

## **PART 8**

# **MEMBERS' ALLOWANCES SCHEME**

## Part 8 Members' Allowances Scheme

### 1.0 INTRODUCTION

1.1 The scheme outlined in this document was based on the recommendations of the Independent Panel in accordance with the Local Authorities (Members' Allowances)(England) Regulations 2003. The present Scheme came into effect on 1<sup>st</sup> May 2007 following a full review by the Independent Panel. A further review will be carried out after 4 years (i.e. no later than 1<sup>st</sup> May 2011). Increases in the level of allowances were made on 1<sup>st</sup> May 2008 and 1<sup>st</sup> May 2009 in accordance with paragraph 13.1. On 1<sup>st</sup> May 2010 it was agreed not to apply paragraph 13.1 but to apply a freeze on all allowances for 2010/11.

### 2.0 BASIC ALLOWANCE

2.1 Basic allowance is to be paid to all Members, and is intended to recognise a time commitment expected of all Members, 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 homes and private telephones.

2.2 Each Member is entitled to £3,300 per annum, which will be paid monthly.

2.3 In addition to the Basic Allowance, all Members will be provided with a laptop and printer together with a suitable broadband connection to enable them to access the Council network. Where Members use their own broadband connection for such purposes a payment of a monthly amount equivalent to that paid by the Council for the provision of the service will be paid which can be used by the Member as payment (in part or in full) to their own Service Provider. Where a member wishes to utilise their own PC rather than use a Council provided laptop, the Council will enable a remote access facility for that Member.

2.4 In order to comply with the requirements of Data Protection legislation the Council will, in addition, pay for the registration of each Councillor under the Data Protection Act.

### 3.0 SPECIAL RESPONSIBILITY ALLOWANCE

3.1 A special responsibility allowance will be paid in addition to any entitlement to basic allowance for those Members who have significant responsibilities.

3.2 The Members receiving special responsibility allowance and the allowances payable are as follows:-

	<b>2010/11</b>
Leader of the Council and Chairman of the Cabinet	£11,060
Cabinet Members	£5,525
Overview and Scrutiny Committee Chairman	£4,145
Budget and Performance Panel Chairman	£3,315
Planning Committee Chairman	£4,285
Licensing Regulatory Committee Chairman	£4,285
Licensing Act Committee Chairman	£1,430

Licensing Act Hearings Sub-Committee Chairmen	£870
Personnel Committee Chairman	£3,270
Audit Committee Chairman	£2,280
Appeals Committee Chairman	£575
Group Leaders	£1,845 plus £92 per Member
Group Administrators	£620 plus £117 per Member

3.3 In addition to the above Member responsibilities the Independent Chairman of the Standards Committee will also receive a co-optee's allowance of £1,210. (Subject to review pending the receipt of the Local Government Act 2000 Section 66 Regulations.)

3.4 No Member is entitled to more than one payment from the Scales identified above.

3.5 It will be for individual Members who would qualify for more than one special responsibility allowance to inform the Head of Democratic Services as to which allowance they would wish to be allocated, otherwise it will be assumed that the highest allowance is to be paid.

#### 4.0 **CARERS' ALLOWANCE**

4.1 The Council will make reasonable payments for the reimbursement of the care of dependent relatives living with the Elected Member. Full details of the Carers' Allowance Scheme are attached at Appendix A.

#### 5.0 **PART PAYMENTS**

5.1 In the case of basic and special responsibility allowances, payment will only be made for the period during which a person performs the duties for which these allowances are payable. Where a member (or co-optee) is suspended or partially suspended from his responsibilities or duties as a member of the Council, in accordance with Part III of the Local Government Act 2000 or regulations thereunder, the part of basic allowance or special responsibility allowance payable to him in respect of the period for which he is suspended or partially suspended may be withheld by the Council.

#### 6.0 **REPAYMENTS**

6.1 Where payment of any allowance has already been made in respect of any period during which the member concerned is suspended or partially suspended from his responsibilities or duties as a member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made thereunder, or ceases to be a member of the Council or is in any other way not entitled to receive the allowance in respect of that period, the member (or co-optee) shall repay to the Council on demand such part of the allowance as relates to any such period.

