

EAST AYRSHIRE COUNCIL

COUNCIL MEETING - 21 JUNE 2007

MEMBERS SALARY, ALLOWANCES AND EXPENSES SCHEME

Report by the Executive Head of Finance and Asset Management

1 PURPOSE

- 1.1 This report seeks approval of a Scheme of Members Salaries, Allowances and Expenses.

2 BACKGROUND

- 2.1 From 3 May 2007 remuneration arrangements for elected members were amended by new regulations, namely the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, the Local Government (Allowances and Expenses) (Scotland) Regulations 2007 and the Local Governance (Scotland) Act (Allowances and Expenses) Regulations 2007.
- 2.2 These regulations set out conditions, values and limits on payments to councillors in respect of salaries, allowances and reimbursement of expenses incurred. A draft Scheme, which included areas where decisions required to be taken, was considered by the Council on 17 May 2007. The decisions taken then together with a review of the previous scheme arrangements have been incorporated into a revised document which will be part of the Council's Accounting Policy Bulletins. A copy is attached for Members consideration and approval.

3 REVISIONS

- 3.1 The revised document includes the salary levels agreed for senior councillor posts and sets out the interpretation of Approved Duties which are eligible for reimbursement of expenses incurred.

4 LEGAL/POLICY IMPLICATIONS

- 4.1 The Scheme is in accordance with legislative guidance provided by the Scottish Executive.

5 FINANCIAL IMPLICATIONS

- 5.1 Budget provision has been made for the payment of Members Salaries, Allowances and Expenses.

6 RECOMMENDATIONS

It is recommended that:

- (i) Members approve the Scheme of Members Salaries, Allowances and Expenses; and
- (ii) otherwise note the contents of this report.

Alex McPhee
Executive Head of Finance and Asset Management

AMcP/JP
6 June 2007

APB 16B: Members' Salaries, Allowances and Expenses Scheme

Financial Regulations Reference

Section	Subject
16.1	Members' Claims

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1 INTRODUCTION

- 1.1 This guidance advises Members on their responsibilities and entitlement to salary, allowances and expenses payable in respect of the performance of their duties.
- 1.2 Salaries, Allowances and Expenses payable to Elected Members are governed by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI/2007/183), the Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (SSI/2007/108) and the Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007 (SSI/2007/265). These came into force on 2 May 2007 to apply for elections held after that date.

2 LEVELS OF REMUNERATION

- 2.1 References to "remuneration" in this guidance relate, generally, to the whole package for Councillors of salary, allowance and reimbursement of actual expenditure. For the purposes of the salary, allowance and expenses arrangements, there are 4 levels of payment, depending on the responsibilities of the Councillor: -
- (a) **Leader of the Council**
 - (b) **Provost**
 - (c) **"Senior Councillor"** – a Councillor who holds a significant position of responsibility in the Council's political management structure.
 - (d) **"Councillor"** – all other Councillors.

3 BANDING OF LOCAL AUTHORITIES

- 3.1 East Ayrshire Council has been banded within Band B for the purposes of payment of remuneration to Councillors.

4 GENERAL

- 4.1 Any Councillor, regardless of level of payment, will be able to renounce receipt of all or any part of his or her salary if he or she chooses to do so. Salaries will be paid 4 weekly and will be paid in arrears in the same way as staff salaries. As Councillors are available to the electorate on a daily basis salaries are therefore based on 365 days per year. Any member who is elected or leaves part way through a financial year will receive the appropriate proportion of their annual salary.
- 4.2 HM Revenue and Customs have confirmed that for income tax and national insurance purposes Councillors are regarded as office holders and liable for PAYE and National Insurance contributions at the appropriate rate. As such Councillors are entitled to Statutory Sick Pay and Statutory Maternity Pay.

5 COUNCILLORS' SALARY

- 5.1 Councillors who do not hold the positions detailed below will receive a basic remuneration of £15,452, as set nationally by the Regulations.

The Council Meeting of 17 May 2007 approved the following salary levels:

Leader of the Council	£30,905
Provost	£23,179
Depute Provost	£19,315
Depute Leader (spokesperson for Life Long Learning)	£23,178
Spokespersons for:-	
Life Long Learning	£22,748
Management & Resources (2)	£22,748
Environment & Regeneration (2)	£22,748
Community Wellbeing (2)	£22,748
Chair of Principal/Parent Planning Committee	£22,748
Chair of Governance and Scrutiny Committee	£23,178
Leader of the Opposition	£22,748

5.2 Pensions

Members are eligible to join the Local Government Pension Scheme which is administered by Strathclyde Pension Fund. Further information on this is available through the Head of Democratic Services.

