



SHEFFIELD CITY COUNCIL Report to Council

Report of: Executive Director, Resources

Date: 6 October 2021

Subject: Members' Allowances: Report of the Independent Remuneration Panel

Author of Report: Jason Dietsch, Head of Democratic & Member Services

Summary:

This report sets out the recommendations from the Independent Remuneration Panel on the Members' Allowances Scheme.

Recommendations:

That the Council:

1. considers the report of the Independent Remuneration Panel and its recommendations;
2. approves the addition of Special Responsibility Allowances (SRAs) for the following roles in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme as recommended by the Independent Remuneration Panel (IRP):
 - ii Local Area Committee Deputy Chairs at Band E (£3,269.28 per annum)
 - iii Transitional Committee Chairs at Band B (£8,107.82 per annum)
 - iiii Transitional Committee Vice/Deputy Chairs at Band E (£3,269.28 per annum); and
3. approves the recommendation of the Independent Remuneration Panel in relation to Special Responsibility Allowances for Opposition Group office holders as set out in paragraph 2.6 of this report.

Background Papers: Report of the Independent Remuneration Panel on Members' Allowances (attached as an Appendix).

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Kayleigh Inman
Legal Implications
YES Cleared by: Andrea Simpson
Equality of Opportunity Implications
NO Cleared by: Adele Robinson
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). At its Annual Meeting on 19 May 2021, the Council considered a report of the Panel which covered the Allowances scheme as a whole.
- 1.2 This year, the Council has established Local Area Committees and Transitional Committees. At its Annual Meeting on 19 May 2021, the Council noted proposals to introduce an appropriate Special Responsibility Allowance for the Chairs of the Transitional Committees and the Deputy Chairs of the Local Area Committees would be developed for consideration by the Independent Remuneration Panel, which will be asked to make recommendations for consideration by full Council in due course. On 16 June, the Council proposed to introduce an appropriate Special Responsibility Allowance for the Chairs and Vice (Deputy) Chairs of the Transitional Committees.
- 1.3 The Independent Remuneration Panel met on 30 June 2021 to consider and make recommendations in relation to the Special Responsibility Allowance in relation to the following roles which are a proposed change to the current Members' Allowances Scheme.
- Deputy Chairs of the 7 Local Area Committees
 - 4 new Transitional Committees: posts of Chair and Vice/Deputy Chair
 - To review allowances for Opposition Group (shadow executive) office holders – this is currently based on the relative size of the political group, 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)
- 1.4 It is proposed that the Council:
1. considers the report of the Independent Remuneration Panel and its recommendations;
 2. approves the addition of Special Responsibility Allowances (SRA) for the following roles in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme as recommended by the Independent Remuneration Panel (IRP):
 - ii Local Area Committee Deputy Chairs at Band E (£3,269.28 per annum)
 - iii Transitional Committee Chairs at Band B (£8,107.82 per annum)

- iiii Transitional Committee Vice/Deputy Chairs at Band E (£3,269.28 per annum); and
3. approves the recommendation of the Independent Remuneration Panel in relation to Special Responsibility Allowances for Opposition Group office holders as set out in paragraph 2.6 of this report.

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 report of the Panel is appended to this report. The specific recommendations made by the Panel are set out below.

2.4 Deputy Chairs of the 7 Local Area Committees

2.4.1 It is recommended that the role of Local Area Committee Deputy Chair is placed at Band E (£3,269.28 per annum) in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme.

2.4.2 The Panel noted its previous observations concerning the work and duties and enhanced role of the Area Committee Chairs and that it would review the role of the Chair within 12 months and with the benefit of the Area Committees having been operational for a period of time. This will enable the Panel to further examine the development of the Committees and the development of the role of Area Committee Chairs and the Deputy Chairs.

2.5 4 new Transitional Committees: posts of Chair and Vice/Deputy Chair

2.5.1 It is recommended that the role of Transitional Committee Chair is placed at Band B (£8,107.82 per annum) in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme.

