**Payment of allowances to Councillors**

**1. General**

This memorandum is to draw Members' attention to the allowances available, basis of claim, procedures and other relevant information. It incorporates amendments to the Council's scheme and is effective from 1 April 2024.

|  |  |
| --- | --- |
| **Index****Subject** | **Para.****No.** |
| Members' Allowance Code | 2 |
| Basic Allowance | 3 |
| Special Responsibility Allowance  | 4 |
| Travelling Allowance  | 5 |
| Subsistence Allowance  | 6 |
| Child Care and Dependant Carers' Allowance | 8 |
| Claiming the Allowances Due | 9 |
| Members who serve on two or more Local Authorities | 10 |
| Income Tax | 11 |
| Social Security | 12 |

**2. Members' Allowance Code**

As from 1st May, 2003, the Members’ Allowances Code is subject to the amendments made to section 18 of the 1989 Act as amended by section 99 of the Local Government Act 2000, by section 100 of the 2000 Act and the Local Authorities (Members’ Allowances) (England) Regulations 2003.

Councillors are entitled to claim the following expenses in respect of approved duties covered by this memorandum: -

(a) Basic Allowance.

(b) Special Responsibility Allowance.

(c) Travelling Allowance.

(d) Subsistence Allowance.

(e) Dependant Carers Allowance.

**3. Basic Allowance**

Basic Allowance will be paid to Members automatically. Members not wishing to receive this allowance should notify the Head of Legal and Democratic Services in writing.

The Council has resolved that the rate of Basic Allowance per member per annum is £8,950.55 to be paid at £745.88 per month. Allowances will be adjusted on a daily basis for Members retiring from or joining the Council during the financial year. The Independent Review Panel met in Autumn 2020 to review the scheme and make recommendations to Council.

Council having had regard to the recommendations agreed a new Scheme which came into effect on 7 May 2021.

The Basic Allowance also incorporates an allowance (previously Communications Allowance) for the purchase of hardware and software to enable Councillors to access the Council's IT Services where required and to carry out their Council business. This allowance also covers telecommunications.

This allowance is taxable (referred to later in paragraph 11) and is subject to the regulations relating to Class 1 contributions under the Social Security Act 1975.

**4. Special Responsibility Allowances**

The Council has the right to pay Special Responsibility Allowances to Members holding certain offices. This allowance will be paid automatically and Members not wishing to receive it should notify the Head of Legal and Democratic Services in writing.

No member of the Council shall receive more than one Special Responsibility Allowance.

The allowance will be paid in 12 monthly instalments. Allowances will be adjusted on a daily basis for Members retiring from or joining the Council during the financial year, and when changes in office held are made.

This allowance is taxable (referred to later in paragraph 10) and is subject to the regulations relating to Class 1 contributions under the Social Security Act 1975.

The current scale of Special Responsibility Allowances as resolved by the Council is shown in Appendix A.

**5. Travelling Allowance**

The scale of Travelling Expenses is as shown in Appendix 'B'.

(a) Rail Travel - is restricted to all classes other than 1st Class.

(b) Car Mileage Allowance - Members may claim at the rates shown in Appendix B for the use of a motor vehicle.

(c) Motorcycle Allowance - Members may claim at the rates shown in Appendix B for the use of a motorcycle.

(d) Cycle Allowance - Members may claim at the rate shown in Appendix B for the use of a cycle.

Mileage under 45p per mile is not taxable. Mileage is restricted to the maximum of the return distance between home and the venue of the meeting. Mileage would also be claimable for journeys between venues when held on the same day and the timings are such that one would be unable to return home.

Only in exceptional circumstances, and with the approval of the Chief Executive, the Deputy Chief Executive, or the Head of Legal and Democratic Services, would mileage be claimable in excess of that distance. The essence of travelling expenses is that a Member may only claim expenditure actually incurred within the scales at Appendix 'B' and conditions lain down at Appendix 'C'.

**6. Subsistence Allowances**

Scale of Subsistence Allowance is as stated in Appendix 'C'.

Where the Subsistence Allowance is payable, Members may claim up to the scale allowance for meals taken and paid for during the appropriate period of absence. **Receipts must be provided by the claimant before any claim shall be authorised.** In exceptional circumstances the Head of Legal and Democratic Services has discretion to approve payment without a receipt. Regulations require that travel and subsistence expenses may only be claimed for an approved duty which has been approved before the duty is performed.

Approved duties for Travelling and Subsistence are only those relating directly to the Eligibility of Duties at Appendix 'C' and attendance as a representative of the Council at meetings of the bodies on Appendix 'E'.

