

PART 6 - Members' Allowance Scheme

1. Background

1.1 Introduction

The Members' Allowances Scheme (the Scheme) sets out details of the duties eligible for payment, the amounts payable and administrative matters relating to making claims etc.

1.2 Legislative framework

The Council is empowered to remunerate Members primarily under The Local Authorities (Members' Allowances) (England) Regulations 2003 (the Regulations). These Regulations require the Council to have regard to the recommendations made to them by an Independent Remuneration Panel.

The Independent Remuneration Panel advises Malvern Hills District Council, Wychavon District Council, Worcester City Council, Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council and comprises six independent persons.

1.3 Policy framework

The Council adopted a Scheme of Allowances recommended by the Independent Remuneration Panel.

2. Statutory scheme

2.1 Basic allowance

A Basic Allowance must be an equal payment to all Members and is payable at the rate set out in Schedule 1 to this Scheme. The Basic Allowance is a flat rate payable regardless of duties and is intended to reflect both the constituency role of Members and attendance at meetings on Council business, and to cover telephone, postage, stationery and IT costs.

2.2 Special Responsibility Allowances

In addition to the Basic Allowance, Special Responsibility Allowances are payable in respect of the following duties:

- Leader of the Council
- Deputy Leader
- Portfolio Holders
- Chairman of Overview and Scrutiny Committee
- Chairman of Audit and Standards Committee
- Chairmen of Area Planning Committees
- Chairman of Licensing and Appeals Committee
- Leaders of declared political groups
- Chairmen of Overview and Scrutiny Task and Finish groups (pro rata for review period)

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2.3 Part-Year entitlement to allowances

Where a Councillor is elected or resigns part way through the year, the amount of Basic Allowance is calculated by dividing the annual sum of Basic Allowance (set out in Schedule 1(a)) by 365 and multiplying the product by the actual number of days in office. The same method of calculation is used in relation to Special Responsibility Allowances, where a Special Responsibility is taken up or relinquished part way through the year.

2.4 Renunciation and Give as You Earn

A Councillor may, by giving written notice to the Monitoring Officer choose to forego all or part of an allowance under this Scheme.

A Councillor may also choose to donate all or part of his/her entitlement to allowances under this Scheme to registered charities of his/her choice. A request to make such an arrangement should be made in writing to the Monitoring Officer. A form will be provided for the Member to set out details of the charitable organisations to benefit, together with the amount to be paid. Donations are then made at source and are tax-free.

3. Additional provisions

In addition to the Scheme, the following allowances and expenses are also payable.

3.1 Travel expenses

Travel allowance rates are set out in Schedule 1(B) to the Scheme. All travel allowance rates in the Scheme are based on car, motorcycle or bicycle transport.

The standard travel allowance rate is the HM Revenues and Custom rate, where there is no tax liability.

The Scheme also includes provision for a passenger mileage supplement to encourage Councillors to share transport where practicable. This allowance is set at the maximum rates, details of which are contained in Schedule 1(B).

The Scheme also makes provision for reimbursement of expenses for using a pedal cycle. This allowance is set at a level to encourage the use of a bicycle where practicable. The current rate is set out in Schedule 1(B).

The duties for which travel expenses are payable are set out in Schedule 2, which includes guidance notes to assist Members.

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There are no direct provisions for public transport costs, but a Councillor who uses public transport can expect to receive a payment equivalent to car mileage for duties within the District. For duties further afield Councillors are encouraged to use rail transport where possible, particularly for visits to London. In these circumstances, the officer organising the booking can make arrangements to obtain all necessary tickets or passes. If a car is used it would be reasonable to expect that a Councillor would claim either the cost of first class rail fare or mileage, whichever is the lesser.

3.2 Subsistence expenses

Subsistence payments are also available for Councillors where they are away from home and unable to make their own arrangements. It is intended to reimburse a Councillor for the *actual* expenditure incurred, up to prescribed limits, dependent on the time of day that the duty took place. Payment can only be made on the submission of a receipt with the claim. The duties for which a payment is made are set out in Schedule 2, with the amounts set out in Schedule 1(B).

A separate allowance is also available to meet costs of overnight accommodation, set out in Schedule 1(B).

