



## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Executive Director, Resources

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**Date:** 8 May 2013

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**Subject:** Members' Allowances 2013/14 and Onward

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**Author of Report:** Paul Robinson (Head of Democratic Services – Council & Members) Tel:2734029

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**Summary:** To receive the recommendations from the Independent Remuneration Panel so as to provide the Cabinet with the opportunity to make recommendations to the Annual Meeting of the City Council on the Members' Allowances Scheme to be agreed for the Municipal Year 2013/14 and onward.

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**Reasons for Recommendations:** The Council has to agree a Members' Allowances Scheme prior to 1<sup>st</sup> April each year and that Scheme essentially remains in place until 31<sup>st</sup> 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.

At its meeting on 1<sup>st</sup> March, 2013 the Council agreed that the Members' Allowances Scheme for 2012/13 be also implemented for 2013/14, pending a review of the Scheme being submitted to the Council's Annual Meeting on 15<sup>th</sup> May 2013.

**Recommendations:** That consideration be given to the recommendations of the Independent Remuneration Panel and that any recommendations arising therefrom be referred for consideration by the City Council at its Annual Meeting to be held on 15<sup>th</sup> May 2013.

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**Background Papers:** Report of the Independent Remuneration Panel on Members' Allowances for 2013/14 and Onward (attached as an Appendix)

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**Category of Report:** OPEN

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## Statutory and Council Policy Checklist

<b>Financial Implications</b>
NO    Cleared by: Paul Jeffries
<b>Legal Implications</b>
YES    Cleared by: Lynne Bird
<b>Equality of Opportunity Implications</b>
NO    Cleared by:
<b>Tackling Health Inequalities Implications</b>
NO
<b>Human rights Implications</b>
NO:
<b>Environmental and Sustainability implications</b>
NO
<b>Economic impact</b>
NO
<b>Community safety implications</b>
NO
<b>Human resources implications</b>
NO
<b>Property implications</b>
NO
<b>Area(s) affected</b>
N/A
<b>Relevant Cabinet Portfolio Leader</b>
Cllr Julie Dore, Leader of the Council
<b>Relevant Scrutiny and Policy Development Committee if decision called in</b>
Overview & Scrutiny Management Committee
<b>Is the item a matter which is reserved for approval by the City Council?</b>
YES
<b>Press release</b>
NO

## **MEMBERS' ALLOWANCES 2013/14 AND ONWARD**

### **1. SUMMARY**

- 1.1 To receive the recommendations from the Independent Remuneration Panel so as to provide the Cabinet with the opportunity to make recommendations to the Annual Meeting of the City Council on the Members' Allowances Scheme to be agreed for the Municipal Year 2013/14 and onward.

### **2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 By approving a Members' Allowances Scheme for 2013/14, the Council will be publishing the amounts of allowances to be paid, or made available, to elected Councillors for undertaking duties or responsibilities during the Municipal Year 2013/14.

### **3. OUTCOME AND SUSTAINABILITY**

- 3.1 The Council's Members' Allowances Scheme for 2013/14 was approved only in relation to the period 1<sup>st</sup> April to 15<sup>th</sup> May 2013 (the date of its Annual General Meeting) pending a review of the Scheme to incorporate changes anticipated to be made at that meeting in relation to the Council's decision-making arrangements.
- 3.2 The Scheme has now been reviewed by the Independent Remuneration Panel and recommendations have been put forward for the Council to consider. These recommendations take account of the Council's political composition and financial circumstances, as well as its anticipated revised governance arrangements. The Scheme which will be approved by the Council on 15<sup>th</sup> May will reflect the Council's decision-making arrangements for the Municipal Year 2013/14 and is expected to be in place for two to three years pending the implementation of proposals to be made by the Local Government Boundary Commission for England following its forthcoming review of Sheffield's electoral arrangements.

