



Report of:	Meeting	Date	Item No.
The Corporate Director of Resources (Philippa Davies)	Council	22 January 2015	21

Members' Allowances Scheme

1. Purpose of Report

- 1.1** To consider the recommendations of the Independent Remuneration Panel (IRP) in relation to the Council's Scheme for Members' Allowances (the Scheme).

2. Outcomes

- 2.1** The confirmation of a Scheme of Members' Allowances which appropriately reflects members' current roles, duties, responsibilities and commitments under the Council's Constitution.

3. Recommendations

- 3.1** That no change be made to the current level of the Basic Allowance of £4,059 for each Councillor for 2015/16.
- 3.2** That the Basic Allowance be increased by 1% from 11 May 2016 and a by a further 1% in 11 May 2017 (i.e. the anniversary of the appointment to office of Councillors, following the whole Council elections to be held on 7 May 2015).
- 3.3** That the Special Responsibility Allowance (SRA) paid to the Chairman of the Licensing Committee be reduced from a multiplier of 1.5 x Basic Allowance to 1 x Basic Allowance but, that it be reviewed again in 12 months.
- 3.4** That no changes be made to any other Special Responsibility Allowances but, that the SRA's paid to the Leader of the Council and the other members of the Cabinet be kept under review.
- 3.5** That the Scheme be amended to make it explicit that when mileage expenses are claimed from a Member's place of work, then the claim

must not exceed the home to work mileage and, if the journey is shorter, then the lower value must be claimed.

- 3.6** That the provisions in the Scheme for claiming subsistence allowances be changed so that, where overnight accommodation is required, it will be booked by officers and will include breakfast and, that an evening meal allowance of up to £15 can also be claimed for overnight stays, subject to the provision of a valid receipt.
- 3.7** That no change be made to the current provision for carer's and dependants carers' allowances.
- 3.8** That the definition of 'approved duties' for which travel allowances can be claimed be amended to make it clear that allowances are not payable either for ward duties or for duties for which an allowance is already paid by another organisation.
- 3.9** That the definition of 'approved duties' also be clarified, to refer to meetings of bodies to which Councillors are appointed by the Council, or to which they are invited to attend to present a report.
- 3.10** That the decision made by the Council on 18 December 2003 not to proceed with a Local Government Pension Scheme for eligible councillors be reaffirmed, noting that with effect from 1 April 2014 this was abolished for new councillors and will be terminated for exiting councillors from May 2015.
- 3.11** That an additional IT allowance of £180 per annum be paid monthly to each Councillor (along with the Basic Allowance, but not to be considered part of it for the calculation of the multipliers for Special Responsibility Allowances).
- 3.12** That, in future, all candidates will be informed that, if elected, they will need to be able to receive and respond to e-mails and to access the Council's intranet in order to effectively carry out their role as a Councillor and, that they will be expected to themselves obtain the necessary equipment, recognising that the Basic and IT allowances are intended to help them meet such costs.
- 3.13** That, from May 2015, broadband connection, laptop computers, printers, printer cartridges and paper, will no longer be supplied to Councillors, although transitional arrangements will be made if necessary, and smart devices will continue to be provided for Cabinet members and the Leader and Deputy Leader of the opposition.
- 3.14** That from May 2015, the Mayor's and Deputy Mayor's allowances be classified as a Special Responsibility Allowance to be paid monthly through the Council's payroll, with tax and national insurance being deducted at the appropriate rate.

- 3.15** That the proposed revisions to the Council's Members Allowances Scheme (incorporating all the recommendations listed above), set out as track-changes in Appendix 1, be approved, effective from 11 May 2015 (i.e. the date of appointment of Councillors, following the whole Council elections on 7 May 2015, for a four year term of office ending May 2019) apart from the payment of SRA's which, for 2015/16, will be calculated from 21 May 2015 (i.e. the date of the Council's Annual Meeting, at which appointments to the positions eligible for SRA's will be made).
- 3.16** That the revised scheme be publicised, in accordance with the Regulations, as soon as practicable.
- 3.17** That the members of the Independent Remuneration Panel be thanked for their work.

4. Background

Membership of the Panel

- 4.1** The Council is required to appoint an Independent Remuneration Panel to review periodically its scheme of allowance payments to Councillors. The current members of the Panel are Mr Ron Matthews (Chairman), Mrs Hilary Alcock and Mr Michael Collins. (Mr Peter Ryder resigned from the Panel in August 2014, following his co-option as a Member of Garstang Town Council).

Terms of Reference of the Panel

- 4.2** The terms of reference of the IRP are:
To propose a scheme for Members' Allowances which:
- recognises the roles, duties and responsibilities of Members both as decision makers and community representatives under the Council's Constitution;
 - is easy to understand by Members and the public;
 - is simple to operate;
 - includes provision for annual review without the need for fundamental change;
 - considers, subject to the necessary legislation, whether allowances should be pensionable;
 - considers what other allowances, such as travel and subsistence, should be paid and in what circumstances;
 - considers provision for different levels of allowance reflecting the responsibilities of the post-holders.