#### 7.0 **REVOCATION**

7.1 Basic and special responsibility allowances will be paid automatically unless notice is received in writing from the Member concerned revoking the entitlement. All such notices should be delivered to the Head of Financial Services.

## 8.0 **CLAIMS**

- 8.1 Claims for travel and subsistence allowances should be submitted monthly after the end of the month in which the entitlement to the allowance arose and in any event no later than 3 months from that date. Claims must be made on the official claim form available from the Head of Financial Services.
- 8.2 Claims will be checked on receipt in Members Services and when verified forwarded to Financial Services for payment. Those received in Financial Services by the 20th of a month will be paid on the 15th of the following month. Claims received after the 20th cannot be guaranteed to be paid the following month.
- 8.3 Payments are made net of income tax, through the PAYE system used for salaried employees. Bank details are, therefore, required for each Member. If a Member changes their bank details, the revised details should be provided to the Head of Financial Services.

## 9.0 **TRAVEL AND SUBSISTENCE ALLOWANCES**

- 9.1 In addition to the Members' Allowances Scheme, travel and subsistence allowances are payable.
- 9.2 A full schedule of rates payable for travel and subsistence and eligible duties is attached at Appendix B, and the approved duties for which travel and subsistence allowances are payable are set out in Annexes 1-3.
- 9.3 All such travel and subsistence payments are payable to independent and parish members of the Council's Standards Committee when attending meetings or training in connection with their duties on that committee or its sub-committees.

## 10.0 **LGA ALLOWANCES**

- 10.1 For those Members of the Council who have accepted political appointments on the LGA the Council's policy for the payment of Carers Allowances and Travel and Subsistence Allowances is set out at Appendix C.

## 11.0 **PUBLICATION**

- 11.1 The Council is required to publish details of the Members' Allowances Scheme and the total amounts received by each Member. The Head of Democratic Services is responsible for this matter.

## 12.0 **MAYORAL AND DEPUTY MAYORAL EXPENSES**

- 12.1 These expenses are paid to the Mayor and Deputy Mayor to reflect the additional expenditure that arises with these positions.

- 12.2 The level of Mayoral allowances will be:- **2010/11**

Mayor £6,720  
Deputy Mayor £1,335

13.0 **REVIEW OF SCHEME**

- 13.1 Allowances (including the carer's allowance) shall be adjusted annually on the 1st May in each year (for a maximum of 4 years) by reference to the Retail Price Index (excluding mortgages) RPIx.
- 13.2 The Independent Remuneration Panel will monitor the Scheme.
- 13.3 Minor revisions are the responsibility of the Corporate Director (Finance & Performance) in consultation with the Chairman of the Independent Remuneration Panel.
- 13.4 Any queries or matters of clarification or determination as to Members' entitlements to any provisions of this scheme shall be ultimately determined by the Corporate Director (Finance & Performance).

14.0 **QUERIES**

- 14.1 Any specific queries regarding the entitlement to the scheme should, in the first instance, be addressed to the Head of Democratic Services (telephone 582060). Queries regarding claims and payments should be addressed to the Allowances Clerk in Financial Services (telephone 582134).

**CARERS' ALLOWANCE SCHEME**

**1.0 Legality**

- (a) The scheme is established by the Council under the Local Authorities (Members Allowances) (England) Regulations 2003. The Carers' Allowance is payable in respect of the approved duties set out in Annexes 1-3 of Appendix B. The scheme requires Councillors claiming the allowance to demonstrate and certify that carer expenses are actually and necessarily incurred in the conduct of their official duties.

**2.0 Entitlement**

- (a) The scheme provides for payments to be made to Councillors in respect of care for "dependent relatives" living with the Member. For the purposes of the scheme, "dependent relatives" are defined as:
- (i) children aged 14 or under;
  - (ii) elderly relatives requiring full-time care; and
  - (iii) relatives with disabilities who require full-time care.
- (b) The allowance is payable for care provided by carers registered by a Councillor with the Authority (see paragraph 6.0(b) for details). In the case of (i) above, under no circumstances will the allowance be payable to another parent, the parent's spouse or partner. In the case of (ii) and (iii) above, under no circumstances will the allowance be payable in respect of care provided by a member of the Councillor's household.
- (c) For meetings or duties within the Council's boundaries as set out in Annexes 1, 2 and 3, the allowance will be paid for the duration of the meeting or otherwise approved duty plus an allowance for up to one hour's travelling time before and after the meeting. For duties outside the Council's boundaries, the allowance will be paid for the duration of the duty plus the actual travelling time to and from the venue. In all instances, total time claimed should be rounded to the nearest half-hour.