### **4. BACKGROUND**

- 4.1 Prior to 1<sup>st</sup> April each year, the Council has to agree a Members' Allowances 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. At least every four years or whenever the Council wishes to amend its Scheme, an Independent Remuneration Panel has to consider the Scheme 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.

- 4.2 The Independent Remuneration Panel last reviewed the Members' Allowances Scheme in January 2010 (for 2010/11 and onward). The Scheme approved by the Council for 2010/11 has been adopted for each financial year since. In view of the proposed abolition of the Community Assemblies (the Chairs of which are entitled to a Special Responsibility Allowance under the Scheme) in the Municipal Year 2013/14, it was decided to convene the Panel to review the Scheme in anticipation that the Council would wish to amend the Scheme to take account of this change to its decision-making arrangements.
- 4.3 At its meeting on 1<sup>st</sup> March 2013 the Council agreed that the current Scheme be rolled forward from 1<sup>st</sup> April pending a review of the Scheme being submitted to its Annual General Meeting on 15<sup>th</sup> May 2013.

## **5. REVIEW OF THE SCHEME BY THE INDEPENDENT REMUNERATION PANEL**

- 5.1 The Panel met on 14 March 2013 to give specific consideration to, and make recommendations upon –
- The amount of basic allowance;
  - The responsibilities/duties in respect of which special responsibility allowances should be available, and the amount of those allowances; and
  - The annual uplift.
- 5.2 The Panel also gave particular consideration to the Council's proposal to abolish the Community Assemblies as formal decision-making bodies and the potential for the Council to introduce a new local leadership role for Members.
- 5.3 In order to inform its work, the Panel compared the levels of allowances currently paid to Members with that paid in local authorities in other Core Cities and South Yorkshire. It also considered information reported orally by officers on potential changes that the Council may make to its categories of Special Responsibility Allowances (SRAs). These SRA changes would follow changes anticipated to be made to the Council's governance arrangements from the date of its AGM on 15<sup>th</sup> May 2013 and the need to secure financial savings in the Member budgets.
- 5.4 Following consideration of this information, the Panel has produced a report setting out its findings and recommendations in respect of the level of Members' Allowances for 2013/14 and onwards, and its report is attached as an appendix to this report.
- 5.5 In many instances the Panel has endorsed the arrangements in place within the current Members' Allowances Scheme. However, it has made 13 general and specific recommendations that could potentially alter the Scheme. These are set out below for ease of reference:-

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;

2. That Basic Allowance should incorporate all other payments and expenses (except dependent carers' allowance) which Members may incur as part of their duties;
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;
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;
5. That the Council reviews its arrangements for providing Special Responsibility Allowances to opposition groups on the Council;
6. That the Council reviews the level of its allowance for the role of Cabinet Advisor;
7. That the Council gives consideration to the possibility of redistributing the levels of the Special Responsibility Allowances within the Scheme;
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;
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 (of the Panel's report);
10. That the dependent carers' allowance should not be paid where care is provided by a family member;
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;
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; and
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.

5.6 It is not for the Panel to consider the financial implications for the Council of its recommendations, as the final decision on the level of allowances clearly rests with the Council. However, the Panel was mindful of the financial pressures being faced by the Council and the political sensitivities associated with spending on Members' allowances, and for these reasons it chose not to make specific recommendations on the amounts of allowances but to make suggestions for the Council to consider. In view of its suggestions for certain allowances to be reviewed, the Panel did also offer to carry out a further review of the Scheme in 6 months' time if the Council so wishes.

## 6. FINANCIAL IMPLICATIONS

6.1 The financial implications arising are dependent upon the action which the Council takes in response to the issues raised in the report of the Independent Remuneration Panel. However, the 2013/14 budget approved by the City Council on 1<sup>st</sup> March, 2013 includes a target saving of £100K on spending on Members' budgets.

6.2 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 National Insurance and Superannuation costs of approximately 20%.