Current Position and Scope of the Review

- 4.3** The principal components of Wyre's current Members Allowances Scheme are a flat rate Basic Allowance for all Councillors (a statutory element of all local authority schemes), together with Special Responsibility Allowances allocated to defined post-holders, the amounts

reflecting the relative additional responsibilities of each post over and above the Basic Allowance. These are supported by allowances for travel and subsistence costs incurred on defined 'approved' duties. The Scheme also provides for the payment of Carer's and Dependants Carers' Allowances, although none are currently claimed.

- 4.4** The last comprehensive review was undertaken in the autumn of 2011, with recommended changes approved at the Council meeting on 26 January 2012. The Scheme has been reviewed annually since then, with a number of relatively minor changes having been made.

Methodology

- 4.5** The IRP has met on 4 occasions (on 9 October, 10 November, 12 November and 1 December 2014) to conduct this review. It has:

- considered views expressed by Cllr I Duffy and R Duffy, in response to an invitation to all Members of the Council to submit their comments ;
- interviewed the following recipients of Special Responsibility Allowances:-
 - o the Leader of the Council (Cllr Gibson)
 - o the Neighbourhood Services Portfolio Holder (Cllr Berry)
 - o the Chairman of the Planning Committee (Cllr Henderson)
 - o the Chairman of the Licensing Committee (Cllr Bridge)
 - o the Lead Member for Older People (Cllr Ormrod)
- considered comments submitted by the Leader of the Labour Group (Cllr Martin);
- considered a range of comparative information on allowances paid by the other councils in Lancashire and by 15 Councils in a "family group" of Councils which are geographically and demographically similar to Wyre;
- considered information supplied by the IT Systems and Software manager on the provision of IT equipment and consumables to Councillors;
- considered information on the frequency and duration of meetings;
- been advised on legal requirements and the administration of the current Scheme by the Corporate Director of Resources and the Democratic Services and Scrutiny Manager.

5. Key Issues and Proposals

General comments

- 5.1 Having considered the information submitted to it, the Panel has decided to make a number of recommendations for changes to the Scheme. An explanation of the rationale for its conclusions and any specific reasons for proposed changes are set out under each heading below. A revised version of the full Members Allowances Scheme, incorporating all the proposals made by the Panel (shown as track changes) is attached as Appendix 1.
- 5.2 Whilst recognising the need to be wary not to draw simplistic conclusions from comparisons with other councils, the Panel has, nevertheless, had regard to the 'general flavour' of the benchmarking data for the 'family group' of similar councils and, to a lesser extent, for the other councils in Lancashire. Where Wyre is near the top or the bottom of the rank order of such benchmarking data, the Panel has asked further questions to attempt to ascertain whether the current allowance at Wyre is still appropriate.

Basic Allowances

- 5.3 The current level of the Basic Allowance, paid to all Councillors, is £4,059 per annum.
- 5.4 Cllrs I Duffy and R Duffy submitted written comments to the Panel proposing increased allowances, recognising;
- the role of the shadow cabinet;
 - the expectation that elected members have IT facilities permitting constituents to email them;
 - the provision of a telephone allowance;
 - the increase in inflation;
 - the increase in the number of constituents for most Councillors from May 2015 following a Boundary Commission review.
- 5.5 No other Councillors have suggested an increase, with the Leader of the Labour Group stating that:
- “Given the financial pressures on Wyre residents and the Local Authority it would be inappropriate at this point to consider increases to members' allowances”.*

Cllr Martin went on to say that:

“It is vital however that no members are out of pocket when performing their duties. Financial restraints must not preclude members of limited financial means from participating in council business.”

- 5.6** With regard to the issue of the reduction in the number of Councillors from 55 to 50 from May 2015 following the Boundary Commission Review, the Panel has noted that the current average number of constituents per Councillor is 1,563 and after May 2015 will be 1,774. It has concluded that the role and the workload of councillors will not be greatly affected and that the change does not justify an increase in the Basic Allowance.
- 5.7** The current Basic Allowance is in the mid-range of allowances paid by similar authorities (9th highest of 16 in the Audit Commission family group). The Panel considers this to be a reasonable sum and can find no compelling reasons for any increase.

Annual uplift of allowances

- 5.8** Since 2012, the Basic Allowance has been increased by the percentage increase in staff pay in the preceding year. That resulted in several years of no increase, followed by a 1% increase in 2014/15. However, the recently agreed staff pay award is complex, covering a two year period from 1 April 2014 to 31 March 2016, with non-consolidated lump sums payable in December 2014 and April 2015 and with proposed new salaries from 1 January 2015. Essentially, though, it involves an increase of a minimum of 3.2% over a two year period as a percentage of 2013 pay, or a 2.2% increase excluding one-off lump sums.
- 5.9** Having decided to recommend no increase in the Basic Allowance for 2015/16, the Panel proposes an increase of 1% in the Basic Allowance from May 2016 and a further 1% increase from May 2017, recognising that the agreement on rates of pay for staff is only applicable from 1 January 2015.

