

GUIDE TO MEMBERS' ALLOWANCES – May 2016

1. INTRODUCTION

This guide provides Members with the information on the allowances they may be eligible to receive, and the conditions on making of claims. The rates within this guide are applicable from 1 April 2014. They are subject to a cost of living increase each April which will be incorporated following national agreement of employee provisions.

New regulations on Members Allowances came into force on 1 May 2003. Local Authorities (Members Allowances) Regulation 2003 replaced six existing sets of regulations.

The Members' Allowance Scheme is published within the Council's area after making of any scheme. In addition, the payments made to each Member for basic, special responsibility and other allowances are published at the end of each financial year.

Members' Allowances are the responsibility of the Chief Executive and, within this department, the Payroll and Job Evaluation Manager (Mr K J Commons - ext. 3219) processes all claims for payment. They will be pleased to answer any queries or provide advice as required.

2. INDEPENDENT REMUNERATION PANEL

The Council established an independent remuneration panel of 5 representatives with effect from 1 May 2003. The purpose of the panel was to make recommendations to the Council about the level of members' allowances to be paid. This is in accordance with the requirements of the Members Allowances Regulations 2003.

The Council is required to comply with the duty to have regard to the panel's recommendations. This has been carried out by the Cabinet and Council on each occasion that the Panel has met and put forward recommendations. The Council's latest considerations and resolutions are shown at appendix 1.

In 2006, following the resignation of two members, Cabinet resolved to re-establish the panel. The panel has met on a number of occasions since then to consider developments in the role of Members and to make recommendations for adjustments to the scheme of allowances.

3. MEMBERS ALLOWANCE SCHEME

The following level of allowance has been agreed with effect from 1 April 2013.

3.1 Basic Allowance

A basic allowance of £3741 per annum is paid to each Member to reflect the commitment expected. This is intended to recognise the time element of meeting with constituents and officers, group activities, together with incidental expenses (use of home, postage costs, telephone calls, surgeries etc).

3.2 Special Responsibility Allowance

A payment for those Members who have significant additional responsibilities over and above the generally accepted duties of a Member. The following categories have been determined as meeting this criteria.

Leader of the Council	£ p.a.
Leader	13558
Deputy Leader	6101

Environment and Community Safety Committee	£ p.a.
Chair	4745
Vice Chair	1563

Finance Committee	£ p.a.
Chair	4745
Vice Chair	1563

Housing Committee	£ p.a.
Chair	4745
Vice Chair	1563

Jobs and Economy Committee	£ p.a.
Chair	4745
Vice Chair	1563

Leisure Parks and Cemeteries Committee	£ p.a.
Chair	4745
Vice Chair	1563

Policy and Performance Committee	£ p.a.
Chair	4745
Vice Chair	1563

Quasi-Judicial Committees etc.	£ p.a.
Chair – Planning	3391
Chair – Licensing and Appeals	2712
Chair – Governance, Audit and Standards	2033
Vice Chair – Planning	678

Quasi-Judicial Committees etc.	£ p.a.
Vice Chair – Licensing and Appeals	542
Vice Chair – Governance, Audit and Standard	271
Members of Alcohol and Entertainments (12 + 2)	678
Independent Person	1355
Chair Health Panel	1103
Health Lead on Outside Bodies	1103
Police and Crime Panel	678

Political Groups (3) – Additional Allowance	£ p.a.
Leader of Opposition	1355
Business Manager (2)	850

Civic	£ p.a.
Mayor	4745
Deputy Mayor	1355

3.3 Allowance for the Care of Children and Dependants

A member may claim an allowance for the care of children and dependants who require supervision, to enable members to carry out their duties. This is an allowance of up to £5.45 per hour, whilst the member is undertaking approved duties. Notification is to be made in advance of the possibility of a claim.

3.4 Travelling Allowance

A Member (elected or co-opted to the Cabinet, any Committee, Sub-Committee or Working Group) shall be entitled to receive Travelling Allowance where expenditure on travelling is necessarily incurred for the purpose of enabling the duty to be performed. The allowance shall be paid from the Members' home to the place of the approved duty.

Where a Member travels by bus or train, actual expenditure can be reclaimed. Where a Member carrying out an approved duty (eg: conferences) travels by train, the Council has resolved that travel may be first class. For other than local travel, a railways warrant should be used and these are obtainable from the Accountancy Section.

