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MEETING: INDEPENDENT REMUNERATION PANEL

(PLEASE NOTE: THIS MEETING IS NOT OPEN TO THE PUBLIC TO ATTEND)

DATE: Friday 30th June, 2023

TIME: 10.30 am

VENUE: Committee Room, Town Hall, Bootle

Member

Ed Davies
Joanne Hadley
Tony Hussey
Susan Lowe
Isobel Macdonald-Davies
Susan Murphy

COMMITTEE OFFICER: Paul Fraser
Senior Democratic Services Officer
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If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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AGENDA

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>
1.	Election of Chair To appoint the Chair of the Independent Remuneration Panel for 2023/24	
2.	Declarations of Interest Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda. Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation. Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.	
3.	Minutes Minutes of the meeting held on 30 May 2019	(Pages 5 - 8)
4.	Council's Current Financial Position To receive a presentation from the Executive Director of Corporate Resources and Customer Services on the Council's current financial position	All Wards

5. **Members' Allowance Scheme 2023/24 to 2026/27**

All Wards

(Pages 9 -
78)

Report of the Chief Legal and Democratic
Officer

THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN"

INDEPENDENT REMUNERATION PANEL

**MEETING HELD AT THE CHURCHTOWN ROOM, TOWN HALL,
SOUTHPORT
ON 30 MAY 2019**

PRESENT: Mrs S. Lowe (Chair)
Mr E. Davies
Mr J. Fraser

1. ELECTION OF CHAIR

RESOLVED:

That Mrs. Susan Lowe be appointed Chair of the Independent Remuneration Panel for the 2019/20 Municipal Year.

2. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

3. MINUTES

RESOLVED:

That the Minutes of the meeting held on 7 September 2017 be confirmed as a correct record.

4. COUNCIL'S CURRENT FINANCIAL POSITION

The Panel received a presentation from Mark Chambers, Service Manager Finance, on the Council's current financial position.

Mr. Chambers highlighted the following points:

- The Council is currently in Year 3 of the current financial plan 2017/18 to 2019/20.
- The Framework for Change 2017 provided the basis for the delivery of financial sustainability.
- The Council is currently operating with a £64 funding shortfall.
- The Council faces increased demands from Health and Social Care, both adult and children's social care.
- Some one-off funding has been received but additional savings are required.
- The Council faces the in-year challenge of delivering an increased savings target and start to look towards 2020/21 and beyond.

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- Sefton is not in a unique position but the financial environment is extremely challenging.
- Risk management and remedial action planning are central to the strategy.
- Referring to the financial environment 2020/21 to 2022/23 - Whilst the position is very uncertain the Council will have to start planning and delivering further savings.
- There is an estimated Budget shortfall of £15m p.a. or £45m by 2023.
- Gross Budget in 2019/20 is around £340m (net £220m). £45m equates to 13%.
- Key Risks faced are: funding of local government from 2020/21; service demand pressures; Government Policy; is austerity over?
- The Council aims to extend, develop and learn from current Framework for Change 2017.
- Develop a range of proposals and options for member advice and guidance based on strategic vision and direction of travel.
- Financial sustainability will need to be at the heart of the next 3-year budget.

RESOLVED:

That Mr. Chambers be thanked for his informative presentation.

5. MEMBERS' ALLOWANCE SCHEME 2019/20

The Panel considered the report of the Chief Legal and Democratic Officer that sought the views of the Independent Remuneration Panel on a Scheme of Members' Allowances for 2019/20.

The following appendices were attached to this report to aid the Panel in their deliberations:

Appendix 1 – Current Scheme of Members' Allowances

Appendix 2 - Liverpool City Region Local Authorities – Comparison of Members' Allowances

Appendix 3 - Financial Impact of the Potential Indices

Appendix 4 – HMRC Employment Income Manual – Local Government Councillors and civic dignitaries in England: ODPM guidance: Part One: Members' Allowances.

In particular, the Panel were asked to give consideration to the following matters:

- (1) (a) Whether an increase in the allowance should be recommended to Council and that if so;
- (b) Should the increase be linked to one of the indexation options referred to in paragraph 3 of the report and that if so;

- (c) How long should the annual adjustments in accordance with the indexation continue (up to a maximum of four years);
- (2) the Special Responsibility Allowances paid to Chairs of committees as referred to in paragraph 5 of the report; and
- (3) the payment of Special Responsibility Allowances to Party Group Leaders as referred to in paragraph 6 of the report.

The Chief Legal and Democratic Services Officer presented the report and answered questions thereon.

The Panel discussed how long any annual adjustment should continue and the Chief Legal and Democratic Officer indicated that 4 years was the maximum period under the legislation without the Independent Review Panel having to formally review the scheme; and that a 4-year period would also align with the Council's intention to set a 3-year budget commencing April 2020.

RESOLVED: That having taken Sefton Council's current economic circumstances into account, the Panel recommends to Council that:

- (1) the Members Allowance Scheme remain as it is, subject to (3) below;
- (2) payments under the Members Allowance Scheme be increased in accordance with the Local Government Pay Settlement each year, for a period of 4 years, commencing 2019/20; and
- (3) the Special Responsibility Allowances paid to opposition party group leaders be amended so that any group leader with 10 or more Members receive the full allowance (currently £4,575.35) and any group with less than 10 Members receive one tenth of that allowance for each Member in the group.

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Report to:	Independent Remuneration Panel	Date of Meeting:	30 June 2023
Subject:	Members' Allowance Scheme 2023/24 to 2026/27		
Report of:	Chief Legal and Democratic Officer	Wards Affected:	All
Cabinet Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To seek the views of the Independent Remuneration Panel on a Scheme of Members' Allowances for 2023/24 to 2026/27.

Recommendation(s):

That the Panel review Sefton's Scheme of Members' Allowances and consideration be given to:

- (1)
 - (a) Whether an increase in the allowance should be recommended to Council and that if so;
 - (b) Should the increase be linked to one of the indexation options referred to in paragraph 4 of the report and that if so;
 - (c) How long should the annual adjustments in accordance with the indexation continue (up to a maximum of four years);
- (2) the Special Responsibility Allowances paid to Chairs of committees as referred to in paragraph 6 of the report; and
- (3) the payment of Special Responsibility Allowances to Party Group Leaders as referred to in paragraph 7 of the report.

Reason for Recommendation(s):

The Independent Remuneration Panel is required to recommend to the Council a Scheme of Members' Allowances.

Alternative Options Considered and Rejected: (including any Risk Implications)

None. The Independent Remuneration Panel is required to recommend to the Council a Scheme of Members' Allowances.

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What will it cost and how will it be financed?

(A) Revenue Costs – Inflationary adjustments in respect of the Scheme of Members' Allowances will be built into the 2023-24 and subsequent years revenue budget. Appendix 3 to the report and paragraph 4 details a list of indexation options for consideration by the Panel. If any increases in Members' allowances are recommended by the Panel and subsequently approved by Council, then budgetary provision will be made centrally for such increases.

(B) Capital Costs

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): See revenue costs section above	
Legal Implications: The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) require authorities to make a scheme for the payment of allowances for members and before it makes or amends a scheme, to have regard to the recommendations of an Independent Remuneration Panel.	
Equality Implications: There are no equality implications.	
Impact on Children and Young People: None	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	Yes
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes
There are no direct climate emergency implications arising from this report.	

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not applicable
Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: Not applicable
Place – leadership and influencer: Not applicable
Drivers of change and reform: Not applicable
Facilitate sustainable economic prosperity: Not applicable
Greater income for social investment: Not applicable

Cleaner Greener: Not applicable

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7246/23) has been consulted and any comments have been incorporated into the report. The Chief Legal and Democratic Officer (LD5446/23) is the author of this report.

(B) External Consultations

Contact has been made with Liverpool City Region local authorities to find out information relating to their Schemes of Members' Allowances.

Implementation Date for the Decision

With immediate effect. The decision of the Independent Remuneration Panel will however be submitted to Cabinet and Council for consideration and approval.

Contact Officer:	Paul Fraser
Telephone Number:	0151 934 2068
Email Address:	paul.fraser@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

Appendix 1 – Current Scheme of Members' Allowances

Appendix 2 - Liverpool City Region Local Authorities – Comparison of Members' Allowances

Appendix 3 - Financial Impact of the Potential Indices

Appendix 4 – HMRC Employment Income Manual – Local Government Councillors and civic dignitaries in England: ODPM guidance: Part One: Members' Allowances

Appendix 5 – Guidance Note for Councillors on the Scheme of Members' Allowances

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

1.1 The Council, at its meeting held on 18 July 2019, approved a recommendation of the Independent Remuneration Panel (the Panel) that the Scheme of Members' Allowances be adjusted annually in accordance with the Local Government Pay Settlement each year, for a period of 4 years commencing 2019/20. A copy of the current Scheme of Members' Allowances is attached as **Appendix 1**.

1.2 Bearing in mind the time that has lapsed since the last review the Panel is requested to

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consider whether it wishes to amend the Scheme of Members' Allowances; continue with the current practice of adjusting the Scheme annually in accordance with the average of any pay increase awarded to Sefton Council employees; or choose a different indexation option.

- 1.3 The Local Authorities (Members' Allowances) (England) Regulations 2003, Part Three section 10 (4) states:

"(4) A scheme may make provision for an annual adjustment of allowances by reference to such index as may be specified by the authority and where the only change made to a scheme in any year is that effected by such annual adjustment in accordance with such index the scheme shall be deemed not to have been amended".

A copy of the Regulations can be accessed using the link

<http://www.legislation.gov.uk/ukxi/2003/1021/made/data.pdf>

- 1.4 The Scheme of Members' Allowances for 2022/23 is set out in paragraph 2 below.
- 1.5 If the Panel chooses an indexation option this does not prevent the Panel from reviewing the Scheme at any time but allows for the Scheme to continue without a full review subject to the annual adjustment being applied.

2. Cost of 2022/23 Members' Allowances

- 2.1 The following table provides information on the costs of the 2022/23 Scheme of Members' Allowances.

2.2

Position	How the Allowance is calculated	Level of Payment	Number of Councillors holding this position	Total Cost
Leader of the Council	Basic Allowance x 2.5	£25,663.78	1	£25,663.78
Cabinet Members (excluding the Leader of the Council)	Basic Allowance x 1.5	£17,109.17	9	£153,982.53
<u>Political Group Leaders:</u> Liberal Democrat Leader (8 Members)	Leaders with a membership of 10 or more members will receive a Special Responsibility Allowance which is 50%	£4,153.10	4	£9344.46
Conservative Group Leader		£2,595.68		

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(5 Members) Independent Group Leader	of the Basic Allowance (£5,191.38) and any	£1,557.41		
(3 Members) Independent Group Leader	Political Group Leaders with fewer than 10	£1,038.27		
(2 Members)	members will receive one tenth of £5,191.38 per Member of the Group			
Committee Chairs				
Licensing and Regulatory	Basic Allowance x 1	£10,382.76	1	£10,382.76
Overview and Scrutiny	Basic Allowance x 0.5	£5,191.38	4	£20,765.52
Audit and Governance	Basic Allowance x 0.5	£5,191.38	1	£5,191.38
Councillors	Basic Allowance	£10,382.76	66	£685,262.16
			Total	£910,592.59

2.3 Political Balance of the Council 2023/24

The information in the table above relates to the scheme of allowances for 2022/23. Following the local elections in Sefton on 4 May 2023 the new political balance of the Council is set out below.