Special Responsibility Allowances for the Leader, Deputy Leader and other Cabinet Members

- 5.10** The Leader of the Council currently receives an SRA of 4 x Basic Allowance (£16,236 per annum). The current allowance for the Deputy Leader is 0.5 x Basic (£2,028 per annum) and for each of the Cabinet Members is 2 x Basic Allowance (£8,118 per annum).
- 5.11** The Panel noted that the SRA's paid to members of the Cabinet in Wyre are at the higher end of the rank order of such allowances for the Audit Commission family group of sixteen similar authorities (Leader 4th and other Cabinet Members 2nd highest). However, the Panel has considered the information provided about the nature and volume of the work undertaken by members of the Cabinet, including comments made by the Leader of the Council and the Neighbourhood Services Portfolio Holder in response to its questions, and is not proposing any amendment at this stage, but will continue to keep them under review.

Special Responsibility Allowances for Party Group Leaders

- 5.12** Each of the Party Group Leaders currently receives an SRA based on the number of Councillors in their Group (a group being recognised as two or more members). This is a clear and transparent formula for calculating the level of responsibility involved and the Panel is not recommending any change at this stage.

SRA for Chairman of the Overview and Scrutiny Committee

- 5.13** The Chairman of the Overview and Scrutiny Committee currently receives a Special Responsibility of 1.5 x Basic Allowance (£6,087 per annum). Unlike some District Councils, Wyre has only one such Committee, which currently meets monthly. The Panel is not recommending any change at this stage.

Special Responsibility Allowance for the Audit Committee Chairman

- 5.14** The SRA paid to the Chairman of the Audit Committee was reduced to 0.8 x the Basic Allowance (currently £3,246) following a recommendation from the last full IRP review. Whilst this is the fourth highest in the family group, the Panel is not recommending any change at this stage.

Special Responsibility Allowance for the Planning Committee Chairman

- 5.15** The Chairman of the Planning Committee receives an SRA of 1.5 x the Basic Allowance (currently £6,087). Whilst his allowance is the fourth highest in the family group, the Panel is satisfied, having spoken with the Chairman of the Committee, that it is not excessive for the responsibilities undertaken. The Panel has therefore decided not to recommend any change.

Special Responsibility Allowance for the Licensing Committee Chairman

- 5.16** The Chairman of the Licensing Committee currently receives an SRA of 1.5 x Basic Allowance (£6,087 per annum), which is the same as the Chairman of the Planning Committee. That multiplier was set at the time of the last full IRP review, when a range of licensing responsibilities had fairly recently been transferred from the magistrates to the Council and the frequency of Licensing Committee meetings and the full nature of the Chairman's responsibilities was still uncertain.

- 5.17** It has become apparent that, after an initial surge following the transfer of functions from the magistrates, the volume of applications is less than originally anticipated. Although 11 meetings of the Licensing Committee are scheduled each year (to ensure that timescales for any applications received are met) meetings are frequently cancelled. There were 6 meetings in 2011/12, 5 in 2013/14 and there have been 2 so far in 2014/15.

- 5.18** The Panel has taken account of comments made by the current Chairman of the Licensing Committee (Cllr Bridge), who was appointed to that role in May 2014, about his plans but, recognising the reduced number of meetings to date and the position in the family group (2nd highest) has concluded that it would be fair and reasonable to reduce this SRA. It is therefore recommending an SRA of 1 x Basic Allowance (currently £4,059), but will, however, review the position again in 12 months.

Special Responsibility Allowance for the Standards Committee Chairman

- 5.19** The Chairman of the Standards Committee currently receives an SRA of 0.1 x Basic Allowance (£405 per annum). The Panel is not recommending any change at this stage.

Special Responsibility Allowances for the Lead Members for Health and Wellbeing, Older People and Younger People

- 5.20** Lead Members are appointed for Wellbeing, Older People and Younger People. They have no decision making powers, but the intention is that they develop expertise and provide information, advice and support to the Cabinet on those issues. Currently, they are each paid a fixed sum of £250 per annum for 3 years.
- 5.21** The Panel recognises their role, but also notes that there are limited examples of Lead Members significantly influencing policy. Consequently, the Panel is not recommending any change at this stage.

Shaping Your Neighbourhood Lead Members

- 5.22** The Council's Shaping Your Neighbourhood initiative is intended to involve people and communities in identifying issues, priorities and solutions within their neighbourhoods. Lead Members have been chosen to co-ordinate activity in each of the areas identified. At the time of the last full IRP review, Shaping Your Neighbourhood Lead Members had only just been appointed and the Panel stated that it would consider as part of this review, whether or not they should receive an SRA.
- 5.23** The Panel has been informed that a review of the Council's arrangements for engaging with its communities, including the impact of the Shaping Your Neighbourhood initiative, is currently being undertaken by a Scrutiny Task Group. Whilst, at the time of preparing this report, that review has not been completed, it appears that there is still some uncertainty about the role of the Shaping Your Neighbourhood Lead Members.
- 5.24** The Panel has concluded that, at present, there is insufficient evidence to suggest that these Members have a significantly higher level of responsibility than that required for the general community leadership role expected of all Councillors. Therefore, no change is being recommended

to the current position, i.e. that no SRA payments are made for these positions.

