

# Part 5A

## Members' Allowances Scheme

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## **1. Statutory provision**

All allowances are governed by the Local Government Act 1972 and the Local Government and Housing Act 1989. In addition, powers are conferred to the council by the Local Authorities (Members' Allowances) (England) Regulations 2003 under which this scheme is made.

The current rates are set out in Schedule 1.

## **2. Basic allowance**

Subject to any part-year provision (as outlined later in this Scheme) a basic allowance shall be paid to each councillor as laid down in Schedule 1.

Each year, the basic allowance shall be increased in line with the Local Authority Administrative, Professional, Technical and Clerical Staffs (APT&C) pay settlement.

## **3. Special responsibility allowances**

Subject to any part-year entitlement, a special responsibility allowance, in addition to the basic allowance, shall be paid to those members who undertake special responsibilities in relation to the council, as specified in Schedule 1.

Each year, the special responsibility allowances shall be increased in line with the Local Authority Administrative, Professional, Technical and Clerical Staffs (APT&C) pay settlement.

## **4. Subsistence allowances**

- (a) Subject to the exceptions in 4(b) and 4(c) below and the conditions detailed in Schedule 3, councillors are entitled to claim subsistence allowances for attendance at any meeting, seminar or training course held at the Town Hall involving more than one councillor (other than in 4(b) below), subject to an attendance register being signed. Member training and development meetings held at the Town Hall are also eligible for the claiming of allowances.

Councillors are not allowed to claim for meetings other than in the Town Hall unless they are:

- (i) conferences agreed by the Executive Director in accordance with section 7 below;
- (ii) site visits or inspections authorised by the Cabinet, a committee or a task group;

- (iii) meetings of any of the bodies where a member is an appointed representative of the council;
  - (iv) meetings of the Council, Cabinet, committees, task groups or working parties; and
  - (v) member training courses, seminars and training and development meetings.
- (b) The Chairman and Vice-Chairman of the Cabinet or a committee or task group, or any portfolio holder, can claim subsistence allowance:
- (i) at meetings held with officers at the offices of the council and called by the Executive Director, Chief Officers, Chairman, Vice-Chairman or portfolio holder to discuss agenda or specific items of business within the scope of the Cabinet or committee or task group; and
  - (ii) on visits with officers to council installations, land, premises or projects for the purpose of informing themselves of matters within the scope of the Cabinet, committee or task group.
- (c) A councillor is not entitled to claim subsistence allowance for attending:
- (i) a political group meeting; or
  - (ii) a meeting of Cabinet, a committee, working party or task group of which he or she is neither a member nor a co-optee.
- (d) The allowances are as set out in Schedule 3.

## **5. Travel allowances**

- (a) Councillors are allowed to claim travel allowances for those duties specified under paragraphs 4(a) and 4(b) above.
- (b) The allowances are as set out in Schedule 4.

## **7. Conferences**

The council will only support a member's attendance at a conference if it has been assessed for need and usefulness and agreed by the Executive Director in conjunction with the Leader of the Council.

Councillors who attend conferences will only be reimbursed for subsistence and travel. The appropriate mileage rate will be paid or the cost of first class return rail fare, whichever is the cheaper. All claims for subsistence allowance shall be supported by receipts.

The cost of the conference itself and the cost of any hotel shall be paid direct by the council.

## **8. Renunciation**

A councillor may, by giving notice in writing to the Executive Director, elect to forego all or any part of his/her entitlement to an allowance under this scheme.

## **9. Part-year entitlements**

- (a) Where elected in the course of the financial year, a councillor shall be entitled to a basic allowance and special responsibility allowance on a pro-rata basis from the date on which he or she takes up office up until the end of that financial year.
- (b) Where, in the course of a financial year, a councillor retires, he or she shall be entitled to a basic allowance and special responsibility allowance (if applicable) on a pro-rata basis from the beginning of the financial year up to the date on which the resignation takes effect.
- (c) If part way through the financial year an amendment to this scheme changes the amount to which a councillor is entitled by way of basic allowance or special responsibility allowance, then the increase will be paid pro-rata from the date on which the increase takes effect, up until the end of the financial year. If such an increase is to be backdated, the increased payment will be made pro-rata from the beginning of the financial year up to the date on which the decision was made.
- (d) If an amendment to this scheme changes the list of approved duties, the payment has effect from when the duty is carried out.