A Member shall not be entitled to any payment of Travelling and Subsistence Allowance in respect of the performance of an approved duty within the Parish as a Parish Council Member.

**7. Child Care and Dependant Carers' Allowance**

Child Care and Dependant Carers' Allowance is available to those Councillors who incur expenditure for the care of dependant relatives or children whilst undertaking approved duties of the Council. Approved duties are specified at Appendix 'F'.

A Carer's Allowance of up to £16.17 per hour, i.e. actual expenditure incurred up to a maximum of £16.17 per hour will be paid for care of dependants for children, elderly people or people with disabilities, while a member is on Council business where an annual allowance or travel and subsistence is payable.

Precludes any payment if the caring is undertaken by a member of the Councillor’s own immediate family (e.g. spouse, partner, older child or grandparent).

Limits the maximum level of payment in any one week to a maximum of 8 hours or the duration of 2 meetings (whichever is the lesser period).

This allowance is taxable (referred to later in paragraph 11) and is subject to the regulations relating to Class 1 contributions under the Social Security Act 1975.

**8. Claiming the Allowances Due**

The Regulations require that a Member who desires to claim any payment under the Allowances Code shall complete and claim in the appropriate form set forth in the Regulations. Members are, therefore, requested to complete and forward the appropriate form(s) to the Head of Legal and Democratic Services, Beech Hurst, Weyhill Road, Andover. This method of payment is by way of bank credit on the 18th of each month. In order for this process to be adhered to, claims should be received by the last working day of each month preceding the pay day.

The Regulations state that claims for Allowances should be made within two months of the date on which the duty was carried out. It is however, recommended that Members minimise their exposure to National Insurance contributions by making regular monthly claims.

Basic Allowance and Special Responsibility Allowance, where appropriate, will be paid to members automatically unless notification in writing declining allowances is sent to the Head of Legal and Democratic Services. Details of these allowances are set out in paragraphs 3, 4 and 7.

**9. Members who serve on two or more Local Authorities**

Members' attention is drawn to the fact that if a Councillor is a member of one or more Local Authorities:

(a) A Member shall not be entitled to take expenditure on travelling into account for the purposes of more than one claim.

(b) A Member shall not be entitled to take any period of absence from his usual place of residence into account for the purposes of more than one claim.

**10. Income Tax**

Travelling expenses and some subsistence expenses are not taxable.

Basic Allowance, Special Responsibility Allowance and Child Care and Dependant Carer's Allowance are taxable - the position being as follows:-

New members, who have no P45 (Certificate of pay and tax from a previous employer), will be issued with a P46. Page 1 of that form should be completed, and returned to Payroll, it will be forwarded to the Tax Office who will issue a tax code. Until notification from the Tax Office is received, tax will be deducted at the basic rate if appropriate.

**11. Social Security**

As has been stated previously, the Basic Allowance, Special Responsibility Allowance and Cycle Allowance are subject to the provisions of the Social Security Act 1975. The position is outlined below:-

(A) Contributions - with effect from 6th April 2001.

(i) A Member is liable for National Insurance contributions in respect of the above allowances, as follows:-

(ii) Members who have reached retirement age will not be liable for any contributions at all, but must provide the Authority with a certificate of age exemption. Married women who pay reduced contributions must provide the Authority with a certificate of election for reduced liability.

(iii) Each employment or office is to be considered separately for contribution purposes and no account is to be taken of the fact that a Member may be employed or the holder of another office under another employer, or self-employed.

(B) Benefits

Members should notify their Department of Social Security local offices of any allowance payments they receive if they are claiming or receiving benefit, including supplementary benefit.

From 6th April 1986, Councillors who are under State Pension age are entitled to be paid Statutory Sick Pay by the Authority for the first twenty eight weeks of incapacity. The Authority must be notified of any sickness which lasts for four calendar days or more within ninety-one days of the sickness period. The amount of SSP payable is determined by the amount of average weekly earnings and is only payable if the average exceeds the NI lower earnings limit of £87.00 per week.

n

**Appendix A**

Special Responsibility Allowance (wef 1.4.24)

|  |  |  |
| --- | --- | --- |
| Post | Committee |  |
| Leader of Council |  | £19,691 |
| Deputy Leader |  | £12,531 |
| Main Minority Opposition Group Leader |  | £4,028 |
| Chairman of Council |  | £4,028 |
| Vice-Chairman of Council |  | £806 |
| Portfolio Holders  |  | £10,830 |
| Chairman | Overview & Scrutiny Committee | £8,951 |
| Vice-Chairman | Overview & Scrutiny Committee | £1,790 |
| Chairman | Northern Area Planning Committee | £6,714 |
| Vice Chairman | Northern Area Planning Committee | £1,342 |
| Chairman | Southern Area Planning Committee | £6,714 |
| Vice Chairman | Southern Area Planning Committee | £1,342 |
| Chairman  | Licensing Committee | £4,028 |
| Vice-Chairman | Licensing Committee | £806 |
| Chairman | General Purposes Committee | £2,955 |
| Vice-Chairman | General Purposes Committee | £591 |
| Chairman | Audit Committee | £2,865 |
| Vice-Chairman | Audit Committee | £573 |

