

**Members' Allowances – Report of the Independent Remuneration Panel
2022/23 and Onwards**

1 Recommendations of the Panel April 2022

- 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 2022/23 are recommended to be retained. The specific recommendations which the Panel wishes to make are set out below.
- 1.2 That the basic allowance should be increased to reflect the wider responsibilities that Members have to undertake from a Cabinet to a Committee model of governance.
- 1.3 That due to the changes to the Council's decision making and governance arrangements, which would be reviewed by the Panel, the responsibilities/duties in respect of which the Basic Allowance and Special Responsibility Allowance should be available, and the rates of those allowances should be as set out as listed in Appendix A and are recommended for approval.
- 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.
- 1.5 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.
- 1.6 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.
- 1.7 That no change should be made to the amount of the Co-optees' Allowance.
- 1.8 That further work is carried out in relation to a policy relating to maternity, Paternity and adoption leave for Councillors and that as a principle, Members should continue to receive their basic and any special responsibility allowance in full, whilst on sickness absence, maternity, paternity, shared parenting, or adoption leave.

- 1.9 The Panels view was that an SRA for spokespersons positions is not appropriate at this time and will need a review in approximately 12 months.
- 1.10 The Panels view was that the Co-chair allowances (where one Chair position is shared between 2 Members) should be divided equally as a proportion of the SRA that would normally be given to the Chair of that specific committee. It is recommended that the Co-chairs are to agree the division of work.
- 1.11 The Panel recommends that the Council does implement annual increases in the Basic Allowance and Special Responsibility Allowance in the years ahead in order to assist its position relative to its comparator local authorities in terms of the levels of allowances paid to its Members. This will be considered and implemented by using the NJC negotiated increased for local government employees (1.75% in 2022).

2 Introduction

- 2.1 The role of the Independent Remuneration Panel, under the Local Authorities (Members Allowances) (England) Regulations 2003, is to make recommendations to the Council as to the responsibilities or duties in respect of which allowances should be available and the amount of those allowances. Under the Regulations the Council is required to undertake a full review of the Members Allowances Scheme every four years. An Independent Remuneration Panel has to consider certain issues and put forward recommendations for the Council to consider (see terms of reference – paragraph 3.2.1).
- 2.2 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.
- 2.3 As a result of the referendum in May 2021 Sheffield City Council are to move to a Committee System in May 2022. The Council further took the decision to enhance its current Independent Remuneration Panel in November 2021 to review the Allowances Scheme. The Panel has met regularly in 2022.

3 Membership and Terms of Reference of the Panel

3.1 Membership of the Panel

- 3.1.1 Sheffield's Panel normally comprises 4 members, drawn, if possible, from the public, private, and voluntary, community and faith sectors. The previous Panel membership comprised:-
- David Baldwin – Retired Health Service Executive
 - Mark Power – Risk Manager, Westfield Health
 - Edward Fleming – Former Independent Co-optee on the Council's Standards Committee

The current membership that was appointed by the Council at their meeting 18/11/21.

- Mark Power – Risk Manager for BIFFA
- David White – Retired HMI & Justice of the Peace
- Janet Hickey – Retired Director of Probation Service
- Michael Heselton – Principal Lecturer, Sheffield Hallam University & Justice of the Peace
- Stephen Bennet – Retired Teacher

3.2 Terms of Reference

3.2.1 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 Dependent Carers' allowance should be payable to Members and the amount of such an allowance;
- d. travelling and subsistence allowances;
- e. maternity/paternity allowances;
- f. Co-optee allowances;
- g. Co-chair allowances; and
- h. any annual uplift

4 Background and Current Position

4.1 Background

4.1.1 The Panel has considered the issue of the Members' Allowances Scheme on several previous occasions.

4.1.2 The Council, having regard to the Panel's recommendations, agreed a Scheme for 2017/18 and onwards at its meeting on 3rd March 2017. The Scheme approved for 2017/18 has been adopted for each financial year since (i.e. 2018/19, 2019/20 and 2020/21), a total of 4 years with some changes in 2021 to reflect the year of transition to a committee system.

4.1.3 The Panel met to give consideration to, and make recommendations upon the terms of reference detailed in paragraph 3.2.1

4.2 Current Position

4.2.1 The Panel agreed to proceed to conduct a review of the Council's Members' Allowances Scheme based on a comparison of 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 were also

presented with data which detailed the paid allowances from other core city councils and additionally other councils which had adopted a committee system.

4.2.2 The Panel had been tracking the work of the Governance Committee. Alex Polak had fully briefed the Panel so that they were aware of what was being taken to full Council. Comparative data had been received from other local authorities that had moved to a committee system and initial observations had been made.