Labour	51
Liberal Democrat and Progressive Alliance	9
Conservative	5
Independent	1

3. Mayoral Allowance

3.1 The allowance paid to the Mayor does not fall within the Regulations for Members' Allowances. However, for ease of administration it has been linked to the Special Responsibility Allowance rates. The allowance allocated to the Mayor for 2022/23 is £15,574.14.

4. Indexation Options

4.1 A range of options are available to the Panel in which the basic allowances could be up

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lifted. In the following paragraphs what are considered to be the most appropriate indices, have been identified for consideration. An indicative financial impact of the options is shown in Appendix 3 (using the latest available indices). This may assist the understanding of the options.

- 4.2 The indices identified fall, principally, into two categories; employee benefits and general inflation indices. Each has their own benefits and pitfalls. Employee benefits reflect the increases in remuneration that certain sectors (or all parts) of the economy are receiving, whilst general inflation provides an indication of the price increases affecting the wider economy.

4.2.1 Employee Benefits

- (i) **Local Government Pay Settlement** – This is agreed annually and reflects the national pay bargaining between the national employers and the trade unions (the National Joint Council – NJC). Sefton has in the past kept its pay structure in line with national annual increases.

For 2022/2023 a flat pay award of £1,925 was agreed. This resulted in different % increases across spinal column points (SCP) varying from an increase of 10.5% for SCP1 to 4.04% for SCP43. SCP25 (the top of Grade G) is used as a proxy for average Council pay and oncosts; so by using SCP25 results in the use of the pay award that applied to the majority of SCPs. For 2022/2023 the flat pay award of £1,925 equated to an increase of 6.4% at SCP25

The Pay award for 2023/24 has not yet been agreed. The trade unions on the NJC have called for a pay increase of inflation plus 2% – based on the Treasury's annual forecast for RPI for 2023 and this would amount to 12.7%. See link below.

[NJC: Council and school pay 2023 | Campaigns | UNISON National](#)

A Local Government Association employment circular on local government pay published on 8 March 2023 details their offer from 1 April 2023, of an increase of £1,925 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 (see link below). This offer, if accepted, would result in different % increases across spinal column points (SCP) varying from an increase of 9.42% for SCP1 to 3.88% for SCP43. If a similar methodology is implemented as referred to above and SCP25 (the top of Grade G) is used as a proxy for average Council pay and oncosts, for 2023/2024 then the flat pay award of £1,925 would equate to an increase of 6.01% at SCP25.

[Employer circular - Local government pay 2023 | Local Government Association](#)

Latest situation – As can be seen from the link above the trade unions on the NJC have rejected the employers' offer. Unison is currently conducting a ballot for industrial action and the deadline of the ballot is 4 July 2023.

- (ii) **National Pay Scales** – Information released on 16 May 2023 by the Office for National Statistics shows that the average regular pay growth for the private sector was 7.0% in January to March 2023. A link to the ONS information can be accessed using the link:

[Average weekly earnings in Great Britain - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23)

4.2.2 General Inflation

- (i) **Retail Price Index (RPI)** - Another option to consider would be to increase Members' Allowances in line with the Retail Price Index (RPI). Information from the Office of National Statistics published on 24 May 2023 shows that the RPI was 11.4%

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23>

- (ii) **Consumer Price Index (CPI)** - The final appropriate option to consider is to increase the Basic allowance by the CPI. Information from the Office of National Statistics published on 24 May 2023 shows that the RPI was 8.7%.

<https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7g7/mm23>

4.3 As mentioned in paragraph 4.2.1 (i) above a complicating factor is that the local government pay award for 2023/24 has not yet been settled. Accordingly, Appendix 3 contains information on increases of 12.7% (the trade union pay claim); and 6.01% the top of Grade G as a proxy for average Council pay and oncosts, as contained in the employers' pay award offer.

5. Other Authorities Increases

5.1 Sefton Council's neighbours in the Liverpool City Region increase their Members Allowances on the following basis:

Authority	Basis of Indexation
Liverpool	No index linking for 2023/24. The Panel agreed to not recommend an uplift in allowances
Knowsley	Indexed to the national pay awards for Local Government Officers
St Helens	Indexed to the national pay awards for Local Government Officers
Wirral	Indexed to the national pay awards for Local Government Officers
Halton	Indexed to the national pay awards for Local Government Officers – Where different increases are awarded to different sections of the NJC workforce the percentage increase applicable at spinal column 29 shall apply.

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5.2 **Appendix 2** attached to the report provides information on the Liverpool City Region local authorities – comparison of members’ allowances at 1 March 2023

6. Committee Chairs

6.1 At present, SRAs are paid to Chairs of Committees as follows:

Committee	How Allowance Calculated	Level of Payment	Number of Councillors holding this position	Total Cost
Licensing and Regulatory	Basic Allowance x 1	£10,382.76	1	£10,382.76
Overview and Scrutiny	Basic Allowance x 0.5	£5,191.38	4	£20,765.52
Audit and Governance	Basic Allowance x 0.5	£5,191.38	1	£5,191.38
			TOTAL	£36,339.66

6.2 The views of the Panel are now sought as to whether they may like to re-visit the SRAs paid to Committee Chairs. For example, if the Panel wanted to allocate the same SRA to all Committee Chairs then the total cost of the SRA (£36,339.66) could be divided by the number of Chairs (6) to give a cost neutral figure of £6056.61 per Committee Chair.

6.3 It should be noted that Councillor Veidman, Cabinet Member – Planning and Building Control is also the Chair of the Planning Committee. In accordance with the Scheme of Members’ Allowances only one Special Responsibility Allowance is paid per Member and therefore no allowance is claimed for the responsibility of Chairing the Planning Committee.

7. Party Group Leaders

7.1 Party Group Leaders receive a Special Responsibility Allowance as this is specifically referred to in the “Guidance on Members’ Allowances for Local Authorities in England” published by the Department for Communities and Local Government. The guidance stipulates that:

“16. Where one political group is in control, and where an Authority has decided to pay special responsibility allowances, the Authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group”.

7.2 When the Scheme was last reviewed for the 2019/20 Municipal Year, it was agreed that a banding structure be introduced regarding the Special Responsibility Allowances paid to opposition party group leaders. The banding structure is that any group leader with 10 or more Members receive the full allowance (at the rate of 0.5 of the Basic Allowance) and any group with less than 10 Members receive one tenth of that allowance for each Member in the group.

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- 7.3 It is considered that this banding structure works well because the Special Responsibility Allowances paid to opposition party group leaders can be easily adjusted following elections to reflect any changes in group membership.
- 7.4 The Panel's views are sought on whether this aspect of the Members' Allowance Scheme should be continued.

8. Additional Allowances - Travel, Subsistence and Dependant Carer's Allowance

- 8.1 Travel, subsistence and Dependant Carer's Allowance are also payable to Members.
- 8.2 The amounts payable in respect of travel and subsistence are the same as allowances paid to Council staff.
- 8.3 In respect of Dependant Carers' Allowance Members who incur additional expenses to arrange care for dependants may claim these expenses. The rate is based on the national minimum wage up to a maximum of 10 hours per week. This allowance was approved by the Independent Remuneration Panel at its meeting held on 14 October 2013.
- 8.4 Details of the travel, subsistence and Dependant Carer's Allowance can be found in paragraphs 8, 9 and 10 of **Appendix 5** - Guidance Note for Councillors on the Scheme of Members' Allowances.

9. Conclusion

- 9.1 The financial impact of the potential indices highlighted in this report will result in an increase to Members' Allowances; and the financial impact of the various options can be seen in **Appendix 3**. For the information of Panel Members a copy of HMRC Employment Income Manual – Local Government Councillors and civic dignitaries in England: ODPM guidance: Part One: Members' Allowances is attached to the report as **Appendix 4**. This document provides information on the provisions in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities and detailing how the Secretary of State can make regulations under this section requiring local authorities to make a scheme of allowances for their members and to establish and maintain a panel to make recommendations to the council about the scheme; and that Councils are required to establish and maintain an independent remuneration panel which will broadly have the functions of providing the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. Local authorities must have regard to this advice.

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APPENDIX 1

SEFTON METROPOLITAN BOROUGH COUNCIL

MEMBERS ALLOWANCES SCHEME

The following scheme is made under powers conferred by Section 174 of the Local Government Act 1972 and the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) (the Regulations).

The scheme shall be cited as the Sefton Council Members' Allowances Scheme and have effect from 1 April 2023 and for subsequent years commencing on 1 April.

Increases in Members Allowances will be linked to the average pay increase given to Sefton Council employees; and the annual adjustment in Members' Allowances will be implemented for a period of four years from July 2019 in accordance with the Regulations. This does not prevent the Independent Remuneration Panel from reviewing the Scheme at any time but allows for the Scheme to continue without a full review subject to the annual adjustment being applied. *(The scheme will be reviewed in 2023)*

In this Scheme, "Councillor" means a Member of Sefton Council who is a Councillor.

1. Basic Allowance

The Basic Allowance is a flat rate sum paid to all Members. It recognises the time devoted, and expenses incurred by Members in carrying out their duties.

Subject to paragraph 4, the amount allocated for 2023/24 is £10,382.76.

2. Special Responsibility Allowance

In order to recognise additional time and expenses incurred by Councillors who have significant additional responsibilities in carrying out their duties for Sefton Council, and subject to paragraph 4, the Special Responsibility Allowances as set out below shall be paid:

With the exception of the Leader of the Council, Political Group Leaders with a membership of 10 or more members will receive a Special Responsibility Allowance which is 50% of the Basic Allowance set out in paragraph 1 above (£5,191.38) and any Political Group Leaders with fewer than 10 members will receive one tenth of £5,191.38 per Member of the Group, as set out below.

Only one Special Responsibility Allowance is paid per Member and the allowances for 2023/24 are:

Leader of the Council	£25,663.78
Cabinet Members	£17,109.17

Committee Chairs:

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Licensing and Regulatory	£10,382.76
Audit and Governance	£5,191.38
Overview and Scrutiny (x 4)	£5,191.38

Political Group Leaders:

Liberal Democrat Leader (9 Members)	£4,672.24
Conservative Group Leader (5 Members)	£2,595.68

3. Part Year Payments

If in the course of a year, the scheme is amended or a Councillor becomes, or ceases to be a Councillor, then all allowances shall be adjusted on a pro-rata basis.

4. Renunciation

A Councillor may, by giving notice in writing to Executive Director of Corporate Resources and Customer Services elect to forgo any part of their entitlements to an allowance under the Scheme.