Travel Allowances

- 5.25** A minor amendment is being proposed to travel allowances, namely, the clarification that if mileage is being claimed from a Member's place of work, then the claim must not exceed the home to work mileage and, if the journey is shorter, then the lower value must be claimed.

Subsistence Allowances

- 5.26** Provisions are currently included in Appendix A to the Scheme for the payment, in certain circumstances, of allowances to cover the costs of meals whilst attending conferences or other events. These allowances were originally drawn up to be consistent with nationally agreed terms and conditions for employees, which are no longer applicable. These provisions also no longer reflect current practices. Alternative, simpler wording is therefore being proposed to make this part of the Scheme clearer, more reasonable and easier to administer.

Carer's and Dependants Carers' Allowances

- 5.27** Since 2009/10, provision has been included in the Scheme for the payment of Carer's and Dependants Carers' Allowances at the hourly rate equivalent to the national minimum wage. However, no claims for such an allowance have so far been made. The Panel is not proposing any changes to the current arrangements.

Approved Duties

- 5.28** Claims submitted by some Councillors during the past three years have indicated a degree of uncertainty about the type of journeys for which travel allowances are paid. The Panel is therefore, making a recommendation to amend the definition of 'approved duties', to make it clear and explicit that allowances are not payable either for general ward duties or for duties for which an allowance is already paid by another organisation.
- 5.29** Having considered the actual travel allowances claimed over the last three years, the Panel has also concluded that members should not routinely be entitled to claim travel allowances to attend meetings of bodies which they are not a member of, unless they have been specifically invited (such as a Chairman of a Scrutiny Task Group attending a Cabinet meeting to present a report or attendance at full Council meetings). The Panel is therefore recommending that additional wording be included in the definition of 'approved duties' to reflect this view.

Pensions for Councillors

- 5.30** The Panel has been informed that, since its last review, the Government has introduced new Regulations which have prohibited the provision of pensions for new councillors from 1 April 2014 and will terminate pensions for existing councillors from May 2015. In any event, Wyre Council has never provided pensions for any of its councillors.

Provision of IT equipment and consumables

- 5.31** Whilst there is no specific allowance for the provision of IT equipment within the Members Allowances Scheme, many councillors are incurring costs. The current arrangements have developed, in a piecemeal way, over a lengthy period of time. Originally, back in 2006, laptop computers and broadband connection was provided to all 55 Councillors in order to encourage improved use of IT, partly funded by a one-off grant obtained from central government, to improve efficiency. That arrangement facilitated a step change in improved communications between officers and Members and also helped to make Councillors more accessible to their constituents. It also enabled savings to be made in the costs of printing agendas and reports for meetings. However, since then it has become much more common for Councillors to have their own computers and broadband connection and there are now only 9 Councillors remaining with facilities provided directly by the Council. There are also 3 County Councillors who have equipment provided by Lancashire County Council, although it too is currently reviewing its arrangements. It is understood that they have considered moving to a payment of £15 per month (£180 per annum) instead of providing equipment.
- 5.32** Members are also currently able to claim 1 black printer cartridge and up to 5 reams of paper per year. Only 10 councillors have claimed during 2014/15, with 6 claims ranging from £18 to £60 and 4 being less than £10. It is also worth noting that a facility currently exists for Councillors to ask the reprographics team to print any documents, so long as they are related to their Council role.
- 5.33** Under a separate initiative, initially undertaken on a trial basis, five Members of the Cabinet and the Leader and Deputy Leader of the Opposition have been provided with i-Pads. The Leader of the Council has also been issued with an i-Phone. These benefits are provided outside the Members Allowances Scheme and are not included in the allowances published annually. The Panel is not recommending any change to this arrangement at this stage.
- 5.34** The Panel has considered, at some length, information provided by the IT Systems and Software Manager and comments made by various Councillors about the current arrangements for providing IT facilities to Councillors. It is clear that the level and type of provision varies greatly, with many members meeting the full cost themselves. In order to resolve this apparent unfairness, to reduce the administrative burden and to

improve transparency the Panel is recommending that an annual payment of £180 per annum be paid to all Councillors as a contribution towards the costs of the computer facilities which all Councillors are considered to need to perform their role.

5.35 The figure of £180 per annum is being proposed as it is considered to represent an appropriate contribution towards the typical cost of purchasing broad band connection and IT equipment with the level of specification required for Council work and basic personal use.

5.36 To assist with the transition, it is proposed that those Councillors using IT equipment provided directly by the Council be allowed to retain them in the short term, on the basis that they must plan to replace it with equipment of their own, which is suitable for the purposes required for their Council work, as soon as possible. The Panel recognises that there may be occasions where the purchase of IT equipment presents financial difficulties to councillors and that the Council may wish to offer a loan facility in exceptional circumstances but, this would be at the discretion of the Chief Executive.

