

Public Document Pack

Date 18 March 2020



To: Members of the Pensions Authority
cc: Appropriate Officers

Sarah Norman
Clerk

Town Hall
Barnsley
South Yorkshire
S70 2TA

www.southyorks.gov.uk

This matter is being dealt with by: Gill Richards

Email: grichards@syjs.gov.uk 01226 772806

Dear Member

SOUTH YORKSHIRE PENSIONS AUTHORITY
19 MARCH 2020

Please find enclosed the item(s) marked to follow on the above agenda – Item 19
Members' Allowances Scheme.

Yours sincerely



Gill Richards
Democratic Services Officer

Encs

SOUTH YORKSHIRE PENSIONS AUTHORITY

10.30 AM AT THE MEETING ROOM 14, TOWN HALL, BARNSELEY, S70 2TA

AGENDA Reports attached unless stated otherwise

	Item	Page
19	Members Allowances Scheme	1 - 30



Subject	Members' Allowance Scheme	Status	For Publication
Report to	Authority	Date	19 th March 2020
Report of	Clerk		
Equality Impact Assessment	Not Required	Attached	No
Contact Officer	Martin McCarthy Deputy Clerk	Phone	01226 772808
E Mail	martinmccarthy@barnsley.gov.uk		

1 Purpose of the Report

- 1.1 To approve the introduction of a scheme of members' allowances for the Authority.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Approve the scheme of members' allowances set out at Appendix B.**
 - b. **Note the agreement of the District Councils that the cost of allowances relating to the Authority's work should in future be borne by the Authority.**
 - c. **Approve the arrangements for the allowances for the Chair and Vice Chair for 2019/20 set out in this report.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

Putting in place transparent arrangements for the payment of allowances to members which result in the relevant costs being properly borne by the Authority demonstrates both good governance and compliance with the appropriate regulations and propriety.

4 Implications for the Corporate Risk Register

- 4.1 The actions outlined in this report have no implications for the Corporate Risk Register.

5 Background and Options

- 5.1 Currently the allowances payable to members appointed to serve on the Pensions Authority are paid by the relevant district councils as part of their allowance schemes. While at some point in time the allowances may have been identical the current

position is that the level of allowance paid depends on which district appoints a member. This difference is particularly pronounced for office holders such as the Chair. In addition under the current arrangements the costs of allowances are borne by the individual district councils rather than by the Authority. Proper accounting practice would dictate that the cost of allowances solely concerned with the work of the Authority should be borne by the Authority and ultimately by the Pension Fund.

- 5.2 The District Councils have now agreed that with effect from the 2020/21 Financial Year the Authority should create its own scheme of allowances and meet these costs directly, mirroring the arrangements for the Fire Authority (the other remaining 1985 Act Joint Authority in the County). In order to create a valid scheme it is necessary for the Authority to commission an independent review so that members are not involved in setting their own remuneration. A review has been commissioned from Dr Declan Hall an expert in this area who has worked with each of the District Councils on their schemes and his report is at Appendix A, with the proposed scheme reflecting his proposals at Appendix B.
- 5.3 Given the difference between the current and proposed allowances for the Chair and Vice Chair and the fact that these members have been working to the requirements of the roles as outlined in Dr Hall's report it is proposed that the Authority arrange with the relevant Districts to bear the cost of the new allowances for these members for the 2019/20 Financial Year.

6 **Implications**

- 6.1 The proposals outlined in this report have the following implications:

Financial	The cost of the proposed scheme is within the provision made in the 2020/21 budget while the element proposed to be paid in 2019/20 can be met within the overall budget.
Human Resources	None specifically
ICT	None
Legal	The setting of allowances in a transparent and independent way as set out here is consistent with the relevant regulations.
Procurement	None