- 2.5.2 It is recommended that the role of Transitional Committee Vice/Deputy Chair is placed at Band E (£3,269.28 per annum) in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme.
- 2.5.3 The Panel noted the part the Transitional Committees would play in the process of transition to a modern committee system, the development of policy and in their relationships with the Executive and with Local Area Committees.
- 2.6 The Panel felt unable to make a recommendation in relation to the Council's approach to **Special Responsibility Allowances for Opposition Group** (Shadow Executive) office holders at its meeting on 30 June and reconvened on 10 September to consider the matter further and was provided with comparative information from other local authorities to assist them. Having regard to the consideration of that information, the Panel made the following recommendations concerning allowances for opposition party office holders which are set out in the addendum to the Panel's report:
- 2.6.1 The Panel recognises the need to adequately support the opposition groups on the Council and their role in relation to democratic accountability, spokesperson, scrutiny and challenge.
- 2.6.2 The Panel reaffirms the principle that roles with specific special responsibility within the Council's democratic and governance structure are recognised accordingly and as part of the Members' Allowances Scheme.
- 2.6.3 The Panel notes that particular roles, such as that of deputy leader of the main opposition group are incorporated into the members' allowances schemes of other local authorities.
- 2.6.4 The Panel recommends that no change be made at this time in relation to allowances for opposition party office holders. However, the various roles undertaken by opposition members with defined responsibilities should be reviewed as part of the wider work to be undertaken by the Independent Remuneration Panel later in this municipal year and in preparation for a change from a leader and cabinet model to a committee system of governance.
- 2.7 For information, Opposition Group office holders are currently placed at Band C in the schedule of Special Responsibility Allowances, and the amount of an annual allowance is £5,688.55. Currently, 2 Opposition Party office holders are entitled to receive the SRA in respect of that role. Some Opposition Party office holders will already be entitled to an SRA for another position of special responsibility.

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 Panel is attached.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 As a Public Authority, we have legal requirements under section 149 of the Equality Act 2010. These are often collectively referred to as the 'general duties to promote equality'. We have considered our obligations under this duty and found that there are few direct equality of opportunity implications arising as a result of this report. We do however reflect that the level of allowances agreed for Members in general may impact on the aim of attracting more members of the public from all sections of the community to stand for public office, however these are in line with other Member allowances. At this stage therefore no further equality impact assessment is required.

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.

- 4.2.2 The Panel recommendations are that Special Responsibility Allowances are introduced for the following positions to reflect the governance arrangements in 2021/22:

- 7 Local Area Committee Deputy Chairs at Band E.
- Transitional Committee Chairs at Band B
- 4 Transitional Committee Vice/Deputy Chair at Band E.

The table below summarises the total cost of the new SRA's.

- 4.2.3 There is no financial provision for the additional cost of these allowances, so it will have to be met from contingency reserves or savings elsewhere which may occur during the year.

The cost of these additional posts eligible for allowances will be partly offset by the reduction in the number of Scrutiny & Policy Development Committees from 5 to 3 committees and a corresponding reduction in the number of Scrutiny Committee Chairs eligible for an allowance at Band B, however there is a still a £65k shortfall.

Special Resp Allowance	No	Band	Cost	Total
LAC Deputy Chair	7	E	3,269	22,885
Transitional Committee Chair	4	B	8,108	32,431
Transitional Committee Deputy	4	E	3,269	13,077
Total Costs 21/22	15			68,393
Savings				
Scrutiny & Policy Dev't Chairs	1	B	3,269	3,269
Additional SRAs	14			65,124

4.2.4 Once Council has decided on the changes it wishes to make to the Allowances Scheme, it can authorise that any SRA would be backdated and payable to a councillor eligible for the allowance from the date they were formally appointed to the role.

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.

Report of the Independent Remuneration Panel

30 June 2021

1. Introduction

1.1 The Independent Remuneration Panel met on 30 June 2021 to consider and make recommendations in relation to the Special Responsibility Allowance in relation to the following roles which are a proposed change to the current Members' Allowances Scheme:

- Deputy Chairs of the 7 Local Area Committees
- 4 new Transitional Committees: posts of Chair and Vice/Deputy Chair
- Opposition Group (shadow executive) office holders – this is currently based on the relative size of the political group, 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)

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

1.3 An Independent Remuneration Panel has to consider certain issues and put forward recommendations for the Council to consider. 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. It is for the Council to decide on the Members' Allowances Scheme that is put in place having regard to the Panel's recommendations.