6 APPROVED DUTIES

The following lists the approved duties for Members in relation to the payment of allowances and expenses

6.1 Council Meetings

Attendance at a meeting of the Council or as a member of the Cabinet or any Committees or Sub-Committees or other meetings approved by the Council.

6.2 Duties in Connection with Council Functions

Undertaking a duty in connection with the Council's functions. Such duties shall have been approved in advance by the Cabinet or appropriate Committee of the Council. In the case of an emergency situation arising, approval shall be obtained from the Chief Executive in consultation with the Leader, Depute Leader or relevant spokesperson and subsequently reported to the next meeting of the Cabinet.

6.3 Conferences, Seminars, etc

Attendance as a representative of the Council at conferences, seminars and similar functions, such attendance having been agreed by the Cabinet.

6.4 Nominee to Other Bodies

Performance of a duty similar to those detailed in 6.1, 6.2 and 6.3, as a member of some other body to which he/she has been appointed as a nominee of the Council. The activities of such other body shall be for the purpose or in connection with the discharge of the functions of the Council. Such other bodies are as contained within the list approved for that purpose by the Council. Where payment is made by the other body, then no additional claim should be made to the Council.

6.5 Council Functions

Attendance as a representative of the Council at any function of the Council to which a formal invitation has been extended by the Council or Cabinet.

6.6 Group Meetings

Attendance at or administration of Party Group and Party Group Executive meetings in connection with the functions of the Council, Cabinet or Committee meetings thereof.

6.7 Duties Undertaken by Spokespersons

The discharge by a Member of duties required to be undertaken in the capacity as Spokesperson or Chair.

6.8 Duties Undertaken by Leader, Depute Leader, Provost or Depute Provost

The discharge by the Leader, Depute Leader, Provost, Depute Provost, or other Member deputising at any time for the foregoing, of duties required to be undertaken by virtue of holding that office. Details of such duties will be recorded in a diary maintained by the Members' Secretaries.

6.9 Members' Surgeries

Attendance at Members' Surgeries provided that public intimation of the Surgeries are given.

6.10 Constituency/Committee Work

Undertaking all work relative to a Councillor's constituency interests.

7 LIFE ASSURANCE

- 7.1 Members under the age of 70 are covered under the Council's Group Life Assurance Scheme which pays 1 x annual salary subject to a minimum of £50,000 in the event of death. Cover is also provided under the Council's Personal Accident Policy. Further details are available from the Executive Head of Finance and Asset Management.

8 ALLOWANCES AND REIMBURSEMENT OF EXPENSES

8.1 General

This guidance relates only to the reimbursement of expenses incurred by Councillors in carrying out council business. It does not apply where the Council itself purchases places for members at a conference or where the Council would, in any event, consider it reasonable to offer lunch to all those attending any particular meeting. Councillors are required to declare that their claims are for approved council business and relate to costs incurred by them.

8.2 Allowances

The only allowance which is available under the Regulations is for mileage and the Regulations prescribe appropriate mileage rates.

Councillors may claim costs incurred when travelling by private car or van, motorcycle and bicycle, on approved duties, and may also claim costs for travelling with passengers where both the Councillor and the passenger are carrying out any approved duties. These rates, which are mandatory, are: -

- (a) 49.3p per mile for travel by car or van
- (b) 24p per mile for travel by motorcycle
- (c) 20p per mile for travel by bicycle
- (d) 5p per passenger per mile where both the passenger and the Councillor are carrying out any approved duties

HM Revenue and Customs have indicated that the mileage of 49.3p is in excess of the maximum statutory tax free rate of 40p, and PAYE should be paid on the additional 9.3p per mile regardless of the nature of the travel in question.

8.3 Reimbursement of Expenses

8.3.1 Provost

In addition to the Provost's remuneration, actual and receipted expenditure incurred by the Provost in carrying out his or her civic duties will be reimbursed. This is separate from entitlement to be reimbursed with travel and subsistence costs. On 17 May 2007 the Council approved the annual maximum level of £3,000. The year, for these purposes, runs from the date of the election for 12 months, and the sum available is the total amount which may be reimbursed in any year even if the Provost changes during that time.

HM Revenue and Customs have indicated that they consider the reimbursement of receipted expenditure incurred by the Provost to enable them to carry out his or her civic duties should be subject to PAYE.

8.4 Travel

Travel and subsistence expenses may be claimed for approved duties (as defined in Section 49 of the Local Government (Scotland) Act 1973). For the majority of instances of expenditure, Councillors will be required to produce a receipt. Approved duties are defined as in section 6.