Mayor's and Deputy Mayor's Allowances

5.37 Following a recent inspection by H.M. Customs and Revenues at a neighbouring Lancashire authority, it has been made clear that whilst, in the past, there may have been local arrangements in place which allowed a register with receipts to be retained by the Mayor detailing how the Mayor's Allowance was spent, this treatment is no longer valid. In order to avoid a potential fine and to ensure compliance, it is therefore proposed that, from May 2015, the Mayor's and Deputy Mayor's allowances be classified as an SRA and be paid monthly through the Council's payroll, with tax and national insurance being deducted at the appropriate rate.

FINANCIAL AND LEGAL IMPLICATIONS	
Finance	The net cost of the Panel's proposals (assuming a consistent base of 50 elected members and the reduction in the SRA for the Chairman of the Licensing Committee) is £581. This reflects an increase in allowance payments of £6,973 less anticipated savings on IT (£3,508) and the inflationary provision contained within the Medium Term Financial Plan (£2,884).
Legal	The Council has a duty under Section 19 the Local Authorities (Members' Allowances) (England) Regulations 2003 to have regard to the recommendations of the Panel when considering any changes to the Scheme. The Council is also required, under Section 22 of the regulations, to publicise receipt of the report and the main features of the Panel's recommendations.

OTHER RISKS/IMPLICATIONS: CHECKLIST

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

Implications	✓ / x
Community Safety	x
Equality and Diversity	x
Sustainability	x
Health and Safety	x

Risks/Implications	✓ / x
Asset Management	x
Climate Change	x
Data Protection	x

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List of Background Papers:		
Name of Document	Date	Where available for inspection
None	-	-

LIST OF APPENDICES

Appendix 1 Proposed revisions to the Members Allowances Scheme.

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Members' Allowances Scheme

Section A: General Conditions

1. The following sections describe the arrangements under which Members may claim allowances; the procedure for submitting a claim; and levels of allowances. The general conditions outlined in this section apply to all claims. Appendix A sets out the scheme and shows the current level of Allowances and will be updated whenever amendments are made.
2. Members may be entitled to claim the following type of allowance:
 - (a) Basic Allowance ~~(see 3)~~.
 - (b) Special Responsibility Allowance ~~(see 4)~~.
 - (c) Travel Allowance ~~(see 5)~~.
 - (d) Subsistence Allowance ~~(see 6)~~.
 - (e) Carer's and Dependent Person's Allowance ~~(see 8)~~

If any member wishes to forego any of the above allowances, notification in writing must be made to the Chief Executive by the beginning of each municipal year; otherwise, allowances will be paid automatically for Special Responsibility and Basic Allowances and on the receipt of claims for other allowances.

3. Basic Allowance

This is based on an annual sum paid in equal monthly amounts and will be paid without claim to all Members apportioned on a daily basis for the period of office to reflect any part month payments.

~~The Allowance is taxable and will be increased by 1% in May 2016 and by a further 1% in May 2017 on the anniversary of appointment. in line with the prior year's NJC pay award (for example, the increase in the basic allowance effective 01.04.12 will be determined using the pay award for council employees effective 01.04.11).~~ The current scheme was approved by the Council on ~~16 February 2006~~ 22 January 2015, on the basis of recommendations made by the Independent Remuneration Panel (IRP) and was fully implemented with effect from ~~4 April 2006~~ the start of a members term of office, namely the fourth day after being elected. An annual review is undertaken each year and the results are applied from ~~4 April~~ the anniversary date of the start of a member's term of office. A full review of the scheme is undertaken every 3 years.

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The amounts currently payable under the Scheme are set out in Appendix A.

4. Special Responsibility Allowance

This may be claimed only by the holders of certain designated posts and is calculated by reference to the Basic Allowance (excluding the additional IT allowance).

The allowance is based on an annual sum paid in equal monthly amounts. It will be apportioned on a daily basis for members starting and finishing their period of special responsibilities during the course of the financial year.

Post	Calculation
Leader	4 x Basic Allowance
Deputy Leader	0.5 x Basic Allowance
Cabinet Members (5)	2 x Basic Allowance
Group Leaders *	(n/55) x Basic Allowance, where n = no. of Members in Group
Chairman of Overview and Scrutiny Committee	1.5x Basic Allowance
Chairman of Audit Committee	0.8 x Basic Allowance
Chairman of Planning Applications Committee	1.5 x Basic Allowance
Chairman of Licensing Committee	1.51 x Basic Allowance
Chairman of Standards Committee	0.1x Basic Allowance
Lead Members ** (3)	Fixed sum as specified
Mayor***	Annual sum as specified
Deputy Mayor***	Annual sum as specified

Note * Payable in respect of a group of two or more Members.

** A Fixed Sum for 3 years from April 2012 to May 2015.

*** An Annual Allowance which reflects the Mayors/Deputy Mayors Civic Duties

The amount for Group Leaders will change consequent upon the results of by-elections or Full Council elections that affect the balance of the groups.

The Special Responsibility Allowance is taxable and other than fixed sum allowances, will be increased annually in line with the increase in the Basic Allowance.