The rates of travelling allowance by motorcar, motorcycle or cycle, are determined by the Council (see Appendix 2 for current rates). The distance claimed should be the shortest, most reasonable journey by road from the point of departure to the point at which the duty is performed and return. Payment will not exceed the appropriate rail fare. Taxi cab or hired vehicle will

be on the basis of reimbursement of cost, based on the need to use this method of transport.

Members using their personal cars or motor cycles on Council business should ensure that they are covered for 'Business use' under their motor insurance policy. **The rates of travelling allowance are for a privately owned and expensed vehicle.**

All claims for mileage should be supported by a VAT receipt, which is dated before or on the day of the business journey, for the fuel in the vehicle at the time of the business journey. Mileage claims will not be paid without a supporting VAT receipt. This enables the Council to reclaim VAT on the fuel element of the mileage payment.

3.5 Subsistence Allowance

A Member elected or co-opted on to the Cabinet, any Committee, Sub-Committee or Working Group, may claim a Subsistence Allowance where the approved duty exceeds 4 hours in duration.

The allowance is only payable where actual expenditure has necessarily been incurred and proof of expenditure should be provided. The rates of allowance are not linked to the amount of the expenditure but to the period of absence from the usual place of residence.

The current rates are shown in Appendix 4 and include details of supplements to cover additional expenses for overnight stays in London or at Annual Conferences of Local Authority Associations.

3.6 Approved Duties for Travelling and Subsistence Allowances

Approved duties for the payment of travelling and subsistence allowance include all the duties specified as eligible for the payment of special responsibility allowance and in addition the following:

- a) Chair and Vice-Chair's and Executive Member Briefing meeting by Officers prior to any Cabinet/Committee meeting.
- b) Briefing or discussion meeting of Chair, Vice-Chair, Executive Member or Opposition Spokesperson with Officers.
- c) Members' Surgeries and Advice Bureau.
- d) Visits in consultation with Officers on Council business.
- e) Group meetings to discuss Council matters (rather than the organisation of the Group).

3.7 Attendance at Conferences

Attendance at Conferences is approved by Cabinet and is an approved duty. Members may claim Travelling and Subsistence Allowances.

Travel will normally be by train unless special circumstances allow alternative arrangements. Where a car is used the travel allowance will not exceed the appropriate first class rail fare.

Conference fees are normally paid directly by the Council. Where hotel expenses are paid by Members, the expenditure can be reclaimed up to the prescribed scale expense (see Appendix 3).

Attendance allowance is no longer payable for any approved conference or meeting, (Local Authority (Members Allowances) Regulations 2003).

3.8 Communication Allowance

The Council will provide and pay for installation of telephone and PC facilities in a Member's home, including re-connection charges on a change of address. The PC provision includes PC, printer, software, maintenance and broadband connection. Where alternatively a member personally provides a PC/printer and software, for Council business, then an allowance of £200 per annum will be paid.

The Council will reimburse the basic rental plus VAT as a monthly allowance, currently £12.27 for telephone and £17.99 for broadband. The cost of calls is accounted for within the basic allowance.

The allowance is not payable where reimbursement is received from another source, e.g. employer, partner's employer, another local authority. Please inform the Payroll Officer if you are not eligible for the allowance.

3.9 Accommodation

Council owned premises can be used, when available, free of charge for meetings on Council business (Group Meetings, surgeries, etc.). Reimbursement of charges incurred by Members for hired premises is not made by the Council, unless there are exceptional circumstances and subject to prior approval of the Cabinet.

3.10 Updating the Agreed Level of Allowance

All allowances are updated by the average national change in pay of employees.

3.11 Membership of Local Government Pension Scheme

Members are not eligible to join or remain a member of the Local Government Pension Scheme from 1st April 2014.

3.12 Co-optee Allowance

An attendance allowance of £35.37 per day, or part of a day, is payable for non-councillors who are appointed to a committee or working group of the Council. Travel and subsistence allowance is also payable.

4. THE CLAIMING AND PAYMENT OF ALLOWANCES

Payment of the Basic Allowance and Special Responsibility Allowance will be made automatically each month on a current month basis.

There is one claim form to cover claims for:

Travelling Allowance/Fares etc.
Subsistence Allowance

Claims can only be accepted for payment on the claim form, which must be completed in full by the Member and the statutory declaration contained on each form must be signed. Please note that claims cannot be accepted for duties performed more than 3 months prior to submission of the claim.