**3.0 Rates of Allowance**

- (a) The actual cost of care will be reimbursed, up to a maximum of £8.35 per hour, irrespective of the number of dependants.
- (b) Where a dependent relative requires specialist professional care, the full cost of care will be allowed, with the prior written approval of the Head of Democratic Services (HDS) (see paragraph 6 (b)).

**4.0 Claims Procedures**

- (a) Members wishing to apply for Carers' Allowance must submit an application form to the HDS, declaring that:
- (i) claims made will only be made in respect of a named dependent relative (or relatives) as defined in the scheme;
  - (ii) claims will only be made in respect of the entitlements set out in 2.0 above;
  - (iii) receipts will be provided in support of all claims; and
  - (iv) where a specialist professional carer is to be engaged, that this is a necessary expense for which full reimbursement will be claimed.

- (b) Members are required to notify Member Services in the event of their entitlement to Carers' Allowance ending.
- (c) All claims will be processed by Financial Services through the Council's payroll system. In exceptional circumstances, and with the approval of the Head of Financial Services, advance payments may be made in cash and subsequently adjusted through the payroll.

#### 5.0 **Taxation and National Insurance Contributions**

Advice from the Council's taxation consultants is that payments made under such a scheme will be subject to Income Tax and NIC's unless an arrangement can be reached with the Inland Revenue and dispensation not to tax obtained on the basis that the payments are reimbursement of costs actually and necessarily incurred.

Because of the potential taxation and NIC implications, all payments must be processed through the Council's payroll system.

Negotiations are being entered into with the local Inland Revenue office with a view to agreeing the principle of a dispensation not to tax any Carers' Allowances payable.

#### 6.0 **Administration**

- (a) The scheme is an integral element of the Council's Members' Allowances Scheme, and responsibility for supervising, maintaining and reviewing the scheme is assumed by the Head of Democratic Services.
- (b) Signed applications for registration of a carer are to be submitted by Members for approval by the Head of Democratic Services. Approved applications will be retained by the Member Services Section and a copy forwarded to Financial Services.
- (c) Claims for payment of the allowance should be submitted by Members to Financial Services on the revised standard Members' Allowances forms. All claims must be supported by a signed pro-forma receipt (in the case of care provided by a non-professional carer) or a receipted official invoice in the case of a specialist carer. Financial Services will check all claims for approval of entitlement, accuracy and reasonableness of duties and times claimed, and submission of supporting receipts and invoices.
- (d) Any queries regarding entitlement to the allowance, or individual claims, will be referred in the first instance to Member Services. Should a dispute arise as to the eligibility of a claim, this will be referred to the Head of Democratic Services or Corporate Director (Finance & Performance) for decision. Should agreement not be reached between the Member and the Head of Democratic Services or Corporate Director (Finance & Performance), the matter will then be referred to the Members' Allowances Independent Remuneration Panel for arbitration.

#### 7.0 **Audit**

Internal Audit will review the systems for payment of Members' Allowances on a cyclical basis and include sample testing of Members' Allowances transactions in annual probity programmes.

