voluntary, community and faith

sector.

3.2 Terms of Reference

The basic terms of reference of the Panel are to make recommendations as to:-

- (a) the level of Basic Allowance for all Members;
- (b) the categories of special responsibility for which a Special Responsibility Allowance should be paid and the levels of those allowances;
- (c) as to whether Dependant Carers' allowance should be payable to Members and the amount of such an allowance;
- (d) travelling and subsistence allowances; and
- (e) any annual uplift.

4. Background and Current Position

- 4.1 The Panel has considered the issue of the Members' Allowances Scheme on several previous occasions.
- 4.2 Set out at Appendix A to this report are the recommendations made in the Panel's last report dated March 2013.
- 4.3 The Council, having regard to the Panel's recommendations, agreed a Scheme for 2013/14 and onwards at its meeting on 15th May 2013. Set out at Appendix B to this report is the decision made by the Council.
- 4.4 The Scheme approved for 2013/14 has been adopted for each financial year since (i.e. 2014/15, 2015/16 and 2016/17), a total of 4 years. This means the Scheme needed to be reviewed by the Panel prior to 2017/18, in accordance with statutory requirements.
- 4.5 The Panel was convened to meet on 26 January 2017 to give consideration to, and make recommendations upon:-
 - (a) the amount of basic allowance;
 - (b) the responsibilities/duties in respect of which special responsibility allowance should be available, and the amount of those allowances;
 - (c) the amount of the Dependant Carers' allowance;
 - (d) travelling and subsistence allowances; and
 - (e) the annual uplift.

Unfortunately, on the morning of the meeting, Mark Power had to attend to urgent business at his place of employment and was therefore unable to be present at the Panel's meeting. Following advice received from the Monitoring Officer, the remaining two Panel members agreed to proceed with the meeting and consider the business before it. Mr. Power has since been supplied with a copy of the Panel's draft report to give him the opportunity to raise any issues which do not seem to be covered in the report which he may have otherwise fed into the Panel's deliberations, based on the content of the information pack supplied to him by the Head of Democratic and Member Services in readiness for the Panel's meeting, and no such response has been received.

- 4.6 The Panel was supplied with information showing the amounts of allowances paid by the Core Cities and the other South Yorkshire Councils via their Members' Allowances Schemes for 2016/17. The Panel was also supplied with Sheffield City Council's submission on Council size, submitted to the Local Government Boundary Commission for England (LGBCE) as part of the Commission's electoral review of the Council. This review had taken place since the Panel had last met and contained detailed information pertaining to the governance arrangements of the Council and the representational role of councillors in the local community. The Panel noted that the outcome of the electoral review was for the size of the Council to remain at 84 Councillors, serving 28 Wards. Furthermore, the Panel noted that the Council's governance arrangements had not changed since that Council-size submission was made (and the officers supporting the Panel were not aware of any changes proposed for the immediate period ahead).
- 4.7 The Panel was appraised of the fact that an annual increase had not been applied to Sheffield's Members' Allowances for 6 consecutive years, meaning that all of the allowances in 2016/17 were at the same level (or lower – see next sentence) than in 2010/11. The Panel was also appraised of the savings that had been made in the Members' Allowances budget resulting from the revisions made to the Special Responsibility Allowance (SRA) aspects of the Scheme in 2013/14 and fewer appointments made to SRA positions in that year. The Panel was also informed of the regulatory changes introduced in 2014/15 to remove, on a phased basis, Members' entitlement to participation in the Local Government Pension Scheme – which had resulted in further savings for the Members' Allowances budget, but was at detriment to those Members who had chosen to participate in the LGPS.
- 4.8 Having considered all the issues above, and compared the levels of allowances currently paid to Members in Sheffield with that paid

in local authorities in other Core Cities and South Yorkshire, the Panel has made findings and recommendations in respect of the level of Members' Allowances for the period 2017/18 and onwards.

- 4.9 The Panel wishes to place on record that, whilst it fully appreciates the financial pressures confronting the Council and the continuing need to make substantial savings, the Panel has attempted to carry out its review as objectively as possible and has not allowed its awareness of those pressures to cloud its judgement or influence its recommendations.

