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MEETING: INDEPENDENT REMUNERATION PANEL

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

DATE: Thursday 30th May, 2019

TIME: 10.30 am

VENUE: Churchtown Room, Town Hall, Southport

Member

Mr. E. Davies
Mr. J. Fraser
Mrs. S. Lowe

COMMITTEE OFFICER: Paul Fraser
Senior Democratic Services Officer
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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	
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 7 September 2017	(Pages 5 - 8)
4.	Council's Current Financial Position To receive a presentation from the Head of Corporate Resources	
5.	Members' Allowance Scheme 2019/20 Report of the Chief Legal and Democratic Officer	All Wards (Pages 9 - 46)

INDEPENDENT REMUNERATION PANEL

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON 7 SEPTEMBER 2017

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

ALSO PRESENT: David McCullough, Principal Lawyer
Ruth Harrison, Democratic Services Manager
Debbie Campbell, Senior Democratic Services
Officer

1. ELECTION OF CHAIR

RESOLVED:

That Mrs. Susan Lowe be appointed Chair of the Independent Remuneration Panel for the 2017 - 2018 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 4 June 2015 be confirmed as a correct record.

4. AMENDMENT TO THE SCHEME OF MEMBERS' ALLOWANCES 2017/18

The Panel considered the report of the Head of Regulation and Compliance that sought an amendment to the Council's Scheme of Members' Allowances in relation to Members who have been appointed to the Liverpool City Region Combined Authority Transport Committee for 2017/18.

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INDEPENDENT REMUNERATION PANEL - THURSDAY 7TH
SEPTEMBER, 2017

The report indicated that prior to May 2017 the Merseytravel Committee was largely responsible for overseeing the Combined Authority's transport responsibilities, including making recommendations to the Combined Authority and taking decisions on matters delegated to it by the Combined Authority; that from May 2017, this work is undertaken by the Liverpool City Region Combined Authority's Transport Committee; that previously, the allowances paid to Sefton Members appointed to the Merseytravel Committee were paid by the Council and reimbursed by Merseytravel; but that from May, 2017 any allowances for Transport Committee Members must be paid and funded by each constituent authority within the Liverpool City Region Combined Authority.

The report also indicated that Councillors McKinley, Carr, Friel and Dodd had been appointed by the Council to serve on the Transport Committee; that it was anticipated that the Members would carry out roles which were broadly in line with the duties previously carried out on the Merseytravel Committee; and that in addition, and again in line with previous arrangements for the Merseytravel Committee, it was suggested that a Basic Allowance and a Special Responsibility Allowance (for specific duties on the Transport Committee as Deputy Chair of the Transport Committee and Lead Member of Rail) be paid as follows:-

Basic Allowance - £5,675;

Special Responsibility Allowance – Deputy Chair of the Transport Committee and Lead Member Rail - £9,975

The report advised that the changes to accommodate the Liverpool City Region Combined Authority Transport Committee allowances would create an annual revenue cost to Sefton of £32,675; that the Combined Authority would make similar savings as a result of the fact that it no longer pays Allowances to Merseytravel Committee Members; that as a result it was expected that a commensurate reduction in future levies to the Combined Authority would be used to net off the Council's additional costs; and that discussions would need to take place with the Combined Authority to determine how the costs incurred in 2017/18 would be recovered as the levy had already been set for the year.

The report concluded that the governance arrangements for the Liverpool City Region Combined Authority Transport Committee were currently being reviewed and any proposed changes would be reported to the Independent Remuneration Panel and Council in due course.

An addendum to the report, listing the Members of the Transport Committee, together with their positions held and allowances received, was circulated at the meeting, for the attention of the Panel.

Prior to the meeting, the Council's Head of Regulation and Compliance / Monitoring Officer, had advised revising the proposal as a request for a payment under Regulation 5 (1) (d), which was a Special Responsibility Allowance.