5. Mayoral Allowance

The allowance paid to the Mayor is linked to the Scheme of Members Allowances and the following shall be paid for 2023/24:

Mayor £ 15,574.14

6. Appointment to the Liverpool City Region Combined Authority - Transport Committee

Members appointed to sit on the Liverpool City Region Combined Authority Transport Committee by Sefton Council shall subject to paragraph 4 be paid a basic allowance of £6,204.23

In order to recognise additional time and expenses incurred by Councillor's who have significant additional responsibilities in carrying out their duties on the Transport Committee, the following Special Responsibility Allowances shall subject to paragraph 4 be paid if applicable:

Deputy Chair of the Committee - £10,905.27 (Not applicable at the present time)

Lead Members for Customer & Smart Ticketing and/or Rail & Freight - £ 4,846.41

7. Travel and Subsistence

Travel and Subsistence Allowances will be paid for travel to meetings etc **outside of the borough** which are authorised by the Council for example: -

- meetings and annual conferences of Outside Bodies to which Sefton has made appointments or nominations as set out in the appendix below.

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- meetings and annual conferences of Local Authority Associations of which Sefton is a member.
- meetings, conferences, and other duties which have been authorised in advance by the Council, Cabinet or by a Cabinet Member.

8. Dependents Carers Allowance

Members who incur additional expenses in order to arrange care for dependents may claim these expenses. This rate is based on the National Minimum Wage up to a maximum of ten hours per week.

9. Claims and Payments

Payments shall be made in respect of Basic and Special Responsibility Allowances in monthly instalments on the 15th day of each month by bank transfer.

All claims for additional expenses must be accompanied by receipts and will therefore be paid in arrears directly into Members Bank Accounts.

Outside Bodies Approved by Council

Liverpool City Region Combined Authority
Liverpool City Region Combined Authority Overview and Scrutiny Committee
Liverpool City Region Combined Authority Transport Committee
Merseyside Fire and Rescue Authority
Merseyside Police and Crime Panel
Merseyside Waste Disposal Authority

Outside Bodies Approved by the Cabinet

Armed Forces Member Champion
Ashton Memorial Fund, Formby
British Destinations
Cheshire and Merseyside Health and Care Partnership
Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee
Consolidated Charities of Thomas Brown and Marsh Dole, Formby
Elevate Education Business Partnership
Formby Pool Trust Board
Halsall Educational Foundation
Liverpool City Region Employment and Skills Board
Liverpool City Region Housing and Spatial Planning Board
Liverpool John Lennon Airport Consultative Committee
Liverpool University Hospitals NHS Foundation Trust – Council of Governors
Liverpool Women’s NHS Foundation Trust – Council of Governors
Local Government Association - General Assembly
Mersey Care NHS Foundation Trust – Council of Governors
Mersey Forest Partnership Steering Group
Mersey Port Health Committee
Merseyside Pensions Fund Pensions Committee
Merseyside Playing Fields Association
Merseyside Strategic Flood and Coastal Erosion Risk Management Partnership
North West Employer’s Organisation
North West Older Peoples Network
North West Reserve Forces and Cadets Association
North Western Inshore Fisheries and Conservation Authority
PATROL Adjudication Joint Committee (Parking and Traffic Regulations Outside London)
Peterhouse School, Southport – Governance Committee
Regenerus – South Sefton Development Trust
Sandway Homes Limited Board and Sandway (ACS) Holding Company Ltd (Sefton Housing Development Company)
Sefton Coast and Landscape Partnership Board
Sefton Council for Voluntary Service
Sefton Cycling Forum

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Sefton Domestic Abuse Partnership Board
Sefton Hospitality Operations Limited Board
Sefton New Directions Limited Board
Sefton Partnership for Older Citizens
Southport Pier Trust
Southport Town Deal Board
Standing Advisory Committee for Religious Education (SACRE)
Trans Pennine Trail Members' Steering Group
Veterans in Sefton Board

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APPENDIX 2

Local Authority Allowance Comparisons as at 01.03.23						
	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Basic Allowance	10,107.55	10,590.00	8,236.00	9,697.00	10,382.76	9308.17
Leader	30,322.65	-	35,678.00	25,002.00	25,663.78	24,000.00
Deputy Leader	-	-	19,896.00	17,002.00 To a maximum of 68% of the Leader's SRA	-	12,000.00
Elected Mayor	-	83,539.00	-	-	-	-
Deputy Elected Mayor	-	30,074.00	-	-	-	-
Mayoral Leads	-	-	-	-	-	-
Leader of the Largest Group (if not Leader of the Council)	-	-	-	-	-	14,400.00
Deputy Leader of the Largest Group (if not Deputy Leader of the Council)	-	-	-	-	-	12,000.00
Largest Party Whip	-	8,832.00	-	-	-	-
Leader of Main Opposition Group	7,580.66	11,341.00 <i>*must comprise not less than 20% of total m'ship of Council</i>	5,217.00 <i>provided that the largest Opposition Group holds at least 15% of the seats on Council</i> N/A	8,326.00	5,191.38 <i>Party Leader with 10+ members</i>	14,400.00
Opposition Deputy Leader	-	-	1,645.00 <i>provided that the largest Opposition Group holds at least 15% of the seats on</i>	-	-	7,200.00

APPENDIX 2

Local Authority Allowance Comparisons as at 01.03.23

	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
			<i>Council N/A</i>			
Main Opposition Group Whip	-	4,336.00 <i>*must comprise not less than 20% of total m'ship of Council</i>	-	-	-	-
Minority Party Opposition Leader(s)	-	7,565.00 <i>*must comprise not less than 10% of total m'ship of Council</i>	1,645.00 <i>provided that a Group has 3 or more members</i>	-	Lib Dem - 4,672.24 (9 Members) Con - 2,595.68 (5 Members)	7,200.00 Leader of Third Largest Group 4,800.00 Leader of Fourth Largest Group
Minority Opposition Deputy Leader	-	-	-	-	-	3,600.00 Deputy of Third Largest Group 2,400.00 Deputy of Fourth Largest Group
Leaders of Minority Groups	-	-	-	-	-	1,200.00 <i>(Comprising of at least 4 members and if not Leader of the Council)</i>
Deputy Leader of Minority Groups	-	-	-	-	-	600.00 <i>(Comprising of at least 4 members and if not Leader of the Council)</i>
Cabinet Member (Excluding Leader/ Elected Mayor)	15,161.33	13,269.00	16,465.00	-	17,109.17	-
Chairs of the Policy and Services Committees (x5)	-	-	-	-	-	9,600.00

APPENDIX 2

Local Authority Allowance Comparisons as at 01.03.23

	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Finance Sub Chair	-	-	-	-	-	4,800.00
Executive Board Members	-	-	-	14,002.00 To a maximum of 56% of the Leader's SRA	-	-
Overview & Scrutiny Commission Chair	-	-	8,236.00	-	5,191.38	-
Scrutiny Chair	7,580.66	-	5,217.00	-	-	-
Scrutiny Co-ordinator	-	-	-	8,326.00 Equal to that of the Chair's SRA	-	-
Scrutiny Vice Chairs	3,790.33	-	-	-	-	-
Select Committee Chairperson	-	8,832.00	-	-	-	-
Planning Chair	7,580.66	8,832.00	8,236.00	-	-	4,800.00
Planning Vice Chair	-	-	-	-	-	-
Licensing Chair	7,580.66	8,832.00	-	-	10,382.76	4,800.00
Licensing Vice Chair	-	-	-	-	-	-
Licensing & Environmental Protection Chair	-	-	8,236.00	-	-	-
Pensions Chair	-	-	-	-	-	3,600.00
Partnerships Committee Chair	-	-	-	-	-	-
Audit & Risk Management Chair	-	-	-	-	-	4,800.00
Chairs – Boards &	-	-	-	8,326.00	-	-

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Local Authority Allowance Comparisons as at 01.03.23

	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Committees				To a maximum of 33% of the Leader's SRA		
Vice Chairs – Boards & Committees	-	-	-	4,163.00 50% of the Chair's SRA	-	-
Chair of Constitution and Standards Committee	-	-	-	-	-	4,800.00
Merseyside Recycling and Waste Authority Representative	2,021.51	-	5,217.00 <i>Unless also the Chairman of the Authority, when the figure is £6,672</i>	-	-	1,834.00 x 2
Governance & Audit Chair	3,790.33	-	8,236.00	-	5,191.38	-
Health and Wellbeing Board Chair	7,580.66	-	-	-	-	-
Policy Advisory Board Chair	-	-	-	-	-	-
Policy Advisory Board Vice Chair	-	-	-	-	-	-
Liverpool City Region Combined Authority Transport Committee (Basic Allowance)	5,675.00 *The Council will also meet the costs of any Allowances paid to the Council nominees on the Liverpool City Region Transport Committee in the event that the Liverpool City Region Combined Authority determines to pay such allowance	5,675.00	5,675.00	-	6,204.23	5,675.00 x4 *Increase this SRA by 4,433 if also made a Lead Member OR increase this SRA by 2,660 if made Opposition Spokesperson
Special Responsibility Allowance – Chair of	-	24,308.00	-	-	-	-

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Local Authority Allowance Comparisons as at 01.03.23

	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Transport Committee						
Special Responsibility Allowance – Lead Member Tunnels, Highways & Key Route Network	-	4,433.00	-	-	-	-
Deputy Chair of Committee & Lead Member for Rail & Freight West Coast 250	-	-	-	-	10,905.27 (Not applicable at present)	-
Lead Member for Customer & Smart Ticketing	-	-	-	-	4,846.41	-
Lead Member Finance & Org Dev	-	-	-	-	-	-
Lead Member Bus	-	-	-	-	-	-
Observer on Mersey Ferries Board	-	-	-	-	-	Expenses only
Observer on Beatles Story Board	-	-	-	-	-	Expenses only
Opposition Spokesperson	-	-	-	-	-	-

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Travel

	Knowsley	Liverpool	St. Helens	Halton	Sefton	Wirral
Cars (per mile)						
Under 999cc	45p Not in borough	48.5p	34.6p	45p	Only paid for travel outside of the borough	45p
1000 – 1199cc		45p	39.5p	45p		
Over 1199cc		45p	48.5p	45p		
Motorcycles (per mile)						
Not exceeding 150cc	18.4p Not in borough	16p	-	8.5p	Only paid for travel outside of the borough	Same as officers
151 – 500cc		12p	-	12.3p		
Over 500cc		12p	-	16.5p		
Cycling Allowance	-	20p	-	Same as officers	-	Same as officers

Subsistence

Breakfast	£5.25	£5	£3.34	£6.45	-	£7
Lunch	£7.35	£7	£4.47	£8.65	-	£10
Tea	£3.15	£3	-	-	-	£3
Evening Meal	£10.50	£9	£8.38	£17.35	-	£12

