



<b>Report of:</b>	<b>Meeting</b>	<b>Date</b>	<b>Item No.</b>
Marianne Hesketh, Service Director Performance and Innovation	Council	8 March 2018	8

### **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.

#### **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, in line with the formula applied since 2012, the Basic Allowance paid to each Councillor be increased by 1%, from £4,137 per annum to £4,176 per annum, with effect from 10 May 2018.
- 3.2** That no change be made at this stage to the IT allowance of £186 per annum paid to each Councillor but, the intention of the Panel to review that allowance at its' next meeting in the Autumn of 2018, in advance of the planned full implementation of paperless meetings from May 2019, be noted.
- 3.3** That no changes be made to the way in which Special Responsibility Allowances for members of the Executive, Group Leaders or Chairmen of Committees are calculated, i.e. that they continue to be based on the various current multipliers of the Basic Allowance for each of the posts set out in the Council's Members' Allowances Scheme.
- 3.4** That no changes be made to the Special Responsibility Allowances paid to the Lead Member for Children and Young People, the Lead Member for Older People, the Mayor or the Deputy Mayor.

- 3.5** That the current uncertainty about the position with regard to the payment of registration fees for Councillors under the new General Data Protection Regulations to be implemented from May 2018, be noted.
- 3.6** That no changes be made to any other elements of the Members' Allowances Scheme.
- 3.7** That the levels of allowances to be paid in 2018/19 if the recommendations in this report are approved, as set out in Appendix 2, be noted.
- 3.8** 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 IRP to review periodically its scheme of allowance payments to Councillors. The current members of the Panel are Mr Ron Matthews (Chairman), Mr Michael Collins and Mr David Blight.

##### 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 the 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 Dependant Carer's Allowances.

- 4.4** The current version of the full Members' Allowances Scheme (including the levels of allowances for 2017/18) is attached as Appendix 1 of this report.
- 4.5** The last comprehensive review of the Scheme was undertaken by the IRP in the Autumn of 2014, with recommended changes approved at the Council meeting in January 2015. The Panel conducted "light-touch" interim reviews in the Autumn of 2015 and 2016, following which a number of relatively minor changes were recommended and approved by the Council. A more comprehensive review has again been undertaken this year.

### Methodology

- 4.6** Prior to the commencement of the review, all councillors were invited to make comments or suggestions for consideration by the Panel, but none were submitted.
- 4.7** The IRP has met on three occasions (on 9 October, 13 November and 13 December 2017) to conduct this review. Members of the Panel have also had an opportunity to make comments by email prior to the finalisation of this report.
- 4.8** During the course of its review, the Panel has looked at the impact of the changes made following the last full review, has revisited issues raised in its' previous two interim reviews and has considered:
- comparative information on allowances paid by a "family group" of similar authorities historically assembled by the Audit Commission, collated in September 2017;
  - comparative information from a new "family group" identified by the Chartered Institute of Public Finance and Accountancy (CIPFA) collected in November 2017;
  - comparative information from the other district council's in Lancashire;
  - an analysis of the number of meetings of different committees at Wyre;
  - the actual payments made to each Wyre Councillor in 2016/17
- 4.9** The Panel invited Cllr Alan Vincent, in his role then as interim Leader of the Council and Resources Portfolio Holder, to its meeting on 13 November 2017, to give his views on the roles and responsibilities of the Leader, Deputy Leader and other Cabinet Members and to answer questions from Panel members.
- 4.10** Having done so, the Panel decided to extend the period of its review to invite Cllr David Henderson, following his appointment as the new Leader of the Council, to its meeting on 13 December, to ask about his plans for the division of responsibilities within the Cabinet and to obtain his views more generally about the Members' Allowances Scheme.

## **5. Key issues and proposals**

### General comments

- 5.1** Having considered the information submitted to it, the Panel has decided to make a relatively small number of recommendations for changes to the scheme at this time. An explanation of the rationale for its conclusions and any specific reasons for proposed changes are set out under each heading below.