See Appendix A for the current amount.

5. Travel Allowance

(a) Journeys

Members are eligible for this allowance only where expenditure is ***necessarily incurred*** in the performance of an approved duty as defined in Section B. Mileage can only be claimed from a Member's home to the location at which the approved duty is taking place. If mileage is being claimed from a Member's place of work, then the claim must not exceed the home to work mileage and if the journey is shorter then the lower value must be claimed.

The prescribed rates of payment for travel within the United Kingdom are shown in Appendix A. For travel abroad actual expenditure is reimbursed (after prior approval by the Chief Financial Officer).

There are three modes of travel for which allowance is payable:-

- (1) By public transport (actual cost reimbursed).
- (2) By a Member's own motorcycle.
- (3) By a Member's own private motor vehicle, or one belonging to a member of his/her family or otherwise provided for his/her use.

When claiming mileage by a private vehicle, **only that for the shortest route is payable**. However, if the use of a motorway results in a substantial saving of time, the actual mileage may be claimed (details of which should be given).

These rates will be amended as necessary in order to ensure parity with the rates paid to Council employees.

Actual cost will be reimbursed for rail travel as with all public transport and the option that offers best value for the council will be selected.

If Members wish to avail themselves of the Rail Warrant facility provided by the Council, they should complete the appropriate requisition voucher and submit it to the Financial Services Team. Any travel allowance claimed should be reduced by the value of such warrant or any other ticket or voucher provided for the journey.

Any deviation from this policy should be agreed in advance with the Chief Financial Officer (S.151 Officer), and in the event of a dispute, referred to the Cabinet.

(b) Incidental Expenses

Members are entitled to claim only those travel-linked expenses that are incurred in the performance of an approved duty, eg. Car parking fees, toll charges etc.

When making a claim, Members should give full details and, whenever possible, attach the relevant receipts to support claims.

(c) Motor Vehicle/Cycle Insurance and Driving Licence

Members are advised that they should ensure that their current insurance policy covers them for use on Council Business. Members are required to certify on their claim form that this has been adhered to and that they hold a current driving licence.

6. Subsistence Allowance

Members are eligible for this allowance only where expenditure is **necessarily incurred** in the performance of an approved duty as defined in Section B.

~~When main meals (i.e. full breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement to day subsistence, reimbursement is made within the limits shown in Appendix A.~~

The prescribed rates of payment for the performance of duties within the United Kingdom are shown in Appendix A.

For performance of duties abroad actual expenditure is reimbursed (after prior approval by the Chief Financial Officer).

Members should give full details when submitting a claim for this allowance, and certify that they have incurred additional expense, attaching any receipts.

~~These rates will be amended as necessary in order to ensure parity with the rates paid to council employees.~~

7. Carer's and Dependants Carers' Allowance

Payments will be made for expenses that are actually and necessarily incurred by Members in the conduct of approved duties as defined in Section B. Care relates to dependant relatives living with the Member or co-optee, as follows:

- (i) children aged 14 or under;
- (ii) elderly relatives requiring full-time care; and
- (iii) relatives with disabilities who require full-time care.

The current rate is shown at Appendix A.

This rate will be amended as necessary in order to reflect the national minimum wage.

8. Additional IT Allowance

~~Members need to be able to receive and respond to emails and to access the Council's intranet in order to effectively carry out their role. They will be expected to obtain the necessary equipment, including broadband, PC and printer and a supplementary IT allowance will be paid for this purpose and increased annually in line with the basic allowance.~~

Section B: Meaning Of "Approved Duty"

8.9. Approved Duties

Travel, subsistence and carer's and dependent person's allowances will only be paid for Councillors engaged on "approved duties" which are specified as follows:

- ~~a meeting of the Executive i.e the Cabinet;~~
- ~~a meeting of a Committee of the Executive (There are no such committees at Wyre Borough Council);~~

- Meetings of bodies to which Councillors are appointed by the Council e.g. the Cabinet, Overview and Scrutiny Committee or Regulatory Committees;
- Meetings to which Councillors are invited in order to present a report or provide evidence;
- a meeting of ~~the authority i.e. a Full Council meeting;~~
- ~~a meeting of a Committee appointed by the Council e.g. the Overview and Scrutiny Committee;~~
- ~~a Sub-Committee or Task Groups appointed by such a Overview and Scrutiny Committee;~~
- a meeting of some other body to which the Council makes appointments or nominations e.g. Fleetwood Fielden Charity, or
- ~~a meeting of a Committee or Sub-Committee of a body to which the Council makes appointments or nominations;~~
- ~~a meeting which has both been authorised by the Council, a Committee, Sub-Committee or Task Group of the Council or a Joint Committee of the Council 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;~~
- ~~a meeting of a local authority association of which the Council is a member, where the Member is formally representing the Council e.g. the Local Government Association;~~
- ~~duties undertaken on behalf of the Council 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 Council in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises;~~
- ~~carrying out any other duty approved by the Council, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Council, or of any of its Committees, Sub-Committees or Task Groups.~~
- duties undertaken on behalf of the Council as agreed by the Chief Executive.