**Appendix B**

Rates of travelling allowance and provisions relating thereto

1.1 The rate for travel by public transport shall not exceed the amount of the ordinary fare or any available cheap fare, and where more than one class of fare is available the rate shall be determined, in the case of travel by ship by reference to second class fares unless the body determines, either generally or specifically, that first class fares shall be substituted.

1.2 The rate specified in the preceding sub-paragraph may be increased by supplementary allowances not exceeding expenditure actually incurred:(a) on Pullman Car or similar supplements, reservation of seats and deposit or porterage of luggage; and (b) on sleeping accommodation engaged by the Member for an overnight journey, subject, however, to reduction by one-third of any subsistence allowance payable to him for that night.

1.3 The rate for travel by a Member's own private motor vehicle, or one belonging to a member of his family or otherwise provided for his/her use, other than a solo motor cycle is 45p per mile.

1.4 The rates specified in the preceding sub-paragraph may be increased in respect of the carriage of passengers, not exceeding 4, to whom a travelling allowance be payable under any enactment, by not more than 5.0 pence per passenger per mile

1.5 For the purposes of this paragraph, the cylinder capacity shall be that entered in the vehicle registration book or document by the Secretary of State under the Vehicles (Excise) Act 1971.

1.6 The rate for travel by motorcycle 24p per mile.

1.7 The rate of cycle allowance is 20p a mile.

1.8 The rate of travel by taxicab or cab shall not exceed:

* in cases of urgency or where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity paid, and
* in any other case, the amount of the fare for travel by appropriate public transport.

1.9 The rate for travel by a hired motor vehicle other than a taxi-cab shall not exceed the rate which would have been applicable had the vehicle belonged to the member who hired it: Provided that where the body so approves the rate may be increased to an amount not exceeding the actual cost of hiring.

1.10 The rate for travel by air shall not exceed the rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in attendance allowance or financial loss allowance, and subsistence allowance consequent on travel by air: Provided that where the body resolves, either generally or specifically, that the saving in time is so substantial as to justify payment of the fare for travel by air, there may be paid an amount not exceeding:

 the ordinary fare or any available cheap fare for travel by regular air service, or

 where no such service is available or in case of urgency, the fare actually paid by the Member.

**Appendix C**

Eligibility of Duties for Travel and Subsistence

**1. INTERNAL MEETINGS**

Travel and Subsistence are payable in the following cases:

a. A Councillor attending Council, or a Councillor attending as a member of a Committee, Sub-Committee, Working Party etc. which is convened by the Chief Executive or the Head of Legal and Democratic Services.

b. A Chairman and/or Vice Chairman and a spokesperson for each of the other political groups attending a Group Representative Briefing for a Committee.

c. Where a Chairman (or in his/her absence, Vice Chairman), Portfolio Holder or Cabinet Member has been invited to meet with a Chief Officer.

d. A Councillor attending a tour of the District or a Councillor appointed to attend a site visit accompanied by officers, in both cases which a Committee or Sub-Committee has resolved should be made.

e. A Councillor appointed by Committee or given prior approval by the Chief Executive to attend an official meeting with other local authorities.

f. A Councillor attending a meeting or visit where a minimum of two political Groups are invited to attend, called by the Chief Officer, subject to prior approval of the Chief Executive.

g. A Councillor attending any formal meeting of the Council, it’s Committee or Sub-Committees.

h. Member Training - subject to the following:

 It should be arranged by a Head of Service as a training seminar with a formal invitation sent or prior approval given by the Chief Executive or Head of Legal and Democratic Services.

j. Attendance of a Member before any representative of the Commission for Local Administration, at the latter’s request, in connection with any investigation under Part III of the Local Government Act 1974 (Ombudsman Complaints).

k. Attendance of a Member before the District Auditor at the latter’s request in connection with a matter being considered at audit other than a payment to or a pecuniary claim by that Member.

l. Attendance of a Member, at the written request of the Head of Legal and Democratic Services, in connection with a public inquiry or legal proceedings to which the Council is a party.

m. Attendance of a member of the Council at public inquiries where a Member is called by the Head of Legal and Democratic Services as a witness to represent the Council’s position.

n. Travel to and from formal meetings of Town and Parish Councils.

o. Travel by a member of the Licensing Sub-Committee to visit the site of a license application prior to a meeting of the Sub-Committee at which they are due to consider that application.