<u>Allowance</u>	<u>Amount of Allowance (£) &amp; 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 7	63,587.02
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 Community Assemblies	7,509.32 x 7	52,565.24
Cabinet Advisers	5,268.63 x 10	52,686.30
Shadow Cabinet Members	5,268.63 x 8	42,149.04
Chairs of Planning and Highways Committees	5,268.63 x 2	10,537.26
Chair of Licensing Committee	5,268.63 x 1	5,268.63
Deputy Chair of Licensing Committee	3,027.95 x 1	3,027.95
Shadow Cabinet Assistants	3,027.95 x 0	0
Total SRAs		294,619.58

*Pensions Authority*

Member	3,385.22 x 5	16,926.10
Chair	11,207.97 x 1	11,207.97
Vice Chair	5,603.99 x 0	0
Total SRAs & Pensions		322,753.65

6.3 The financial implications of the Scheme to be approved at the Annual General Meeting of the Council on 15<sup>th</sup> May 2013 and of the appointments of Members to positions of Special Responsibility in the Municipal Year 2013/14, will be outlined at that meeting.

## **7. LEGAL IMPLICATIONS**

7.1 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.

## **8. EQUALITY OF OPPORTUNITY IMPLICATIONS**

8.1 The level of allowances agreed for Members may impact on the aim of attracting more members of the public to stand for public office.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

9.1 Although the Council has to approve a scheme for the remainder of 2013/14, it can choose whether to reaffirm the current scheme, or amend it as it sees fit. However, in view of the forthcoming abolition of the Community Assemblies (the Chairs of which are entitled to a Special Responsibility Allowance under the Scheme), retaining the current Scheme is not an option because the Council would need to remove this entitlement from the Scheme at the very least.

9.2 Further options that could be considered by the Council have been suggested by the Independent Remuneration Panel and these are set out in section 5.5 above and outlined in the attached report of the Panel.

## **10. REASONS FOR RECOMMENDATIONS**

10.1 The Council has to agree a Members' Allowances Scheme prior to 1<sup>st</sup> April each year and that Scheme essentially remains in place until 31<sup>st</sup> 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.

- 10.2 At its meeting on 1<sup>st</sup> March, 2013 the Council agreed that the Members' Allowances Scheme for 2012/13 be also implemented for 2013/14, pending a review of the Scheme being submitted to the Council's Annual Meeting on 15<sup>th</sup> May 2013.

## **11. RECOMMENDATIONS**

- 11.1 That consideration be given to the recommendations of the Independent Remuneration Panel and that any recommendations arising therefrom be referred for consideration by the City Council at its Annual Meeting to be held on 15<sup>th</sup> May 2013.



*MEMBERS' ALLOWANCES*

*REPORT OF THE  
INDEPENDENT  
REMUNERATION PANEL*

*2013/14 AND ONWARD*

**March 2013**

## **1. Foreword**

- 1.1 The Local Government Act 2000 and subsequent regulations set out the process to establish and maintain the Members' Allowances Scheme.
- 1.2 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.
- 1.3 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.
- 1.4 It is for the Council to decide on the Members' Allowances Scheme that is put in place having regard to the Panel's recommendations.
- 1.5 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.

## **2. Introduction**

### **2.1 Membership of the Panel**

Although the Panel may operate with 3 members, Sheffield's Panel comprises 4 members, drawn, if possible, from the public, private, and voluntary, community and faith sectors. The membership of the Panel was refreshed early in 2013 and now comprises:-

David Baldwin	-	Former Health Service Executive
Mark Power	-	Group Risk Manager, SIG Plc
Abtisam Mohammed	-	Chairperson, Sheffield BME Network
Lynda Hinxman	-	Sheffield Hallam University