### Basic allowances

- 5.2** Since 2012, the Basic Allowance has been increased in line with 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. There was then no increase for 2015/16, followed by a 1% increase from May 2016 and a further 1% increase from May 2017.
- 5.3** The current Basic Allowance of £4,137 per annum paid to all Wyre Councillors remains in the mid-range for similar authorities (both the old and the new 'family group') and for other districts in Lancashire.
- 5.4** The Panel considers that the recent practice of linking the Basic Allowance to the amount of the increase paid to employees in the preceding year has provided a transparent mechanism for any increases and has produced an equitable outcome. The Panel has therefore concluded that it is reasonable to continue that mechanism for a further year and is recommending that the Basic Allowance be increased by a further 1% from May 2018, to reflect the 1% increase paid to employees from April 2017.

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

- 5.5** The report on the Panel's last three reports have pointed out that the SRA's paid to members of the Cabinet and the Leader of the Council in Wyre have both been at or near the top of the rank order of such allowances for comparative authorities. On the other hand, the allowance paid to the Deputy Leader has been near the bottom of such lists during that period.
- 5.6** However, in the most recent figures for the new "family group", Wyre's allowance for Cabinet Members is 5<sup>th</sup> highest in a list of 16 similar councils and Wyre's Leader's allowance is 6<sup>th</sup> highest in the list.
- 5.7** Cllr Henderson has explained to the Panel that he will, at least for the time being, retain within his role as Leader of the Council the responsibilities he had previously undertaken as Street Scene, Parks and Open Spaces Portfolio Holder, thereby reducing the size of the Cabinet from seven to six. As he will not be paid a separate SRA for that Portfolio, the total cost of payments made under the scheme will also be reduced. He has told the Panel that intends to consider during the next few months how best to

perform his new role and how he wishes to allocate responsibilities amongst members of his Cabinet.

- 5.8** In view of these very recent changes and the possibility of further adjustments, the Panel considers that it would be unwise to recommend any changes to the SRA's paid to any of the Cabinet members so early in the tenure of a new Leader. Cllr Henderson has agreed to talk to the Panel again when it next meets.

#### Special Responsibility Allowances for Party Group Leaders

- 5.9** Each of the Party Group Leaders currently receives an SRA based on the number of Councillors in their political group (a group being defined as two or more members). The Panel recognises the need for the Leader of the main opposition group to receive an allowance for the responsibilities they have to undertake when performing that role. During the course of the current review, the Panel has though, questioned whether it is necessary for the Leader of the majority group to receive a Group Leader's Allowance in addition to an allowance for being the Leader of the Council. The Panel has noted that in some other councils an individual councillor can only claim one SRA. However, if the SRA for the Majority Group Leader was to be withdrawn, it would have implications for the differentials between Cabinet members and it is likely that changes would have to be made to the multipliers for most other SRA's. In view of the comments made to the Panel by Councillor Henderson (referred to in paragraph 5.8) the Panel has concluded that it would not be sensible to propose such a significant change at this time. It is therefore recommending that for 2018/19 no change be made to the formula for calculating the allowance for Group Leaders. It will re-visit this issue when it next meets.

#### Special Responsibility Allowances for Committee Chairmen

- 5.10** The levels of responsibilities of the chairmen of committees were reviewed thoroughly at the last full IRP review in 2015. No new issues have been raised with the Panel during this review. Having looked at comparisons with other authorities, no significant disparities have been identified. Therefore, no changes are considered to be necessary at this time and the Panel is recommending that the current multipliers of the Basic Allowance continue to be applied.

#### Special Responsibility Allowances for the Lead Member for Children and Young People and the Lead Member for Older People

- 5.11** The Lead Member for Older People and the Lead Member for Children and Young People have no decision making powers. Their role is to develop expertise and provide information, advice and support to the Cabinet on those issues, which are obviously significant for all of the Cabinet portfolios. Following the last full review, it was agreed that each Lead Member would be paid a fixed sum of £250 per annum for a three year period. (The previous position of Lead Member for Health and Wellbeing

was discontinued when a Cabinet member was appointed with a portfolio of responsibilities including those issues.)