Sarah Norman

Clerk

Background Papers	
Document	Place of Inspection

**An Independent Review
Of
Members' Allowances
For The
South Yorkshire
Pensions Authority**

A Report by

Declan Hall PhD

March 2020

An Independent Review of Members' Allowances

For

The South Yorkshire Pensions Authority

March 2020

Introduction – the context to the Review

1. This report arises out of an independent review of Members' Allowances for the South Yorkshire Pensions Authority (SYPA). While not required to conduct an independent review the SYPA has chosen to do so thus ensuring that the Authority conforms to good practice followed by similar public bodies, such as Fire Authorities, National Park Authorities and other regional and sub-regional committees when considering and determining their allowances.
2. Currently, allowances for Members appointed to the SYPA are paid through the four South Yorkshire appointing authorities. While the basis of the current remuneration goes back to a framework laid down in a 2002 review over the years there is a discrepancy in the levels and scope of allowances payable.
3. This arrangement worked in practice up until recently. Previously each of the four SY constituent councils held the Chair of the four (since reduced to three) SY-wide bodies. The establishment of the Sheffield City Region Combined Authority (SCR CA) has led to a South Yorkshire-wide approach to the chairing arrangements. In particular, the SCR CA Leaders Board, have since 2018 agreed to rotate the Chairs and Vice Chairs of the SY Joint Authorities/Sub-regional bodies on a fixed two year term. It has become apparent that the current arrangements are lacking as not all the SY constituent Councils have provision for remunerating their appointees to the SYPA when they are holding the Chair or Vice Chair. Moreover, where they do have provision there is no longer any consistency in the levels payable.
4. A secondary driver has been some important changes affecting the operations of the SYPA in recent years. The most notable change is the SYPA joining the Border to Coast Pensions Partnership in May 2017. While this is discussed further below it has impacted on the role the SYPA Chair in particular. Thus, it is at this juncture that a review of

SYPA allowances is particularly apt to ensure that they reflect recent governance and structural changes.

5. To ensure that the remuneration of the Members of the SYPA reflects the practice rotating chairs and vice chairs and to establish consistency across the board the South Yorkshire Leaders agreed to commission this review in January 2020 and for the SYPA to pay their Members directly under the relevant enabling legislation.
6. Thus the objective of this co-ordinated review at the county wide level is to create a greater consistency and coherency in light of the rotation of Chairs for the three main South Yorkshire bodies.

Terms of Reference

7. The terms of reference are to undertake an independent review of Members' Allowances for the South Yorkshire Pensions Authority Scheme. In particular the review will make recommendations on:
 - i. The amount of basic allowance that should be payable to its members
 - ii. The responsibilities or duties which should lead to the payment of a Special Responsibility Allowance (SRA) and the amount of such an allowance.
 - iii. Whether annual adjustments of allowance levels should be made by reference to an index.

The Reviewer

8. The South Yorkshire Pensions Authority appointed Dr Declan Hall to undertake the review of its allowances scheme. Dr Hall is a former academic at the Institute of Local Government, the University of Birmingham, who specialises in Members' allowances and support. He also has experience in reviewing allowances for many regional/sub-regional bodies, including NPAs, Fire Authorities, Police Authorities, Police and Crime Panels and Combined Authorities.
9. The review was supported and serviced throughout by the following Officer:
 - Gillian Richards, Senior Democratic Services Officer, Barnsley MBC – Joint Authorities Governance Unit

Approach and Methodology

10. This review was primarily a desk-based exercise in which all relevant information was sent to the reviewer for consider, which was followed up by further research as required.
11. The reviewer also visited the South Yorkshire Joint Authorities Governance Unit which supports all the South Yorkshire sub-regional bodies and is based in Barnsley MBC Town Hall on 17th February 2020 to meet with the Chair of the Authority (Councillor M. Stowe of Barnsley) to discuss the role of the SYPA Members and the nature of the Authority. In addition, the reviewer met with relevant Officers. The prime function of the meetings with Officers was to receive factual briefings and clarifications on all the information received and to identify where further information was required.
12. All the evidence and representations/briefings received were reviewed and evaluated within the comparative context by taking into account practice elsewhere, particularly the Members' Allowances Schemes of the four SY constituent councils, SRAs paid to Chairs and Vice Chairs of the Pension Committees in the other Metropolitan Counties and the SRAs paid to Chairs of the Pension Committees in the 11 other authorities in the Border to Coast This exercise was done mainly for benchmarking purposes. It is from these processes and deliberations that the review has arrived at the recommendations set out in this report.
13. All the information, including comparative summary data, considered for this review is listed in appendices as follows
 - Appendix 1: index of all written information considered for the review
 - Appendix 2: Officers who provided factual briefing for the review
 - Appendix 3: Summary of benchmarking information
14. Finally although the 2006 Statutory Guidance on Members' Allowances does not apply the SYPA the spirit of the Guidance has been followed as far as practically possible. This helps to ensure that the recommendations have been arrived at in a similar fashion by which statutory IRPs at district councils make their recommendations on Members' Allowances.

South Yorkshire Pensions Authority

Background and Membership

15. The South Yorkshire Pensions Authority (SYPA) was established in 1988, after the abolition of the Metropolitan County Councils in 1986. It maintains, invests and administers the South Yorkshire Pension Fund (with an approximate value of £8.5 billion) on behalf of over 500 employers and 160,000 members. Predominant amongst the

contributing employers are the South Yorkshire metropolitan (Barnsley, Doncaster, Rotherham and Sheffield), plus the support staff of the Fire and Police Services, including the South Yorkshire Office of the Police and Crime Commissioner.