4.2.3 The Party Whips were also consulted and updated on the members Special Responsibility Allowance and the Panel were given this feedback to consider:-

- The members current allowance scheme didn't currently support those who had employment elsewhere and didn't compensate them for their need if they wanted to take on extra responsibilities.
- Under the modern committee system, it would not be a Chair taking responsibility for decisions, it would be all committee members, so it was important to have as broad a representation as possible, whilst also being proportionate.
- Backbenchers' new responsibilities should be reflected in their basic allowance.
- Travel costs should be considered within the Special Responsibility Allowance.
- The current SRA was not encouraging diversity and fewer younger people and people with families were attracted to roles due to the lack of support and pay.
- Basic allowance should be adapted to encourage a more diverse range of councillors.
- A modern committee system should be inclusive to those wanting to participate and should provide support to the other part of their lives, particularly to those with families, caring responsibilities, or requiring maternity/paternity/adoption leave.
- IT equipment provision by the Council should be continued so as to maintain support and security for all members.

4.2.4 The Panel was supplied with information showing the amounts of allowances paid by several other core cities and the other South Yorkshire Councils via their Members' Allowances Schemes. The panel were also presented with data which detailed the paid allowances from other Councils that had adopted a committee system.

4.2.5 The Panel was also supplied with a report on Co-chairing which outlined the potential benefits of Co-chairing and explored how other authorities had found it useful. The report also highlighted the division of responsibility between co-chairs in a committee system at another Local Authority. It explained that a Transitional Committee was going to be used to trial a Co-chairing job share in SCC. This committee ceased in April 2022, therefore an evaluation has not been made at the time of this report. It was the view

of the panel that Co-chair allowances should be divided equally as a proportion of the SRA that would normally be given to the Chair of that specific committee and that the Co-chairs are to agree the division of work.

4.2.6 The Panel were presented with information on some working principles that had commonly been identified by other IRP panels elsewhere. The principles discussed by the panel were:-

- the allowances scheme should facilitate a greater diversity of council membership, including under-represented groups such as younger people, those in full-time work, young families, caring responsibilities and ethnic minorities.
- it should take account of allowances schemes in comparable authorities.
- it should acknowledge that not all of the time commitment of members should be deemed eligible for remuneration. 50% is the figure typically recommended.
- it should facilitate the democratic viability of the council, by giving due weight to the roles of opposition parties and of the scrutiny function.
- it should facilitate as wide as possible a sharing of positions of responsibility; hence only one special responsibility allowance (SRA) should be claimable by any one councillor.
- the proportion of members qualifying for SRAs should ideally not be greater than one third (this is government guidance)
- SRAs should be provided as a response to the level of responsibility involved in a particular post, not the time committed to it.

4.3.7 Having considered all the issues above, and compared the levels of allowances currently paid to Members in Sheffield with that paid in local authorities operating a committee model 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 2022/23 and onwards. The findings and conclusions of the Panel are set out in Section 5 of this report. Its recommendations are set out in Section 1.

5 Conclusions and Recommendations of the Panel – April 2022

5.1 Basic Allowance

5.1.1 The Panel was presented with data from other big city Councils. This was explored and as a result it was determined to recommend that the Basic Allowance of £15,000 shall be paid to each member. This allowance shall be revised annually in accordance with the index linked to the annual pay award for local government employees under the National Joint Council for Local Government Services national agreement.

5.2 Special Responsibility Allowance (SRA)

- 5.2.1 For each year, a special responsibility allowance shall be paid to those Councillors who have special responsibilities outlined in paragraph 1.3. These allowances are outlined in Appendix A. They shall be revised annually in accordance with the index linked to the annual pay award for local government employees under the National Joint Council for Local Government Services national agreement.
- 5.2.2 No councillor shall be entitled to receive more than one payment by way of special responsibility allowance as detailed in The Local Authorities (Members Allowances) (England) Regulations 2003 Act.

5.3 Travel Allowance

- 5.3.1 The Panel was appraised of the provision that the Council makes available to support Members' travel costs when undertaking "approved duties". This includes either the provision of a travel pass (for travel within Sheffield) or, alternatively, claiming reimbursement of fares incurred and/or mileage allowances for travel within and outside the city. 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.
- 5.3.2 A Councillor may claim travelling allowances in respect of duties outlined in schedule 2 to this scheme, at the following rates:-

Travel Within The City:

(These allowances are only available to Councillors who are not in possession of a Members' Travel Pass)

- 5p per mile for the first 10,000 miles (or 5p per mile if using an electric car via the Electric Car Benefit Scheme)
- 25p per mile after the first 10,000 miles
- 5p per mile per passenger (the passenger must be an employee on a work journey and not a service user or other passenger)
- Motorcycle/Moped mileage – 24p per mile;
- Bicycle – 20p per mile;
- Public Transport – actual fare incurred, subject to submission of ticket/receipt.
- Car Parking – charges will not be reimbursed as City Centre car parking arrangements are in place for Councillors.

