

## MEMBERS' ALLOWANCES AND SUBSISTENCE

This section explains the Councillors' Allowances Scheme adopted by the Borough Council effective from 1 April 2008 to 31 March 2009.

### ALLOWANCES PAYABLE TO COUNCILLORS

#### 1.1 Basic Allowance

Paid to all councillors. £8,385 per year. It is paid automatically through the payroll system, monthly in arrears.

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.

#### 1.2 Special Responsibility Allowance

Special responsibility allowance is paid to those councillors who have significant responsibilities 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 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.

Paid as follows:

Leader	- £7,938pa
Deputy Leader	- £6,485pa
Tier One SRA	- £4,325pa
Tier Two SRA	- £2,434pa
Tier Three SRA	- £1,217pa

Paid through the payroll system monthly in arrears.

No councillor to receive more than one Special Responsibility Allowance.

With regard to Special Responsibility Allowance:

- ◆ Tier One to be paid to the Lead Members serving on the Cabinet and to the Leader of the main opposition group.
- ◆ Tier Two to be paid to Chairs of Scrutiny Panels, Committees and Leader of the other political group.
- ◆ Tier Three to be paid to other Councillors carrying out other activities in relation to the discharge of the authority's functions as require the commitment of equivalent time and effort as for other categories of activity which would qualify for Special Responsibility Allowance under Paragraph 5(1)(i) of the Local Authorities (Members' Allowances) (England) Regulations 2003.

## 2.0 TRAVELLING AND SUBSISTENCE EXPENSES

Travelling and subsistence expenses may be claimed when a councillor is on Council business which is an approved duty as set out below. Claims must be supported by receipts/spent tickets in order to be non-taxable.

- 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 makes appointments or nominations
- a meeting of a committee or sub-committee of a body to which the authority makes appointments or nominations
- a meeting which has both been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more 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.

Expenses may **NOT** be claimed for:

- ◆ meetings of Conservative, Labour and Liberal Democrat groups.
- ◆ attendance at Public Local Enquiries by councillors appointed by Planning Committee.
- ◆ attendance at Public Meetings not convened by the Council.
- ◆ attendance at School Governors' Meetings.

#### 2.1 **By Councillor's Own Car**

The rate for travel by a councillor's own motor vehicle is 35.6p per mile.

A claim may also be made for carrying passengers (not exceeding four) who would qualify for travelling allowance. The rate payable is 3p per mile for the first passenger and 2p per mile for second and subsequent passengers.

#### 2.2 **By Councillor's Own Bicycle**

The rate paid for travel by a councillor's own bicycle is 32p per mile.

#### 2.3 **By Councillor's Own Motorcycle**

The rate paid for travel by a councillor's own solo motorcycle is 34.5p per mile.

#### 2.4 **Car Park Fees etc.**

The costs incurred in car parking fees, tolls and ferries may be claimed.

#### 2.5 **Public Transport**

The cost of the ordinary fare or any other cheap fare may be claimed.

#### 2.6 **Taxis**

When travelling by taxi, the equivalent of the fare for appropriate public transport is claimable UNLESS it is a case of urgency or no public transport is reasonably available. In this case a claim may be submitted for the actual fare and any reasonable gratuity paid.

This means, for example, a councillor using a taxi on non-urgent business during the day when there is a bus service available can only claim the cost of the bus fare. However, using a taxi late at night, when the bus service had ended, a claim for the total cost of the journey may be made.

Councillors with access disabilities which prevent their use either of private cars or public transport, may travel by taxi and reclaim both their actual fare and any reasonable gratuity paid.