16. The Authority consists of 12 Members, all of whom are Councillors appointed by the 4 Metropolitan Borough Councils in South Yorkshire on a parallel proportion to the other Joint Authorities as follows:

- Barnsley 2 Councillors
- Doncaster 3 Councillors
- Rotherham 2 Councillors
- Sheffield 5 Councillors

17. The Authority has five scheduled meetings per year and appoints its own Chair and Vice-Chair. There is also a statutory requirement for a Member of each district to be nominated by the Authority to act as its spokesperson in meetings of their district council, known as Section 41 Spokespersons.

18. The SYPA is unique; it is the only democratically accountable administering authority in the Local Government Pension Scheme (LGPS).

The Border to Coast Partnership

19. A more recent development is the SYPA joining in 2017 the Border to Coast Pensions Partnership, also known as the 'Pool' or 'B2CP'. The B2CP is the pooling of assets of 12 administering authorities of the Local Government Partnership Scheme (LGPS). It is a collective investment vehicle to build investment capabilities required to ensure that the Partner Funds are able to efficiently and effectively deliver their Strategic Asset Allocations, with assets of over £42 billion.

20. The oversight over investment performance of the collective investment vehicles within the B2CP is exercised by the B2CP Joint Committee. Chairs of all member pension committees/SYPA sit on the Joint Committee, which meets four times per year.

Objectives and Functions of the Pensions Authority

21. The SYPA operates under the trustee principle, which means that all Members are equally responsible for the financial integrity of the Authority. The responsibilities placed on all SYPA Members as Trustees also mean Members have a heavy sense of duty to ensure that their Pension Fund contributors and pension holders receive the best returns possible.

22. The SYPA has the following mission:

To deliver a sustainable and cost effective pension scheme for members and employers in South Yorkshire delivering high levels of customer service and strong investment returns which facilitate stable contributions

This is supported by a series of objectives focussed on an approach to service delivery characterised by engagement with customers and staff, a strong focus on responsible investment and a commitment to strong and transparent governance.

Key roles and responsibilities

23. The SYPA is responsible for the functions, property, rights and liabilities of the South Yorkshire Pension Fund, including the management of the Pensions Fund's investments, the payment of pensions to former local authority employees in South Yorkshire and the administration of the scheme rules for its contributors.
24. In order to fulfil these duties the full Authority has responsibility for
 - I. Determining the Authority's priorities through the Corporate Planning Framework which comprises:
 - II. Issuing a levy on the District Councils in respect of the residual liabilities for pension payments of the former South Yorkshire County Council.
 - III. Reviewing the effectiveness of strategies and plans to deliver the priorities and targets set by the Authority; and maintaining a performance framework covering all aspects of the Authority's work, including provision for the holding of external suppliers to account for their performance.
 - IV. Ensuring the Authority is adequately resourced to carry out its duties.
 - V. Appointing Committees and Boards with appropriate terms of reference and necessary delegated powers
 - VI. Reviewing the Work Programmes of the Committees and Boards to ensure they are up to date and moving the Authority towards delivering its Corporate Plan.
 - VII. Ensuring Section 41 Members provide feedback in relation to District Council activity regarding their responsibilities as an employer in relation to LGPS.
 - VIII. Approving and maintaining the Pensions Policy Framework

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- IX. Exercising the Authority's responsibilities under the Health and Safety at Work Acts.
- X. To authorise participation by the Authority in membership organisations and collaborations (for example the Local Authority Pension Fund Forum and the Pensions and Lifetime Savings Association).
- XI. To approve and monitor compliance with the Members' Learning and Development Strategy.
25. The laying out above of the extensive roles and responsibilities of the SYPA graphically illustrates the not only the extensive remit of the Authority but that fact that the full Authority is ultimately responsible and it requires the active involvement of all Members.
26. In particular, the South Yorkshire Pensions Authority operates in a different fashion to the other two South Yorkshire Joint bodies (the South Yorkshire Fire and Rescue Authority and the Police and Crime Panel) in that a great deal of its work is actually done by the monthly meetings of the full Pensions Authority.
27. The Authority also appoints
- Audit Committee: consisting of five Members with three scheduled meetings per year. The Authority's Vice Chair is the designated Chair of the Audit Committee.
 - Staffing Appointments & Appeals Committee: consisting of five Members, including the Authority Chair. It meets as and when required with the expectation that it will meet at least one per year. It also residual responsibilities for Standards.