**TRAVEL AND SUBSISTENCE ALLOWANCES PAYABLE**

**Travelling Allowances**

**(A) Public Transport** (except taxis and aircraft)

- (i) The rate must not exceed the ordinary standard class fare or any available saver fare, but the Council may generally or specially determine to substitute first for standard class fare.
- (ii) Supplementary allowance may be paid for expenses actually incurred on Pullman Car or a similar supplement, reservation of seats, deposit or portage of luggage and sleeping accommodation for overnight journeys, but in this last case the maximum overnight subsistence allowance is reduced by one-third.
- (iii) All long distance rail journeys and sea-travel bookings must be made by Members Services on behalf of Councillors, to seek the most cost-effective deal within current parameters.
- (iv) For journeys by public transport the cost of any private vehicle travel to and from the point of public transport may also be reimbursed at the rate set out in B below.
- (v) For journeys within the 35-mile radius of Lancaster Town Hall valid receipts must be produced.
- (vi) For journeys beyond the 35 mile radius of Lancaster Town Hall where the journey has been undertaken by car, the equivalent of a standard class rail fare as determined by Members Services on receipt of the claim shall be payable, subject to this being less than the payable rate set out in (B) below.

**(B) Private Vehicle** – for journeys with a destination less than 35 miles as the crow flies from Lancaster Town Hall or where the cost would be lower than the equivalent standard class rail fare:

- (i) By motor cycle or motor car - 40p per mile. (The rate payable is that recommended by the Inland Revenue and will be increased in line with their guidance.)
- (ii) Cycling/other non-motorised transport allowance (in all cases) - 40p per mile
- (iii) Supplementary payments may be made for tolls, ferries and parking fees actually incurred (on production of a valid receipt).
- (iv) Payment of mileage allowance is limited to journeys with a destination less than 35 miles as the crow flies from Lancaster Town Hall.
- (v) Beyond the 35-mile limit, the lower of the mileage allowance and the equivalent standard class rail fare will be paid. However the cost of any private vehicle travel to and from the point of public transport may also be reimbursed at the rates set out above.



**(C) Taxis and Hire Vehicles**

- (i) Taxis: in cases of urgency or where there is no reasonably available public transport, the fare plus any reasonable gratuity paid. In other cases, the fare by appropriate public transport.
- (ii) Hire Vehicles: the rate appropriate if the Member had owned the vehicles, unless the Council approves additional amounts up to the actual hiring cost.

**(D) Aircraft**

- (i) The rate applicable to travel by appropriate alternative transport plus any amount of attendance or financial loss or subsistence allowance saved by travelling by air.
- (ii) But if the Council generally or specially resolves that the saving in time is so substantial, then –
  - (a) the ordinary or available cheap fare by regular service; or
  - (b) where no such service is available or in the case of emergency, the fare actually paid.
- (iii) The Corporate Director (Finance & Performance) and Head of Democratic Services have discretion to authorise air travel.
- (iv) All bookings must be made by Members Services on behalf of Councillors.

**Subsistence Allowance**

- (i) In case of an absence, other than an overnight absence from home, subsistence allowance is payable as follows –

Breakfast (when more than 4 hours away from normal place of residence)  
Members on approved duties who leave home before 7.00 a.m. to attend a location outside the Council's boundary, may claim breakfast expenses as follows -

Breakfast, on production of a valid receipt	Up to £5.85
Breakfast, (in London), on production of a valid receipt	Up to £8.50
Breakfast, (in or out of London), where unable to produce a receipt	£3.20

Lunch (when more than 4 hours away from normal place of residence)  
Members on approved duties outside the Council's boundary from 11.45 a.m. to 1.30 p.m. may claim lunch expenses as follows –

Lunch, on production of a valid receipt	Up to £5.85
Lunch, (in London), on production of a valid receipt	Up to £8.50
Lunch, (in or out of London), where unable to produce a receipt	£3.20

Evening Meal (when more than 4 hours away from normal place of residence)  
Members on approved duties who have not returned home by 7.30 p.m. may claim an evening meal as follows –

Evening meal, on production of a valid receipt	Up to £11.45
Evening meal, (in London), on production of a valid receipt	Up to £17.00
Evening meal, (in or out of London), where unable to produce a receipt	£5.85
In the case of an overnight absence -	£90.60
For an overnight absence in Central London	£103.40

- (ii) The value of free meals must be deducted from the allowance. Where main meals are taken on trains during which there is an entitlement to a day subsistence allowance, the reasonable cost of meals (including VAT) may be reimbursed in full. In such circumstances, reimbursement for the cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.
- (iii) All accommodation bookings should be made by Member Services.
- (iv) Where pre-booked the cost of hotel meals will be paid by the Council.