For the purposes of calculating claims, a Councillor's normal place of residence (his/her home) is regarded as his or her normal place of work, so expenses associated with travel from home to the council headquarters, and other locations to conduct council business, may be claimed back. Where a Councillor travels on council business from his or her employment or business (which is not council related) he or she may be reimbursed for the cost of the journey. However, if the cost of making this journey would have been lower had it started from the Councillor's home, then that lower cost is the maximum amount which should be reimbursed. For example if the distance from a Councillor's home to council offices is 6 miles and from a Councillor's business to council offices is 10 miles, a maximum of 6 miles may be reimbursed.

8.5 Travel by Private Transport

In addition to the mileage allowance covered in paragraph 8.2, Councillors can also claim the following costs associated with travelling by private car, motorcycle or bicycle: -

- (a) Parking charges – receipted costs of expenses incurred
- (b) Road and bridge tolls – costs of expenses incurred
- (c) Road pricing/congestion charging – receipted costs of expenses incurred
- (d) Ferry fares for car, motorcycle or bicycle – receipted costs of expenses incurred

Parking fines or tow-away costs will not be reimbursed.

8.6 Travel by Public Transport

The following expenses may be claimed back by Councillors who use public transport to carry out their duties: -

- (a) Buses and trams – expenses incurred, including season ticket/passes where this is considered more cost effective.
- (b) Taxis, trains, air travel, ferry travel – receipted cost of fare.

It is expected that Councillors should travel by standard/economy class for the vast majority of their journeys.

8.7 Subsistence

8.7.1 Expenses incurred for meals and overnight accommodation

Councillors may claim back the actual receipted costs incurred for meals and overnight accommodation when they are carrying out council business away from their home or away from council premises.

8.7.2 Overnight Subsistence (Bed and Breakfast)

Councillors will be reimbursed the actual receipted costs for overnight accommodation up to the maximum rate in **APPENDIX 1**. The overnight reimbursement covers the cost of bed and breakfast whether accommodation is booked on a 'room only' or 'bed and breakfast' basis. Costs up to a maximum of £118.63 for London and £94.82 elsewhere in the UK may be reimbursed on production of a receipt, rather than a flat rate payment. Under normal circumstances such bookings and payments should be made by the Councillors themselves. However, where several Councillors are attending an event accommodation may be booked and paid for on Members' behalf. The costs should be within the maximum rate allowed in the regulations.

8.7.3 Meals

Meal expenditure can not be reimbursed where a Councillor is carrying out council business in his or her own ward or on council premises within the council of which they are a member.

Where a Councillor is required to carry out council business outwith his or her own ward and outwith council premises, the actual receipted cost of reasonable expenses incurred for lunch – up to a maximum of £12 – and dinner – up to a maximum of £25 – may be reimbursed.

In addition, where a Councillor is required to carry out council business outwith his or her own ward and outwith council premises, it may be possible for them to claim reimbursement of actual receipted breakfast costs – up to a maximum of £8 – where they are not claiming overnight subsistence and where they have needed to purchase breakfast, for example where they have to travel some distance at an unreasonable hour to attend a meeting and stop to purchase breakfast en route.

Reimbursement of breakfast costs cannot be claimed in addition to overnight subsistence since it is included in the maximum subsistence for overnight absence from home.

8.7.4 Overseas Travel and Accommodation

The Regulations recommend that for journeys in Europe, economy class should be used where possible. The next higher class (normally business class) may also be considered in certain circumstances. This would normally be when it was not cost effective to book economy flights, perhaps because of restrictions on bookings or in the case of short-term visits. Also in cases where a Councillor necessarily travels for official reasons in company with a person who is not a Councillor but who is travelling in a higher class, then business class travel can be considered. Where long haul journeys are being undertaken, for example to the USA or Far East, business class travel can be permitted.

Reasonable actual receipted accommodation and subsistence costs will be reimbursed in cases of official overseas visits.

8.7.5 Telephone and Computer Expenses

East Ayrshire Council will provide equipment necessary to allow Councillors to carry out their role such as, PC equipment and fax machines. Councillors will not be reimbursed for purchasing such equipment. Councillors may be reimbursed for reasonable peripheral costs e.g. printer cartridges/ribbons. The Council will be able to supply appropriate stationery and consumables.

The Council will provide each Councillor with a mobile phone which should be used for business calls. The cost of any personal calls made using the phone should be reimbursed to the Council.

50% of the cost of Councillors' home telephone line rental will be reimbursed where line rental costs are shown separately on the bill.

8.8 Standard Form for Claims

8.8.1 Councillors are required to complete a standard form which is prescribed in the Regulations for claims for reimbursement of travel, subsistence and expense costs. The form which requires to be completed can be found at **APPENDIX 2**.

8.8.2 Each element of reimbursement claimed should be unique. Councillors may not claim reimbursement for the same expense more than once.