5. Findings and Conclusions

5.1 Overview

- 5.1.1 The Panel recognises that the level of Basic and Special Responsibility Allowances paid in Sheffield remain below the averages for the Core Cities and neighbouring (South Yorkshire) local authorities.
- 5.1.2 Basic Allowance and the majority of Special Responsibility Allowances are paid at a level just below the averages for that cohort of local authorities. However, the Special Responsibility Allowances paid to the Leader, Deputy Leader and Cabinet Members are significantly lower.

5.2 Basic Allowance

- 5.2.1 Notwithstanding the comments made in section 5.1 above, the Panel is not advocating a change in the amount of Basic Allowance at the current time.
- 5.2.2 The Panel has previously recommended that the amount of Basic Allowance payable should incorporate all other payments and expenses (excluding dependent carer's allowance) which Members may incur as part of their duties which the Council currently funds or are the subject of separate individual claims (e.g. telephone costs, travel in the City, ICT services and consumables etc). However, the Panel notes that the Council has continued to keep travel in the city separate to the Basic Allowance, and that Members' ICT services are provided via corporate arrangements, with operating protocols in place to recover from Members the costs of any ICT usage charges they incur above a minor "usage allowance", thus enabling Members' ICT costs to be maintained within Council budgets.
- 5.2.3 The Panel noted the evidence submitted to, and outcome of, the LGBCE's electoral review of the Council, pertaining to the role of Sheffield's Elected Members and the support made available to

them by the Council to assist them to undertake their roles. The Panel also considered information reported by the Council's Head of Democratic and Member Services on recent and planned activities to enhance the support provided to Members, including development of a casework management system, issuing of Android Smartphones to replace Blackberries, and proposals to introduce Tablet devices as an alternative to laptops. The Panel is therefore now minded to support the continuation of these arrangements rather than to recommend assimilation into the Basic Allowance. However, should the Council be minded to reconsider these arrangements as part of any future savings initiative, the Panel would suggest that the review has regard to the relatively low level of the Basic Allowance and to the principle of fairness (for example in relation to travel within the city, to have regard to differences in distances travelled by Members), whilst addressing disadvantage and inconsistency of provision.

- 5.2.4 The Panel also recommends that the Basic Allowance be adjusted according to an annual index increase in accordance with the Panel's previous recommendations, i.e. the average percentage pay award for employees of the Council.

5.3 **Special Responsibility Allowances**

- 5.3.1 The Panel noted the revisions which the Council had made to the Special Responsibility Allowance (SRA) aspects of the Scheme in 2013/14 after having regard to the Panel's recommendations in its report of March 2013. These revisions related to the removal of allowances for the posts of Chairs of Community Assemblies and introduction of a new allowance for the posts of Chairs of Local Area Partnerships, paid at a lower amount; the lowering of the amount of allowance paid in respect of the posts of Cabinet Adviser; and the replacement of the allowances for the posts of Shadow Cabinet Member and Shadow Cabinet Assistant by new allowances for the posts of Opposition Group Office Holders and the introduction of qualifying thresholds for determining the number of posts for which that allowance would be paid.

- 5.3.2 In view of the fact that the Council's governance arrangements had not changed since 2013/14, nor were officers supporting the Panel aware of any changes proposed for the immediate period ahead, the Panel deemed the categories of special responsibility for which a Special Responsibility Allowance should be paid, as continuing to be relevant and appropriate and Panel sees no reason to change the current structure of allowances in relation to the payment of Special Responsibility Allowances.

- 5.3.3 The Panel did give consideration to the levels of the Special Responsibility Allowances by comparing the levels of allowances currently paid to Members in Sheffield with that paid in local

authorities in other Core Cities and South Yorkshire. As noted in section 5.1 above, the majority of Special Responsibility Allowances are paid at a level just below the averages for that cohort of local authorities. However, the Special Responsibility Allowances paid to the Leader, Deputy Leader and Cabinet Members are significantly lower than the average paid by that cohort of local authorities, with only Newcastle out of the ten local authorities in the comparator cohort paying a lower amount for those roles than in Sheffield. The Panel had highlighted this issue in its previous report to the Council in March 2013, and notes that the Council felt it would not be appropriate to increase the levels of those allowances at that time. The Panel remains mindful of the financial pressures being faced by the Council and the political sensitivities associated with spending on Members' allowances. Although it does not wish on this occasion to make specific recommendations on the levels of allowances, the Panel nevertheless recommends that the Council gives consideration to the comparatively low level of allowances in relation to its Leader and Executive Members, when next amending its Members' Allowances Scheme.