**Eligible Duties**

Approved duties eligible for claiming travel and subsistence allowances are set out in Annexes 1, 2 and 3.

<b>Approved Duties - Meetings of the Authority</b>
<b>Council</b>
<b>Committees established by Council and any sub-committees established by those Committees, currently:</b>
Personnel Committee
Audit Committee
Appraisal Panel
Appeals Committee
Licensing Regulatory Committee
Licensing Act Committee
Licensing Act Sub-Committees
Planning and Highways Regulatory Committee
Scheduled Planning Briefings
Standards Committee
Standards Sub-Committees
Council Business Committee
<b>Cabinet</b>
Committees established by Cabinet
Cabinet Liaison Groups established by Cabinet
Scheduled Cabinet Briefings
<b>Overview and Scrutiny Committee</b>
Task Groups established by Overview and Scrutiny Committee
<b>Budget and Performance Panel</b>

**Approved Duties - Outside Bodies**

Note: All the following bodies are currently operating with one or more Council-nominated representative. Representatives are usually, but not necessarily, Councillors. Where non-Councillors are currently nominated to an outside body, this is indicated in the right hand column of the table. The Council has no authority to pay expenses to such representatives.

Organisation	'Outside' Nominee(s)
Adult Social Care and Health Overview and Scrutiny Committee	
Alfa Aesar Liaison Group	
Arnside & Silverdale AONB Unit	
Barton Road Youth and Community Centre Community Association	
Board of Trustees of Skerton Charities	Yes
Board of Trustees of the Lancaster Charity	
British Resorts Association	
Carnforth Station and Railway Trust Company Limited	
Children's Trust Partnership Lancaster District	
Citizens Advice Bureau	
Court of the University of Central Lancashire	
Court of the University of Lancaster	
Crook O'Lune Advisory Committee	
Cycling Demonstration Town	
Dukes Playhouse Board of Directors	
Folly Board of Trustees	
Forest of Bowland AONB Joint Advisory Committee	
Friendship Centre Management Committee	
George Fox School Educational Charity	
Heysham Mossgate (Community Facilities) Company Limited	
Heysham Nuclear Power Station LCLC	
Heysham Youth and Community Centre Management Committee	
Historic Towns Forum	
Homelessness Forum	
Lancashire Economic Partnership	
Lancashire Leaders Meeting	
Lancashire Police Authority – Partnerships Forum	
Lancashire Rural Affairs Forum	
Lancashire Rural Partnership	
Lancashire Valuation Tribunal	Yes
Lancaster & District Multi Agency Forum on Domestic Violence	
Lancaster and District Vision Board	
Lancaster & Morecambe Fairtrade District Steering Group	
Lancaster & Skipton Rail User Group	
Lancaster Canal Restoration Partnership	
Lancaster District CVS	
Lancaster District Sustainability Partnership	
Lancaster International Twinning Society	
Lancaster Police and Community Forum	
Lancaster Ripley Church of England Education Trust	
Lancaster University Council	
Lancaster University Public Arts Strategy Committee	

**Lancaster City Council**  
**CONSTITUTION**

<b>Organisation</b>	<b>'Outside' Nominee(s)</b>
Leeds-Morecambe and Settle-Carlisle Railway Development Partnership	
LGA Coastal Issues Special Interest Group	
LGA Executive	
LGA Rural Commission	
LGA Urban Commission	
LSP Children and Young People Thematic Group	
LSP Economy Thematic Group	
LSP Education, Skills and Opportunities Thematic Group	
LSP Environment Thematic Group	
LSP Health and Wellbeing Thematic Group	
LDLSP Management Group	
LDLSP Partnership Board	
LSP Safety Thematic Group and Crime & Disorder Reduction Partnership	
LSP Valuing People Thematic Group	
Lune Park Children's Centre	
Lune Valley Transport Enterprise	
Marsh Community Centre Management Committee	
Morecambe Bay Partnership	
Museums Advisory Panel	
National Association of AONBs	
North & West Lancs Priority 1 Action Plan Partnership Board	
North Lancashire Health and Wellbeing Group	
North West Home Safety Council	
North West Local Authorities Employers' Organisation	
North West Rural Affairs Forum	
Older Persons' Partnership Board	
Preston and Western Lancashire Racial Equality Council	
Rainbow Centre, Morecambe	
Regional Leaders' Forum	
Relate Lancashire, Lancaster District	
Reserve Forces and Cadets Association for NW of England and Isle of Man	
Storey Centre for Creative Industries	
Waste Management Strategy Steering Group	
West Coast Rail 250	
West End Partnership Management Committee	
Williamson Park Limited Board of Directors	
Winning Back the West End Steering Group	