Travel Out Of City: (subject to separate approval)

- Rail Fare – cheapest standard fare.
- Car Mileage – 45p per mile for the first 60 miles, then 13.8p per mile – plus 5p per mile for each passenger (up to four) who can claim an allowance – but overall amount to be paid is limited to the cost of the cheapest standard rail fare, with no allowance for parking fees or other charges (except in case of disabled Members – in this case, mileage rate without limitation calculating journey there and back individually).

- Taxis – reimbursement of the fare where public transport is not reasonably available, and subject to submission of receipts.
- Car Parking – reimbursement of car parking charges, subject to submission of ticket/receipt.

(Note: Members who travel to and from work for an approved duty can only claim an allowance up to the equivalent home return journey). The panel recommended that for future purposes that this allowance be tied to the same rate as officers.

5.4 Subsistence Allowance

5.4.1 Although rarely claimed currently, the panel agreed that the 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. The panel recommended that for future purposes that this allowance be tied to the same rate as officers.

5.4.2 A Councillor may claim subsistence allowances in respect of approved duties set out in Appendix B, at the same rates that are made available to officers of the Council. As from 1 April 2022 these rates are:-

- Subsistence within the City – Nil
- Subsistence Out of City – Breakfast £9.39; Lunch £12.95; Tea £5.09; Evening Meal £16.06.
- Subsistence Overnight – Actual cost

5.4.3 The rates of allowances set out in sections 5.4.2 above shall be revised from time to time in accordance with the rates prescribed by the scheme of conditions of service applicable to the authority’s employees generally.

5.5 Childcare and Dependants’ Carers’ Allowance

5.5.1 The panels’ view was that the Childcare and Dependants’ Carers’ Allowance should be considered separately, and that further work and reviews are needed to determine appropriate and viable rates, all whilst taking into consideration the annual index increase (currently 1.75%).

5.5.2 It is recommended that a Councillor may claim a Childcare and Dependent Carers’ Allowance, in respect of duties outlined in Appendix B to this scheme, in accordance with the Local Authorities (Members’ Allowances) (England) Regulations 2003.

5.6 Co-optees Allowance

5.6.1 The Panel recommends that a maximum of the existing arrangements for the Co-optees’ Allowance, currently £777.79 per annum, be paid, plus the application of the annual index increase. It was the view of the panel that

the Co-optees allowance paid should reflect the period of time served on a committee, including on a pro-rata basis, if it would be less than a 12 month period.

5.7 Sickness, Maternity and Paternity Allowance

- 5.7.1 The Panel recognised there is further work being carried out on a policy regarding this allowance, particularly around the period of leave. The LGA guidance will be used to inform this piece of work. The Panel supported the appendage of future policy advice on this in order to support families.

5.8 Spokesperson Allowance

- 5.8.1 The Spokesperson allowance will be included in the review of the Committee System after approximately 12 months. The panel felt that the Chairs and Vice-chairs had a definitive role and that they wish to know more about the roles of the spokesperson within the committee system and therefore did not feel it appropriate to apply an SRA at this time.

5.9 Annual Adjustments of Allowances

- 5.9.1 As in previous years, the Panel recommends that the index for adjusting Basic, Special Responsibility, 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 Panel noted that for each of the four years from 2017/18, an annual increase had been applied to Sheffield's Members' Allowances, in line with staff pay awards, whereas no increase had been applied in any of the six consecutive years prior to 2017/18 including in four of those years when Council employees received a pay award. Whilst understanding the reasons for the Council having chosen not to implement annual increases in previous years, the Panel nevertheless recommends that the Council does implement annual increases in the years ahead in order to assist its position relative to its comparator local authorities in terms of the levels of allowances paid to its Members.
- 5.9.2 The index for travelling and subsistence should be the relevant officer rates as agreed by the Council from time to time.
- 5.9.3 The Panel recommends that these indices should be applied for the maximum period of three years, and be reviewed for the 2025/26 Scheme.