The Chief Executive has a duty not to pay claims which are evidently outside the law or in conflict with the rules of the Council. Democratic Services will check as far as possible the accuracy of the claim but it is the Member's responsibility to make sure that the claim is legal and that the facts in the claim are correct.

Claims should be submitted monthly, to be received by the 6th of each month for payment to be made on the 20th of the month following the period of claim, eg claims for Travelling Allowances for the month of May should be submitted by 6 June. Payment of the claim will then be made on 20 June at the same time as the Basic Allowance/Special Responsibility Allowance for the month of June.

All payments will be made directly into the Member's own bank or building society account on the 20th of each month. A payment advice will be sent giving details of the net amount and showing income tax and national insurance deductions for the month, together with accumulated payments and deductions for the year.

The form and guidance on completion is available on the intranet site under:

Document Central / Forms and Applications / HR Forms / Travel and Subsistence Claim Form

4.1 Renunciation

A Member may, by notice in writing, elect to forego any part of entitlement to an allowance under this scheme.

4.2 Part-Year Entitlements

Where in the course of a year the entitlements of a Member to basic and special responsibility allowance under this scheme is amended; or that Member

becomes, or ceases to be, a Member; or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable, then the allowance will be paid pro-rata to the full allowance calculated on a daily basis.

5. **DEDUCTIONS FROM ALLOWANCES AND AFFECT ON BENEFITS**

5.1 Income Tax

Income Tax will be deducted from payments of Basic Allowances, Special Responsibility Allowance and Telephone Allowance, but not travel and subsistence allowances and other allowances. This will be at the standard rate of tax unless a Member makes arrangements with the Tax Office for a tax code to be allocated.

A return of payments made and tax deducted is made to the Inland Revenue at the end of each financial year.

For all matters relating to Members income tax please contact:

HM Revenue and Customs
Notts and Derbyshire Area
Howard House
Castle Meadow Road
Nottingham
NG2 1AB

Telephone Nottingham 0300 200 3300, Tax Reference 507/201022

Income Tax Relief

Relief against income tax paid is available against expenses which are incurred by Members and covered within the basic allowance.

The Inland Revenue will accept a standard deduction of £130 per year where additional household expenses are incurred (light, fuel etc) relating to those parts of Members' homes that are used for duties as Members.

The Inland Revenue will also allow individual claims for expenses exclusively and necessarily incurred in the performance of their duties.

This usually includes the cost of postages; stationery, hire of rooms, telephone and PC line charges and telephone calls from Members' homes. In addition, travelling costs (to see constituents, for parish meetings, to attend surgeries, for site visits) can be claimed as an expense at 50% of the Members mileage rate.

Assistance on completing the annual tax return relating to these expenses is available from the Payroll Officer. Records of the expenses are required.

5.2 National Insurance

National Insurance contributions are payable on Basic, Special Responsibility and Telephone Allowances but as payment of the allowances is made on a monthly basis, contributions will only become due where the total allowances for any monthly period exceeds the lower earnings limit (£486 for 2014/15). Members over state retiring age should provide an age exemption card from the contributions agency, to avoid paying incorrect national insurance.

5.3 Social Security Benefits

Members should notify the Department of Social Security of any allowance payments they receive if they are claiming or receiving any benefit.

5.4 Housing/Council Tax Benefits

Members should notify the Housing Benefits Section of the Directorate of Finance of any allowance payments they receive if they are claiming or receiving these benefits.

5.5 Sickness and maternity

The Payroll Officer should be notified of any periods of sick leave or maternity leave as there may be implications for statutory sick pay (SSP) or statutory maternity pay (SMP). Earnings that attract national insurance contributions qualify for SSP and SMP. Copies of any doctor's notes or self-certification forms should be forwarded to the payroll section for relevant action.

6. INSURANCE

6.1 Protection of No Claim Discount while using cars on Council Business

Arrangements have been made for a group insurance scheme to cover Members whose cars are damaged while in use on Council business (eg travelling to, or parked, when at meetings).

If a claim is made on the Member's normal motor insurance policy, causing a reduction in no claims discount in the following year, a payment equal to that loss up to a maximum of £250 may be made. Similarly, if a motor policy contains an excess clause where the policyholder pays the first, say, £50 of any claim, then the excess, if the actual amount of the damage is more, is payable up to a maximum of £150.

All reasonable steps should be taken to recover the cost of repairs where the person causing the damage is known.

Further details and claim forms can be obtained from the Deputy Chief Executive.