5.3.4 The Panel therefore recommends that the responsibilities/duties in respect of which Special Responsibility Allowance should be available, and the rates of those allowances (notwithstanding the recommendations made by the Panel in relation to reviewing the rates of the Leader and Executive Members), should remain as:-

Leader (£18,167.68 pa) – review recommended
Band A (£9,083.86 pa) Deputy Leader – <i>review recommended</i> Cabinet Members– <i>review recommended</i>
Band B (£7,509.32 pa) Lead Member for Scrutiny Chairs of Scrutiny and Policy Development Committees Leader of Opposition Groups with more than 20% of the membership of the Council
Band C (£5,268.63 pa) Chair of Planning and Highways Committee Chair of Licensing Committee Chairs of Local Area Partnerships Opposition Group Office Holders – <ul style="list-style-type: none"> - with more than 40% membership of the Council (3) - with more than 30% membership of the Council (2) - with more than 20% membership of the Council (1)

<p>Band D (£4,148.29 pa) Cabinet Advisers</p>
<p>Band E (£3,027.95 pa) Deputy Chair of Licensing Committee</p>
<p>Pensions Authority Member (£3,385.22 pa) Chair (£11,207.97 pa) Vice Chair (£5,603.99 pa)</p>

5.3.5 It is the Panel's view that, as at present, no Member should receive more than one Special Responsibility Allowance, except in relation to the South Yorkshire Pensions Authority.

5.4 Other Allowances -

5.4.1 The Panel recognises the Council's preference to make separate allowances in relation to travel within the city available to Members in respect of the carrying out of duties approved by the Council, rather than to assimilate travel within the city within the Basic Allowance, or alternatively, for example, to provide "banded" travel allowances according to length and frequency of travel. The Panel supports the continuation of these arrangements and recommends that travel should continue to be based on officer rates and paid in respect of the same "approved duties" as currently agreed by the Council (and set out in Schedule 2 to the Scheme). The Panel repeats its comments made in paragraph 5.2.3 that any future review of the arrangements has regard to the relatively low level of the Basic Allowance and to the principle of fairness.

5.4.2 Although rarely claimed currently, subsistence out of the City should continue to be made available, at officer rates, and again paid in respect of the same "approved duties" as currently agreed by the Council. Subsistence within the City should continue to be regarded as incorporated within the Basic and Special Responsibility Allowances.

5.4.3 The Panel continues to recommend that a Dependent Carer's Allowance should be payable to Members of the Council where appropriate, for the same "approved duties" as for travelling and subsistence, subject to the production of appropriate receipts. The Panel does not recommend any change to the current maximum rate of the allowance, but does recommend that the maximum rate of payment should also continue to be subject to the annual index increase. The Panel noted that, in accordance with its recommendation in March 2013, the Council has specified within its Members' Allowances Scheme that Dependent Carer's

Allowance would not be paid where care is provided by a family member.

- 5.4.4 The Panel also recommends the continuation of the existing arrangements for the Co-optees' Allowance, currently £707.98 per annum, plus the application of the annual index increase.

5.5 **Annual Adjustments of Allowances**

- 5.5.1 As in previous years, the Panel recommends that the index for adjusting Basic, Special Responsibility (including the Pensions Authority), Co-optees' and Dependent Carers' Allowances on an annual basis should continue to be the average percentage pay award for employees of the Council, rather than use of other indices, such as the Retail Price Index for example. The Panel noted that an annual increase had not been applied to Sheffield's Members' Allowances for 6 consecutive years, including in the last four years when Council employees received a pay award. Whilst understanding the reasons for the Council having chosen not to implement annual increases, and acknowledging that the Council may continue to do so, the Panel nevertheless recommends that the Council does implement the annual increase in order to assist its position relative to its comparator local authorities in terms of the levels of allowances paid to its Members.

