

Legislative background

1974-1981

Under the Local Government Act 1972, Councillors were entitled to claim Attendance, Travelling and Subsistence Allowances when undertaking approved duties such as attendance at official meetings and acting as the representative of the City Council on a range of other bodies. Rates were set by central government.

1981-1991

Under the Local Government Planning and Land Act 1980, an additional allowance in the form of a Special Responsibility Allowance was introduced. This could be paid to Councillors who undertook additional roles such as Leader of the Council, Chairs of Committees or Leaders of Opposition Groups. Cost had to be contained within a ceiling set by central government.

1991-1995

Under the Local Government and Housing Act 1989, a further allowance in the form of a Basic Allowance was introduced. This had to be paid equally to all Councillors and was designed to reflect the standard role expected of all Councillors. Rates were set locally and had to be included within a ceiling for attendance, basic and special responsibility allowances set by central government.

1995-2001

Under the Local Authorities [Members' Allowances] Amendment Regulations 1995, the government gave Councils the discretion to determine or amend a Scheme for the payment of Members Allowances. In the words of the then Environment Minister the change was designed to encourage people with a wide range of backgrounds, experience and skills to serve as Councillors and to allow local authorities to give more adequate remuneration to those Councillors with special responsibilities.

2001-2003

Under the Local Government Act 2000, Councils were required to draw up proposals to adopt one or other of 3 possible models of governance. This Act also abolished attendance allowance.

The Local Authorities [Members Allowances] Amendment Regulations 2001 required Councils to establish and maintain an Independent Remuneration Panel to make recommendations on the level of basic and special responsibility allowances paid to Councillors under its chosen model of governance. The Council must have regard to the Panel recommendations

before making or amending its Allowances Scheme . These Regulations also gave Councils the power to pay Childcare and Dependant Carer Allowances.

2003 -14

The Local Authorities [Members' Allowances] Regulations 2003 came into force on 1 May 2003. They required Councils to make a New Allowances Scheme on or prior to 31 December 2003.

The Regulations extended the scope of an Allowances Scheme that can be determined locally. In addition to Basic, Special Responsibility and Childcare/Dependant Carers Allowances, a Council can now:-

- Decide the basis on which Councillors can opt to join the Local Government Pension Scheme.
- Pay a Co-optee Allowance to Co-opted Members [in place of entitlement to claim Financial Loss Allowance].
- Determine arrangements for the payment of travelling and subsistence allowances or expenses.
- Set up a process for withdrawal of allowances if a Councillor is wholly or partially suspended.
- Establish the basis for any backdating and review of indicators used to calculate annual adjustments of allowance rates.

The Council must still have regard to the recommendations of an Independent Remuneration Panel before it can set up or amend its Members Allowances Scheme. The Council can choose to accept the recommendations in whole, in part or not at all. On pensions the Council cannot go beyond the recommendations made by the Panel.

2014 –

LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 These regulations remove access to the LGPS from 1 April 2014 for councillors and elected mayors in England and for the Mayor of London and members of the London Assembly, with the following exceptions:

councillors, elected mayors, the Mayor of London and members of the London Assembly who were members of the LGPS on 31 March 2014 will retain access to the LGPS up to the end of their current term of office only (or to age 75 if earlier).

The changes do not affect councillors in Wales and they retain ongoing access to membership of the LGPS1.