Overnight Rate

Standard	£90	£80	-	£100.52	-	£148
Enhanced	£100	£180	-	£126.90	-	£185

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Carers' Allowance

	Knowsley	Liverpool	St. Helens	Halton	Sefton	Wirral
Childcare	The Living Wage (per hour) is the maximum level of allowance which may be reimbursed towards the cost of childcare, irrespective of the number of children.	At an hourly rate equivalent to the minimum wage (paid to a person 21 years of age) for the first child, a further 50% be paid in respect of a second child and a further 25% be paid in respect of subsequent children up to a total maximum payment of twice the level of the minimum wage.	An allowance not exceeding £8.72 per hour.	Payment based upon reimbursement of actual receipted costs subject to prior agreement.		An allowance not exceeding £9.50 per hour (or such other sum as may be prescribed as the National Minimum and National Living Wage) shall be payable towards or in respect of actual expenses necessarily incurred
Dependent Carers	The maximum level of dependent carer allowance which may be reimbursed is the current rate for adult domiciliary care within the Borough, irrespective of the number of dependents.	At an hourly rate equivalent to the minimum wage (paid to a person 21 years of age) for the first dependant, a further 50% be paid in respect of a second dependent and a further 25% be paid in respect of subsequent dependents up to a total maximum payment of twice the level of the minimum wage.	An allowance not exceeding £8.72 per hour.	Payment based upon reimbursement of actual receipted costs subject to prior agreement.	Members who incur additional expenses in order to arrange care for dependents may claim these expenses. This rate is based on the National Minimum Wage up to a maximum of 10 hours per week.	An allowance not exceeding £9.50 per hour (or such other sum as may be prescribed as the National Minimum and National Living Wage) shall be payable towards or in respect of actual expenses necessarily incurred

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APPENDIX 3

FINANCIAL IMPACT OF POTENTIAL INDICES

Index	Rate	Leader of the Council	Cabinet Members	Licensing and Regulatory	Audit and Governance	Overview and Scrutiny	Party Leaders	Councillor Basic Allowance	Total
Local Government Pay Settlement	12.7% (if NJC TU claim awarded)	£3259.30	£2172.86	£1318.61	£659.30	£659.30 X 4 = 2637.20	LDPA £593.37 CON £329.65 TOTAL: £923.02	£1318.61 X 66 = £87028.26	£97,998.55
	6.4% (at SCP 25 if NJC LGA offer awarded)	£1642.48	£1094.98	£664.49	£332.24	£332.24 X 4 = £1328.96	LDPA £299.02 CON £166.12 TOTAL: £465.14	£664.49 X 66 = £43856.34	£49,384.63
National Pay Scales	7%	£1796.46	£1197.64	£726.79	£363.39	£363.39 X 4 = £1453.56	LDPA £327.05 CON £181.69 TOTAL: £508.74	£726.79 X 66 = £47968.14	£54,014.72
Retail Price Index	11.4%	£2925.67	£1950.44	£1183.63	£591.81	£591.81 X 4 = £2367.24	LDPA £532.63 CON £295.90 TOTAL: £828.53	£1183.63 X 66 = £78119.58	£87,966.90
Consumer Price Index	8.7%	£2232.74	£1488.49	£903.30	£451.65	£451.65 X 4 = £1806.60	LDPA £406.48 CON £225.82 TOTAL: £632.30	£903.30 X 66 = £59617.8	£67,132.88

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HMRC internal manual

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1. [Contents](#)
2. [EIM65799](#)

EIM65960 - Local Government Councillors and civic dignitaries in England: ODPM guidance: Part One: members' allowances

[Note: for councils in England this guidance supplements and amplifies the basic guidance at [EIM65920](#). See also:

Part two - taxation of members' allowances and expenses (see [EIM65970](#))

Part three - members' allowances and National Insurance Contributions (see [NIM05640](#) onwards)]

“Main statutory provisions

1. Section 18 of the 1989 Act, as amended by section 99 of the Local Government Act 2000 (“the 2000 Act”), makes provision in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities. The Secretary of State can make regulations under this section requiring local authorities to make a scheme of allowances for their members and to establish and maintain a panel to make recommendations to the council about the scheme.

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2. Section 100 of the 2000 Act allows the Secretary of State to make provision in relation to travel and subsistence allowance for members of local authorities and an allowance for non councillors who are members of a council's committee or sub-committee. This includes the amendment or repeal of provisions of sections 173 to 178 of the Local Government Act 1972.
3. The Local Authorities (Members' Allowances)(England) Regulations 2003 ("the Regulations") have been made under these provisions. These have recently been amended to change the dates by which local authorities must comply with the regulations. This Guidance deals with the regulations as so amended. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme.

Councils are required to establish and maintain an independent remuneration panel which will broadly have the functions of providing the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. Local authorities must have regard to this advice.

1. The approach, therefore, is one where questions as to the amounts payable to members are matters for local determination. In this way, councils can take full account of their particular circumstances, including the precise form of their new constitution, and be directly accountable to their electorate. This accountability is sharpened through each council being advised on its own allowances scheme by a local panel whose members are required to be independent.
2. Local authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependants' carers' allowance. By virtue of section 100 of the 2000 Act, the Local Authorities (Members' Allowances) (England) Regulations 2003 allow the inclusion of a travel and subsistence and a co-optees' allowance within an allowances scheme. These allowances are also discretionary. Under the Regulations, made under s99 of the Local Government Act 2000, authorities may make provision in their schemes for the eligibility of members for pensions under the Local Government Pension Scheme.

Consolidation of Regulations

1. The 2003 Regulations broadly replicate the previous provisions for allowance schemes contained in the following Regulations, which are now revoked:
 - the Local Authorities (Members' Allowances) Regulations 1991 as amended and
 - the Local Authorities (Members' Allowances) (England) Regulations 2001.

The 2003 Regulations in addition make the following changes:

- bring travel and subsistence allowances within the overall scheme, and for these to be subject to recommendations of the local panel rather than subject to limits imposed by the Secretary of State
- introduce a co-optees' allowance
- allow the ALG to pay a special responsibility allowance to its members, subject to the recommendations of an independent remuneration panel
- allow the conservation boards of areas of outstanding natural beauty and combined fire authorities, to make their own schemes of allowances
- allow waste disposal authorities, and joint boards upon which other authorities are represented, to pay travel and subsistence allowances
- allow authorities to cease payment to members who have been suspended or partially suspended from their duties, and to make provision for the repayment of allowances
- allow authorities to backdate allowances to the beginning of the financial year in which they are paid, and to make annual adjustments by means of an index, subject to the recommendations of the independent panel
- make provision for independent remuneration panels to make binding decisions on which councillors may be eligible for pensions
- allow parish councils to pay a parish basic allowance and travel and subsistence allowances to members
- enable parish remuneration panels to make recommendations on allowances paid by parish councils

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- removing the option for parish councillors of claiming financial loss allowance
- require secondary authorities to have regard to the recommendations of the panels of those authorities which make nominations to the secondary authority.

What allowances can be paid?

1. In summary, the allowances which are or may be payable to members of local authorities are as follows:
 - basic allowance
 - special responsibility allowance
 - dependants' carers' allowance
 - travelling and subsistence allowance.
1. The new co-optees' allowance may be payable to co-opted and appointed members of principal councils and non-elected members of other bodies appointed or nominated by a principal council.

Basic allowance

1. Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority. The allowance must be the same for each member. The allowance may be paid in a lump sum, or in instalments through the year.
2. Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.

Special responsibility allowance

1. Each local authority may also make provision in its scheme for the payment of special responsibility allowances for those councillors who have significant responsibilities. Special responsibility allowance may be payable for duties which fall within the following categories:
 - acting as leader or deputy leader of a political group

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- membership of the executive, where an authority is operating executive arrangements
 - presiding at meetings of a committee, sub-committee, or joint committee
 - representing the authority at meetings of another body
 - membership of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
 - acting as a spokesperson for a political group on a committee or sub-committee
 - membership of an adoption appeals panel or panel dealing with licensing or controlling any activity
 - any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above.
1. A scheme must also specify the amounts of allowance to be paid for each such responsibility.
 2. Where one political group is in control, and where an authority has decided to pay special responsibility allowances, the authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group.
 3. The Association of London Government will also be able to pay special responsibility allowances to those councillors who perform senior roles on it and who are also councillors of London borough councils.

Dependants' carers' allowance

1. A scheme of allowances may also include the payment of a dependants' carers' allowance to those councillors who incur expenditure for the care of children or other dependants whilst undertaking particular duties. These duties are specified in the Regulations and are as follows:
 - a meeting of the executive
 - a meeting of a committee of the executive
 - a meeting of the authority
 - a meeting of a committee or sub-committee of the authority
 - a meeting of some other body to which the authority make appointments or nominations, or

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- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Travelling and subsistence allowance

1. Each local authority may also make provision in its scheme for the payment of a travelling and subsistence allowance to its members, including co-opted members.
2. This may include provision for the payment of an allowance for those members who travel by bicycle or other non-motorised transport.
3. The Regulations also allows for waste disposal authorities and joint boards on which authorities are represented to pay a travelling and subsistence allowance to its members.
4. The Regulations provide that travelling and subsistence allowances may be paid for:

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- a meeting of the executive
- a meeting of a committee of the executive
- a meeting of the authority
- a meeting of a committee or sub-committee of the authority
- a meeting of some other body to which the authority make appointments or nominations
- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups)
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Co-optees' allowance

1. Each local authority may also make provision in its scheme for the payment of a co-optees' allowance, for attendance at conferences and meetings, to any co-opted and appointed members of a council's committees or sub-committees.

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2. The co-optees' allowance will in general be an annual allowance, and it may vary from one co-opted member to another. Authorities have the ability to pay a proportion of the annual allowance in proportion to part of the year for which a member of a relevant committee or sub-committee serves on that committee or sub-committee.
3. Where either a co-opted or an appointed member is appointed chair of the committee on which they are co-opted or appointed, the co-optees' allowance they receive must be of an amount no less than the equivalent special responsibility allowances being made available to chairs of equivalent committees of the council.

Withholding Allowances

1. Certain allowances may be withheld as a result of full or partial suspension of a member of an authority. Where authorities would like to provide for this option, they should include provision for withdrawal of allowances in their schemes. An authority may provide in its scheme for the repayment of any allowances which have been paid in respect of a period during which a member has been suspended.
2. Where a councillor is fully or partially suspended from their duties, their basic allowance may be fully or partly withheld.
3. Travel and subsistence allowances maybe withheld where a councillor has been suspended from duties or responsibilities which attracted these allowances.
4. Where a councillor is fully or partially suspended from any duties or responsibilities which attract special responsibility allowance, those allowances may be withheld by the authority.
5. Co-optees' allowance may also be withheld where a co-optee is partially or fully suspended from their duties.
6. Dependants' carers' allowance may not be withheld from councillors.