### **2.2 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.

### **3. Background and Current Position**

- 3.1 The Panel has considered the issue of the Members' Allowances Scheme on several previous occasions.
- 3.2 Set out at Appendix A to this report are the recommendations made in the Panel's last report dated January 2010.
- 3.3 The Council, having regard to the Panel's recommendations, agreed a Scheme for 2010/11 and onwards at its meeting on 3<sup>rd</sup> March 2010. Set out at Appendix B to this report is the decision made by the Council.
- 3.4 The Scheme approved for 2010/11 has been adopted for each financial year since (i.e. 2011/12 and 2012/13). At its meeting on 1<sup>st</sup> March, 2013, the Council agreed that the Scheme be also implemented for 2013/14, pending a review of the Scheme being submitted to the Council's Annual General Meeting on 15th May, 2013.
- 3.5 The Panel met on 14 March 2013 (apologies were received from Lynda Hinxman) to give specific 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; and
  - (c) the annual uplift.

On this occasion there was a particular issue to consider, namely the Council's proposal to abolish the Community Assemblies as formal decision-making bodies and the potential for the Council to introduce a new local leadership role for Members.

- 3.6 The Panel has now undertaken further work to (a) compare the levels of allowances currently paid to Members with that paid in local authorities in other Core Cities and South Yorkshire and (b) consider information reported orally by officers on potential changes that the Council may make to its categories of Special Responsibility Allowances (SRAs). These SRA changes would follow changes anticipated to be made to the Council's governance

arrangements from the date of its AGM on 15<sup>th</sup> May 2013 and the need to secure financial savings in the Member budgets.

- 3.7 Having considered all the issues above, the Panel has made findings and recommendations in respect of the level of Members' Allowances for the period 2013/14 and onwards.

#### 4. Findings and Conclusions

- 4.1 **Overview** – The Panel recognises that the level of Basic and Special Responsibility Allowances paid in Sheffield appear to be low in comparison to other Core Cities and neighbouring local authorities. This is particularly the case for the allowance paid to the Leader of the Council. The Panel has recognised this on a consistent basis since 2003 and has previously recommended rates of allowances above the levels paid within Sheffield's Scheme. Although the Council has felt unable to adopt these higher rates for financial reasons, it did adopt a 5% per annum increase on these allowances for 3 years commencing in April 2005. Nevertheless, the allowances remain comparatively low. The Panel is mindful of the increased 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 levels of allowances generally, but particularly in relation to its Leader and Executive Members, when next amending its Members' Allowances Scheme.
- 4.2 **Basic Allowance** – Notwithstanding the comments made in paragraph 4.1 above, the Panel is not advocating a change in the amount of Basic Allowance at the current time. The Panel has previously recommended, and continues to recommend, 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). Any rationalisation of these arrangements should be undertaken according to the principle of fairness whilst addressing disadvantage and inconsistency of provision. 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.
- 4.3 **Special Responsibility Allowances** – The Panel has re-examined the position on Special Responsibility Allowances having specific regard to the proposed abolition of the Community Assemblies, and wish to recommend that the Council reviews

certain duties for which Special Responsibility Allowances are paid and/or the levels of the allowances. Notwithstanding the comments made in paragraph 4.1, the Panel sees no reason to change the current structure and rates of allowances in relation to the payment of Special Responsibility Allowances, except where specifically mentioned below.

- 4.3.1 As regards the Special Responsibility Allowance for the Chairs of Community Assemblies, the Panel notes that the Council plans to abolish the Community Assemblies as decision-making bodies. However, at the time of the Panel's discussions, no replacement local community leadership role for Members had been proposed by the Council, so the Panel were unable to make any recommendations about whether any new role should be recognised as a duty for which a Special Responsibility Allowance should be paid. At the very least, the Panel would expect that the role of Community Assembly Chair be removed from the Scheme. In the event that the Council does introduce a new local community leadership role for Members for which a Special Responsibility Allowance is to be paid, the Panel would expect that the level of the Allowance would be commensurate with the function/role.
- 4.3.2 In January 2010, the Panel had been asked to consider the issue of the Special Responsibility Allowance that should be paid to a Lead Member for Scrutiny and had recommended that a new Band be introduced, between existing Bands A and B1 as an interim measure, pending a further review of the role once it had been established for a period of time. The Panel now notes that the Council had decided not to introduce this new SRA Band, nor specifically recognise the role within the Scheme. In view of the current structure and delivery of the scrutiny function in Sheffield, the Panel is satisfied that the role should not attract an allowance above that paid for the role of Scrutiny Committee Chair, but nevertheless recommends that the role of Lead Member for Scrutiny should be formally recognised within the Scheme.
- 4.3.3 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.