## 2.7 Day Subsistence

Day subsistence rates for members are based on a meal basis, but with clarification of eligibility based on the time of day the meal is taken and time away from home, as follows:

- a. Breakfast allowance (more than four hours away from normal place of residence or where the authority permits, a lesser period, before 11.00am) £6.45;
- b. Lunch allowance (more than four hours away from normal place of residence or where the authority permits, a lesser period, including the lunchtime between 12 noon and 2.00pm) £8.91;
- c. Tea allowance (more than four hours away from normal place of residence or where authority permits, a lesser period, including the period 3.00pm to 6.00pm) £3.53;
- d. Evening meal allowance (more than four hours away from the normal place of residence or where the authority permits, a lesser period, ending after 7.00pm) £11.03.

## 2.8 Overnight Subsistence

The rate for an absence overnight from the usual place of residence is £82.21. For such an absence in London, or for attending the LGA Annual Conferences, the rate is £93.77.

Any overnight subsistence rate should be deemed to cover a continuous period of absence of 24 hours.

The subsistence rates referred to above may be exceeded in exceptional circumstances at the discretion of the Monitoring Officer, eg to enable a councillor and an officer attending a conference to stay at the same accommodation, subject to there being sufficient budget provision.

## 2.9 Meals Provided Free of Charge

The rates specified in 2.7 above should be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body in respect of the meal or the period to which the allowance relates.

## 2.10 Dependant Carer's Allowance

A claim may be made for the cost of a paid care attendant to look after children or elderly or disabled relatives when undertaking particular duties as set out below:

- 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 makes appointments or nominations
- or
- a meeting of a committee or sub-committee of a body to which the authority makes appointments or nominations
- a meeting which has **both** been authorised by the authority, a committee, or sub-committee of the authority or a joint committee of the authority and one or more 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.

Claims may be made for up to £7.18 per hour for childcare for up to 15 hours per week.

Claims may be made for up to £7.18 per hour for the paid care attendant for an elderly or disabled relative (including a disabled child) for up to 15 hours per week.

The person providing the care may not be a close relative. The person providing the care may not be a close relative defined as spouse, partner (opposite or same sex cohabitantes), parents, children, brothers, sisters, grandparents and grandchildren. The paid care attendant must sign a receipt to show that they have cared for the dependent during the hours claimed for.

**Note: This allowance is taxable.**

## 2.11 Co-optees' Allowances

Co-optees' Allowances are payable solely to non-councillor members of the Standards Committee attending meetings when the Committee meets exceptionally to hear complaints, eg hearings to consider possible non-compliance with the Members' Code of Conduct. The allowances are paid at the daily rate equivalent of the Councillors' Basic Allowance. The Monitoring Officer is authorised to settle the rate to be paid on each occasion.

## 2.12 Provision for withholding of Allowances under certain Circumstances

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.

Where a councillor is fully or partially suspended from their duties, their basic allowance may be fully or partly withheld.

Travel and subsistence allowances may be withheld where a councillor has been suspended from duties or responsibilities which attracted these allowances.

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.

Co-optees' allowance may also be withheld where a co-optee is partially or fully suspended from their duties.

Dependant carer's allowance may not be withheld from councillors.

**Note:** A person may forego all or part of any allowances to which they are entitled. To do so, notice must be given in writing to the proper officer of the authority.

## 2.13 Local Government Pension Scheme

At Council in March 2007 councillors agreed that they could join the Local Government Pension Scheme. The policy framework for councillors is below.

Any councillor wanting to join the scheme needs to write to Sharon Brown, Payments Manager, and she will make the necessary arrangements and arrange for the contributions to be deducted monthly through the payroll.

### **Pension Policy Framework for Councillors**

1. Membership of the scheme is voluntary.
2. No councillor over the age of 70 can apply to join the scheme.
3. Contributions will be made at the rate of 6% and deducted monthly from councillors' allowances via payroll.
4. Pension will be based on basic and special responsibility allowances.
5. Pension is based on total membership of the scheme and **career average pay/80 x total membership**.
6. If a councillor stands down or loses their seat, an amount equal to the cash equivalent of accrued pension benefits can be transferred into a new employer's scheme, personal pension plan or stakeholder pension scheme, or into a "buy-out" insurance policy.
7. A lump sum death grant of 2 x career average pay is payable.