Backdating of Allowances

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1. When a scheme of allowances is amended, an authority may choose to apply the amendment retrospectively to the beginning of the financial year in which the amendment is made.
2. Where a councillor takes on duties entitling them to a different level of allowances (e.g. where a councillor is appointed to the executive, and thus entitled to special responsibility allowance), the new level of allowances may be applied retrospectively to the time at which the circumstances changed.
3. Independent remuneration panels may make recommendations, where relevant, as to whether the payments on which they have made a recommendation may be backdated. Authorities will be required to have regard to these recommendations.

Annual Adjustments of Allowance levels

1. A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index as may be specified by the authority and contained in the scheme. The scheme must be publicised each year, whether or not it has been amended.
2. Where the only change made to a scheme is that caused by the annual impact of an index contained within that scheme, the scheme shall not be deemed to have been amended, and thus an authority will not have to seek a recommendation from its independent remuneration panel.
3. Where a panel makes a recommendation that allowance levels should be determined according to an index, it should also make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an independent remuneration panel.

Forgoing allowances

1. A scheme must provide that a person may forgo all or part of any allowances to which they are entitled. To do this they must give notice in writing to the proper officer of the authority.

The independent remuneration panel

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1. District, County and London Borough councils must establish and maintain an independent remuneration panel. The purpose of this panel is to make recommendations to the authority, or authorities in the case of a joint panel, about the allowances to be paid to members. In the case of a panel established by the Association of London Government (ALG), such a panel will make recommendations about the allowances to be paid to members in any London borough councils.
2. Independent remuneration panels will make recommendations about the level of basic allowance for all members, the level of special responsibility allowances and to whom they should be paid, and on whether dependants' carers' allowance, travel and subsistence allowances and co-optees' allowance should be paid, and the levels of these allowances.
3. Any further reference, up to paragraph 65, to "the panel" will include a joint panel or a panel established by the ALG. Any further reference to "the appointing authority" will include appointing authorities in circumstances where a panel has been appointed by two or more local authorities, or, for a panel established by the ALG, to any London borough councils to whom that panel is making recommendations.

Setting up of an independent remuneration panel

1. The 2003 Regulations provide that where an independent remuneration panel was set up, under the Local Authorities (Members' Allowances) Regulations 2001, it shall continue to operate providing recommendations to the relevant authority. If the composition of the panel does not comply with the 2003 Regulations the authority must ensure that it does so by 30 November 2003. Where an authority does not currently have a panel, it must set one up by the same date.
2. Two or more local authorities are able under the Regulations to establish and maintain a joint independent remuneration panel to advise them on their schemes.
3. Such a panel must make separate recommendations to the appointing authorities. Local authorities should consider whether establishing such a joint panel would be an appropriate and cost effective arrangement in their local circumstances. In particular, where councils are considering a joint panel they will

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need to ensure that it would command public confidence in the areas of the local authorities concerned.

4. The 2003 Regulations also provide that the ALG may establish and maintain an independent remuneration panel to make recommendations to any London borough councils on their allowances schemes. Where the ALG has established such a panel to make recommendations to London borough councils, and where a particular London borough council chooses to have regard to these recommendations, it is not required to establish its own panel (or joint panel).

Other authorities

1. The 2003 Regulations provide that certain authorities must have regard to the recommendations of an independent remuneration panel of the authority by which its members are nominated. These authorities are a combined fire authority, joint authority established by the Local Government Act 1985, the Broads Authority, a National Park Authority or the conservation board of an area of outstanding natural beauty. While the panel of the nominating authority or authorities will not make a specific recommendation in relation to the secondary authority, having regard to the recommendation it makes about the nominating authority's allowances will provide some guidance for the secondary authority when making its own scheme.

Appointment of the panel

1. The Regulations require that independent remuneration panels have at least three members.
2. A local authority will need to consider the appropriate size for its panel to discharge its functions effectively given the particular local circumstances. Councils should avoid unduly large panels which would be unable to be an effective and publicly accountable source of clear recommendations.
3. The members of the independent remuneration panel cannot be members of any local authority in respect of which that panel makes recommendations. Anyone who would be disqualified from being an elected member of a local authority (see section 80 of the Local Government Act 1972 and sections 79 and 83(ii) of the Local Government Act 2000) is also disqualified from being a member of an independent panel.

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4. The members of the independent remuneration panel cannot also be members of a committee or a sub-committee of an authority in respect of which the panel makes recommendations. This includes co-opted members.
5. The 2003 Regulations do not specify how a local authority may go about finding members of its remuneration panel. A local authority will need to consider carefully and plan its appointments process having regard to this guidance and the need to ensure that this process commands public confidence throughout all the communities in the local authority's area.
6. The council should adopt an appointments process which it considers is best able to result in the membership of its independent remuneration panel being truly independent, well qualified to discharge the functions of the panel and representative of the diversity of the communities in the local authority's area.
7. Local authorities may wish to advertise for candidates in local papers or may wish to ask particular stakeholders, e.g. the voluntary sector or the local business community, if they wish to put forward candidates. Councils may consider it best to use a combination of advertising and inviting the putting forward of candidates. In all cases the local authority will need to ensure that its appointment process is open to public scrutiny.
8. A local authority should give very serious consideration not only to ensuring the independence of its independent remuneration panel but also the public perception of this independence. To maintain the credibility of its panel a local authority will need to consider the extent to which some, if not all, of its panel members are recognisable members of the local community. Political appointments, and appointments which are made through friendship or any other personal association of any members of the council should always be avoided.
9. Local authorities should consider very carefully the extent of any candidate's connections to a political party and whether these are such as to risk the effective discharge of the panel's functions were the candidate to be appointed.
10. In appointing its panel, a local authority should consider candidates' knowledge of local government and the way it works although lack of familiarity with the functions of councils should not be a bar to appointment.

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11. The local authority will need to consider whether to appoint one member of the independent remuneration panel as chair, or whether to allow the panel itself to decide which of its member will act as chair.
12. The local authority will need to consider the term of office of members of the panel. The panel will be required to make recommendations to the Council whenever the Council decides to, within the limits of the law, either revoke or amend its current scheme. The panel may become more effective as its knowledge and understanding of members' allowances is increased.
13. Accordingly local authorities may wish to consider appointing members of the panel for a term of office of several years, perhaps 3-5 years. Local authorities may also wish to consider phasing appointments to ensure that there is always one member of the panel who has some experience. Transitionally, on setting up the independent remuneration panel this would need different periods of office. This could be achieved by differing lengths of appointment.

A local authority will also need to consider the relationship between appointment dates and the electoral cycle and the benefits of continuity in the panel's membership.

1. Local authorities will wish to ensure that the terms and conditions of appointment of members of the independent remuneration panel include provision for circumstances where the local authority may wish to remove a discredited member from the panel. For example, a member of the panel may become discredited due to being found guilty of a criminal offence. The local authority will wish to ensure that this provision to change panel members is not itself abused for political or vexatious ends.
2. The time commitment of members of the panel will vary but it is likely that members will need to meet on a number of occasions when determining their recommendations for a new annual scheme. Local authorities will need to consider the likely time commitment they expect and should make this clear to candidates before appointments are made.
3. The 2003 Regulations provide that the local authority is able to pay allowances to panel members. These allowances are a

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matter for the local authority to determine. The local authority should tell prospective panel members about these allowances before they are appointed.

4. The local authority should provide the panel with appropriate administrative support.

The work of the panel

1. The regulations provide for independent remuneration panels to have the following functions:
 - to make recommendations to the authority as to the amount of basic allowance that should be payable to its elected members
 - to make recommendations to the authority about the responsibilities or duties which should lead to the payment of a special responsibility allowance and as to the amount of such an allowance
 - to make recommendations to the authority about the duties for which a travelling and subsistence allowance can be paid and as to the amount of this allowance
 - to make recommendations as to the amount of co-optees' allowance
 - to make recommendations as to whether the authority's allowances scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants and if it does make such a recommendation, the amount of this allowance and the means by which it is determined
 - to make recommendations on whether any allowance should be backdated to the beginning of a financial year in the event of the scheme being amended
 - to make recommendations as to whether annual adjustments of allowance levels may be made by reference to an index, and, if so, for how long such a measure should run
 - to make recommendations as to which members of an authority are to be entitled to pensions in accordance with a scheme made under section 7 of the Superannuation Act 1972
 - as to treating basic allowance and special responsibility allowance as amounts in respect of which such pensions are payable.

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1. The local authority will need to ensure that the panel is clear about its remit and the timetable in which it is working. The local authority will need to provide the panel with information about the roles of councillors in the authority and the way in which the authority operates and discharges its functions. The panel will need information about the business of the council.
2. The panel will need to have regard to this information. In addition, the panel may itself consider recent research on the role of councillors, or perhaps seek information about the work of other independent remuneration panels.
3. The council should provide the panel with the necessary resources to do this where it so chooses and should also provide the panel with copies of this guidance.
4. The independent remuneration panel will need to take into account this Guidance, in particular the factors highlighted in paragraphs 67-81 below, when making its recommendations to the council.

Making a scheme of allowances

1. In making the scheme of allowances a council should have regard to factors and issues in paragraphs 67-81 below.

Basic allowance

1. Paragraph 10 details the sorts of things basic allowance is intended to cover. Having established what local councillors do, and the hours which are devoted to these tasks the local authorities will need to take a view on the rate at which, and the number of hours for which, councillors ought to be remunerated.
2. It is important that some element of the work of members continues to be voluntary - that some hours are not remunerated. This must be balanced against the need to ensure that financial loss is not suffered by elected members, and further to ensure that, despite the input required, people are encouraged to come forward as elected members and that their service to the community is retained.
3. The local authority may wish to agree a rate for remuneration. They may choose to be guided by the LGA daily rate which is based on the national (male) median white-collar wage.

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Alternatively they may wish to look at local and regional wage rates as these may seem more appropriate as measures for the allowances paid to members of its community. Local authorities may also wish to consider the allowances and remuneration which is paid to other members of the voluntary sector e.g. members of local health trusts.

Special responsibility allowance

1. Special responsibility allowance (SRA) may be paid to those members of the council who have significant additional responsibilities, over and above the generally accepted duties of a councillor. These special responsibilities must be related to the discharge of the authority's functions.
2. The Regulations do not limit the number of special responsibility allowances which may be paid, nor do the regulations prohibit the payment of more than one special responsibility allowance to any one member.
3. However, these are important considerations for local authorities. If the majority of members of a council receive a special responsibility allowance the local electorate may rightly question whether this was justified. Local authorities will wish to consider very carefully the additional roles of members and the significance of these roles, both in terms of responsibility and real time commitment before deciding which will warrant the payment of a special responsibility allowance.
4. It does not necessarily follow that a particular responsibility which is vested to a particular member is a significant additional responsibility for which a special responsibility allowance should be paid. Local authorities will need to consider such particular responsibilities very carefully. Whilst such responsibilities may be unique to a particular member it may be that all or most members have some such responsibility to varying degrees. Such duties may not lead to a significant extra workload for any one particular member above another. These sorts of responsibilities should be recognised as a time commitment to council work which is acknowledged within the basic allowance and not responsibilities for which a special responsibility allowance should be recommended.
5. In addition, any particular local authority will need to look carefully at the nature of its constitution when determining its scheme. New arrangements will mean that there are inevitable

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changes in the positions of responsibility on the Council, both in terms of number and workload. Some councillors will be spending significantly more of their time on council duties than has ever previously been the case. On the other hand, changes in the traditional committee structure will mean that there are far fewer committees and, as a consequence, fewer councillors engaged as chairs and vice-chairs of numerous committees.