9. Duties not Eligible for the Payment of Any Travel, Subsistence, Carers and Dependant Persons Allowances

- (i) Attendance by ~~Council~~ Members formally appointed as the Council's representatives at meetings of outside bodies consisting of local authority representatives who carry out functions closely connected with the Council's functions and who are authorised to pay travelling, subsistence and/or attendance allowances.
- (ii) Ward duties
- (iii) Attendance at meetings considered to be of a party political nature.

Note: For ease of reference the full list of outside bodies for which allowances can be claimed, which is reviewed each year at the Council meeting in May, is published with the minutes of that meeting.

10. Attendance at Conferences

Travel and subsistence allowances will be paid at the usual rates to Members attending approved conferences, ~~and congresses within the United Kingdom connected with the Council's interests.~~

11. Attendance at Official or Courtesy Visits

A Member attending an official or courtesy visit within the United Kingdom on behalf of the Borough, including Royal Garden Parties, shall be eligible for travel and subsistence allowances at the usual rates, attendance to be authorised by the ~~Resources Portfolio Holder~~ Chief Executive.

12. Attendance at Meetings of Bodies Prescribed by the Secretary of State

The Local Government Act 1972 specifies that "approved duty" shall include the doing of anything as a member of a body prescribed by the Secretary of State to which the Member has been appointed by or on the nomination of the Council in pursuance of a duty imposed on or a power granted to the Council by any enactment or instrument (including Royal Charter). Any Member doing anything as a member of such a body for the purpose of, or in connection with, the discharge of the functions of that body is therefore eligible for travel and subsistence allowances at the usual rates.

Section C: Procedure for Claiming Allowances

13. Allowance claims should be submitted to the Democratic Services Section on the official form by the 15th day of each month. All claims submitted by that date will be paid on the 15th day of the following month directly into the Councillor's bank account. Claims received after that date will be paid in the following month.

Members are required to submit claims within two months of the date on which the entitlement to the allowance arises is carried out.

When completing claim forms, Members are requested to:

- (a) Enter their name and address.
- (b) Delete modes of travel not applicable (ie. indicate if travel is by private car, private motor cycle or by public transport).
- (c) Indicate car or motor cycle details:
 - (i) Engine size of vehicle.
 - (ii) Make of vehicle.
 - (iii) Registration number of vehicle.
- (d) Enter date of duty.
- (e) Enter place of duty.

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- (f) Enter amount of attendance or financial loss allowance received from an outside body.
- (g) Enter the place that the journey starts and finishes, (including those for outside bodies).
- (h) Enter the names of official passengers taken in a private vehicle in order to qualify for a higher allowance.
- (i) Enter miles driven (based on the shortest route) or public transport fares incurred.
- (j) Enter amount of incidental expenses with the necessary explanatory detail.
- (k) Enter the subsistence amount claimed with the necessary explanatory detail and, whenever possible, attach any VAT receipts to support the amount.
- (l) Enter the number of hours claimed for the carer's allowance calculated from the time leaving home to the time returning to home.
- (m) Indicate by deleting yes/no if vehicle has been changed since last claim
- (n) Sign the form, ensuring that the statement above the signature has been adhered to.

Note: payment of these allowance is dependent on expenditure actually being incurred and Members must sign the form to that effect when claiming. Members are reminded that claims are not permissible when allowances have been claimed from another body.

Blank claim forms can be obtained from the Democratic Services Section.

14. **Income Tax**

A payment in respect of the performance of the duties of a Member counts as a taxable "emolument" (remuneration).

A payment which is no more than the reimbursement to the Member for the extra expense he/she has necessarily incurred in carrying out his/her duties is not normally taxable (reimbursement).

(a) Basic Allowance and Special Responsibility Allowance

These are payable to a Member as of right. ~~(as specified in Sections 3 and 4)~~ whether or not he/she has lost earnings or incurred expenses. They are classed as REMUNERATION and are regarded by Inland Revenue as **taxable**.

New members need to obtain a P46 from the Human Resources Section, complete and return it so that code numbers can be obtained from the Inland Revenue on their behalf.

Tax codes continue unless notification is received from the Inland Revenue.

Any queries on this aspect should be referred to the HR Team.

(b) Travel Allowance

A Member's home is regarded as his/her place of work and his/her travel expenses are all regarded as being "in the performance of his/her duties".

Any amount paid in excess of the Approved Mileage Allowance Payment (HMRC rate) is currently taxable and will be deducted at source. The Government have announced their intention to introduce legislation to exempt from income tax and national insurance, travel expense payments made to local councillors.

(c) Subsistence and Carer's and Dependent Person's Allowances

These are regarded as REIMBURSEMENT of expenses and are consequently **not liable to income tax.**

15. National Insurance

Members' Allowances are subject to National Insurance deductions. See Appendix A for limits.