Agenda Item 3

INDEPENDENT REMUNERATION PANEL - THURSDAY 7TH
SEPTEMBER, 2017

RESOLVED:

That the Council be recommended to amend the Members Allowances Scheme to include a Special Responsibility Allowance of £5,675 per annum for each of the four Sefton Members serving on the Liverpool City Region Combined Authority Transport Committee, along with the additional responsibility of the Deputy Chair of the Transport Committee and Lead Member Rail being paid an additional £9,975 as outlined within the report and as advised at the meeting.

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Report to:	Independent Remuneration Panel	Date of Meeting:	30 May 2019
Subject:	Members' Allowance Scheme 2019/20		
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 2019/20.

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 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.

Reasons for the 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)

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

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 2019-20 revenue budget.

(B) Capital Costs

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
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.

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 Head of Corporate Resources (FD 5637/19) has been consulted and any comments have been incorporated into the report. The Chief Legal and Democratic Officer (LD4761 /19) 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.

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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

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

1.1 The Council, at its meeting held on 14 May 2013, approved a recommendation of the Independent Remuneration Panel (the Panel) that the Scheme of Members' Allowances be adjusted annually in accordance with the average of any pay increase awarded to Sefton Council employees. 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 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

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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 2018/19 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. 2018/19 Members’ Allowances

- 2.1 The following table provides information on the costs of the 2018/19 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	£22,618.43	1	£22,618.43
Cabinet Members (excluding the Leader of the Council)	Basic Allowance x 1.5	£15,078.96	8	£120,631.68
Party Leaders	Basic Allowance x 0.5	£4,575.35	3	£13,726.05
Committee Chairs				
Licensing and Regulatory	Basic Allowance x 1	£9,150.71	1	£9,150.71
Overview and Scrutiny	Basic Allowance x 0.5	£4,575.35	4	£18,301.40
Audit and Governance	Basic Allowance x 0.5	£4,575.35	1	£4,575.35
Councillors	Basic Allowance	£9,150.71	66	£603,946.86
			Total	£792,950.48

3. Indexation Options

- 3.1 A range of options are available to the Panel in which the basic allowances could be up lifted. In the following paragraphs, a number of what is felt to be the most appropriate indices, have been identified for consideration. An indicative financial impact of the options is shown in Appendix 2 (using the latest available indices). This may assist the understanding of the options.
- 3.2 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.

3.2.1 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. Sefton has in the past kept its pay structure in line with national annual increases. The pay rise for Sefton employees for 2019/20 is 2%
- (ii) **National Pay Scales** – No national pay award is published for the private sector, however, there are infrequent surveys carried out by HR companies. For information, a survey carried out by Personnel Today shows employers predict a 2.5% pay increase for 2019. A link to the article can be accessed using <https://www.personneltoday.com/hr/pay-awards-will-remain-stable-at-2-5-for-2019/>

3.2.2 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 shows that the RPI at March 2019 currently stands at 2.4%
- (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 shows that the RPI at March 2019 currently stands at 1.8%.

- 3.3 For reference, each increase of 1% in Members' Allowances over the current rate would result in an additional cost of £7929.50 for the Council.

4. Other Authorities Increases

- 4.1 Sefton Council's neighbours in the Liverpool City Region have increased their Members Allowances on the following basis:

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Authority	Basis of Indexation
Liverpool	Indexed to the national pay awards for Local Government Officers
Knowsley	Indexed to the national pay awards for Local Government Officers
St Helens	Indexed to the national pay awards for Local Government Officers
Wirral	No Index Linking
Halton	Indexed to the national pay awards for Local Government Officers

4.2 Appendix 2 attached to the report provides information on the Liverpool City Region local authorities – comparison of members’ allowances as at 15 February 2019

5. Committee Chairs

5.1 On 6 June, 2012 the Panel recommended that the Council adopt a Members’ Allowance Scheme that banded Members by position, namely, Leader of the Council, Cabinet Members, Senior Councillors and Councillors. A Senior Councillor was defined as a Committee Chair or a Party Group Leader.