Recommending Special Responsibility Allowances – SYPA Members

28. Currently, the SRAs paid to Members of the SYPA show a degree of variation as seen in the figures set out below:
- Barnsley Members £4,001
 - Doncaster Members £3,814
 - Rotherham Members £3,775 (17/18)
 - Sheffield Members £3,557
29. The SRAs for SYPA Members were originally set back in 2002 by following a similar methodology that has subsequently been set out in the 2006 Statutory Guidance (paragraphs 67-69) and utilised by statutory IRPs in district councils in arriving at a Basic Allowance, namely arriving at an assessed time input multiplied by an appropriate day rate.

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30. In 2002 the time assessment was 28 days per year (which was arrived at through a survey of Members) and a day rate of £116.50 (which was the advisory day rate issued at the time by the Local Government Association). Thus by multiplying 28 days by £116.50 it produced an SRA of £3,262 for SYPA Members.
 31. The variation in current SRAs paid to respective SYPA Members arises out of the differential indexation (including no indexation) applied in their appointing councils. The only council that has consistently applied indexation over the years (including the years when the index was zero per cent) is Barnsley (£4,002).

Recalibrating the SRA for SYPA Members

32. To test out the robustness of the Barnsley SRA paid to SYPA Members the SRA has been recalibrated taking into account the most up to date relevant day rate. The time assumption of 28 days per year has been maintained as no evidence was received to suggest it was no longer valid. This time assessment includes
 - Attendance and preparation for all full authority meetings
 - Attendance and preparation for all other committee, workshop and panel meetings
 - Statutory and other relevant training required to undertake duties
 - Wider reading and preparation required to understand role and nature of the Pensions Authority and undertake duties
33. The LGA no longer issue an advisory day rate to IRPs at district councils so in lieu of that advice a day rate of £143.95 has been adopted. This is based on annual mean gross salary for all full time employee jobs in the UK 2019, which is £37,428.¹ This figure was divided by 260 working days per year to arrive at £143.95 per day. Basing the rate of remuneration on national average earnings is a broad reflection of the earnings of the members of the pension scheme.
34. Recalibrating the SRA for Members through recalibration has been arrived at through the following calculation
 - 28 days X £143.95 = £4,030

Benchmarking

35. Benchmarking was undertaken to test out the indicative figures produced by the indexed SRA (Barnsley £4,002) and the recalibrated SRA (£4,030). Three points of benchmarking were utilised.
36. Firstly, the allowances schemes of the lead authorities responsible for their respective metropolitan county pension schemes were reviewed.

¹ See Annual Survey of Hours and Earnings, Annual Gross Pay for all full time employees, UK, Table 1.7a October 2019 [ASHE 2019employeesashtable1](#)

The remuneration of the ordinary Members to their pension committees is set out below:

- | | |
|---------------------------------|--------------|
| • Greater Manchester (Tameside) | £1,421 |
| • Merseyside (Wirral) | No provision |
| • Tyne & Wear (South Tyneside) | No provision |
| • West Midlands (Wolverhampton) | No provision |
| • West Yorkshire (Bradford) | No provision |

37. It is instructive in that four of the five other Lead Authorities responsible for their metropolitan county pension scheme do not pay an SRA to ordinary Members and the one that does, Manchester pays only £1,421. It says less about the SYPA and more about the more limited role of the lead authority pension committees.
38. The other metropolitan lead authorities have committees to oversee their pension fund. Not only are they more restricted in powers and remit in the main the Basic Allowance in the lead authorities is deemed to recognise such committee membership. As noted above the SYPA is a different beast that requires the involvement of the wider membership on two levels:
- I. Stewardship of the Pension Fund through the trustee role
 - II. Stewardship of the organisation through the Authority role
39. Secondly, this difference was also highlighted when looking at the remuneration arrangements in the other members of the Border to Coast Partnership – all the other 11 Councils have pension committees and do not make separate provision for membership of the their respective pension committees.
40. Thirdly, the only other South Yorkshire-wide Authority is the Fire and Rescue Authority, which pays a ‘Basic Allowance’ of £3,603; in effect the same as the SRA paid to ordinary Members of the SYPA. The Fire Authority is a ‘blue light’ service which creates a different dynamic in that there is a more direct senior Member involvement in the delivery of the service than is the case in the SYPA. In the South Yorkshire Fire Authority this involvement is given greater recognition through the payment of more and higher SRAs. The SYPA has greater involvement across the board through the trustee role with a remuneration structure that is flatter than the SYFRA.
41. Thus, the two tentative levels of SRA for ordinary Members, the fully indexed Basic Allowance (Barnsley £4,002) and the recalibrated SRA (£4,030) have not been invalidated by benchmarking.
42. This left the question of whether there was a strong case to be guided by the lower SRAS paid to SYPA Members from the other constituent councils. These have been rejected for two reasons:

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- The original review that set the current framework recommended that the SRAs paid via the districts should be indexed, which supports the Barnsley indexed SRA of £4,002
 - The recalibrated Basic Allowance (£4,030) is closer to the Barnsley indexed SRA than the other three.
43. The next question is whether to recommend the Barnsley indexed SRA or the recalibrated SRA. The recalibrated SRA has been chosen as:
- The higher figure is so marginal as to make no difference and
 - It has a methodological robustness and follows the same methodology by which IRPs use to arrive in recommending their Basic Allowance
44. Looked at another way the recalibrated SRA of £4,030 is almost exactly one third of the mean (£11,995) and median (£11,905) Basic Allowance paid in the four South Yorkshire constituent councils – see Appendix 3. By opting the recalibrated SRA it in effects sizes the role of the SYPA Member as one third of being a Member of district council,
45. **The recommended SRA for the ordinary Members of the South Yorkshire Pensions Authority is £4,030.**

The Chair's SRA

46. Currently the Chair of the SYPA is paid an SRA of £6,225. This is simply a temporary measure. The Chair is now from Barnsley and the Barnsley had no provision to pay an SRA for the Chair but it does have provision to pay their Section 41 Spokesperson, which has been utilised pending the outcome of this review. Similarly, Doncaster has no provision to pay an SRA in the event of one of their appointees being Chair. There is provision however in Rotherham (that has traditionally held the Chair) and Sheffield.
- Rotherham £8,617
 - Sheffield £11,777
47. The SRA for the SYPA Chair was originally in 2002 set by reference to the mean SRA paid to Cabinet Members across the four constituent councils although both Rotherham and Sheffield deviated from this approach long ago.
48. At the time, the role of Cabinet Members in district councils was a relatively new one and experience has shown Council executive roles have grown larger over the years.
49. It was suggested in the representation received that a more pertinent analogy was to compare the role of the SYPA Chair against the roles on district councils somewhere between the SRA paid to Chairs of main

scrutiny committees and Cabinet Members in the constituent councils. A review of the allowances schemes of the four constituent councils produces the following set of figures

Post	Mean SRA	Median SRA
Cabinet Members	£12,240	£12,894
Main Scrutiny Chair[s]	£9,314	£8,307
Mid-Point between Cabinet & Scrutiny Chair[s] SRA	£10,777	£10,600

50. This approach produces a tentative Chair's SRA in the region of £10,600/£10,777.
51. Benchmarking is again difficult due to the unique nature of the SYPA. Nevertheless, on figures supplied the SRA paid to Chairs to Pension Committees in the other Border to Coast Partnership members range from a low of £2,660 in Durham to £10,025 in Tyne and Wear. The SRA (£10,025) paid to the Chair of the Tyne and Wear Pension Committee has a resonance as Tyne and Wear Pension Fund is of similar size to the SYPA Pension Fund.
52. Looking at the SRA paid to the Chairs of Pension Committees in the lead authorities in the other metropolitan councils shows the following:
- Mean SRA £9,935
 - Median SRA £10,113
53. The SRA paid to the Chair of the Yorkshire FRA is £13,920 but this is in a context where there are more SRAs payable in SYFRA and the difference between the top and lowest SRAs is greater than is historically been the case in the SYPA. The differentials between the top and bottom SRA in the SYPA being less due to the greater involvement of the wider membership and the trustee role on the SYPA.
54. Nonetheless, both the benchmarking and comparing the SYPAs role to the mid-point between what the is paid on average to Cabinet Members and main Scrutiny Chair[s] in the constituent councils produces a consistent set of figures between £9,935 and £10,777.
55. The figure of (£10,600) has been settled upon as it is
- The mid-point between the median SRAs paid to the Cabinet Members and Main Scrutiny Chair[s] in the four constituent councils – a comparison that had broad acceptance
 - Slightly higher than the mean and median SRA paid to Chairs of Pension Committees in the lead authorities in the other Metropolitan Counties – which is appropriate considering the unique nature of the SYPA

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- Still represents a differential of no more than 2.6 times the recommended SRA for ordinary Members, as opposed to a differential of 3.9 for the SYFRA ordinary Members and Chairs SRAs – thus still maintaining the comparatively flatter remuneration structure

56. **It is recommended that the SRA for the Chair of the South Yorkshire Pension Authority is £10,600.**

The Vice Chair of the SYPA

57. Currently the only constituent council that provides for an SRA for the Vice Chair of the SYPA is Sheffield, at £5,889. This SRA was originally set at 50% of the Chair's SRA as is still the case in the Sheffield scheme.