1.4 Membership of the Panel

David Baldwin - Retired Health Service Executive
Mark Power - Risk Manager

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

2. Background

2.1 At its Annual Meeting on 19 May 2021, the Council noted proposals to introduce an appropriate Special Responsibility Allowance for the Chairs of the Transitional Committees and the Deputy Chairs of the Local Area Committees would be developed for consideration by the Independent Remuneration Panel, which will be asked to make recommendations for consideration by full Council in due course. On 16 June, the Council proposed to introduce an appropriate Special Responsibility Allowance for the Chairs and Vice (Deputy) chairs of the Transitional Committees.

2.2 The four Transitional Committees were established as follows:

Transition Committee 1: Our Council

- Leader
- Deputy Leader - Community Engagement and Governance
- Finance and Resources

Transition Committee 2: Communities and Neighbourhoods

- Sustainable Neighbourhoods, Wellbeing, Parks and Leisure
- Housing, Roads and Waste Management

Transition Committee 3: Climate Change, Economy and Development

- Climate Change, Environment and Transport
- Inclusive Economy, Jobs and Skills
- City Futures: Development, Culture and Regeneration

Transition Committee 4: Education, Health and Care

- Education, Children and Families
- Health and Social Care

2.3 At its meeting on 18 March 2021, the Council resolved to establish seven Local Area Committees in May 2021. Approval was given to the draft Area Committee Terms of Reference and Area Committee Procedure Rules. As set out in the draft procedure rules, each Committee will appoint a Chair and Deputy Chair for the year from its membership comprising the Ward Councillors of that Committee.

2.4 The Panel had previously examined information relating to the establishment of Local Area Committees, including the Cabinet Report of 17 March 2021 *Empowering communities: shifting power from the Town Hall to communities in every part of Sheffield*, which also included Terms of reference and Procedure Rules for the Committees. It had also examined the role profile for Local Area Committee Chairs at its meeting on 4 May 2021 when considering a Special Responsibility Allowance for the role of Local Area Committee Chair.

2.5 The Panel was provided with information about other local authorities' advisory committees to the executive or cabinet, including the amounts of the allowances available to the chairs of the advisory committees and the terms of reference for those committees. It was also provided with the report to Council of 16 June 2021: *Transition to a Committee System of Governance*, which set out further information about the Transitional Committees in Sheffield which were established as advisory committees to the executive. Additionally, the Panel was provided with the terms of reference for the Transitional Committees.

3. Findings and conclusions

3.1 The Panel understands that the Council is in the process of significant change and would be moving to a modern committee system of governance in May 2022. It noted that, as part of this process of transition, the Council had established Transitional Committees, based on four theme areas, chaired by non-executive Members.

3.2 It also noted that the Transitional Committees will undertake policy development work to support the priorities of the Council and the activities of the Co-operative Executive and provide cross-party engagement prior to decision making. The Committees would also be a link between the newly established Local Area Committees and the Executive. The Panel therefore believed that the Chairs of Transitional Committees had a significant role and responsibilities based on the part the Committees would play in the process of transition and development of policy options and in their relationship with the Executive and with Local Area Committees.

3.3 The Panel also accepted that the Deputy Chairs of the Transitional Committees were important roles to help support the Chair and the Committees and in acting in the absence of the Chair.

3.4 The Panel also accepted that the Deputy Chairs of the Local Area Committees would help support the Local Area Committee Chairs and would act in the Chair's absence.

3.5 The Panel felt unable to make a recommendation in relation to the Council's approach to Special Responsibility Allowances for Opposition Group (shadow executive) office holders at this time. It was requested that further information was provided, including comparative information from other local authorities to assist them in consideration of this issue.