3.3 Dependent Carer's Allowance

The Dependent Carer's Allowance is intended to provide support to a Councillor with responsibilities for childcare or a dependent relative when attending meetings of the Council. The allowance is to cover reasonable and legitimate costs. Payments are for the actual time that a carer is employed and therefore includes the travelling time of a Councillor to and from a meeting. Payment of this allowance is dependent on the submission of receipts. The age limit for dependent children is under 16 years of age.

3.4 Financial Loss Allowance

Financial loss payments can only be paid to co-opted members of the Council. The allowance is payable to co-opted members in the following circumstances:

- To cover actual loss of earnings which they would otherwise have made, and/or
- Additional expenses (other than travel and subsistence) which they would not have incurred had they not been attending the meeting

The prescribed maximum limits in respect of this allowance are set out in Schedule 1(A).

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3.5 Conference and other similar payments

The Regulations preclude payment of allowances in respect of attendance at conferences. However, s175 of the Local Government Act 1972 enables payments similar to Attendance Allowance to be made. The amounts are set out in Schedule 1(A). Attendance at a conference must receive prior authority from either Council, Executive Committee or an authorised officer, depending on the conference in question. A Member wishing to attend a conference should discuss this with the appropriate senior officer.

4. Administrative procedures

4.1 Payment of allowances

Payments for Basic and Special Responsibility Allowances are made through the Council's Payroll Section, using the Bank Automated Clearing System (BACS). Payments are made on a monthly basis on the 23rd of the month.

Following election, a Councillor should provide the following details as soon as possible in order that payments can be set up on the system:

- Name of bank account to which allowance is to be paid
- Bank account and sort code details
- National Insurance number
- Date of birth

Payroll should be notified of any changes to banking details or address as soon as possible. Telephone: 01386 565514 or 01386 565515.

4.2 Claims for Expenses

Claims have to be made in respect of Travel and Subsistence and Dependent Carer's Allowances. Claim forms are available to download from the Member's Area of the Council website. If you have any trouble downloading the forms, please contact Democratic Services on 01684 862416/2273 for assistance.

The Members' Allowances claim form should be submitted **on a monthly basis** before the 2nd of the following month and requires a Councillor to provide the following details:

- What the claim is for e.g. attendance at Overview and Scrutiny Committee;
- The start point of the journey (i.e. home) and the destination (i.e. Council House);

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A back dated claim that is submitted by Members; i.e. one that is more than 3 months old, cannot be approved in the first instance without authorisation from the s151 Finance Officer.

As the scope for payments has been widened to include constituency meetings etc., it is important that as much detail as possible is included on meetings. This should include the date, time, where the meeting was held and, within reason, details of those who attended - please refer to the guidance notes contained within Schedule 2.

4.3 Queries over entitlement

A claim that is not within the agreed criteria in this Scheme will not be paid and will be referred back to the member for further clarification. If a Member disagrees with a decision not to pay a claim, he or she may appeal in writing to the Monitoring Officer. If the matter is still not resolved to the satisfaction of the Councillor, it can be referred to the Audit and Standards Committee for consideration.

4.4 Tax and National Insurance Implications

Basic, Special Responsibility and Dependent Carer's Allowances are taxable and may be liable to National Insurance contributions if the monthly threshold is exceeded.

Members' Allowance payments may affect entitlement to certain State Benefits; any Councillor affected by this should discuss this with the Benefits Office. There may be some entitlement to Statutory Sick Pay if illness prevents a Councillor from undertaking duties for four or more days. However, this is likely only to apply where National Insurance contributions are made on a regular basis. For more details on the implications on tax and benefits for Members, please contact the Payroll on 01386 565514 or 01386 565515.

4.5 Publicity of the scheme

A record of all payments made to Councillors under the Scheme for the preceding financial year is kept by Democratic Services at the Council House and is available for Members and public inspection during working hours. The scheme is also published on the Council website.

Members can also check on payments made to them during the current financial year by contacting the Personnel and Payroll Section on the telephone number referred to above.

The Regulations require that the Members' Allowances Scheme for the current year, together with the payments made to Members during the previous year, are publicised annually. To satisfy this requirement, details of all payments made will be published on the Council website. These details will also be circulated to other places such as local libraries where appropriate

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4.6 Future revisions to the scheme

The attached Schedule setting out the amounts payable can be updated separately from the Scheme and re-circulated to Members following any increases agreed by Council. The complete Scheme will be re-circulated following any agreed policy changes.