58. Benchmarking shows that in the other metropolitan lead authorities only 3 pay an SRA for their Vice Chair with mean of £6,183 and median of £7,688. The SYFRA pay its Vice Chair £6,969, which is 50% of the Chair's SRA.

59. The pro-rata approach in arriving at the SRA for the SYPA Vice Chair has been maintained – it is a methodology suggested in the Statutory Guidance for IRPs of district councils. However, the ratio has been increased from 50% to 60%. The principal reason for this is that the Constitution of the SYPA now specifies that the Vice Chair of the SYPA chairs the Audit Committee.

60. As such, the original ratio of 50% has been uplifted to 60%. This ratio is similar to the difference between the mean SRA (£9,935) paid to Chairs of the Pension Committees in the other metropolitan lead authorities and the mean SRA (£6,183) paid to their Vice Chairs. Applying a ratio of 60% of the recommended SRA (£10,600) for the SYPA Chair equates to £6,360.

61. **It is recommended that the Vice-Chair of the SYPA is paid an SRA of £6,360.**

Other SRAs – Section 41 Spokespersons

62. The only other SRA raised during the course of the review was in regards to the Section 41 Spokespersons. This post is not typically paid elsewhere even though it is a statutory post but on its' own this statutory role is not significant enough to merit an SRA.

63. However, in the SYPA all Section 41 Spokespersons have an additional discrete task, namely they all sit on the Audit Committee. As such, the role merits a marginal uplift to recognise their statutory role in conjunction with the SYPA-specific role of sitting on the Audit Committee.

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64. In arriving at the appropriate uplift the pro-rata approach has been maintained and a ratio of 45% has been applied against the recommended SRA (£10,600) of the SYPA Chair, which equates to £4,770.
65. **It is recommended that the Section 41 Spokespersons are paid an SRA of £4,770.**

Indexation

66. Currently all the constituent councils have provision for the indexation of allowances within their allowances schemes even if indexation is not always applied each year. Thus the SRAs currently paid to SYPA Members via their constituent councils are indexed, in principle if not always in actuality.
67. The index utilised by all the constituent councils is the annual percentage increase (spinal column point 43) in salary for local government staff. This known as the 'NJC' index and it is set and published each year by the National Joint Council for Local Government Services, the employers/employee joint negotiating body.
68. The principle of indexation is now generally adopted across local government and other public authorities. An annual uprating of allowances by an appropriate index ensures they do not lose value over time and avoids the need for sizeable increases on a periodic basis simply to stand still. The NJC index is also the most common indexation mechanism across English local government. It has the advantage of treating elected Members and Officers equally in applying an appropriate annual uplift to their allowances/salary. Consequently, it is appropriate to treat the recommended SRAs for the SYPA Members on the same basis when it comes to indexation.
69. **It is recommended that the SRAs for the Members of the SYPA are indexed at the NJC annual percentage salary increase, specifically with reference to Spinal Column Point 43 (2019).**
70. **It is further recommended that the index is applied to the same year that it applies to Officers. This is normally from 1st April to 31st March. Where the index is applicable to Officers for more than 1 year it should also be applicable to Members for the same period**

Implementation

71. It is recommended that the recommendations set out in this report relating to the Chair and Vice Chair are implemented from the date of SYPA annual meeting on the 13th June 2019, with those for other

members implemented from the next annual meeting of the Authority in line with the agreement with the South Yorkshire Leaders Board.

APPENDIX ONE: INFORMATION CONSIDERED FOR REVIEW

1. Constitution, South Yorkshire Pensions Authority
2. South Yorkshire Pensions Authority, Pensions Authority Members' Responsibilities and Commitments
3. South Yorkshire Pensions Authority, Annual Governance Statement 2018/19
4. Terms of Reference for the Border to Coast Partnership Joint Committee
5. Report of Treasurer, South Yorkshire Pensions Authority, Pensions Authority Budget 2020/21, 23 January 2020
6. South Yorkshire Pensions Authority meeting 12th September 2019, Agenda and Reports
7. DCLG and HMRC: *New Council Constitutions: Guidance on Consolidated Regulations for Local Authority Allowances*, May 2006
8. A Review of Allowances for the South Yorkshire Pensions Authority, A Report by the (non-statutory) Independent Panel for the South Yorkshire Joint Authorities, June 2002
9. Annual Survey of Hours and Earnings, Annual Gross Pay for all full time employees, UK, Table 1.7a October 2019
10. Allowances schemes from the four South Yorkshire constituent councils
11. Allowances scheme from the South Yorkshire Fire and Rescue Authority
12. Allowances schemes from the lead councils for Pension Funds of the other Metropolitan Counties
13. SRAs paid to Chairs of Pension Committees, the other 11 members of the Border to Coast Partnership