8. A short-term pension, at an annual rate equal to career average pay is paid to the widow/widower for 3 months immediately following death. If there are eligible children this pension is paid for 6 months.
9. If 2 years' membership has been accrued upon death the LGPS will also pay a long-term pension to the widow/widower commencing when the short-term pension ends. The long-term pension is generally half the pension.
10. Any ill-health retirement under dispute will be subject to a second independent medical opinion.
11. No increase to pensionable service at retirement for councillors with less than five years' service will be made except in very exceptional circumstances.
12. No addition to a Councillor's pensionable service will be made on recruitment.
13. There will be no shared cost Additional Voluntary Contribution arrangement.
14. Any proposal involving councillor early retirement benefits will be subject to Council approval.

### 3.0 PAYMENT OF ALLOWANCES/EXPENSES

#### 3.1 Claim Forms

All expenses can be claimed on the one form (except Basic and Special Responsibility Allowances, which are paid automatically).

Time and place of departure may be from work, it does not have to be a home to home journey but claims must show clearly where you are travelling from and to. Completed forms should be sent to the Councillor Services Team who will forward them to the Payments Section.

#### 3.2 Payment Dates

Allowances will be paid at the end of each month. The usual payment date is 25<sup>th</sup> of the month. To ensure payment is received by the end of the month, claims should be submitted **by the 10<sup>th</sup> of the month**. It is essential that claims are submitted regularly and do not build up, to allow effective budgetary monitoring.

#### 3.3 Taxation Allowances

Basic, Special Responsibility and Dependant Carers' Allowances are taxable income. HM Revenue and Customs, East Hants and Wight Area is provided with the names of new councillors and asks them for appropriate information from which a PAYE tax code can be issued. Alternatively, a councillor may apply to HM Inspector to pay tax at the standard rate, although the only advantage in this method seems to be a greater element of privacy than with a normal tax code.

It is necessary to apply a temporary tax code on allowances until instructions are received from HM Inspector.

In returning the tax assessment forms, members are able to claim certain expenses which would reduce tax liability. These are expenses incurred wholly, exclusively and necessarily in the performance of the duties of the councillor not reimbursed by the Council; they can extend beyond direct Council work for example to the costs of dealing with Ward work, such as travelling, telephone calls, stationery and

postage, provided they are not of a political nature. The decision on what is acceptable is made by the Inspector of Taxes who may ask for the actual figures to be returned by a member after the year end.

Travelling and subsistence allowances are not taxable, provided receipts are submitted with claims.

### **3.4 National Insurance Contributions**

Basic and Special Responsibility Allowances are subject to a National Insurance contribution on the whole amount of allowances where the amount exceeds the 'lower earnings limit'. Some married women are still eligible to pay at 3.85% and retired persons are exempt, but in either case, an appropriate certificate from the Department of Social Security must be produced.

A councillor who has more than one employment and expects to pay National Insurance contributions on earnings at the upper earnings limit throughout the year in one of them, or a combination of some of them, may apply for deferment of contribution liability in the other employment(s). If the application for deferment is accepted, payment of contributions in the other employment(s) will be excused and the employer(s) authorised not to make any deduction of National Insurance.

Any councillor interested in deferment of National Insurance contributions should refer to DSS Leaflet NP28 for further information.

### **3.5 Councillors Receiving Benefit**

Entitlement to Income Support/Job Seekers Allowance may be affected by the councillor allowance.

### **4.0 Financial Advice**

Councillors who would like financial advice should contact:

Teresa Caheny Tel: 0870 0994130

email: [teresa.caheny@fluentifa.co.uk](mailto:teresa.caheny@fluentifa.co.uk)

Address: Victory Way, Admirals Park, Crossways, Dartford, Kent DA2 6AG

Or contact the Councillor Services Team who can make an appointment for you.