5.2 However, Council, at its meeting held on 5 July 2012 Council resolved that:

- (1) the recommendations made by the Independent Remuneration Panel set out in paragraph 2.1 of the original report be noted;
- (2) the existing Members’ Allowances be frozen at the current level and in order to comply with the Department for Communities and Local Government Guidance referred to in the report, special responsibility allowances of £4,260 be introduced for the Political Group Leaders and be backdated to 15 May 2012;
- (3) the publicity required as set out in Section 3 of the report be undertaken; and
- (4) the Council’s Constitution be amended to insert the revised Scheme.

5.3 As can be seen from (1) above the Council chose not to implement the Panel’s recommendations but to note them.

5.4 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	£9,150.71	1	£9,150.71
Overview	Basic	£4,575.35	4	£18,301.40

and Scrutiny	Allowance x 0.5			
Audit and Governance	Basic Allowance x 0.5	£4,575.35	1	£4,575.35
			TOTAL	£32,027.46

5.5 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 (£32,027.46) could be divide by the number of Chairs (6) to give a cost neutral figure of £5337.91 per Committee Chair.

5.6 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.

6. Party Group Leaders

6.1 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”.

6.2 When the Scheme was last reviewed for the 2013/14 Municipal Year, the political composition of the Council was Labour – 36; Liberal Democrat – 20; Conservative – 8; and Conservative Independent Members – 2. The Leaders of both the Liberal Democrat and Conservative Groups both received a SRA at the rate of 0.5 of the Basic Allowance.

6.3 The current political composition of the Council is Labour – 43; Liberal Democrat – 12; Conservative – 6; and Independent Group – 5. All three Leaders of the Opposition Groups receive a SRA at the rate of 0.5 of the Basic Allowance.

6.4 The views of the Panel are sought on whether all Party Group Leaders should receive a SRA at the same level, irrespective of the number of Members in their political group; or whether a banding structure could be introduced whereby the SRA reflects the number of Members in a political group. There could for example be a band for a political group comprising of 10 or more Members and a separate band for a group of less than 10 members.

7 Conclusion

7.1 The financial impact of the potential indices highlighted in this report will result in

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an increase to Members' Allowances; and the financial impact of the various options can be seen in Appendix 3. These figures may fluctuate depending on the Panel's decision on SRAs paid to Party Group Leaders as referred to in paragraph 6 above. 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.

APPENDIX 1

**MEMBERS' ALLOWANCES SCHEME 2019/20**

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 17 July 2015, 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 2015 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.

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 2019/20 is £9,150.71

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 following Special Responsibility Allowances shall be paid.

Only one Special Responsibility Allowance is paid per Member and the allowances for 2019/20 are:

Leader of the Council	£22,618.43
Cabinet Members	£15,078.96
Party Leaders	£4,575.35
Committee Chairs:	
Licensing and Regulatory	£9,150.71
Overview and Scrutiny	£4,575.35
Audit and Governance	£4,575.35

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APPENDIX 1

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 the Head of Corporate Resources elect to forgo any part of their entitlements to an allowance under the Scheme.

5. Mayoral Allowances

The allowance paid to the Mayor is linked to the Scheme of Members Allowances and the following shall be paid for 2019/20:

Mayor	£13,726.08
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6. 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. (See Appendix)
- 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.

7. Dependant Carer's Allowance

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

8. 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.

