

MEMBERS ALLOWANCES SCHEME

1st April, 2004

**LEGAL & DEMOCRATIC SERVICES
CHIEF EXECUTIVE'S DEPARTMENT**

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INTRODUCTION

Members of Wokingham District Council are entitled to a number of Financial Allowances. These allowances are made to compensate Members for costs incurred whilst undertaking their public duties. There are also allowances to compensate Members with additional Special Responsibilities. Members are entitled to these allowances under the Local Government and Housing Act 1989, the Local Government Act 2000 and the Local Authorities (Members' Allowances) Regulations 2003.

An Independent Remuneration Panel meets annually to review the level of the allowances. The panel also considers which Members are entitled to claim which allowances.

There are four main types of allowance as follows:-

- i) BASIC ALLOWANCE
- ii) SPECIAL RESPONSIBILITY ALLOWANCE
- iii) DEPENDANTS CARERS' ALLOWANCE
- iv) TRAVELLING AND SUBSISTENCE ALLOWANCE

Details of these allowances are listed in further sections of this scheme.

This scheme is effective from 1st April, 2004 and will remain in effect until it is reviewed by the Independent Remuneration Panel and is superseded by a revised scheme.

No Allowances can be paid to cover any party political work.

The terms 'Councillor' and 'Member' refer to an individual currently elected at local District elections to serve on Wokingham District Council.

Local Authority Allowance Schemes are set up in accordance with guidance from the Office of the Deputy Prime Minister and the Inland Revenue. Copies of this guidance are available from Legal and Democratic Services. Should conflicting advice arise between this scheme and Government Guidance, the Government Guidance shall always take precedence.

INDEPENDENT REMUNERATION PANELS

The Council commissions an Independent Remuneration Panel to review the Scheme of Members Allowances annually.

The Panel considers:

- How much Basic Allowance Councillors should receive.
- Which Councillors' roles qualify for Special Responsibility Allowances and the level at which those allowances are set.
- The rate of subsistence, travel and dependants carers' allowances.
- If allowances are pensionable under the Local Government Pension Scheme.
- The rate of co-optees' allowances.

After considering the above, the panel makes recommendations to the Council. These recommendations aren't binding, but the Council must consider them when creating or changing an allowance scheme.

Wokingham's Independent Panel is made up of three people. Two of the panellists are appointed to serve on the panel for three years and the remaining member for four.

Members of the panel are not paid any allowance.

BASIC ALLOWANCE

A Basic Allowance is payable to all Councillors annually.

The allowance is intended to recognise the time commitment of all Councillors, including such calls on their time as meetings with officers and constituents and attendance at Conferences.

This allowance also covers the incidental costs of being a Councillor, such as the use of their homes, IT costs and telephone bills.

Each Member is expected to undertake some area of additional responsibility that does not qualify for Special Responsibility Allowance. This could include being

- A Political Group Spokesperson for a particular Service Area.
- A Committee or Sub-Committee Vice-Chairman.
- A lead Member on a Community Consultation or Liaison.
- A representative on a number of Outside Bodies.
- A Chairman of a specific task or time limited Sub-Committee.
- A Member of Appeals Panels.

The current Basic Allowance is an Annual Amount of £5,150.

SPECIAL RESPONSIBILITY ALLOWANCES

Special Responsibility Allowances are paid to Councillors with significant responsibilities in addition to those covered by the Basic Allowance.

Each year, the Independent Remuneration Panel determines the level of the Special Responsibility Allowance and agrees a formula to compare the various levels of responsibility attached to each post. The panel also agrees which specific duties and posts qualify for payments of this allowance.

Members can only receive one Special Responsibility Allowance, i.e. should a Member hold two posts that qualify for a SRA, they would receive an allowance for only one.

The Rate of the Special Responsibility Allowance is £4000.