APPENDIX TWO: OFFICERS WHO PROVIDED BRIEFINGS

Andrew Frosdick Monitoring Officer for SYPA

George Graham SY Pension Fund Direct & Head of Paid Service, SYPA

Martin McCarthy Senior Director, Governance, Member & Business Support,
Deputy Clerk, South Yorkshire Joint Authorities

APPENDIX THREE: SUMMARY OF BENCHMARKING DATA BM1-3

BM1 South Yorkshire Pensions Authority - SRAs paid to Members by Constituent Councils 2019/20					
Constituent Authority	Member	S41 Spokesperson	Vice Chair	Chair	Notes
Barnsley	£4,002	£6,625	No Provision	No Provision	Sect 41 SRA is paid to chair now
Doncaster	£3,814	No Provision	No Provision	No Provision	
Rotherham (17/18)	£3,775	No Provision	No Provision	£8,617	Pension Chair SRA equivalent to RBC Scrutiny Select Chair SRA
Sheffield	£3,557	No Provision	£5,889	£11,777	

BM2 South Yorkshire Pensions Authority - BA & Exec + Main Scrutiny Committee[s] SRAs paid to Members by Constituent Councils 2019/20				
Constituent Authority	Basic Allowance	Leader or Mayor's SRA	Cabinet SRA	Main Scrutiny Chair[s] SRA
Barnsley	£11,309	£27,255	£13,627	£8,722
Doncaster	£12,862	£51,449	£12,862	£7,717
Rotherham (17/18)	£11,471	£25,851	£12,925	£12,925
Sheffield	£12,339	£19,091	£9,545	£7,891
Mean	£11,995	£30,912	£12,240	£9,314
Median	£11,905	£26,553	£12,894	£8,307

BM3 SRAs paid for Pension Committee/Funds - Other Metropolitan Counties 2019/20					
Metropolitan County - Lead Council	Member	S41 Spokesperson	Vice Chair	Chair	Other
Greater Manchester - Tameside	£1,421	No Provision	£8,381	£16,763	SRA Working Group Chair = £2,488
Merseyside - Wirral	No Provision	No Provision	No Provision	£2,751	
Tyne & Wear - South Tyneside	No Provision	No Provision	£7,668	£10,226	
West Midlands - Wolverhampton	No Provision	No Provision	£2,500	£10,000	
West Yorkshire - Bradford	No Provision	No Provision	No Provision	No Provision	Pension Fund Chair is Majority Group Chief Whip with SRA = £16,675
Mean			£6,183	£9,935	
Median			£7,668	£10,113	



Members'
Allowance
Scheme
2020/21
March 2020

The South Yorkshire Pensions Authority Members' Allowance Scheme 2020

1. INTRODUCTION

- 1.1 This scheme shall commence on 1st April 2020 and shall continue in force until subsequently amended or revoked, with the exception of allowances for the Chair and Vice Chair that shall come into force from 1st June 2019.
- 1.2 This scheme can be adjusted with reference to the NJC annual percentage salary increase, specifically with reference to Spinal Column Point 43 (2019) without further reference to the independent process.
- 1.3 In this Scheme:
- “the Authority” means the South Yorkshire Pensions Authority
- “Councillor” means an elected member appointed to the Authority by one of the constituent district councils
- “the Regulations” means The Local Authorities (Members' Allowances) (England) Regulations 2003 as amended by The Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003.
- “Year” means any period of 12 months ending 31st March in any year.

2. BASIC ALLOWANCE

- 2.1 Each year a Basic Allowance as set out in schedule 1 shall be paid to each Councillor.
- 2.2 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 will be to such part of the Basic Allowance as is proportionate to the number of days served by that Councillor in that year as is proportionate to the number of days in that year.
- 2.3 Where any payment of any allowance has already been made in respect of any period during which a Councillor ceases to be a member of the Authority, in anyway not entitled to receive the allowance in respect of that period then the Authority may require repayment of the allowance.
- 2.4 A Councillor may, by notice in writing given to the Deputy Clerk, elect to forgo all or any part of her/his allowance under this scheme.
- 2.5 This scheme may be amended at any time on receipt by the Authority of a recommendation generated by the necessary independent process, or the requirements of para 1.2