APPENDIX 1

APPENDIX

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

Aintree University Hospital NHS Foundation Trust – Council of Governors
Ashton Memorial Fund, Formby
British Destinations
Committee in Common – Healthy Liverpool Programme
Consolidated Charities of Thomas Brown and Marsh Dole
Formby Pool Trust – Board
Halsall Educational Foundation
Joint Health Scrutiny Committee
Liverpool City Region Child Poverty and Life Chances Commission
Liverpool City Region Employment and Skills Board
Liverpool City Region Housing and Spatial Planning Board
Liverpool City Region Local Enterprise Partnership Board
Liverpool John Lennon Airport Consultative Committee
Liverpool Women’s NHS Foundation Trust – Council of Governors
Local Government Association – General Assembly
Mersey Care NHS Foundation Trust – Council of Governors
Mersey Forest Steering Group
Mersey Port Health Committee
Merseyside Community Safety Partnership
Merseyside Pensions Fund Pensions Committee
Merseyside Playing Fields Association
Merseyside Strategic Flood and Coastal Risk Management Partnership
North West Boroughs Healthcare NHS Foundation – Council of Governors
North West Older Peoples Network
North West Reserve Forces and Cadets Association
North Western Inshore Fisheries and Conservation Authority
North Western Local Authorities Employers’ Organisation
PATROL Adjudication Joint Committee (Parking and Traffic Regulations Outside London)
Peterhouse School, Southport – Governing Body
Regenerus - South Sefton Development Trust
Sandway Homes Limited Board
Sefton Coast Partnership Board
Sefton Council for Voluntary Service
Sefton Cycling Forum
Sefton Education Business Partnership

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APPENDIX 1

Sefton New Directions Limited Board
Sefton Sports Council
Southport Pier Trust
Standing Advisory Committee for Religious Education (SACRE)
The John Goore Charity, Lydiate
Trans Pennine Trail Members' Steering Group
Veterans in Sefton Board

APPENDIX 2

LIVERPOOL CITY REGION LOCAL AUTHORITIES – COMPARISON OF MEMBERS’ ALLOWANCES AS AT 15.2.19						
	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Basic Allowance	9,478.27	10,382	7,935	8,597	9,150.71	8,712.45
Leader	28,434.81	-	34,374	22,169	22,618.43	22,927
Deputy Leader	-	-	19,170	15,075	-	11,463
Elected Mayor	-	81,901	-	-	-	-
Deputy Elected Mayor	-	29,484	-	-	-	-
Mayoral Leads	-	7,417	-	-	-	-
Deputy Leader of the Largest Group	-	-	-	-	-	11,463
Largest Party Whip	-	8,659	-	-	-	-
Leader of Main Opposition Group	7,108.70	11,341 <i>*must comprise of over 20% of total m’ship of the Council</i>	5,025	7,383	-	13,756
Opposition Deputy Leader	-	-	1,584	-	-	6,878
Main Opposition Group Whip	-	4,336 <i>*must comprise of over 20% of total m’ship of the Council</i>	-	-	-	-
Minority Party Opposition Leader(s)	-	7,417 <i>*must comprise of over 10% of total m’ship of the Council</i>	-	-	-	9,171
Minority Opposition Deputy Leader	-	-	-	-	-	4,585

APPENDIX 2

LIVERPOOL CITY REGION LOCAL AUTHORITIES – COMPARISON OF MEMBERS’ ALLOWANCES AS AT 15.2.19						
	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Party Leaders	-	-	-	-	4,575.35	-
Cabinet Member (excluding Leader/elected Mayor)	14,217.40	13,009	15,864	12,414	15,078.96	9,171
Overview & Scrutiny Commission Chair	-	-	7,935	-	-	-
Scrutiny Chair	7,108.70	-	5,025	-	4,575.35	4,585
Scrutiny Co-ordinator	-	-	-	7,383	-	-
Policy & Performance Ctte Chairs (Scrutiny Chairpersons)	-	-	-	7,383	-	-
Vice Chairs	3,554.35	-	-	3,691	-	-
Select Committee Chairperson	-	8,659	-	-	-	-
Planning Chair	7,108.70	8,659	7,935	7,383	-	4,585
Planning Vice Chair	-	-	-	3,691	-	-
Licensing Chair	7,108.70	8,659	-	7,383	9,150.71	4,585
Licensing Vice Chair	-	-	-	3,691	-	-
Licensing & Environmental Protection Chair	-	-	7,935	-	-	-