## **10. Claims and payments**

- (a) A claim for subsistence allowance and travel allowance under this scheme shall be made in writing within two months of the date of the meeting for which entitlement to the allowances arise. Claim forms must be submitted to Democratic Services by the first day of each calendar month.
- (b) The payment of basic and special responsibility allowances will be made in instalments of one-twelfth of the amount specified in this scheme on the 24th day of each month.
- (c) The payment of subsistence allowance and travel allowance will be made on the 24th day of each month in respect of claims submitted in accordance with Paragraph 9(a) above.

## **11. Pensions**

From 1 April 2014, Councillors were no longer eligible to join the Local Government Pension Scheme. However, there is the option to join NEST, an alternative pension scheme. If this is something any member is interested in and would like to discuss further, please contact the Chief Officer for Finance and Performance or the Payroll Section in Human Resources.

## **12. Taxation and benefits**

Information on taxation and benefits, as they relate to councillors and allowances claimed, can be found in Schedule 2 to this Scheme.

## **13. Dependant's carer's allowance**

- (a) A dependant's carer's allowance is payable to members who incur expenditure on the care of children or dependants on approved duties only.
- (b) The event requires the member to provide care for a person who normally lives with the member as part of his/her family and who is:
  - (i) a child under 14; or
  - (ii) an elderly or disabled dependant requiring care.
- (c) In the case of (i) members must register that they have a dependent child living with them under the age of 14. A signed statement is to be produced which declares that childcare has been provided by a child minder or member of the immediate family not normally resident at the member's home address.
- (d) In the case of (ii) members must make a written declaration to be lodged with the Audit and Ethics Committee and the Monitoring Officer. A receipt for actual expenditure incurred has to be produced. As care for elderly and/or disabled dependants would be provided by professional carers they would be in a position to provide formal receipts in a way that many child carers would not.
- (e) Payment will be made as follows:
  - (i) the childcare element should be paid at the maximum rate of minimum wage relevant to the age of the carer as long as he or she is over 18 years of age, or less for actual reimbursement.
  - (ii) the medical/social care element should be paid at the average hourly rate charged by Warwickshire Social Care and Support Services for social/medical care of dependants, or less for actual reimbursement, and only upon production of receipts.

#### **14. Attendance in dual capacity**

When a member attends a meeting in a dual capacity (for example as a borough councillor and a county councillor) he or she may only claim one subsistence allowance and one travel allowance.

#### **15. Review**

Members' allowances shall be reviewed from time to time as required.

## Members' Allowances Scheme

### Basic, Special Responsibility and Standard Allowances 2022/23

#### Basic Allowance

A basic allowance of £7,132.20 shall be paid to each councillor.

#### Special Responsibility Allowance

The following are specified as the special responsibilities for which special responsibility allowances are payable in addition to the basic allowance from the date of the Annual Council Meeting:

	£
Leader of the Council/Chairman of Cabinet/Change and Transformation Portfolio Holder	<b>13,508</b>
Deputy Leader of the Council/Vice-Chairman of Cabinet/Regulation and Safety Portfolio Holder	<b>5,944</b>
Cabinet Member – Communities, Homes, Digital and Communications Portfolio Holder	<b>5,944</b>
Cabinet Member – Finance, Performance, Legal and Governance Portfolio Holder	<b>5,944</b>
Cabinet Member – Growth and Investment Portfolio Holder	<b>5,944</b>
Cabinet Member – Leisure and Wellbeing Portfolio Holder	<b>5,944</b>
Cabinet Member – Operations and Traded Services	<b>5,944</b>
Chairman of Appeals Committee	<b>595</b>
Chairman of Audit and Ethics Committee	<b>3,435</b>
Vice-Chairman of Audit and Ethics Committee	<b>1,465</b>
Chairman of Grievance Committee	<b>595</b>
Chairman of Licensing and Safety Committee	<b>4,162</b>
Chairman of Planning Committee	<b>4,162</b>
Chairman of Scrutiny Committee	<b>3,566</b>
Chairman of Shareholders Committee	<b>3,435</b>
Mayor	<b>3,973</b>
Leader of the Main Opposition Group	<b>2,973</b>
Leader of the Opposition Group	<b>1,066</b>

Note: The Chairman and Vice-Chairman of the Audit and Ethics Committee and the Chairman of Shareholders Committee are independent and are not councillors.

No councillor is entitled to more than one special responsibility allowance – the higher allowance is to be assumed.