6. In a case where a local authority has agreed that the holder of the chair of its overview and scrutiny committees should be rotated that local authority will need to assure itself of the additional responsibilities of the temporary chairs before determining what allowances to recommend.
7. Having determined which duties should be acknowledged as significant additional responsibilities, the local authority will need to consider the levels of special responsibility allowance which are attached to each post. A good starting point in determining special responsibility allowances may be to agree the allowance which should be attached to the most time consuming post on the Council (this maybe the elected mayor or the leader) and pro rata downwards for the other roles which it has agreed ought to receive an extra allowance. One way of calculating special responsibility allowances may be to take the agreed level of basic allowance and recommend a multiple of this allowance as an appropriate special responsibility allowance for either the elected mayor or the leader.

Dependants' carers' allowance

1. The panel may recommend that such an allowance is made available to elected members of the authority. It may also recommend a level for this allowance.
2. Local authorities will wish to consider whether this allowance should be set at an hourly rate which may vary depending on the sort of care which has been required. They may wish to consider whether the allowance should be subject to a maximum cap or alternatively, whether the allowances paid will be equal to the costs incurred.

Travel and subsistence allowance

1. The panel may recommend that allowances are made available to members in respect of travelling and subsistence. It may

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recommend which duties shall attract travel and subsistence allowances, and the levels of any such allowance.

2. Panels should consider a level of allowance which might be reasonably expected to cover a member's travel and subsistence costs. The panel may recommend, for example a system of direct invoicing or an annual or monthly allowance designed to cover all travel or subsistence within a particular period. In making their recommendation, the panel should take into account the need for a system which can operate efficiently and cost-effectively.

Co-optees' allowance

1. The panel may recommend payments for those who serve on the committees or subcommittees of an authority but who are not members of an authority. It may also make a recommendation as to the level of such an allowance. In doing so it may wish to consider the degree of time and effort put in by co-optees. Some element of the contribution made by co-optees should be voluntary. However, consideration should be given for the need to encourage non-councillors to give their services to local government, and to ensuring that co-optees are not financially disadvantaged by their civic activity.

Publicity

1. The 2003 Regulations place certain duties on local authorities in connection with publicising the recommendations made by their independent remuneration panel, their scheme of allowances and the actual allowances paid to members in any given year.
2. The regulations require that as soon as reasonably practicable after receiving a report from their panel which sets out the panels recommendations, local authorities must ensure that copies of the report are available for inspection at their principal office at all reasonable hours. Local authorities must also, as soon as reasonably practicable after they receive the report publish a notice in at least one newspaper circulating in their area which:
 - states that the authority have received recommendations from an independent panel about their scheme of allowances

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- states that copies of the report detailing the panels recommendations are available for inspection at their principal office at all reasonable hours
 - states the address of their principal office
 - describes the main features of the panel's recommendations including the amounts of allowances the panel has recommended should be payable to elected members.
1. The 2003 Regulations also require that members of the public may take copies of the panel's report on payment of such reasonable fee as the local authority may determine.
 2. In respect of a local authority's scheme of allowances the regulations require that as soon as reasonably practicable after determining a scheme of allowances, local authorities must ensure that copies of the scheme are available for inspection at their principal office at all reasonable hours. Local authorities must also, as soon as reasonably practicable after determining the scheme publish a notice in at least one newspaper circulating in their area which:
 - states that the authority has adopted a scheme of allowances and the period for which that scheme has effect
 - states that copies of the scheme are available for inspection their principal office at all reasonable hours
 - states the address of their principal office
 - describes the main features of the scheme including the amounts of allowances payable to elected members under the scheme
 - states that in determining the scheme the authority had regard to the recommendations of an independent remuneration panel
 - describes the main features of the panel's recommendations including the amounts of allowances the panel has recommended should be payable to their elected members.
 - describes any responsibilities or duties in the scheme which would merit the payment of special responsibility allowance and travelling and subsistence allowance.

Local authorities must ensure that such a notice is published every 12 months even if the scheme has not been amended since the last notice.

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1. The 2003 Regulations also require that members of the public may take copies of the scheme on payment of such reasonable fee as the local authority may determine.
2. The final publicity requirement in the regulations is that as soon as reasonably practicable after the end of a year to which a scheme relates, local authorities must make arrangements for the publication in their area of the total sum paid by it to each member in respect of basic, special responsibility, travelling and subsistence, co-optees' and dependants' carers' allowances.
3. All these publicity requirements are statutory minimum requirements. Local authorities should publicise more widely the report from their panel, their scheme of allowances and the sums paid to each member. This should include, where possible, publishing this information on their web site and in the council's own newspaper (where they have one). Local authorities may also wish to consider including in their notice some detail about the responsibilities of elected members and the duties and time commitment which the basic allowance is intended to remunerate.

Transitional Provisions

1. An authority must amend its scheme of allowances or, where it does not currently have a scheme, establish one, by 31 December 2003. It may do so before this date. If it chooses it may backdate any amendments to the coming into force of the 2003 regulations.

Allowances for Chair and Vice Chair of Principal Councils

1. In addition to the provisions in the Regulations there are provisions for the payment of allowances in the Local Government Act 1972. A principal council may pay the chair and vice chair an allowance which it thinks reasonable for the purpose of meeting the expenses of those offices (s3(5), and s5(4), of the Local Government Act 1972). This is often known as 'civic dignitaries allowance'.

Allowances for Members of Parish Councils

Parish basic allowance

1. Parish councils may choose to pay their members an allowance, known as 'parish basic allowance', to recognise the time and effort they put into their parish duties. There is no obligation on parish councils to pay such allowances. Each parish council may make an allowance available to its chair only, or to each of its members. Where all members receive an allowance, the amount payable to the chair may be different to that paid to other members, but otherwise the amount paid to each member must be the same. Parish basic allowance is a discretionary allowance. It may be paid in a lump sum, or at intervals throughout the year.
2. If a parish council wishes to pay a basic allowance, it should have regard to a recommendation from its parish remuneration panel. This is a panel set up to make recommendations to parishes in its area. The membership of a parish remuneration panel will be the same as the independent remuneration panel of the district or county council within whose area the parish is situated. The panel will make a recommendation as to whom basic allowance should be paid, and the level of the allowance.

Travel and subsistence allowances

1. A parish council may also pay its members allowances in respect of travel and subsistence. These are discretionary allowances. They may be paid in respect of travel and subsistence both inside and outside the boundary of the parish. Allowances for travel may include allowances for travel by non-motorised transport, such as a bicycle.
2. Travel and subsistence allowances may only be paid for travel and subsistence in respect of:
 - a meeting of the authority
 - a meeting of a committee or sub-committee of the authority
 - a meeting of some other body to which the authority make appointments or nominations
 - a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations

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- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened.
 - a meeting of a local authority association of which the authority is a member
 - duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
 - any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.
1. If it wishes to pay travel and subsistence allowances, a parish council must consult its parish remuneration panel. The panel will make a recommendation as to the level of allowances, and the duties in respect of which they should be paid.

Withdrawal of allowances

1. A parish council may make provisions so that where a member is suspended or partially suspended from their duties, all or part of any allowances can be withheld. They may also provide that any allowances already paid in respect of a period for which a member has been suspended must be repaid.

Forgoing allowances

1. A parish councillor may choose not to receive all or part of any allowance to which they would otherwise be entitled. To do so they must give written notice to the proper officer of the parish council.

Financial loss allowance

1. The 2003 Regulations remove the option of authorities to allow parish councillors a financial loss allowance under section 173 of the Local Government Act 1972. Parish councillors can instead be paid the parish basic allowance and travel and subsistence allowances to remunerate them for their duties on the council.

APPENDIX 4**Publicity**

1. Parish councils are required to publicise their allowances in a notice or notices conspicuous in their area. These notices must remain in place for at least 14 days. In addition, they must make a record of the allowances they have paid available for inspection at reasonable notice. They must provide copies of this record on request, and may charge a reasonable fee for this. Parishes must also publish details of the parish remuneration panel reports. Again, these are minimum requirements, and parish councils may wish to go further in making local people aware of their allowances scheme and payment levels. For example they may wish to circulate details of their allowances in the parish newsletter, if they have one, place them on a web site, or publish them in one or more local newspapers.

Parish remuneration panels

1. When they pay allowances parish councils should have regard to the recommendations of a parish remuneration panel. This panel is set up by a district or county council within whose area a parish council is situated and is referred to as the 'responsible' authority. Where a parish council is one of a group of parish councils established under s11 of the Local Government Act 1972, and which are not wholly situated within one district or county council, its responsible authority will be the authority within which the majority of the electors for the group of parishes live.
2. A parish remuneration panel may be established by a responsible authority. Alternatively, two or more responsible authorities may jointly form a parish remuneration panel. In considering whether to jointly establish a parish remuneration panel, responsible authorities should consider whether it would be appropriate and cost effective, taking into account local circumstances. Responsible authorities should also consider whether the joint parish remuneration panel would command public confidence within the parishes for which it made recommendations.
3. The membership of a parish remuneration panel will be the same as the independent remuneration panel of the responsible authority or authorities. However, where any member of the

responsible authority's panel is also a member of a parish in respect of which the parish remuneration panel may make a recommendation they should not be a member of the parish remuneration panel. Any parish councils for which a parish remuneration panel makes recommendations will contribute an equal share towards the running costs of the panel.

4. A parish remuneration panel can make recommendations as to allowances of the parishes situated within the area of the responsible authority or authorities. It may make a single recommendation applying to all the parishes within that area, or can make individual recommendations for each parish. It will make recommendations as to whether parish basic allowance should be available to all members of the parish council, or only to the chair. It will also make recommendations as to the duties for which travel and subsistence allowance may be claimed.
5. The panel will also make a recommendation as to the amounts of parish basic and travel and subsistence allowances. These recommendations will be expressed in terms of a cash figure. The level of parish basic allowance will also be expressed as a percentage of the amount recommended by the independent remuneration panel of the responsible authority for the allowances of that responsible authority. The percentage may be any figure up to and including 100%.

Transitional provisions

1. Parish councils, if they choose, will be able to pay parish basic allowance once they have had regard to a recommendation of their parish remuneration panel. Until 31 December 2003, they will retain the option of being able to pay attendance and financial loss allowances under the Local Government Act 1972. However, they may not pay both parish basic allowance and attendance or financial loss allowance in respect of the same duties or period of time. From 31 December 2003, sections 173-5 of the Local Government Act 1972 will be disappplied in respect of parish councils. As such, if they wish to pay allowances after that time they will only be able to do so under these Regulations."