APPENDIX 2

LIVERPOOL CITY REGION LOCAL AUTHORITIES – COMPARISON OF MEMBERS’ ALLOWANCES AS AT 15.2.19						
	Knowsley (£)	Liverpool (£)	St. Helens (£)	Halton (£)	Sefton (£)	Wirral (£)
Pensions Chair	-	-	-	-	-	2,751
Standards Chair	-	-	-	7,383	-	1,375
Audit & Risk Mgmt Chair	-	-	-	-	-	4,585
Waste Disposal Rep	1,895.65	-	5,025	-	-	1,834 x 2
Governance & Audit Chair	7,108.70	-	-	-	4,575.35	-
Policy Advisory Board Chair	7,108.70	-	-	-	-	-
Policy Advisory Board Vice Chair	3,554.35	-	-	-	-	-
Liverpool City Region Combined Authority Transport Committee	5,675	-	5,675	5,675	-	5,675

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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	34.6p	Only paid for travel outside of the borough	45p
1000 – 1199cc		45p	46.9p	39.5p		
Over 1199cc		-	52.2p	48.5p		
Motorcycles (per mile)						
Not exceeding 150cc	18.4p	16p	8.5p	8.5p	Only paid for travel outside of the borough	Same as officers
151 – 500cc		12p	12.3p	12.3p		
Over 500cc		-	16.5p	16.5p		
Cycling Allowance	-	20p	-	Same as officers	-	Same as officers

Subsistence

Breakfast	£5.25	£5	£4.92	£6.45	£6.06	£6
Lunch	£7.35	£7	£6.77	£8.65	£8.34	£9
Tea	£3.15	£3	£2.67	-	-	£3
Evening Meal	£10.50	£9	£8.38	£17.35	£10.34	£11

Overnight Rate

Standard	£90	£80	£79.82	£100.52	£90.00	£110
Enhanced	£100	£180	£91.04	£126.90	£150.00	£144

APPENDIX 2

Carers' Allowance

	Knowsley	Liverpool	St. Helens	Halton	Sefton	Wirral
Childcare	Members be reimbursed with the cost for childcare and dependent carers' expenditure incurred as a result of time spent on authorised Council business. The maximum level of allowance which may be claimed is set at the Living Wage (per hour) level.	At an hourly rate equivalent to the minimum wage 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	£4.50 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 £60 per week.	An allowance not exceeding £7.50 per hour shall be payable
Dependent Carers	Members be reimbursed with the cost for childcare and dependent carers' expenditure incurred as a result of time spent on authorised Council business. The maximum level of allowance which may be claimed is set at the Living Wage (per hour) level.	At an hourly rate equivalent to the minimum wage 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	£4.50 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 £60 per week.	An allowance not exceeding £7.50 per hour shall be payable

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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	Total
Local Government Pay Settlement	2%	452.36	2412.63	183.01	91.50	366.02	274.52	12,078.93	15,858.97
National Pay Scales	2.5%	565.46	3015.79	228.76	114.38	457.53	343.15	15,098.67	19,823.74
Retail Price Index	2.4%	542.84	2895.16	219.61	109.80	439.23	329.42	14,494.72	19,030.78
Consumer Price Index	1.8%	407.13	2171.37	164.71	82.35	329.42	247.06	10,871.04	14,273.08

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APPENDIX 4



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1. Home (<https://www.gov.uk/>)

HMRC internal manual

Employment Income Manual

From:: **HM Revenue & Customs**
Published:: **22 May 2014**
Updated:: **16 April 2018, see all updates**

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 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65920>). See also:

Part two - taxation of members' allowances and expenses (see EIM65970 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim65970>))

Part three - members' allowances and National Insurance Contributions (see NIM05640 (<https://www.gov.uk/hmrc-internal-manuals/national-insurance-manual/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.
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.

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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
- 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
 - 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

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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
 - 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:
 - 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.
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.

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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 may be 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

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

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 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).

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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.
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.
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 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

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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.
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 chose to be guided by the LGA daily rate which is based on the national (male) median white-collar wage.

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 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.

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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 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
 - 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.

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
 - 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.

Publicity

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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 disapplied 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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