3. SPECIAL RESPONSIBILITY ALLOWANCE

- 3.1 Each year a Special Responsibility Allowance shall be paid to those Councillors who have the special responsibilities in relation to the Authority that are specified in Schedule 2.
- 3.2 The amount of each Special Responsibility Allowance shall be the amount specific against that special responsibility in Schedule 2.
- 3.3 Where a Councillor does not have throughout the whole year any such special responsibilities as entitle them to a Special Responsibility Allowance, her or his entitlement to a Special Responsibility Allowance is proportionate to the number of days served by that Councillor in that year as is proportionate to the total number of days in that year.
- 3.4 Any Councillor who holds more than one position of special responsibility shall be entitled to receive the higher allowance listed in Schedule 2. Councillors may not receive an allowance for more than one position.
- 3.5 Where payment of any allowance has already been made in respect of any period during which a Councillor ceases to be a Councillor, in anyway not entitled to receive the allowance in respect of that period the Authority may require repayment of the allowance.
- 3.6 A Councillor may, by notice in writing given to the Deputy Clerk, elect to forgo all or any part of her/his allowance under this scheme.
- 3.7 This scheme may be amended at any time on receipt by the Authority of a recommendation generated by the necessary independent process, or the requirements of para 1.2

4. TRAVEL ALLOWANCE

4.1 Councillors are entitled to be reimbursed by the Authority in respect of travel costs incurred in connection with undertaking their duties as members of the Authority, Schedule 3 sets out the definition of approved duties.

Car

4.2 Mileage at a rate of £0.45 per mile, such rate to be adjusted in line with any changes in the HMRC's Mileage Allowance Payments (MAPs).

4.3 Reimbursement of car parking charges subject to provision of receipts or tickets.

Rail

4.4 All travel for approved duties outside the County must be pre-booked by the Authority's staff. Staff will book standard class rail tickets. Details of the process for booking rail travel will be separately provided to Councillors.

Taxi

4.5 The cost of taxi fares will be reimbursed where public transport is not readily available on production of a receipt.

Bus

4.6 Bus fares will be reimbursed subject to a receipt being provided.

5. SUBSISTENCE

5.1 Subsistence allowances will only be payable for approved duties undertaken outside of the County where Councillors are absent for more than 4 hours. The allowances payable will be the same as for the Authority's staff and will only be paid on production of receipts for the actual expenditure incurred. These allowances will be updated when allowances for staff are updated.

Breakfast (Councillor is required to leave home before 6am)	£ 9.00
Lunch (Councillor is required to include the hours 12 noon – 2pm)	£12.00
Evening Meal (Councillor is required to work continuously after 8pm)	£15.00

5.2 Where a Councillor is required to undertake an overnight stay while undertaking duties on behalf of the Authority the accommodation will be pre-booked and paid for on their behalf by the Authority's staff on a bed and breakfast basis. Any additional costs incurred must be met by the Councillor directly. In general the policy adopted for the Authority's staff in terms of the type of accommodation to be booked will be followed. Where accommodation is booked in association with attendance at a conference then a degree of discretion will be used by officers in booking accommodation at or in close proximity to the conference venue depending upon the terms of booking the conference.

The Basic Allowance

Subject to paragraphs 2.2 and 2.3 of this scheme, the amount of the basic allowance is £4,030.

Special Responsibility Allowance

The following are specified as the special responsibilities in respect of which a special responsibility allowance is payable, and the amounts of those allowances subject to the provisions contained in paragraphs 3.3 to 3.5 of this scheme.

Office Holder	Annual Amount £
Chair	10,600
Vice Chair	6,360
S. 41 Spokesperson	4,770

Approved Duties for Travel Allowances

1. Attendance at meetings of the Authority, the Audit Committee and the Staffing Appointments and Appeals Committee.
2. Attendance at Seminars and Learning and Development Events organised as part of the Authority's formal programme of meetings.
3. Attendance by the Chair and/or Vice Chair at meetings of the Local Pension Board.
4. Attendance at meetings of the Border to Coast Joint Committee, and any shareholder meetings of the Border to Coast Pensions Partnership.
5. Attendances at conferences, seminars or other learning and development events relevant to the work of the Authority where attendance is approved in advance by the Clerk or Director on behalf of the Authority.
6. Attendance approved by the Clerk on behalf of the Authority at deputations to Ministers and Government Departments.
7. Attendance at any meetings of Councillors convened by the Clerk or Fund Director in connection with the discharge of the functions of the Authority.

Exclusions:

For the avoidance of doubt the following are excluded from the definition of approved duties.

1. Attendance at political meetings,
2. Attendance at civic functions.

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