- 5.5.2 The index for travelling and subsistence should be the relevant officer rates as agreed by the Council from time to time.

- 5.5.3 The Panel recommends that these indices should be applied for the maximum period of four years, and be reviewed for the 2021/22 Scheme.

- 5.6 **Review of Scheme** – The Panel would be available to carry out a further review of the Members' Allowances Scheme should the Council be contemplating making changes to its governance arrangements at any point over the next 4 years, and otherwise will undertake a review in time for the 2021/22 Scheme.

David Baldwin
Retired Health
Service Executive

Mark Power
Group Risk
Manager, SIG Plc

Edward Fleming
Former Independent
Co-optee on the
Council's Standards

Committee

January 2017

Recommendations of the Independent Panel – March 2013

- 5.1 In many instances, the Panel has endorsed the arrangements in place within the current Members' Allowances Scheme. Set out below are the recommendations made by the Panel that would potentially alter the Scheme.
 - 5.1.1 That the Council gives consideration to the comparatively low levels of Basic and Special Responsibility allowances generally, but particularly in relation to its Leader and Executive Members, when next amending its Members' Allowances Scheme (paragraph 4.1 refers).
 - 5.1.2 That Basic Allowance should incorporate all other payments and expenses (except dependent carers' allowance) which Members may incur as part of their duties (paragraph 4.2 refers).
 - 5.1.3 That the role of Community Assembly Chair be removed from the Scheme, and any replacement local community leadership role for which a Special Responsibility Allowance is to be paid should be commensurate with the function/role (paragraph 4.3.1 refers).
 - 5.1.4 That the role of Lead Member for Scrutiny should be formally recognised within the Scheme, but should not attract an allowance above that paid for the role of Scrutiny Committee Chair (paragraph 4.3.2 refers).
 - 5.1.5 That the Council reviews its arrangements for providing Special Responsibility Allowances to opposition groups on the Council (paragraph 4.3.3 refers).
 - 5.1.6 That the Council reviews the level of its allowance for the role of Cabinet Advisor (paragraph 4.3.4 refers).
 - 5.1.7 That the Council gives consideration to the possibility of redistributing the levels of the Special Responsibility Allowances within the Scheme (paragraph 4.3.5 refers).
 - 5.1.8 That no change be made to the level of the allowance paid for the role of Chair of the Planning and Highways Committee at this point (paragraph 4.3.6 refers).
 - 5.1.9 That the responsibilities/duties in respect of which Special Responsibility Allowance should be available, and the rates of those allowances (notwithstanding the recommendations made by the Panel in relation to reviewing the rates), should be as set out in paragraph 4.3.7.

- 5.1.10 That the dependent carers' allowance should not be paid where care is provided by a family member (paragraph 4.4.2 refers).
- 5.1.11 That the current index for adjusting allowances on an annual basis should be re-applied for the maximum period of four years, and be reviewed for the 2017/18 Scheme (paragraph 4.5 refers).
- 5.1.12 That role descriptions for each of the roles for which Special Responsibility Allowances are paid should be produced and published on the Council's website (paragraph 4.6 refers).
- 5.1.13 That the Scheme be reviewed again in the light of the proposals to be made by the Local Government Boundary Commission for England following its forthcoming review of Sheffield's electoral arrangements (paragraph 4.7 refers).