The current schedule of Special Responsibility Allowances is as follows:

Political Post	Rate of Allowance	Total SRA Allowance
Leader of the Council	3 x SRA	£12,000
Deputy Leader of the Council	2 x SRA	£8,000
Members of the Executive	2 x SRA	£8,000
Champions to the Executive	1 x SRA	£4,000
Chairman of the Scrutiny Committee	1 x SRA	£4,000
Chairman of a Select Committee	0.5 x SRA	£2,000
Chairman of the Development Control Committee	1 x SRA	£4,000
Chairman of the Licensing and Appeals Committee	0.25 x SRA	£1,000
Chairman of the Standards Committee	0 x SRA	No allowance paid
Chairman of the Highways Board	0.25 x SRA	£1,000
Chairman of the Personnel Board	0.25 x SRA	£1,000
Leader of the Opposition where there is a majority group	1.5 x SRA	£6,000

SPECIAL RESPONSIBILITY PAYMENTS IF THE COUNCIL IS HUNG

Should the Council be in a 'hung' position, the Special Responsibility Allowance scheme will, in the main, remain the same. As there would effectively be two Leaders and two Deputy Leaders, the following changes would be made:-

- The normal sum set for the Leader of the Council and the sum set for the Leader of the Opposition will be added together and shared equally by the two Leaders. i.e.

Sum set for the Leader of the Council	(3 x SRA)	£12,000
Sum set for the Leader of the Opposition	(1.5 x SRA)	£6,000
ALLOCATED EQUALLY	(2.25 x SRA each)	= £18,000
		£9,000

- The normal sum set for the Deputy Leader of the Council will be shared equally by the two Deputy Leaders. i.e.

Sum set for the Deputy Leader of the Council	(2 x SRA)	£8,000
ALLOCATED EQUALLY	(1 x SRA each)	£4,000

TRAVEL AND SUBSISTENCE ALLOWANCE

Members are entitled to claim reasonable travel and subsistence expenses incurred whilst undertaking 'approved' duties on behalf of the Council.

Travel expenses usually take the form of mileage claims and parking fees, though there are arrangements for expenses incurred by other forms of travel.

Subsistence payments are designed to compensate Members for additional costs incurred when undertaking approved duties.

Rates of Travel and Subsistence Allowance are reviewed annually by the Independent Remuneration Panel.

Approved duties for which Members can claim travel and subsistence expenses are defined in the regulations that govern Members' Allowances. If you are in any doubt about whether you can claim for a particular duty, please contact the Democratic Services Section on 0118 974 6058 for clarification.

The list of approved duties is defined as attendance at any of the following: -

- A meeting of the Executive.
- A meeting of a Committee of the Executive.
- 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.
- A meeting of a Committee or Sub-Committee of a body to which the Authority make appointments or nominations.
- A meeting which has been 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 (if the Authority is divided into several political groups) or to which two or more Councillors have been invited (if the Authority is not divided into Political Groups).
- A meeting of a Local Authority Association of which Wokingham District Council is a member.
- Duties undertaken on behalf of Wokingham District Council 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.
- Duties undertaken on behalf of the Authority in connection with arrangements made by the Authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.
- Any other duty approved by the Authority in connection with discharging the duties of the Authority or its Committees or Sub-Committees.

Members **cannot claim allowances** for the following types of meeting: -

- Conferences (other than the Local Government Association Conference).
- School Governing Bodies.
- Events primarily of a social nature.
- Training Events.

These are also the lists for which Members can claim Dependants' Carers Allowance (explained later in this scheme).

Travel Allowance Rates

As a general rule, Members are entitled to travel first class when using public transport and can claim back the cost of the first class fare.

Councillors should only use taxicabs in urgent cases or if there is no reasonable public transport available. Members will be reimbursed the amount of the fare and any reasonable gratuity paid.

In the interests of economy and other than in exceptional circumstances, Councillors are expected to use public transport for long journeys rather than travelling by car.

Mileage will be paid at the following rates

Motorcycle Cylinder Capacity not exceeding 150cc	8.5p per mile
Motorcycle Cylinder Capacity greater than 150cc but not exceeding 500cc	12.3p per mile
Motorcycle Cylinder Capacity exceeding 500cc	16.5p per mile
Car Cylinder Capacity not exceeding 999cc	34.6p per mile
Car Cylinder Capacity greater than 999cc but not exceeding 1199cc	39.5p per mile
Car Cylinder Capacity greater than 1199cc	48.5p per mile
Pedal Cycles	5.2p per mile

Rates of Subsistence Allowance

Breakfast allowance (More than a four hours away from normal place of residence before 11am)	£4.92
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Lunch allowance (more than four hours away from normal place of residence, including the lunchtime between 12 noon and 2pm)	£6.77
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Tea allowance (more than four hours away from normal place of residence including the period 3pm to 6pm)	£2.67
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Evening meal allowance (more than four hours away from normal place of residence ending after 7pm)	£8.38
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Overnight absence from normal place of residence	£79.82
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LGA Conference or overnight absence in inner London	£91.04
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CHILDCARE AND DEPENDANTS CARERS ALLOWANCE

Members who have children or other dependants can claim an allowance for their care whilst undertaking Approved Council Duties.