## **Standard Allowance for all co-opted members**

The standard allowance for all co-opted members is £547 per annum. The definition of a co-opted member is any appointed member on Rugby Borough Council structures including any independent member or parish councillor.

### Members' Allowances Scheme Taxation and Benefits

- (a) Members' allowances are taxable through the PAYE system and the Chief Officer for Finance and Performance is required to make returns to HM Revenue and Customs (HMRC) under PAYE procedures.

For a member who has tax deducted under PAYE procedures and whose income, apart from members' allowances, is below the point at which income tax becomes payable, it is possible to have a PAYE code to take this into account. (This would apply particularly to a 'non-employed' member and possibly to a pensioner). Newly-elected members to whom this applies should complete a starter checklist which will be given to them in their induction pack.

- (b) Non-taxable payments

- (i) *Travel allowances - receipted public transport or taxis fares - mileage at or below the Inland Revenue tax free mileage rates:* if the Council pays above these, the "profit" will be liable for tax.
- (ii) *Subsistence allowances* - are not normally taxable unless there is a profit element.
- (iii) *Other expenses* - members may be able to claim other expenses incurred in the course of their duties, for which they are not reimbursed, but must contact HMRC to discuss these.

The Council will supply a Form P11d by July, following the end of each tax year, detailing any taxable benefits not subject to PAYE. This information may be required by members who complete a self-assessment income tax form. Any queries relating to income tax may be explained by the Payroll section in Human Resources (01788) 533423 or by contacting the HMRC taxation office 03002003300 quoting the council's reference 671/R566.

- (c) National Insurance Contributions

National Insurance contributions are payable on all allowances that exceed the monthly lower earnings limit and are calculated on a percentage basis which is determined annually by legislation. There are two exceptions as follows:

- (i) members over state pension age are not liable to pay national insurance contributions and can apply to the HMRC National Insurance Contributions office for a certificate of age exemption or provide the payroll section with evidence of their age.

- (ii) members who have applied for and been issued with CA2700 from the HMRC National Insurance Contributions office. This only applies if national insurance contributions are paid at the upper earnings limit throughout the year in other employment.

Members to whom category (i) or (ii) applies should let the Chief Officer for Finance and Performance have a certificate of reduced liability, age exemption or form CA2700 so that the correct rate of national insurance contribution can be deducted.

National insurance, where applicable, will also be deducted on the profit element of mileage rates. The Chief Officer for Finance and Performance should be given details of national insurance numbers so that contributions can be credited to the correct account.

## Schedule 3

### Members' Subsistence and Accommodation Allowances with effect from 1 April 2022

	<b>Day subsistence</b>	<b>£</b>
1	Breakfast allowance (more than four hours away from normal place of residence on council business or where the authority permits, a lesser period, before 11am)	8.10
2	Lunch allowance (more than for hours away from normal place of residence on council business or, where the authority permits, a lesser period, including the lunchtime between 12 noon and 2pm)	11.40
3	Tea Allowance (more than four hours away from normal place of residence on council business or, where the authority permits, a lesser period, including the period 3pm to 6pm)	4.50
4	Evening meal allowance (more than four hours away from normal place of residence on council business, or where the authority permits, a lesser period, ending after 7pm)	13.90
	<b>Overnight Accommodation</b>	
5	In the case of absence overnight from the usual place of residence	108.00
6	Absence overnight in London or, for the purposes of attendance at an annual conference of the Local Government Association or similar association of bodies approved by the Secretary of State	146.00

#### Notes

- The day subsistence allowances in 1-4
  - shall be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body in respect of the meal or the period to which the allowance relates;
  - shall be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body in respect of the meal or the period to which the allowance relates;
  - shall be reduced by an appropriate amount in respect of any meal provided free of charge by an authority or body in respect of the meal or the period to which the allowance relates.
- This schedule shall be updated by the Chief Officer for Finance and Performance in line with the rates periodically set for employee allowances.

**Members' Travel Allowances  
with effect from 1 April 2022**

		<b>Per mile</b>
1	Motor car or three-wheeled vehicle	45p
2	Additional payment for each passenger to whom a travel allowance would otherwise be payable (maximum four people)	5p

**Notes**

1. Members may also claim the amount of any expenditure on tolls, ferries or parking fees.
2. If a taxi is used in a case of urgency or where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity will be paid. In any other case, only the amount of the standard fare for travel by appropriate public transport will be paid.
3. Where councillors pay for train fares, car parking or taxi fares themselves and reclaim these costs, they must attach appropriate receipts to the claim forms.