6.1 Review of Scheme

- 6.1 The Panel will reconvene at the appropriate time to consider allowances and is recommended to undertake a review in 12 months to account for the change of governance model. Thereafter reviews are recommended to be carried out every four years unless requested by the council to consider a specific issue.

7.1 Payment of Allowances

- 7.1 Allowances payable under this scheme shall be paid in equal monthly instalments of one-twelfth of the annual amounts specified in Appendix A.

Payment of allowances and expenses under this scheme shall be made by the Director of Resources by Bankers' Automated Clearing Services (or such other method of payment as may be acceptable to the Council) on the 30th day of every month (except on Bank Holidays, when arrangements for earlier payment may be made).

8 Part -Year Entitlement

- 8.1 The provisions of this paragraph shall have effect to regulate the entitlements of a Councillor to basic and special responsibility allowances where, in the course of a year, this scheme is amended or that Councillor becomes, or ceases to be, a Councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

- 8.2 If an amendment to this scheme is made which affects payment of a basic allowance or a special responsibility allowance in the year in which the amendment is made, then in relation to each of the periods

(a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or

(b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year,

the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office subsists bears to the number of days in that year

- 8.3 Where this scheme is amended as mentioned in sub-paragraph (8.2) and the term of office of a Councillor does not subsist throughout a period mentioned in sub-paragraph (6.2), the entitlement of any such Councillor to a basic allowance shall be the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of

days during which his/her term of office as a Councillor subsists in that period bears to the number of days in that period.

- 8.4 Where a Councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he/she has such special responsibilities bears to the number of days in that year
- 8.5 Where this scheme is amended as mentioned in sub-paragraph (8.2) and a Councillor has during part, but does not have throughout the whole, of any period mentioned in sub-paragraph (8.2) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion of the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

Appendix A

	£ Per Annum
Basic Allowance	£15,000.00
Special Responsibility Allowance	
Leader	£25,000.00
Band A Deputy Leader Policy Committee Chairs Finance Sub Committee Chair	£12,500.00
Band B Leader of Opposition Groups with >20% of the Membership of the Council	£10,000.00
Band C Chair of Planning and Highways Committee Chair of Licensing Committee Chairs of Local Area Committees Chair of Audit & Standards Committee	£7,500.00
Band D Deputy Chair of Licensing Committee Deputy Chairs of Local Area Committees Deputy Chairs of Policy Committees/Finance Sub Committee Deputy Chair of Planning and Highways Committee	£5,000.00

Appendix B

Duties in respect of which travel, out of City subsistence and Childcare and Dependent Carers Allowance are available shall be:-

- (a) The attendance at a meeting of the authority or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
- (b) The attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and one or more local authorities within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee provided that:-
 - 1. Where the authority is divided into two or more political groups it is a meeting to which Members of at least two such groups have been invited, or
 - 2. If the authority is not so divided, it is a meeting to which at least two Members of the authority have been invited;
- (c) The attendance at a meeting of any association of authorities of which the authority is a member;
- (d) The attendance at a meeting of the executive or a meeting of any of its committees, where the authority is operating executive arrangements;
- (e) The performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- (f) The performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- (g) The performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 (approval of non-maintained special schools) of the Education Act 1996, and
- (h) The carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with the discharge of the functions of the authority or of any of its committees or sub-committees

In terms of paragraph (h) above the following duties are approved by the

Council:-

- Meetings by Members in a recognised position of responsibility with a Chief Officer or relevant officer or on any other matter arising from the statutory duties of the Council as deemed necessary;
- Deputations to Ministers and Government Departments;
- Working groups including officers as approved by Council;
- Attendance at Ward or area-based events connected with the locality management function;
- Attendance at meetings of Local Housing Area Forums;
- Attendance at meetings of Neighbourhood Action Groups;
- Conferences and seminars;
- Members surgeries on up to 3 days per month and, in exceptional cases, also those surgeries held on behalf of a colleague in case of illness;
- Members induction courses and training sessions to which all relevant Members are invited; and
- Attendance at their Council office to carry out preparatory work in connection with the discharge of the functions of the authority or any of its committees or sub-committees for up to 8 occasions per month.

(Note: Out of City duties require separate approval.)

Duties Excluded

- Attendance at meetings of a political group nature, except the Policy Working Group (Labour), the Policy Working Group (Liberal Democrat) and the Policy Working Group (Green) at which officers provide briefings open to all members of the respective group;
- Attendance at civic functions where the function does not relate to the Member's recognised position of responsibility; and
- For Members not in a recognised position of responsibility, attendance at informal discussions, meetings or visits between Members and/or with officers or with other organisations, as these duties are deemed to form part of the Member's constituent duties.