

## Members' Allowances Scheme

Appendix 1

### 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 their period of office starting on the fourth day after their election. **The Allowance is taxable.**

The Scheme is approved by the full Council, on the basis of recommendations made by the Independent Remuneration Panel (IRP). The IRP reviews the scheme annually – undertaking a full review every 3 years and a “light-touch” interim review in other years. Any recommendations made by the Panel are reported to the Council with any approved changes implemented at the start of the Municipal Year in May.

Since 2012 the Basic Allowance paid to each Councillor has been linked to the percentage increase in staff pay in the preceding year or a suitable proxy.

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.

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	1 x Basic Allowance
Cabinet Members	2 x Basic Allowance
Group Leaders *	(n/50) x Basic Allowance, where n = no. of Members in Group
Chairman of Overview and Scrutiny Committee	1.5x Basic Allowance
Chairman of Audit and Standards Committee	1.5 x Basic Allowance
Chairman of Planning Committee	1.5 x Basic Allowance
Chairman of Licensing Committee	1 x Basic Allowance
Lead Members**	Fixed sum as specified in Appendix A
Mayor***	Annual sum as specified in Appendix A
Deputy Mayor***	Annual sum as specified in Appendix A

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

\*\* A fixed sum for 2024/25.

\*\*\* A fixed Annual Allowance which reflects the Mayor's/Deputy Mayor's 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 amounts.

## 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.

Members can submit a request relating to rail travel via Democratic Services and are asked to provide plenty of notice as advance booking of rail fares can be significantly cheaper than standard prices. Members should use a website like the Trainline to identify preferred times of travel and be aware that some rail fares cannot be refunded if unused. Members will be contacted by a member of Finance to arrange collection of their travel documents.

Any deviation from this policy should be agreed in advance with the Corporate Director Resources (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, e.g. 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 Corporate Director Resources (Section 151 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 Dependent Person's 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 dependent 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.

Receipts for the care costs incurred must be provided.

Allowances cannot be claimed for care provided by an immediate family member or a member of the Councillors household.

The current rate is shown at Appendix A.

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

## **8. IT Costs**

All Councillors are supplied with a tablet device which enables them to view agendas, reports and minutes before, during and after meetings. The tablet devices can also be used by Councillors to send and receive emails when they have access to WI-FI. The separate IT Allowance, previously paid in addition to the Basic Allowance was therefore withdrawn with effect from 2 May 2019. However, the Chief Executive is authorised, in exceptional circumstances, to make a payment to a Councillor experiencing financial hardship to obtain internet access at home.

## **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 (e.g. approved training).

**10. Duties not Eligible for the Payment of Any Travel, Subsistence, Carers and Dependent Person's 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.

**11. Attendance at Conferences**

Travel and subsistence allowances will be paid at the usual rates to Members attending approved conferences, or other similar events.

**12. 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.

**13. 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**

- 14.** Allowance claims should be submitted to the Democratic Services Team 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.**

An online form is located on the Councillor Portal or blank claim forms can be obtained from the Democratic Services Team.

## 15. 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**.

## 16. National Insurance

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

## 17. Pensions For Members

Pensions are not paid to Councillors.