6.2 Personal Accident

Under this policy, benefits are payable in the event of death, bodily injury or disablement, sustained by violent accidental external and visible means, whilst engaged on the business of the Council.

Council business extends to direct travel in connection with such business and service on behalf of the Council on committees of other Authorities or Bodies. Loss of, or damage to, clothing and personal effects arising as a result of injury being sustained is also provided for if such loss is not recoverable from another source.

6.3 Libel and Slander

The Council is indemnified against claims in respect of libels appearing in any publications normal in the Insured's business and slanders in oral utterances made by any Member in the course of and in pursuance of official procedure.

Limit of Indemnity - £500,000

6.4 Other Insurance

The policies mentioned below are all subject to the following proviso:

"The Member, at the time if the incident giving rise to the claim, was acting within the scope of his authority and is not entitled to indemnity under any other policy."

INDEPENDENT REMUNERATION PANEL

1.1. On 27 September 2006 the Council appointed a new independent panel for the purposes of Part 4 of The Local Authorities (Members Allowances) (England) Regulations 2003 to carry out the statutory function of advising the Council on its scheme of members' allowances. The panel has met on a number of occasions since then to assess developments in the role of members and consider remuneration proposals. The Panel last met on 13 January 2015 to consider a proposed increase in Member's Allowances in line with an agreed increase in officer salaries of 2.2% to 31 March 2016. The Panel considered that although inflation was low and financial pressures on local authorities were increasing, the policy should be applied taking into account that:

- Member's allowances have not increased for a number of years
- Business for Members has increased over the lifetime of the current Council and is set to increase further with the high number of local and regional developments underway.

1.2. The Cabinet considered the report of the panel on 17 February 2015 as part of the budget proposals for 2015/16 and resolved to recommend to Council not to apply the proposed increase in Member's allowances.

1.3 The full reports of the Independent Remuneration Panel are available from the Chief Executive at the Town Hall, Beeston, Nottingham, NG9 1AB. Telephone:- 0115 9177777 or e.mail ceo@broxtowe.gov.uk. Copies will be made available on request.

APPENDIX 2

RATES OF TRAVELLING ALLOWANCES FOR TRAVEL BY MOTOR VEHICLE

The current rates of travelling allowance (1 August 2014) are:

1. The rate for travel by a solo motorcycle shall be as follows:

less than 500 cc	24.0p per mile
500 cc and over	34.0p per mile

2. The rate for travel by private motor vehicle shall be as follows:

45p per mile or the relevant HMRC rate.

PSV / Training rate 22p per mile

For mileage outside the County the first 50 miles will be at the HMRC rate with the balance paid at the Council's PSV / training rate.

3. The rate for travel by Taxicab shall not exceed:

- i) In the case of urgency where no public transport is reasonably available;
The amount of the actual fare and any reasonable gratuity paid.

- ii) In any other case:

The amount of the fare for travel by appropriate Public Transport.

4. The rate for travel by a hired vehicle other than a Taxicab shall not exceed the rate which would have been applicable had the vehicle belonged to the Member who hired it.

Provided that where the Council so approves the rate may be increased to an amount not exceeding the actual cost of hiring.

5. The rate for travel by cycle shall be 20p per mile.

SCHEDULE OF SUBSISTENCE ALLOWANCE

1. The current rates of subsistence allowance (1 April 2013) are:
 - i) In the case of an absence, involving an absence of more than 4 hours away from the usual place of residence the allowance shall not exceed:

a)	Breakfast (before 11 am)	£5.70
b)	Lunch (including the period 12 noon to 2 pm)	£7.83
c)	Tea (including the period 3 pm to 6 pm)	£3.13
d)	Evening Meal (ending after 7 pm)	£9.65

(Proof of expenditure should be provided)

- ii) In the case of an absence overnight from the usual place of residence where payment is not directly paid by the Council £84.44 For such an absence overnight in London, or for the purpose of attendance at an Annual Conference (including or not including an annual meeting) of the Association of District Councils, £96.30. Please note that this is a payment for the 24 hour period and is the maximum total allowance that can be paid.

For the purpose of this paragraph, London means the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

2. Any rate determined shall be deemed to cover a continuous period of absence of 24 hours.
3. The rates specified in paragraph 1 above, shall be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body during the period to which the allowance relates.
4. Meals on Trains – Where main meals (ie a full breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement for a day subsistence allowance, the reasonable cost of the meals (including VAT), may be reimbursed in full. In such circumstances, reimbursement for the reasonable cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.