- 4.3.4 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.
- 4.3.5 In view of the comments made by the Panel in paragraph 4.1 in relation to the comparatively low levels of allowances generally, but particularly in relation to its Leader and Executive Members, the Panel recommends that the Council gives consideration to the possibility of redistributing the levels of the Special Responsibility Allowances within the Scheme, particularly if it adopts the recommendations of the Panel to review the positions of Cabinet Advisor, Shadow Cabinet Member and Shadow Cabinet Assistant.
- 4.3.6 The Panel notes the proposal to reduce the number of Planning and Highways Committees from two to one in the 2013/14 Municipal Year, but recommends 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.
- 4.3.7 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, especially those of the Leader and Executive Members), should be:-

<b>Leader (£18,167.68 pa)</b>
<b>Band A (£9,083.86 pa)</b> Cabinet Members Deputy Leader
<b>Band B1 (£7,509.32 pa)</b> Chairs of Scrutiny and Policy Development Committees Leader of the largest Group (not forming the Executive) Chairs of Community Assemblies – <i>to be removed or reviewed</i>

<p><b>Band B2 (£5,268.63 pa)</b>  Cabinet Advisors – <i>review recommended</i>  Shadow Cabinet Members – <i>review recommended</i>  Chair of Planning and Highways Committee  Chair of Licensing Committee</p>
<p><b>Band C (£3,027.95 pa)</b>  Deputy Chair of Licensing Committee  Shadow Cabinet Assistants – <i>review recommended</i></p>
<p><b>Pensions Authority</b>  Member (£3,385.22 pa)  Chair (£11,207.97 pa)  Vice Chair (£5,603.99 pa)</p>

4.3.8 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.

4.4 **Other Allowances -**

The Panel has again recommended that travel within the City is included in Basic Allowance. However, if the Council is minded to keep travel within the City separate, the Panel 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).

4.4.1 Subsistence out of the City should continue to be 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.

4.4.2 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 rate of the allowance but does recommend that the allowance should not be paid where care is provided by a family member. The maximum rate of payment should also continue to be subject to the annual index increase.

4.4.3 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.

4.5 **Annual Adjustments of Allowances –** As in previous years, the Panel recommends that the index for adjusting allowances on an



annual basis should be the average percentage pay award for employees of the Council, for Basic, Special Responsibility (including the Pensions Authority), Co-optees' and Dependent Carers' Allowances. The index for travelling and subsistence should be the relevant officer rates as agreed by the Council from time to time. The Panel recommends that these indices should be applied for the maximum period of four years, and be reviewed for the 2017/18 Scheme.

- 4.6 **Transparency** – The Panel recommends 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.
- 4.7 **Review of Scheme** – In view of the recommendations made by the Panel within this report about reviewing certain Special Responsibility Allowances, the Panel wish to offer their services to carry out a further review of the Members' Allowances Scheme in 6 months' time, if the Council so wishes. If the Scheme is not subject to any revisions in the meantime (which would necessitate the convening of this Panel), the Panel recommends that the Scheme be reviewed 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.

## 5. Recommendations

- 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).