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**Guidance Note for Councillors on the
Scheme of Members' Allowances**

January 2023

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Guidance Note for Councillors on the Scheme of Members' Allowances

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Members' Allowances – Notes for Guidance

The Sefton Council Scheme of Members' Allowances is intended to recognise the time commitment of Councillors and is designed to ensure Members are not placed at a financial disadvantage whilst serving the residents of Sefton.

All Members will be paid allowances automatically unless they give notice in writing to the Head of Corporate Resources stating that they wish to forgo all or any part of their entitlement.

However, it must be stressed that the allowances do count as income and may affect entitlement to Benefits, etc.

Sefton Council is committed to equality and considers it important that willing and able members from all sections of society are encouraged to participate in local government.

This booklet is intended to provide additional information about the Scheme of Members' Allowances operated in Sefton, which was approved by the Council on 18 July 2019.

1. **Basic Allowance**

The Basic Allowance is a flat rate sum paid to all Members. It recognises the time devoted, and expenses (including travel within the borough) incurred, by Members in carrying out their duties.

2. **Special Responsibility Allowance (SRA)**

The Special Responsibility Allowance is an enhanced payment to recognise the additional time and expense incurred by those elected Members with significant additional responsibilities. Only one Special Responsibility Allowance payment will be made to each Member.

3. **Mayoral Allowance**

The allowance paid to the Mayor does not fall within the Regulations for Members' Allowances. For ease of administration however, it has been linked to the Special Responsibility Allowance rates.

4. **Conferences**

4.1 **Annual Conferences**

Members nominated by the Council to represent Sefton on the Local Government Association and approved Outside Bodies may attend the Annual Conferences of the relevant Body.

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4.2 Other Conferences

Members must seek formal approval from their Group Leader, in consultation with the Executive Director of Head of Corporate Resources and Customer Services, before booking/attending any Conference outside Sefton.

4.3 In all cases Members must liaise with Group Leaders to ensure that there are sufficient funds available for Conference fees.

4.4 The Council will provide train tickets and arrange for hotel bills to be paid. If, however, Members make their own arrangements, actual travel and subsistence costs will be reimbursed subject to:

- arrangements complying with the Corporate Travel Policy;
- receipts being provided; and
- amounts falling within the maximums stated in paragraphs 9.1.1 and 9.1.2 below.

4.5 Payments for expenses will be made retrospectively, normally 4 – 6 weeks in arrears, except in very exceptional circumstances.

5. Meetings of Outside Bodies

Members attending meetings of the Local Government Association (LGA) and Joint Authorities may participate in more than one allowance scheme and receive allowances from those bodies.

5.1 Joint Authorities

5.2 The allowances for Members who are appointed to represent the Council on the Liverpool City Region Combined Authority Transport Committee are paid by the Council based on the allowances previously agreed by Merseytravel and now uplifted in line with the Council's Members Allowances Scheme.

5.3 The Merseyside Fire and Rescue Authority has its own Members' Allowances Scheme. The scheme and amounts received by members of the Authority can be viewed by using the Constitution and Allowances section of the link <https://www.merseyfire.gov.uk/about/fire-and-rescue-authority/>

5.4 The Merseyside Waste Disposal Authority does not pay any form of remuneration to its Members but Members may claim reimbursement from the Waste Disposal Authority for travel and subsistence expenses.

5.5 The Home Office funding for the Merseyside Police and Crime Panel includes an allocation of up to £920 per Panel Member which may be reclaimed against expenses incurred, including any travel or subsistence costs incurred in relation to attendance at Panel meetings and related events. The Panel Arrangements document states that each local authority will pay the expenses of its own representative on the Panel, at the current rates contained within their respective Schemes of Members' Allowances and seek reimbursement from the Host Authority (Knowsley Council) at the end of each financial year.

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- 5.6 Members attending meetings of other approved Outside Bodies (i.e. excluding the Joint Authorities mentioned above) may claim travel and/or subsistence costs from Sefton in line with paragraphs 8 and 9 below.
The list of approved Outside Bodies is attached at Appendix B.

Please note:

- confirmation of Members' attendance will be sought from time to time.
- Members who are not formally nominated but attend such meetings are not eligible to claim travel and/or subsistence costs.

5.7 **The Local Government Association (LGA)**

Members who have been nominated by Sefton Council and are therefore representing Sefton at meetings of the LGA may claim travel and subsistence costs from the Council. However, receipts are required and amounts are subject to the maximum levels stated in paragraph 9.1.2 below. There may be occasions where Members attend LGA meetings as an LGA representative and at such times the LGA's scheme will apply.

However, Members may still claim expenses through Sefton, but must be aware that the LGA only reimburses standard class travel and that receipts would be required. However, there may be occasions where Members attend consecutive meetings in different capacities. In such cases, Officers will liaise with the LGA to achieve an equitable split of the expenses. This may, at the discretion of the Executive Director of Corporate Resources and Customer Services, permit payment of hotel expenses in lieu of two rail fares.

6. **ICT Expenses**

The Council will provide Members with a laptop, to enable them to access Sefton Council e-mail and the Mod.gov Committee Management System over the internet on the device. Please contact the Corporate Resources ICT Client Team on 0151 934 4999 or by email on helpdesk@sefton.gov.uk if you have any queries on this issue.

7. **Incidental Expenses**

No additional payments are made for postal expenses, telephone expenses, and travel costs within Sefton, etc.

8. **Travel Claims**

- 8.1.1 Members are eligible to claim travelling expenses for journeys **outside of the Sefton boundary**.

- 8.1.2 The Council approved a Corporate Travel Policy in September 2007 and when travelling, Members are encouraged to travel by the most economical service. When travelling by train, the requirements are outlined in paragraph 8.4 below.

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8.1.3 Claims for expenses must be made on the relevant forms and claims received before the 20th day of the month will be paid directly into Members' bank accounts on the 15th day of the following month or nearest working day before.

8.2 Car Allowances

Members may claim for travelling to meetings, seminars etc (outside the Sefton boundary), and will be paid at the same rate as Council Officers. The actual rates are:

First 10,000 miles - 22.5p per mile
Over 10,000 miles - 12.5p per mile
Motorcycle mileage allowance - 12p per mile

8.3 Car Parking/Toll Fees, etc.

The actual costs of parking, tunnel or road toll fees will be reimbursed in full, subject to the production of receipts.

8.4 Train Tickets

The procurement of Corporate Business Travel for long journeys must, wherever possible, be co-ordinated via the Corporate Resources Management Team, through use of a Corporate Business Travel Framework Contract.

A Travel Ticket Application form will be provided by the Corporate Resources Management Team, or can be accessed via the Council's Intranet (click [Our Council / Finance / Travel Ticket Application](#))

Members requiring Business Travel should complete and submit the Travel Ticket Application form via fax number 0151 934 4082, or it may be emailed to businesstravel@sefton.gov.uk. An officer of the Corporate Resource Team will investigate all travel ticket options and liaise directly with the claimant prior to ordering tickets.

8.5 Taxis

Taxis should be used only in cases of urgency or where no public transport is reasonably available. Receipts must accompany claims.

8.6 Hire Cars

Hire cars may be used if Members can demonstrate that this method of transport produces significant savings in costs and time, or that no other mode of transport is reasonably available.

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8.7 Air Travel

Subject to prior approval by the Executive Director of Corporate Resources and Customer Services and if there is a considerable saving in time and/or alternative methods of travel are not appropriate, Members may claim air fares. Economy rate fares only will be paid.

9. Subsistence

Subsistence is available for approved duties. Reimbursement is on the basis of actual costs up to the approved maximum set out in paragraph 9.1.1 below, and all such claims must be accompanied by the relevant receipts.

9.1.1 Day Subsistence

Actual expenditure supported by receipts will be paid subject to the following maximum rates:

- | | | |
|----|---|--------|
| a) | Breakfast Allowance
(+4 hours away from home before 11 a.m.) | £6.06 |
| b) | Lunch Allowance
(+4 hours away from home including Noon - 2 p.m.) | £8.34 |
| c) | Evening Meal Allowance
(+4 hours away from home ending after 7 p.m.) | £10.34 |

9.1.2 Overnight Accommodation / Subsistence

When Members are required to be absent from their usual place of residence, overnight subsistence (covering a period of 24 hours) may be claimed. The Corporate Business Travel Framework Contract has been extended to include hotel bookings. In order to avail themselves of this service, Members will be required to complete an Accommodation Application form which will be provided by the Corporate Resources Management Team, or from the Council's Intranet - [Our Council / Finance / Accommodation Reservation Form](#).

However, if Members make their own reservations for hotel accommodation, they should request that the hotels forward invoices directly to the Executive Director of Corporate Resources and Customer Services, who will arrange payment. However, if this method of payment is not an option, Members may claim up to the following maximum amounts, but the claims must be supported by receipts:

- a) Standard Rate: £90.00 per 24 hours
- b) London Rate: £150.00 per 24 hours.

9.2 Where meetings in London commence at or before 11 a.m., Members are permitted to travel on the previous evening and claim overnight subsistence.

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9.3 Members claiming overnight subsistence are not entitled to claim additional amounts to cover meals on trains.

9.4 Members entitled to Day Subsistence only may be reimbursed the reasonable costs of meals taken on trains. However, the following limitations apply:

absence of 4 hours - 8 hours	= 1 main meal
absence of 8 hours - 12 hours	= 2 main meals
absence of more than 12 hours but not overnight	= 3 main meals

(Receipts must accompany claims for reimbursement.)

10. **Dependant Carer's Allowance**

Members who incur additional expenses to arrange care for dependants may claim these expenses. The rate is based on the national minimum wage up to a maximum of 10 hours per week. Receipts must be provided. This allowance is payable towards, or in respect of, actual expenses incurred whilst undertaking duties specified in Regulation 8 of the Local Authorities (Members' Allowances) (England) Regulations 2003 and as set out in paragraph 18 of the Secretary of State's Guidance on Members' Allowances

The current national minimum wage with effect from 1 April 2022 is £9.50 per hour.

11. **Claiming for Expenses**

Claims for expenses must be made on the relevant forms available on the Intranet. Claims received before the 20th day of the month will be paid directly into Members' bank accounts on the 15th day of the following month.

12. **Income Tax**

Basic and Special Responsibility Allowances are subject to income tax. The Authority operates the PAYE system of deducting tax. As no tax is deducted from Travelling and Subsistence payments, receipts are required to show that the expenditure was necessarily incurred.

12.1 All Members will be paid allowances unless they have opted not to receive them and new Members are recommended to contact HMRC for advice:

Tel: 0300 200 3300

PAYE Ref: 083/SEF
Pay As You Earn and Self Assessment
HM Revenue and Customs
BX9 1AS
United Kingdom

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An appropriate PAYE tax code will then be provided. However, until this is received and in order to minimise under-deduction of tax, the Council will deduct tax at Basic Rate.

