

APPENDIX 5



Guidance Note for Councillors on the Scheme of Members' Allowances

January 2023

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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