David Baldwin  
Former Health  
Service Executive

Mark Power  
Group Risk  
Manager, SIG Plc

Abtisam Mohammed  
Chairperson,  
Sheffield BME  
Network

**March 2013**

**Recommendations of the Independent Panel – January 2010**

- 4.1 **Basic Allowance** - Whilst the Panel is not advocating a change in the Basic Allowance at the current time, we ask that the Council note the Panel's view that the Basic Allowance appears to be low in comparison to other Core Cities and there may be some merit in assessing role profiles and time spent on carrying out Council duties by Members of other Authorities. We have previously recommended, and continue to recommend, 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 were or could be the subject of separate individual claims (e.g. telephones, travel in the City, IT etc). and be adjusted according to an annual index increase in accordance with our previous recommendations i.e the average percentage pay award for employees of the Council.
- 4.2 **Special Responsibility Allowances** – We have re-examined the position on Special Responsibility Allowances having regard to the introduction of the Community Assemblies. We see no reason to change the structure for the payment of Special Responsibility Allowances as agreed by the Council at its meeting held on 4 March 2009 as part of arrangements for the implementation of the Scheme for 2009/10, other than in relation to a Lead Member for Scrutiny, as referred to below.

As regards the Special Responsibility Allowance for the Chairs of Community Assemblies, we are satisfied with the Council's current provision in this respect and note that the Chairs have featured prominently within Member development activities undertaken by the Council over the past 12 months, and have been identified as a key group within the Council's current efforts to enhance the support provided to Members.

As regards the Special Responsibility Allowance for a Lead Member for Scrutiny, we recognise that it is envisaged that the Lead Member will take a leadership role of the Scrutiny function, which will incorporate additional work/duties. However, as the role has not been agreed or defined at the current time, we suggest at this stage, a cautious approach to the determination of the Special Responsibility Allowance. Accordingly, we recommend that a new Band be introduced, between existing Bands A and B1 for the Lead Member for Scrutiny, as an interim measure, pending a further review of the role when we consider the Scheme for 2011/12, with the benefit of the role having been established for a period of time.

We therefore recommend that the responsibilities/duties in respect

of which Special Responsibility Allowance should be available, should be:-

<b>Leader</b>
<b>Band A1</b> Cabinet Members Deputy Leader
<b>Band A2</b> Lead Member for Scrutiny
<b>Band B1</b> Chairs of Scrutiny and Policy Development Boards Leader of the largest Group (not forming the Executive) Chairs of Community Assemblies
<b>Band B2</b> Cabinet Advisors Shadow Cabinet Members Chairs of Planning and Highways Area Boards Chair of Licensing Board
<b>Band C</b> Deputy Chair of Licensing Board Shadow Cabinet Assistants
<b>Pensions Authority</b> Member Chair Vice Chair

- 4.3 **Rates of Allowances** - We have previously recommended, and continue to recommend, that the amount of Special Responsibility Allowance payable should be as set out in our previous reports of August 2003, December 2004, October 2007 and January 2009, plus the annual index increase in accordance with our recommendation as set out in paragraph 4.1 above (the average percentage pay award for employees of the Council).

Had this recommendation been adopted and implemented in full by the Council since 2003, it is calculated that the rates of Special Responsibility Allowance for 2009/10 would currently be as follows (2009/10 pay award to be incorporated – and now with the inclusion of the additional Band we recommended at paragraph 4.2 above in relation to the Lead Member for Scrutiny, and which we recommend should be paid as an interim measure at 10% above Band B1, which includes the Chairs of the Scrutiny and Policy Development Boards):-

<b>Leader</b>	<b>£29,907.17pa</b>
<b>Band A1</b>	<b>£14,953.59 pa</b>
<b>Band A2</b>	<b>£10,965.97 pa</b>
<b>Band B1</b>	<b>£9,969.06 pa</b>
<b>Band B2</b>	<b>£7,526.63 pa</b>
<b>Band C</b>	<b>£5,084.21pa</b>

As at present, no Member should receive more than one Special Responsibility Allowance except in relation to the Pensions Authority.