8.8.3 Claim forms should be fully completed, totalled, signed and relevant receipts must be attached to the form, then sent to Members' Secretaries for checking. A final check is made by the Head of Democratic Services prior to sending forms to the Payments Manager for processing payment. Incomplete or incorrect forms will require to be returned to the Member for correction before being passed to the Head of Democratic Services.

8.8.4 Claim forms are required to be submitted on a four weekly basis to Members' Secretaries and these will be processed in line with the timetable which will be issued by the Head of Democratic Services on an annual basis.

8.8.5 Blank claim forms will be available in both electronic and paper format.

8.9 Publication of Information

Councils are required to publish information in relation to individual Councillors' salaries and expenses on an annual basis.

Details of training provided to Members also requires to be collated and published.

TYPES OF EXPENDITURE AND MAXIMUM RATES

(a) Breakfast (where no overnight subsistence is claimed)	Actual received costs up to £8 per day
(b) Lunch	Actual received costs up to £12 per day
(c) Dinner	Actual received costs up to £25 per day
Meals taken under paragraphs (a), (b) and (c) are those taken by a member of a local authority outside the electoral ward in respect of which they hold office and not within any council premises	
(d) Overnight accommodation away from home and council premises (costs for bed and breakfast)	Actual received costs up to £118.63 within London Actual received costs up to £94.82 elsewhere
(e) Other particular costs of travel by private car, motorcycle or bicycle, being: - (i) parking charges (ii) road pricing schemes and congestion charging (iii) ferry fares	Received costs of expense
(g) Road and bridge tolls	Actual costs of expense
(h) Public transport (including taxis)	Received cost of expense
(i) Telephone and computer costs necessarily incurred for approved duties	Actual costs of expense where available
(j) Telephone Line Rental	50% of actual cost

MEMBER'S TRAVEL & SUBSISTENCE EXPENSES CLAIM FORM

MEMBER'S NAME:		PAYROLL NO:	
PRIVATE VEHICLE REG NO:		PERIOD END:	

SUMMARY OF CLAIM

Car Mileage Claim	
Motorcycle Mileage Claim	
Bicycle Mileage Claim	
Passenger Mileage Claim	
Subsistence	
Other Travel	
Other Expenses	
Total of Claim	

OFFICIAL USE ONLY	

DECLARATION

I declare that: –

- The amounts of travel and subsistence expenses claimed have been actually and reasonably incurred for the purpose of enabling me to perform approved duties as a Member of the Council.
- I have paid the fares shown and all other amounts claimed are in accordance with rates approved by the council.
- I have attached all necessary receipts in connection with expenses claimed.
- I have not made, and will not make, any other claim under any enactment for subsistence expenses or allowances in connection with the duties indicated in this form.
- Where I am claiming mileage expenses, I have a valid licence and appropriate motor insurance, which covers my vehicle being used for business purposes.

SIGNATURE:		DATE:	
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Finance Use Only

CHECKED BY:		DATE:	
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AUTHORISED BY:		DATE:	
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NOTES OF GUIDANCE FOR COMPLETION OF CLAIM FORM

The claim form has been devised to take account of the requirements for publishing information in a standard format about Councillors' claims. This form will also provide the necessary documentation for HM Revenue and Customs and Internal and External Audit.

To assist in completion of the form your attention is drawn to the following points:

1. DATE

Please insert Date for which expense item is claimed.

2. TIMES OF DEPARTURE/ARRIVAL

Departure/Arrival Times should be entered for verification of amounts claimed for subsistence.

3. DETAILED DESCRIPTION OF APPROVED DUTY

Clearly indicate which meeting you have attended or the relevant detail of the approved duty undertaken. Approved duties should indicate Cabinet Meeting, Council Meetings, duties in connection with Council functions, conferences/seminars, nominee to other bodies, group meetings, duties undertaken by spokesperson or chair or other senior Councillors, members surgeries, constituency/committee work and meetings with named Officers.

4. EXPENSE ITEMS/JOURNEY DETAILS

As meetings and approved duties are held at various locations, it is essential for the calculation of mileage that all locations visited are entered onto the claim form.

5. PASSENGER MILES

This calculation should be entered by calculating the number of miles travelled multiplied by the number of passengers e.g. 2 passengers times 30 miles = 60 passenger miles.

6. SUBSISTENCE

Subsistence relates to overnight accommodation and meals. Only receipted costs will be reimbursed to the prescribed maximum levels when council business was required to be conducted outwith a Councillor's own ward, or outwith council premises, or otherwise in accordance with Schedule 2 to the Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007.

7. OTHER TRAVEL EXPENSES

This column should be used to record claims for public transport, taxi and air fares and any other allowable travel expenses for which a receipt is available.

8. OTHER EXPENSES

This column should be used for reimbursement of other receipted allowable expenditure.