- 5.12** The Panel is recommending that no changes be made to these SRA's and that each Lead member again be paid £250 in 2018/19.

#### Special Responsibility Allowances for the Mayor and Deputy Mayor

- 5.13** The Panel has not done any detailed comparisons with the allowances paid by other Council's as part of this review, but has concluded that the current levels of the allowances paid to the Mayor and Deputy Mayor are reasonable for the roles undertaken and is recommending that no changes be made.

#### IT Allowance

- 5.14** Since April 2015 each Councillor has been paid an annual IT allowance, in addition to their basic allowance, as a contribution towards the costs of computer facilities which they need to perform their role. The current payment is £186 per annum.

- 5.15** The Panel has been informed that the Council is in the process of obtaining a new software system for the compilation and publication of agendas, minutes and reports. (The Resources Portfolio Holder Report agreed on 21 December 2017 to the proposed acquisition of the 'Modern.Gov' system, following consideration of a report published on 14 December 2017). Once the system has been installed and fully implemented, it will also enable paperless meetings to be held, with attendees viewing agendas and reports on a tablet device, instead of printed paper copies. It is the current intention to fully implement paperless meetings immediately after the next Wyre Council elections in May 2019. At the time of writing this report, the potential benefits of paperless meetings and arrangements for the implementation of such meetings are currently being considered by a Digital Transformation Task Group set up by the Overview and Scrutiny Committee. The initial recommendations of the Task Group are to be considered by the Overview and Scrutiny Committee on 5 February 2018, prior to submission to the Cabinet on 14 February 2018.

- 5.16** The Panel intends to consider the implications of the intended move to paperless meetings as part of its interim review next Autumn. The proposals will have progressed by then and any recommendations by the Panel can be considered by the Council prior to May 2019

#### Data Protection Registration Fees

- 5.17** The Council's current Members Allowances Scheme states:  
*"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."*

*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.”*

**5.18** There has been uncertainty in the local government sector since then about whether or not Councillors need to be registered as “data controllers” under the current Regulations. In the absence of clarification from the Information Commission or the Department for Communities and Local Government, Wyre Council has not made registration payments on behalf of all Councillors, but only for a single Portfolio Holder.

**5.19** From May 2018 new General Data Protection Regulations will be implemented, which will have a significant impact on the way the Council stores, uses, shares and disposes of personal information about individuals. Although the new Regulations have now been issued, the Information Commissioner’s Office has not yet made clear whether or not Councillors will need to be registered as data processors, either individually or collectively. Councillors will be informed of the implications when the position has been clarified.

Other elements of the Scheme

**5.20** A thorough review of the other elements of the Scheme was undertaken in 2015, including provisions for travel allowances, subsistence allowances and dependents’ carers’ allowances. The eligibility criteria for such allowances and the definition of “approved duties” were also made more explicit as part of that review. No changes are proposed for 2018/19.

<b>Financial and legal implications</b>	
Finance	<p>The cost of the Panel’s proposed increase of 1% in the Basic Allowance is an estimated £1,950 and the consequential increases in the Special Responsibility Allowances based on multipliers of the Basic Allowance, would be £880 in 2018/19.</p> <p>However, the reduction in the number of Cabinet members from 6 to 5 (excluding the Leader) will reduce costs by £8,352 in 2018/19.</p> <p>These figures are within the estimated provision contained in the Medium Term Financial Plan.</p>
Legal	<p>The Council has a duty under Regulation 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 Regulation 22) to publicise receipt of the report and the main features of the Panel’s recommendations.</p>

### **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.

<b>implications</b>	<b>✓ / x</b>
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
climate change	x
data protection	x

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<b>List of background papers:</b>		
<b>name of document</b>	<b>date</b>	<b>where available for inspection</b>
None	-	-

### **List of appendices**

- Appendix 1 The Council's current Members' Allowances Scheme
- Appendix 2 Proposed Levels of Allowances for 2018/19.