**2. EXTERNAL MEETINGS**

|  |  |
| --- | --- |
|  | PLEASE NOTE THAT FOR CATEGORIES A AND B BELOW, IF ANY PAYMENT IS AVAILABLE FROM THE HOST ORGANISATION, FOR TRAVEL OR SUBSISTANCE, THEN NO PAYMENT CAN BE MADE UNDER THIS SCHEME FOR THE CATEGORY FOR WHICH THE HOST ORGANISATION HAS MADE AN ALLOWANCE.WHERE PAYMENT IS PERMITTED UNDER THE FOLLOWING CATEGORIES, ALL MEMBERS APPOINTED BY COUNCIL, OR A COMMITTEE, TO ATTEND A DUTY ARE ELIGIBLE TO CLAIM, EXCEPT WHERE A LIMITATION ON THE NUMBERS RECEIVING PAYMENT HAS BEEN AGREED, WHICH IS REFERRED TO BY EACH ITEM. |

a. Category “A” - Travel and Subsistence Payable

Local Government Association General Assembly

(NB: The LGA has its own Members’ Allowance Scheme and payment is made direct, including for attendance at LGA committees. Appointed Members will receive details of this separately. Travel costs will be reimbursed by the Council.)

 Members appointed by Council to outside bodies.

b. Category “B” - Can be Approved on an Ad-Hoc Basis either Travel and Subsistence, or Travel Only

 Where a Member wishes to attend an ad-hoc meeting, or an official event on behalf of the Council, which is not listed in Category A in the Scheme, prior approval needs to be obtained from the Cabinet.

c. Category “C” - No Travel or Subsistence is Payable

Remuneration is only payable for the specific duties listed in the categories of the Scheme, and not for any other activity, even though it may be linked to Council business. The following list of duties not eligible for payment is not an exhaustive list, but includes duties where it is not considered appropriate to pay, or where other bodies reimburse travel costs.

No allowance is payable in respect of duties in connection with any of the following:

Universities, Colleges and Schools

Residents’ interest and action groups

**Appendix D**

*Rates of subsistence allowance and provisions relating thereto. These rates are index linked to the CPI for the preceding September and will be increased on 1 April 2021, 2022, 2023 and 2024.*

1. The rate of subsistence allowance for meals taken shall not exceed:

(a) in the case of an absence, not involving an absence overnight, from the usual place of residence:

(i) Daytime allowance (more than 4 hours away or less before 7pm) £8.82

(ii) Evening allowance (more than 4 hours away or after 7pm) £15.45

(b) In the case of an absence overnight from the usual place of residence, members are requested to book accommodation through Democratic Services after prior approval from the Head of Legal and Democratic Services. Where accommodation is booked directly by the member, reimbursement will be limited to £169 except in exceptional circumstances and following prior approval of the Head of Legal and Democratic Services.

2. Any rate determined under paragraph 1 (b) above shall be deemed to cover a continuous period of absence of 24 hours.

3. Meals on trains - When main meals (i.e. a full breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement to day subsistence, the reasonable cost of the meals (including VAT), may be reimbursed in full.

**Appendix E**

Local Government Act 1972 – Representations on outside bodies

The Council pays travelling expenses only to Members in accordance with Section l75 of the Local Government Act l972 in respect of attendance at meetings of the bodies mentioned in the Yearbook where the Members are representing the Borough Council and where travelling expenses are not available from any other source.

Please note

Allowances cannot be paid to Members nominated to act as School Governors. Any allowances payable would be administered by the County Council under a code within Section 58 of the Education (No. 2) Act 1986 (DOE Circ. 2/91)

**Appendix F**

Approved Duties for the purposes of Child Care and Dependant Carer's Allowance

* A meeting of the Cabinet.
* A meeting of a Committee of the Cabinet.
* A meeting of the Authority.
* A meeting of a Committee or Sub-Committee of the Authority.
* A meeting of some other body to which the Authority makes appointments or nominations, or a meeting of a Committee or Sub-Committee of a body to which the Authority makes appointments or nominations.
* A meeting which has been both authorised by the Authority, a Committee or Sub-Committee of the Authority or a joint Committee of the Authority and one or more other Authorities, or a Sub-Committee of a joint Committee and to which representatives of more than one political group have been invited or to which two or more Councillors have been invited.
* A meeting of a local Authority Association of which the Authority is a member
* Duties undertaken on behalf of the Authority in pursuance of any Standing Order requiring, a Member or Members to be present while tender documents are opened.
* Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.