RESOLVED: That this Council:-

- (a) thanks the members of the Independent Remuneration Panel for their report;
- (b)
 - (i) confirms that allowances will be frozen again as they have been since April 2010 and Councillors will not be taking the 1% pay rise awarded to council employees and all public sector workers for 2013/14 despite the long standing agreement that councillors' allowances mirror the public sector pay award;
 - (ii) notes the following comments from the report of the Panel - "The Panel nevertheless recommends that the Council gives consideration to the comparatively low levels of allowances generally, but particularly in relation to its Leader and Executive Members, when next amending its Members' Allowances Scheme";
 - (iii) further notes that due to the current financial position of the Council, savings of £50 million have been made in this year's budget and believes it would not be appropriate to increase the level of Special Responsibility Allowance awarded to any position when the Council is having to make such heavy cuts;
 - (iv) further notes the following comments from the report of the Panel - "The Panel notes that the role of Cabinet Advisor is paid at the same level as the Chairs of the Regulatory Committees (Planning and Highways Committee and Licensing Committee), yet has no formal decision-making responsibilities unlike the Chairs of those Committees. It also notes that Sheffield pays a relatively high rate of allowance for that role in comparison to other Core Cities and neighbouring authorities, both in actual monetary value and in terms of the differential with the allowances paid to Cabinet Members. For these reasons, the Panel recommends that the Council reviews the level of its allowance for the role of Cabinet Advisor";
 - (v) therefore proposes to reduce the level of Special Responsibility Allowance awarded to Cabinet Advisers, in line with the recommendations of the Panel;
 - (vi) acknowledges that this reduction in the level of Special Responsibility Allowance for Cabinet Advisers is in addition to a reduction in the number of Cabinet Advisers in recent years by 4 Cabinet Adviser positions, from 14 in 2010/11 to the current level of 10;
 - (vii) notes the following comments from the report of the Panel - "The Panel notes that the roles of Shadow Cabinet Member and Shadow

Cabinet Assistant are not roles recognised by a large majority of other Core Cities or neighbouring authorities for the purposes of the payment of Special Responsibility Allowances. It also notes that some authorities allocate Special Responsibility Allowances to opposition groups according to the size of the group, whereas no such formula exists in Sheffield's Scheme. Furthermore, unlike in Sheffield's Scheme (which only recognises the leader of the largest opposition group on the Council), all opposition group leaders and whips are recognised in some authorities' schemes. The Panel recognises the need to adequately support the opposition groups but acknowledges that its roles are that of spokesperson, challenger, scrutineer etc and do not include responsibility for decision-making. For this reason, the Panel recommends that the Council reviews its arrangements for providing Special Responsibility Allowances to members of opposition groups on the Council";

(viii) therefore proposes to introduce a formula to allocate Special Responsibility Allowances to opposition groups according to the size of the group, in line with the recommendations of the Panel;

(ix) notes that the introduction of a formula to allocate Special Responsibility Allowances to opposition groups brings the number of Special Responsibility Allowances awarded to Opposition Members more into line with the practice in other authorities;

(x) confirms that changes to opposition group Special Responsibility Allowances does not impact on the status of the Shadow Cabinet; and

(xi) further confirms that as a result of the full range of changes to Special Responsibility Allowances in 2013/14, members of the ruling group will be subject to a greater total level of savings than Opposition Members;

(c) accordingly, and having regard to the recommendations contained in the Panel's report, together with the information contained in the report of the Executive Director, Resources, now submitted, a Members' Allowances Scheme comprising the arrangements approved and adopted by the City Council at its meeting held on 3rd March, 2010, be approved and adopted with immediate effect for the remainder of 2013/14 and onwards, with the following variations in relation to the responsibilities/duties in respect of which Special Responsibility Allowances are to be made available, and the rates of those Allowances:-

- (i) the posts of Chairs of Community Assemblies be removed from Band B1 and, on a provisional basis pending the outcome of the consultation currently being undertaken on locality management arrangements, 7 posts of Local Action Partnership Chair be established with a Special Responsibility Allowance to be included in Band B2, and be payable from the date of formal approval of the new locality management arrangements;
- (ii) the role of Lead Member for Scrutiny be formally recognised within the Scheme, but in view of the current structure and delivery of the

scrutiny function in the Council, the role be included in Band B1 along with the posts of Chairs of the Scrutiny and Policy Development Committees (one of whom is also appointed to perform the role of Lead Member);

- (iii) the post of Leader of the largest group (not forming the Executive) be retained at Band B1 but be redesignated as “Leader of Opposition Groups” and be made subject to a qualifying threshold whereby it becomes payable to leaders of opposition groups with more than 20% of the membership of the Council;
- (iv) the posts of Cabinet Adviser be removed from Band B2 and placed on a new Band to be established with a rate of allowance at the mid-point between Band B2 and Band C;
- (v) no change be made at this point to the level of the allowance for the role of Chair of Planning and Highways Committee (i.e. Band B2), irrespective of the introduction of a single Committee in 2013/14; and
- (vi) the posts of Shadow Cabinet Member (on Band B2) and Shadow Cabinet Assistant (on Band C) be removed and new posts of Opposition Group Office Holders be established on Band B2, and the number of posts for which that allowance is payable be made subject to a qualifying threshold as follows:-