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## Current 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
  - (b) Special Responsibility Allowance
  - (c) Travel Allowance
  - (d) Subsistence Allowance
  - (e) Carer's and Dependent Person's Allowance

***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.** The current scheme was approved by the Council on 22 January 2015, on the basis of recommendations made by the Independent Remuneration Panel (IRP) and was fully implemented with effect from 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 the anniversary date of the start of a member's term of office. A full review of the scheme is undertaken every 3 years.

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 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 11 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 Members 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.

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.***

## **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"**

### **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:

- 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 Full Council;
- Task Groups appointed by Overview and Scrutiny Committee;
- a meeting of some other body to which the Council makes appointments or nominations e.g. Fleetwood Fielden Charity, or
- 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 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.

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 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.
- (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, 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 previously determined at their meeting 18 December, 2003, not to proceed with the establishment of a Local Government Pension Scheme for eligible Councillors. 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.

## Levels of Allowances 2017/18

The following allowances apply for the scheme adopted by the Council on 22 January 2015 for Wyre Borough Council. The Allowances shown, which include a 1% increase from the 2016/17 levels in accordance with a decision made by the Council in January 2015 and reaffirmed in January 2016 and January 2017 apply from 11 May 2017.

### Basic Allowance

Annual amount per Member (as at 11 May 2017)      £4,137

### Special Responsibility Allowance

<b>Responsibility</b>	<b>Method of calculation</b>	<b>Annual Amount</b>
Leader	4 x Basic Allowance	£16,548
Deputy Leader	0.5 x Basic Allowance	£2,067
Cabinet Members (6)	2 x Basic Allowance	£8,274
Group Leaders *	(n/50) x Basic Allowance, where n = no. of Members in Group	£2,978 (Con) £1,077 (Lab)
Chairman of Overview and Scrutiny Committee	1.5 x Basic Allowance	£6,204
Chairman of Audit Committee	0.8 x Basic Allowance	£3,309
Chairman of Planning Committee	1.5 x Basic Allowance	£6,204
Chairman of Licensing Committee	1 x Basic Allowance	£4,137
Chairman of Standards Committee	0.1 x Basic Allowance	£411
Lead Members (2)	Fixed Sum**	£250
Mayor	Annual Sum***	£9,423
Deputy Mayor	Annual Sum***	£1,848

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

\*\* A Fixed sum for 3 years from 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**

1. Day Subsistence

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

2. Overnight Subsistence

The Overnight allowance to cover hotel bills including breakfast is normally 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.

### **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 £186 per member will be paid.

### **National Insurance Contributions (with effect from 06/04/17)**

Earnings allowable before deductions made	<b>£5,876 per annum (£490 per month)</b>
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### **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.

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.

**Recommended Levels of Allowances 2018/19**

**Basic Allowance**

Annual amount per Member (as at 10 May 2018)      £4,176

**Special Responsibility Allowance**

<b>Responsibility</b>	<b>Method of calculation</b>	<b>Annual Amount</b>
Leader	4 x Basic Allowance	£16,704
Deputy Leader	0.5 x Basic Allowance	£2,088
Cabinet Members (6)	2 x Basic Allowance	£8,352
Group Leaders *	(n/50) x Basic Allowance, where n = no. of Members in Group	£3,006 (Con) £1,086 (Lab)
Chairman of Overview and Scrutiny Committee	1.5 x Basic Allowance	£6,264
Chairman of Audit Committee	0.8 x Basic Allowance	£3,339
Chairman of Planning Committee	1.5 x Basic Allowance	£6,264
Chairman of Licensing Committee	1 x Basic Allowance	£4,176
Chairman of Standards Committee	0.1 x Basic Allowance	£417
Lead Members (2)	Fixed Sum	£250
Mayor	Annual Sum***	£9,423
Deputy Mayor	Annual Sum***	£1,848

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

\*\* A Fixed sum for 2018/19

\*\*\* 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**

### 1. Day Subsistence

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

### 2. Overnight Subsistence

The Overnight allowance to cover hotel bills including breakfast is normally 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.

## **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 £186 per member will be paid.

## **National Insurance Contributions (with effect from 06/04/18)**

Earnings allowable before deductions made	<b>£6,032 per annum (£503 per month)</b>
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