16. Pensions For Members

The Council's decision, made on 18 December, 2003, not to proceed with the establishment of a Local Government Pension Scheme for eligible Councillors, was re-affirmed when the recommendations of the Independent Remuneration Panel were approved on 16 February 2006, 29 January 2009 and 26 January 2012. This has been subsequently reaffirmed noting that with effect from 1 April 2014 this was abolished for new Councillors and will be terminated for existing Councillors from May 2015.

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~~12 September 2014~~ 23 January 2015
APPENDIX A

Levels of Allowances ~~2014/15~~2015/16

The following allowances apply for the scheme adopted by the Council on ~~26~~22 January ~~2012~~2015 for Wyre Borough Council, ~~and updated annually, most recently on 23 January 2014.~~ The Allowances shown, apply from the start of a members term of office, namely the fourth day after being elected, namely, 11 May 2015. ~~1 April 2014, other than those for the Group Leaders.~~

Basic Allowance

Annual amount per Member ~~(from 1/4/14)~~(as at 11 May 2015) £4,059

Special Responsibility Allowance

Responsibility	Method of calculation	Annual Amount
Leader	4 x Basic Allowance	£16,236
Deputy Leader	0.5 x Basic Allowance	£2,028
Cabinet Members (5)	2 x Basic Allowance	£8,118
Group Leaders *	(n/55) x Basic Allowance, where n = no. of Members in Group	£2,877 (Con) £1,032 (Lab)
Chairman of Overview and Scrutiny Committee	1.5 x Basic Allowance	£6,087
Chairman of Audit Committee	0.8 x Basic Allowance	£3,246
Chairman of Planning Committee	1.5 x Basic Allowance	£6,087
Chairman of Licensing Committee	1.51 x Basic Allowance	£6,087 <u>£4,059</u>
Chairman of Standards Committee	0.1 x Basic Allowance	£405
Lead Members (3)	Fixed Sum**	£250
<u>Mayor</u>	<u>Annual Sum***</u>	<u>£9,240</u>
<u>Deputy Mayor</u>	<u>Annual Sum***</u>	<u>£1,810</u>

Note: * Payable in respect of a group of two or more Members ~~from 26th June 2014~~
 ** A Fixed sum for 3 years from ~~April 2012~~11 May 2015
 *** An annual allowance which reflects the Mayors/Deputy Mayors Civic duties

Travel Allowances

- a. For travel by rail, the option that offers best value for the council will be selected. Rail Travel Warrants should be used whenever possible, their value to be deducted from any amounts claimed.
- b. Member's or Co-optee's own motor cycle usage will be linked to the HMRC rate for tax allowances (currently 24p per mile).
- c. Member's or Co-optee's own private motor vehicle, or one belonging to a member of her/his family or otherwise provided for her/his use will be paid at a flat rate per mile (currently 52.2p). The allowance will be linked to the NJC car mileage rates paid to officers and reflect the mid-point of the casual user rate.

- d. Increase for each passenger to whom travelling expenses would otherwise be payable up to a maximum of four is paid at the HMRC rate for tax allowances (currently 5p per mile).

Subsistence Allowances

~~(These rates will be amended as necessary in order to ensure parity with the rates paid to council employees.)~~

1. Day Subsistence

~~This is not normally paid as attendance at conferences and seminars will include the provision of refreshments/lunch.~~

~~For an absence not involving an absence overnight from the usual place of residence.~~

a.	Breakfast allowance (more than 4 hours before 11.00 am).	£4.48
b.	Lunch allowance (more than 4 hours including the lunchtime between 12.00 noon and 2.00 pm).	£6.17
c.	Tea allowance (more than 4 hours including the period 3.00 pm to 6.00 pm).	£2.43
d.	Evening meal allowance (more than 4 hours ending after 7.00 pm).	£7.64

2. Overnight Subsistence

~~The Overnight allowance is to cover hotel bills including breakfast is and normally these will be arranged via the Financial Services team and paid directly by the Council. An evening meal allowance of £15 is payable on the production of valid receipts.~~

3. Meals on Trains

~~Where the cost of meals taken on trains is reimbursed, the limitations on reimbursement are as follows:~~

- ~~(i) Absence of more than 4 but no more than 8 hours, the cost of 1 main meal.~~
- ~~(ii) Absence of more than 8 but no more than 12 hours, the cost of two main meals.~~
- ~~(iii) Absence of more than 12 hours, the cost of 3 main meals.~~

Dependants' Carers' Allowance

Amount per hour, calculated from time leaving home to time returning home, paid in accordance with the national minimum wage.

Additional IT Allowance

A supplementary IT allowance of £180 per member will be paid.

National Insurance Contributions (with effect from 06/04/14)

Earnings allowable before deductions made

**£5,772 per annum
(£481 per month)**

Data Protection Fees

On April 18 2013 the Council agreed that Data Protection Registration fees for individual councillors, currently £35 per councillor per annum, would be paid by the Council, ~~until the next full review of the Members Allowance Scheme by the Independent Remuneration Panel (scheduled to start in December 2014).~~

The Government announced however (3 July 2013), that it was proposing that councils could make a single registration payment on behalf of all its councillors to cover their casework and council membership and consequently no individual registrations have been paid/reimbursed to date.

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