4. **Recommendations**

4.1 Having regard to the consideration of all the information above, the Panel has made the following recommendations:

4.2 **Deputy Chairs of the 7 Local Area Committees**

4.2.1 It is recommended that the role of Local Area Committee Deputy Chair is placed at Band E (£3,269.28 per annum) in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme.

4.2.2 The Panel noted its previous observations concerning the work and duties and enhanced role of the Area Committee Chairs and that it would review the role of the Chair within 12 months and with the benefit of the Area Committees having been operational for a period of time. This will enable the Panel to further examine the development of the Committees and the development of the role of Area Committee Chairs and the Deputy Chairs.

4.3 **4 new Transitional Committees: posts of Chair and Vice/Deputy Chair**

4.3.1 It is recommended that the role of Transitional Committee Chair is placed at Band B (£8,107.82 per annum) in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme.

4.3.2 It is recommended that the role of Transitional Committee Vice/Deputy Chair is placed at Band E (£3,269.28 per annum) in the Schedule of Special Responsibility Allowances in the Members' Allowances Scheme.

4.3.3 The Panel noted the part the Transitional Committees would play in the process of transition to a modern committee system, the development of policy and in their relationships with the Executive and with Local Area Committees.

David Baldwin **Mark Power**
Retired Health Risk Manager
Service Executive

Independent Remuneration Panel: Addendum

Meeting held on 10 September 2021 to consider the role of Opposition Shadow Executive Members/Spokespersons

1 Introduction

- 1.1 The Independent Remuneration Panel subsequently met on 10 September 2021 to consider the Special Responsibility Allowances for the role of Opposition Group office holders/Shadow Executive Members.
- 1.2 At its meeting on 30 June 2021, the Panel requested that further information was provided, including comparative information from other local authorities to assist them in consideration of the Council's approach to Special Responsibility Allowances for Opposition Group (shadow executive) office holders.
- 1.3 The Panel examined the following information relating to the Special Responsibility Allowances for Opposition Group (shadow executive) office holders.
 - 2013 Independent Remuneration Panel report
 - Comparative information concerning allowances for opposition party office holders
- 1.4 The Panel noted that, at present, allowances for Opposition Group (shadow executive) office holders is based on the relative size of the political group, 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)

2 Background

- 2.1 When the Panel examined this issue in March 2013, it recommended that "That the Council reviews its arrangements for providing Special Responsibility Allowances to opposition groups on the Council". At paragraph 4.3.3 of its report, the Panel stated:
- 2.2 "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."

2.3 At its Annual Meeting in May 2013, the Council resolved the following in relation to opposition group office holders (see paragraph (c) (xii) of the Council resolution below):

"(xii) 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)"

2.4 The current approach used by the Council, based on membership on the Council was adopted in 2013 following full Council's consideration of the Panel's recommendations.

3 Findings and Conclusions

3.1 The Panel examined comparative information concerning allowances for opposition party office holders in other local authorities, including Core Cities and other nearby local authorities. This showed there was a range of approaches in relation to allowances for opposition groups, including making allowances available to the leaders and deputy leaders of the largest group and to the leaders of other qualifying opposition groups and specific roles including lead member for finance and group whips.

3.2 Having regard to the consideration of all the information above, the Panel made the following recommendations concerning allowances for opposition party office holders:

3.3 The Panel recognises the need to adequately support the opposition groups on the Council and their role in relation to democratic accountability, spokesperson, scrutiny and challenge.

3.4 The Panel reaffirms the principle that roles with specific special responsibility within the Council's democratic and governance structure are recognised accordingly and as part of the Members' Allowances Scheme.

- 3.5 The Panel notes that particular roles, such as that of deputy leader of the main opposition group are incorporated into the members' allowances schemes of other local authorities.
- 3.6 The Panel recommends that no change be made at this time in relation to allowances for opposition party office holders. However, the various roles undertaken by opposition members with defined responsibilities should be reviewed as part of the wider work to be undertaken by the Independent Remuneration Panel later in this municipal year and in preparation for a change from a leader and cabinet model to a committee system of governance.

David Baldwin
Retired Health
Service Executive

Mark Power
Risk Manager