- with more than 40% membership of the Council (3);
- with more than 30% membership of the Council (2)
- with more than 20% membership of the Council (1)

- (d) accordingly, a new Schedule 1 to the Members’ Allowances Scheme (which specifies the special responsibilities in respect of which Special Responsibility Allowances are payable, and the amounts of those allowances per annum) be approved as follows:-

Leader (£18,167.68)

Band A (£9,083.86)

- Deputy Leader
- Cabinet Members

Band B (£7,509.32)

- Lead Member for Scrutiny
- Chairs of Scrutiny and Policy Development Committee
- Leader of Opposition Groups with more than 20% of the membership of the Council

Band C (£5,268.63)

- Chair of Planning and Highways Committee
- Chair of Licensing Committee
- Local Action Partnership Chair
- Opposition Group Office Holders-
 - with more than 40% membership of the Council (3)
 - with more than 30% membership of the Council (2)
 - with more than 20% membership of the Council (1)

Band D (£4,148.29)

- Cabinet Adviser

Band E (£3,027.95)

- Deputy Chair of Licensing Committee

Pensions Authority

- Member (£3,385.22)
- Chair (£11,207.97)
- Vice Chair (£5,603.99)

- (e) arrangements be made for role descriptions to be produced and published on the Council's website for each of the roles for which Special Responsibility Allowances are paid;
- (f) it be made explicit in the Scheme that the dependent carers' allowance would not be paid where caring duties have been performed by a member of the Councillor's immediate family;
- (g) (i) as regards the annual index-linked increase, it be confirmed that, as in previous years, the annual index in relation to Basic, Special Responsibility (including the Pensions Authority), Co-optees and Dependent Carers' Allowances shall be the average percentage officer pay award in Sheffield, and in relation to travel and subsistence, the annual index shall be the relevant officer rates agreed from time to time; such arrangements to be implemented for a period of four years and (ii) however, no annual increase be implemented during 2013/14 in relation to Basic, Special Responsibility (including the Pensions Authority), Co-optees and Dependent Carers' Allowances;
- (h) the revised Scheme for 2013/14 appended to this amendment, which incorporates the changes set out in paragraphs (c), (d), (f) and (g) above, and contains (in the interests of enhancing clarity and transparency) more comprehensive detail on the current arrangements for the availability and payment of travel and subsistence allowances and definition of "approved duties", be approved;
- (i) it be noted that Sheffield is to relinquish its chairship of the South Yorkshire Pensions Authority with effect from 2013/14, and that this will result in a financial saving to the Council; and
- (j) it be noted that the effect of the revisions to the Special Responsibility Allowance aspects of the Members' Allowances Scheme and the appointments to be made earlier at this meeting to positions of special responsibility, results in a full year saving to the Members' Allowances budget totalling approximately £96K and an in-year saving for the remainder of 2013/14 of approximately £84K (see calculations below), and the freezing of Members' allowances in 2013/14 avoids a further cost pressure on that budget of 1% in 2013/14 (approximately £15K).

Savings calculation:

Special Responsibility Allowances:

- Chairs of Community Assemblies/Local Action Partnership Chair – 7 reduced

allowances of £2,240.69 = £15,684.83;

- Cabinet Advisers – 10 reduced allowances of £1,120.34 = £11,203.40;
- Chair of Planning & Highways Cttee – 1 less allowance of £5,268.63;
- Shadow Cabinet Members/Opposition Group Office Holders – 7 less allowances of £5,268.63 = £36,880.41; and
- Pensions Authority Chair – 1 less allowance of £11,207.97.

Total SRA saving = £80,245.24 + 20% NI & Superannuation costs (actual savings depend on the individual circumstances of the Members affected) = £96,294.29. 10.5 months to end of financial year = 2013/14 SRA saving of approximately £84,257.50.

Plus cost pressure saving of approximately £15,000 due to non-implementation of annual increase on allowances in 2013/14.

Total approximate savings for 2013/14 of £99K.