The list of approved duties is included in the section on travel and subsistence expenses.

The allowance is limited to a maximum of eight hours per week and the carer employed must not be a member of the Councillor's family that lives at the same address.

The Allowance can only be claimed by Members with direct caring responsibilities.

The Independent Remuneration panel has agreed the rate of allowance be set at the National Minimum Wage for over twenty-one year olds plus one pound.

This allowance is indexed to the national Minimum Wage for over twenty-one year olds.

The current rate of allowance is £5.85 per hour.

ALLOWANCES FOR CHAIRMAN AND VICE-CHAIRMAN OF THE COUNCIL

Sections 3(5) and 5(4) of the Local Government Act 1972 provide for the Council to pay the Chairman and Vice-Chairman an allowance which it believes reasonable to enable them to meet the expenses of their office.

The Independent Remuneration Panel is not required to review these allowances.

The rate of these allowances is currently as follows:-

Chairman £7090 p.a.

Vice-Chairman £1870 p.a.

Changes to the rates of these allowances are agreed by the Council as part of the budget making process.

CLAIMING YOUR ALLOWANCES

Both the Basic and Special Responsibility Allowances will be paid in twelve equal monthly instalments. These will be paid via the Bank Automated Clearing System (BACS). It is essential that the Council has received your bank details for these allowances to be paid. You can check that the Council has these details by contacting Sue Balbi in Democratic Services (0118 974 6054).

Members have to complete a claim form for reimbursement of Travel, Subsistence and Childcare costs. Members must claim back these expenses within two months of the meeting for which the costs were incurred.

A sample of the claim form is included at the back of this scheme. Copies of the form are available either in the Members' room or from Democratic Services (0118 974 6059).

Claims must be accompanied by receipts or proof of costs. Once completed, the forms can be handed back into Democratic Services for processing.

COUNCILLORS' TAX AND BENEFITS

The allowances that Councillors can claim can affect a Councillor's income tax liability and their rights to Social Security Benefits. It could also affect the Benefits Entitlement of a Councillor's Partner if their benefits are means-tested.

The rules surrounding Councillor's Allowances can be complicated, particularly in respect of their effects upon benefits entitlement.

Below is a basic table detailing how each of the allowances affects Benefits Entitlement and Tax Liability.

Type of Allowance	Is this Counted as Earnings for Benefits Purposes?	Is This Counted as Taxable income for Income Tax Purposes?
Basic Allowance	✓	✓
Special Responsibility Allowance	✓	✓
Travelling Allowance	✗	✗
Subsistence Allowance	✗	✗
Childcare and Dependants Carer's Allowance	✓	✓
Chairman and Vice-Chairman's Allowances	✗	✗

The above table is only a guide, and there are some exceptions.

The whole issue of tax and benefits can appear a bit of a muddle, but there is help at hand. Both Political Group Assistants hold copies of a Local Government Information Unit document entitled 'Councillors' Tax and Benefits 2004'. This document is a comprehensive guide on Allowances and their effects upon Tax Liability and Benefits Entitlement.

Members can also contact the Corporate Head of Finance (Graham Ebers – 0118 974 6557). Here, Members can get personal advice and guidance on how their benefits entitlement and tax liability is affected by their Allowances.

In some instances, allowances may be subject to National Insurance. Members should contact the Head of Corporate Finance to seek personal guidance.

OTHER RULES

Revocation

Some Councillors may chose to forego either some or all of their entitlement to an allowance under this scheme. To do this, a Member must give notice, in writing, to the Chief Executive.

Part-year Entitlements

It is possible that a Member's entitlement could change during the course of the year.

This could be because:-

- The Scheme changes.
- The Councillor's responsibilities change.
- The Councillor becomes, or ceases to be, a Councillor part way through the year.