The rates of Special Responsibility Allowance payable to Members of the Pensions Authority for 2009/10 are currently as follows:-

**Pensions Authority**

<b>Member</b>	<b>£3,351.70 pa</b>
<b>Chair</b>	<b>£11,097.00 pa</b>
<b>Vice Chair</b>	<b>£5,548.50 pa</b>

We note that these rates, which have not been increased in previous years, are now subject to the same annual index increase as the other Special Responsibility Allowances, and we are satisfied with the Council's arrangements in this respect.

We have again recommended that travel within the City is included in Basic Allowance – however, if the Council is minded to keep travel within the City separate, we recommend 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.

Subsistence Out of the City should continue to be at officer rates, and again paid in respect of the same “approved duties” as currently agreed by the Council.

- 4.4 **Other Allowances** – We continue to recommend that a Dependent Carers' Allowance should be payable to Members of the Council where appropriate, for the same 'approved duties' as for travelling and subsistence, and subject to the production of appropriate receipts. However, we recommend that the Council moves to an hourly rate of payment, of the actual cost up to a maximum of £6.00 per hour, rather than the current 4 hour ½ day sessional rate up to £23.75, to reflect the fact that, on occasions, Members are required to perform approved duties beyond a four hour period. The payment should be made at either (a) a rate which reimburses

the full child care cost to Members, including the individual claimant's liability for income tax and National Insurance contributions or (b) a rate net of income tax and National Insurance contributions which reimburses the full child care cost to Members. The maximum rate of payment should also be subject to the annual index increase in accordance with our previous recommendation as set out in paragraph 4.1 above (the average percentage pay award for employees of the Council).

Attention is again drawn to the need for clear and accountable systems for audit purposes and for Members to be given clear advice regarding the tax implications of such arrangements.

We also recommend the continuation of the existing arrangements in relation to the availability of the Co-optees' Allowance, currently £700.97 per annum (2009/10 pay award to be incorporated), plus the annual index increase in accordance with our previous recommendation as set out in paragraph 4.1 above (the average percentage pay award for employees of the Council).

- 4.5 **Annual Adjustments of Allowances** – As indicated throughout our report, we have recommended that the index for adjusting allowances on an annual basis should be, for Basic, Special Responsibility (including the Pensions Authority), Co-optees' and Dependent Carers' Allowances, the average percentage pay award for employees of the Council. The index for travelling and subsistence should be the relevant officer rate as agreed by the Council from time to time. In our previous report of October 2007, which we reaffirmed in January 2009, we recommended that these indices should be applied for the maximum period of four years, and we still see no reason why they should not be applied for that period and be reviewed for the 2012/13 Scheme.
- 4.6 **Other Issues** – The Panel noted that the Council was actively considering ways of providing better support for all Councillors, including backbenchers, for instance via an integrated casework system, better IT equipment and training, access to secretarial support etc, and expressed its support for those efforts.
- 4.7 Given the current ongoing reviews of Scrutiny, Member Support and Governance arrangements in the Authority, the Panel wish to offer their services to carry out a further review of the Members' Allowances Scheme in 6 months' time, if the Council so wishes.

There are no other peripheral issues upon which the Independent Panel wishes to make recommendations at this time.

RESOLVED: That (a) the Members of the Independent Panel on Members' Allowances be thanked for their report;

(b) having regard to the recommendations contained in the Report of the Independent Panel on Members' Allowances, together with the information contained in the report of the Deputy Chief Executive, now circulated, a Scheme comprising the arrangements approved and adopted by the City Council, at its meeting held on 4<sup>th</sup> March, 2009, in respect of the Schedule of Members' Allowances, be approved and adopted for 2010/11 and onwards; and

(c) (i) it be confirmed that, as regards the annual index-linked increase, in relation to Basic, Special Responsibility (including the Pensions Authority), Co-optees and Dependent Carers Allowances, the annual index 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 2010/11 in relation to Basic, Special Responsibility (including the Pensions Authority), Co-optees and Dependent Carers Allowances.

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