<b>Approved Duties - Other Duties</b>
Attendance at Conferences/Seminars to which the Council or Cabinet has nominated a delegate
Media Receptions
Scheduled, Formal Meetings with Chief Executive/Directors/Service Heads
Mayoral and other public ceremonies/launches etc approved by the Council or Committee of the Council
Scheduled, Formal Meetings with Trade Unions
Scheduled, Formal Meetings of Cabinet / Overview and Scrutiny meetings / Working Groups

*Notes:*

*The essential criteria for these, and any other such duties that may arise, is that they must be formally structured and diarised elements of Council business. The inclusion of other duties within this definition will be at the discretion of the Corporate Director (Finance & Performance).*

## **Appendix C LGA Scheme of Members Allowances - City Council Policy**

The LGA's current scheme of members' allowances became effective from April 2003. The main features of the scheme are:

- Members of all Executives are paid an annual lump sum 'Responsibility Allowance' reflecting both the time which might be spent and the level of responsibility involved in carrying out these posts; no other attendance allowance is paid;
- The LGA pays travel and subsistence for meetings at which a Member has been appointed in a representative role on behalf of the LGA. The City Council pays the travel and subsistence costs for other meetings.
- The LGA pays carers allowance in respect of all approved duties and to members representing the LGA on outside bodies.
- Allowances paid by the association are index-linked to the principal local government pay settlement.

<b>Type of Meeting</b>	<b>Travel &amp; Subsistence</b>	<b>Carers Allowance</b>	<b>Attendance</b>
All standing committees, panels, forums and task groups of the LGA.	Reasonable travel and subsistence costs will be paid by the authority according to the current scheme of Members' Allowances. Wherever possible, travel and accommodation arrangements should be made through Member Services.	Actual expenditure up to a maximum (currently £4.50 per hour per dependant) is paid by the LGA. This is payable for a maximum of the duration of the approved duty plus reasonable travelling time.  Expenses incurred by Members are claimed in the first instance from the authority. The authority will submit a quarterly reclaim to the LGA.	Members of the LGA Executive, LGA Executives with Forums, and Other Executives receive a lump sum amount paid directly from the LGA to reflect the time which may be spent and the level of responsibility involved in carrying out these posts.  No other payment regarding attendance is made.
Attendance at meetings with Ministers, Government Departments or consultations with other bodies where Members have been appointed by the LGA.	The LGA will pay travel and subsistence costs at the rates currently specified by the Secretary of State, subject to reimbursement of rail fares on the basis of the standard fare. The LGA requires receipts to be provided in support of travel and subsistence claims.		
Attendance at receptions, visits, conferences, seminars, or other functions where Members have been appointed by the LGA to attend in a representative role on behalf of the LGA.	Expenses incurred by Members should be claimed in the first instance from the authority. The authority will submit a quarterly reclaim to the LGA.		
Attendance as the LGA's appointed representative on any public body, charity, voluntary body or other organisation formed for a public purpose (and not for the benefit of its members).			
One Party meetings or duties.	Any travel & subsistence to be funded by the political fund of the relevant party.	Any carers allowance to be funded by the political fund of the relevant party.	Any attendance allowance to be funded by the political fund of the relevant party.
Non-Approved Duties: Including General Assembly, Urban Commission, Rural Commission, Special Interest Groups, Conferences where the authority pays a fee for attendance.	Reasonable travel and subsistence costs will be paid by the authority according to the current scheme of Members' Allowances. Wherever possible, travel and accommodation arrangements should be made through Member Services.	Carers allowance will be paid by the authority according to the current scheme for Members' Allowances.	To be covered by the basic allowance currently paid to all Members.