In each case, a Member will be paid a 'pro rata' amount, equivalent to the amount of the year that they undertook the duties qualifying for the allowance.

Details of how part-year entitlements should be paid are described explicitly in the Local Government (Members' Allowances) Regulations 1991, Sections 7, 8 & 9.

Conference Allowances

The new rules on Member's Allowances do not incorporate the payment of Conference Allowances. The payment of allowances for attending conferences is governed by a separate system included in the 1972 Local Government Act (Section 175).

However, Wokingham District Council has previously agreed that attendance at conferences falls within the broad range of duties covered by a Council Member's Basic Allowance. As such, Conference Allowances are not payable.

Allowances for Co-opted Members

The 2003 Local Authorities (Members' Allowances) Regulations make it possible for Local Authorities to pay Co-opted Members of its Committees an allowance for attendance at meetings and conferences.

Wokingham District Council currently only has co-opted members on the Standards Committee. The Council has previously agreed that, given the light workload of this Committee and the voluntary principle of co-opted services, Allowances will not be paid to co-opted members at this time.

Pensions

The 2003 Local Authorities (Members' Allowances) Regulations made it possible for Members' Allowances to be pensionable through the Local Government Pension Scheme.

Wokingham District Council has previously agreed that inclusion of Members within the Local Government Pension Scheme would go against the principle of Local Councillors

being community volunteers, not salaried employees. As such, no Members are eligible for the Local Government Pension Scheme.

Suspension and Withdrawal of Allowances

The Council has agreed that, should Members be suspended from office or expelled from office, their allowances can be either suspended or withdrawn as appropriate.

If a Member is suspended, their allowances will be withheld for the duration of the suspension. In the event of a Member being partially suspended, their allowances applicable to the area of activities from which the Member is suspended will be withheld.

If a Member is expelled from the Council, their allowances will be withdrawn.

SUPPORTING DOCUMENTS

This Members Allowance Scheme is based upon the following documents: -

- Statutory Instrument 2003 No. 1021 The Local Authorities (Members' Allowances) (England) Regulations 2003.
- Local Government Act 2000
- Local Government and Housing Act 1989
- Report of the Independent Remuneration Panel June 2002
- Report of the Independent Remuneration Panel 2003-2004
- Resolutions of Wokingham District Council 2004 (Minute number 112) and 2001 (Minute number 12).

MEMBER ALLOWANCES CLAIM FORM

PLEASE NOTE THAT ALL CLAIM FORMS SHOULD BE SUBMITTED WITHIN
TWO MONTHS OF THE EXPENSE BEING INCURRED

1 Date	2 Place & Time of Departure Return	3 Meeting Name/Approved Duty & Location Start Time	4 No.of Miles	5 Public Transport Fares Receipt Required	6 Details and Subsistence Amount (including parking, Children & Dependent Carers Allowance) Receipt Required	7 Receipt/ Ticket Enclosed? Cols 5 & 6
TOTALS						

To avoid delay in payment please check all relevant details are completed and forward to Democratic Services by the 1st day of each month.

This claim form has been checked by: Date.....
Members' Services

DECLARATION BY MEMBER

Travelling and Subsistence Allowance

I declare that

- 1 I have necessarily incurred expenditure on travelling and subsistence for the purpose of enabling me to perform approved duties as set out in Column 3 of this claim form
- 2 I have actually paid the fares and made the other payments shown in Columns 5 and 6 of this claim form.
- 3 The amounts claimed are strictly in accordance with the rates determined by the said Council.

General

I declare that the statements above are correct. Except as shown above I have not made and will not make, any claim under any enactment for financial loss allowance and for travelling or subsistence allowances in connection with the duties indicated overleaf

Date.....Please Print NamePlease Sign.....CC of Vehicle.....

FOR OFFICE USE ONLY

Payroll No.

Date

CODE

No. of Miles (col 4)

A998P4342

Public Transport (col 5)

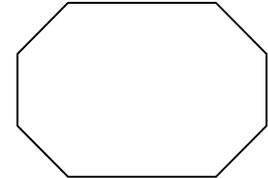
A998P4345

Subsistence (col 6)

A998P4330

Parking (col 6)

A998P4340



AUDIT