- 12.2 In order to reduce Members' tax liability certain expenses may be offset against the allowances. The expenses must be "*wholly, exclusively and necessarily incurred in the performance of the duties*".

Each Member must negotiate separately with HMRC. The following are the type of expenses that may be accepted:

- a) Household expenses (lighting, heating, etc. for those parts of a Member's home used for carrying out duties as a Councillor). HMRC will accept a standard deduction of £135 per year (agreed between the Association of Councillors and HMRC).
- b) Postage and stationery
- c) Telephone costs as a result of being a Councillor (excluding line rental)
- d) Transport costs not covered by reimbursement by the Council (i.e. Ward duties, etc.).

Members are recommended to keep receipts for all expenditure to help with their negotiations with HMRC.

N.B. If Members wish to discuss this in greater detail, they should contact the Executive Director of Corporate Resources and Customer Services.

13. **National Insurance Contributions**

- 13.1 National Insurance contributions are payable on the Basic and Special Responsibility Allowances. Members are placed in one of the following categories:

- | | |
|-------------------|---|
| Category A | Rate of 12% on earnings above the Employees Earnings Threshold up to and including the Upper Earnings Level and 2% on the balance of earnings above the Upper Earnings Level. |
| Category B | Reduced Rate at 5.85% of payments above the Employees Earnings Threshold up to and including the Upper Earnings Level and 2% on the balance of earnings above the Upper Earnings Level. Certain married women and widows who in the past have elected to pay the reduced rate of insurance come into this category. |

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Category C

Non-liable men and women who are National Insurance retired or are treated as such. This category is used when a Councillor has reached State Pension Age and proof of date of birth has been provided to Payroll so they can amend as required.

Contributions are not applicable if payments are less than the Member's Earnings Threshold. However, all amounts above this level will be liable to deductions at the appropriate rate.

- 13.2 Members who currently pay NI Contributions on their main employment are classed as having two jobs and will also have deductions made from their Allowances. However, as there is a different percentage above the Upper Earnings Level, Members in this situation may be due a refund at the end of each tax year and should query the situation with:

National Insurance Contributions and Employers Office
HM Revenue and Customs
BX9 1AN

- 13.3 Members who reach state retirement age are required to provide proof of their date of birth. They should bring in their original birth certificate of passport for the Corporate Resources Payroll Section to copy and put on file (if we don't already have this).

14. Effects of Allowances on Benefits

A number of Benefits are subject to earnings rules and may, therefore, be affected by Basic and Special Responsibility Allowances.

Members in receipt of benefits are advised to obtain further clarification by contacting their local Benefits Agency.

15. Council Tax Benefit

Council Tax Benefit is an earnings-related benefit and Members' Allowances (Basic and Special Responsibility Allowances) are treated as earnings and may, therefore, affect the Members' claims for such benefit. **Members in receipt of this benefit are advised to obtain further clarification by contacting the Corporate Resources Council Tax Section** by email on Council.Tax@sefton.gov.uk

16. Statutory Sick Pay

Under the Social Security and Housing Benefit Act 1982, the Authority may pay Statutory Sick Pay to eligible Members. For further information, please contact the [Executive Director of Corporate Resources and Customer Services](#).

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17. Statutory Maternity Pay

Under the Social Security and Housing Benefit Act 1982, the Authority may pay Statutory Maternity Pay to eligible Members. For further information, please contact the [Executive Director of Corporate Resources and Customer Services](#).

18. Personal Accident Insurance Cover

The Council has arranged Personal Accident insurance cover for all elected Members of the Council and has also extended the cover to co-opted Members of Committees and Sub-Committees.

The cover is, however, very specific:

The policy covers Members in the event of their sustaining bodily injury by sudden violent, accidental, external and identifiable means, as a result of which death or disablement occurs within 24 months of sustaining such injury, and independently of any other cause, provided that such injury sustained occurs whilst the persons insured are engaged on the business of the Council anywhere in the world.

The business of the Council includes:

- (a) attending meetings of, and duties carried out for, the Council, the Local Government Association and /or the Convention of Scottish Local Authorities.
- (b) service on behalf of, or with the approval of the Council, on Committees of other Authorities or Bodies, provided no other personal accident insurance applies in respect of such service.
- (c) direct travel in connection with any business or service covered hereby.

The cover has also been extended to include spouses/consorts of the Mayor and Cabinet Members.

Full details are available from the Corporate Resources Insurance Team (Risk and Audit Section) Tel: 0151 934 4061 – Email: insurance@sefton.gov.uk

Exclusions

No payment will be made in respect of death or disablement or loss, damage or destruction caused directly or indirectly by any unusual activity.

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SEFTON METROPOLITAN BOROUGH COUNCIL

MEMBERS ALLOWANCES SCHEME

The following scheme is made under powers conferred by Section 174 of the Local Government Act 1972 and the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) (the Regulations).

The scheme shall be cited as the Sefton Council Members' Allowances Scheme and have effect from 1 April 2023 and for subsequent years commencing on 1 April.

Increases in Members Allowances will be linked to the average pay increase given to Sefton Council employees; and the annual adjustment in Members' Allowances will be implemented for a period of four years from July 2019 in accordance with the Regulations. This does not prevent the Independent Remuneration Panel from reviewing the Scheme at any time but allows for the Scheme to continue without a full review subject to the annual adjustment being applied. *(The scheme will be reviewed in 2023)*

In this Scheme, "Councillor" means a Member of Sefton Council who is a Councillor.

1. Basic Allowance

The Basic Allowance is a flat rate sum paid to all Members. It recognises the time devoted, and expenses incurred by Members in carrying out their duties.

Subject to paragraph 4, the amount allocated for 2023/24 is £10,382.76.

2. Special Responsibility Allowance

In order to recognise additional time and expenses incurred by Councillors who have significant additional responsibilities in carrying out their duties for Sefton Council, and subject to paragraph 4, the Special Responsibility Allowances as set out below shall be paid:

With the exception of the Leader of the Council, Political Group Leaders with a membership of 10 or more members will receive a Special Responsibility Allowance which is 50% of the Basic Allowance set out in paragraph 1 above (£5,191.38) and any Political Group Leaders with fewer than 10 members will receive one tenth of £5,191.38 per Member of the Group, as set out below.

Only one Special Responsibility Allowance is paid per Member and the allowances for 2023/24 are:

Leader of the Council	£25,663.78
Cabinet Members	£17,109.17

Committee Chairs:

Licensing and Regulatory	£10,382.76
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Audit and Governance	£5,191.38
Overview and Scrutiny (x 4)	£5,191.38

Political Group Leaders:

Liberal Democrat Leader (9 Members)	£4,672.24
Conservative Group Leader (5 Members)	£2,595.68

3. Part Year Payments

If in the course of a year, the scheme is amended or a Councillor becomes, or ceases to be a Councillor, then all allowances shall be adjusted on a pro-rata basis.

4. Renunciation

A Councillor may, by giving notice in writing to Executive Director of Corporate Resources and Customer Services elect to forgo any part of their entitlements to an allowance under the Scheme.

5. Mayoral Allowance

The allowance paid to the Mayor is linked to the Scheme of Members Allowances and the following shall be paid for 2023/24:

Mayor £ 15,574.14

6. Appointment to the Liverpool City Region Combined Authority - Transport Committee

Members appointed to sit on the Liverpool City Region Combined Authority Transport Committee by Sefton Council shall subject to paragraph 4 be paid a basic allowance of £6,204.23

In order to recognise additional time and expenses incurred by Councillor's who have significant additional responsibilities in carrying out their duties on the Transport Committee, the following Special Responsibility Allowances shall subject to paragraph 4 be paid if applicable:

Deputy Chair of the Committee - £10,905.27 (Not applicable at the present time)

Lead Members for Customer & Smart Ticketing and/or Rail & Freight - £ 4,846.41

7. Travel and Subsistence

Travel and Subsistence Allowances will be paid for travel to meetings etc **outside of the borough** which are authorised by the Council for example: -

- meetings and annual conferences of Outside Bodies to which Sefton has made appointments or nominations as set out in the appendix below.

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- meetings and annual conferences of Local Authority Associations of which Sefton is a member.
- meetings, conferences, and other duties which have been authorised in advance by the Council, Cabinet or by a Cabinet Member.

8. Dependents Carers Allowance

Members who incur additional expenses in order to arrange care for dependents may claim these expenses. This rate is based on the National Minimum Wage up to a maximum of ten hours per week.

9. Claims and Payments

Payments shall be made in respect of Basic and Special Responsibility Allowances in monthly instalments on the 15th day of each month by bank transfer.

All claims for additional expenses must be accompanied by receipts and will therefore be paid in arrears directly into Members Bank Accounts.

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Outside Bodies Approved by Council

Liverpool City Region Combined Authority
 Liverpool City Region Combined Authority Overview and Scrutiny Committee
 Liverpool City Region Combined Authority Transport Committee
 Merseyside Fire and Rescue Authority
 Merseyside Police and Crime Panel
 Merseyside Waste Disposal Authority

Outside Bodies Approved by the Cabinet

Armed Forces Member Champion
 Ashton Memorial Fund, Formby
 British Destinations
 Cheshire and Merseyside Health and Care Partnership
 Cheshire and Merseyside Integrated Care System Joint Health Scrutiny Committee
 Consolidated Charities of Thomas Brown and Marsh Dole, Formby
 Elevate Education Business Partnership
 Formby Pool Trust Board
 Halsall Educational Foundation
 Liverpool City Region Employment and Skills Board
 Liverpool City Region Housing and Spatial Planning Board
 Liverpool John Lennon Airport Consultative Committee
 Liverpool University Hospitals NHS Foundation Trust – Council of Governors
 Liverpool Women’s NHS Foundation Trust – Council of Governors
 Local Government Association - General Assembly
 Mersey Care NHS Foundation Trust – Council of Governors
 Mersey Forest Partnership Steering Group
 Mersey Port Health Committee
 Merseyside Pensions Fund Pensions Committee
 Merseyside Playing Fields Association
 Merseyside Strategic Flood and Coastal Erosion Risk Management Partnership
 North West Employer’s Organisation
 North West Older Peoples Network
 North West Reserve Forces and Cadets Association
 North Western Inshore Fisheries and Conservation Authority
 PATROL Adjudication Joint Committee (Parking and Traffic Regulations Outside London)
 Peterhouse School, Southport – Governance Committee
 Regenerus – South Sefton Development Trust
 Sandway Homes Limited Board and Sandway (ACS) Holding Company Ltd (Sefton Housing Development Company)
 Sefton Coast and Landscape Partnership Board
 Sefton Council for Voluntary Service
 Sefton Cycling Forum

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Sefton Domestic Abuse Partnership Board
Sefton Hospitality Operations Limited Board
Sefton New Directions Limited Board
Sefton Partnership for Older Citizens
Southport Pier Trust
Southport Town Deal Board
Standing Advisory Committee for Religious Education (SACRE)
Trans Pennine Trail Members' Steering Group
Veterans in Sefton Board