

PART 6

MEMBERS' ALLOWANCE SCHEME

1. BACKGROUND AND GENERAL INFORMATION

The current scheme for paying allowances to Members was approved by Council on 24 September 2003 and it was made under powers conferred by the Local Authorities (Member's Allowances) (England)(Amendments) Regulations, 2003, which came into force on 31 July 2003. It replaces the scheme agreed in February 2003.

- 1.2 The scheme provides for the payment of a Basic Allowance to each member (**section 3**) and a Special Responsibility Allowance to be paid to those Councillors who hold special responsibilities in relation to the Council (**section 4**). Wherever in these Regulations there is reference to the annual up-rating of an allowance responsibility for the calculation of allowances payable under the scheme shall be made by the Payroll Manager acting on behalf of the Director of Corporate Services.
- 1.3 The scheme provides for the payment of some travel expenses (**section 5**), These payments can only be claimed by Members in respect of Approved Duties (**section 8**). The Council resolved that normal travel expenses and other subsistence payments would be subsidised within the enhanced Basic Allowance and there would be no payment for intra borough expenses.
- 1.4 Claims must be made on the appropriate forms and with the necessary supporting documentation, where appropriate. Payment will only be authorised when the claims rules (**section 9**) are fully complied with.
- 1.5 National Insurance (**section 10**) and Income Tax (**section 11**) liabilities may arise as a result of payment of some of these allowances and there may also be implications as regards Statutory Sick Pay (**section 12**).
- 1.6 Members are able to join the Pension Scheme (**section 13**).
- 1.7 The scheme is for four years from 1 October 2003 unless reviewed earlier by an Independent Panel. The allowances payable in any one year following the calculation of any increase resulting from the annual local government pay settlement shall be identified in a schedule to be prepared by the Payroll Manager and published to accompany the constitution.

2. RENUNCIATION & WITHDRAWAL

- 2.1 A Councillor may, by notice in writing given to the Director of Corporate Services, elect to forego any part of his/her entitlement to an allowance under this scheme. Payment of the Basic Allowance and Special Responsibility Allowance will be made automatically unless such written notice is given.
- 2.2 Councillors should note that if they do renunciate their right to receive an

allowance they will no longer be entitled to claim a deduction against tax for expenses incurred but not reimbursed.

2.3

3. BASIC ALLOWANCE

- 3.1 The rate (2008/9) is £8,373 per annum per Councillor. It is paid in monthly instalments and there is no need to claim payment.
- 3.2 The allowance is updated annually in October with reference to the annual local government pay settlement unless reviewed earlier by an independent panel.

4. SPECIAL RESPONSIBILITY ALLOWANCE

- 4.1 The Special Responsibility Allowance is paid at the rates set out below.
- 4.2 If a person is entitled to more than one special responsibility allowances, only one (the highest) is paid. Unless the Member elects to receive the lower one.
- 4.3 The holders of the offices listed in the second column of the table below shall be entitled to receive Special Responsibility Allowances calculated by the multiplication of the rate of the Basic Allowance per Councillor as prescribed in section 3 above by the factor set out for that office in the third column.

Office	Factor
Leader of the Council	4
Deputy Leader	2
Leader of the Opposition (7 or more members)	2
Leader of a Minority Group (Less than 7 members)	0.66
Members of the Cabinet	1
Chair, Overview and Scrutiny Commission	1
Chair – Planning Applications Committee	1
Chair – Licensing Committee	1
Chair - General Purposes committee	0.33
Chair - Scrutiny Panel	0.33
Chair Borough Development Plan panel	0.33
Assistant Cabinet Members	0.33
Member of Adoption and Fostering Panel	0.25

- 4.4 A Special Responsibility Allowance of £240 will be paid to the Chairs of Licensing Sub-Committees in respect of each meeting chaired by them.
- 4.5 The allowance to be automatically up-rated annually with reference to the annual local Government pay settlement for the next four years unless reviewed earlier by an Independent Panel. (See Addendum for uplifted allowances in accordance with paragraph 4.5.)
- 4A.** Statutory co-opted members, co-opted members of the Standards Committee

and Independent Persons (Code of Conduct)

4A.1 An allowance will be paid to the statutory co-opted members, co-opted members of the Standards Committee and Independent Persons (Code of Conduct). The Council will set an annual allowance for these members based upon a sum of £100 per meeting, multiplied by the total number of meetings expected in each year.

4A.2 This allowance is not subject to indexation.

5. TRAVEL EXPENSES

5.1 Travel expenses for travel outside the Borough are payable to Members, in addition to any other allowance to which they may be entitled, where expense on travel is incurred in respect of the performance of an approved duty defined in section 8.

5.2 Members are permitted to reclaim travel expenses in relation to attendance at any meeting or function at which they are accompanied by a Council Officer who is permitted to make such a claim.

5.2 PUBLIC TRANSPORT

5.2.1 The rate of travel by public transport should not exceed the amount of the ordinary fare, or any available discounted fare. Where more than one class of fare is available the rate shall be determined by reference to standard class fares unless the Council specifies that a higher class fare will be paid.

5.2.2 The rate specified in this section may be increased to include expenditure actually incurred on sleeping accommodation engaged by the Member for an overnight journey. This is subject to a reduction of one-third in any subsistence payable in respect of that night.

5.3 MEMBERS' OWN TRANSPORT

5.3.1 For the purposes of this section the vehicle's cylinder capacity will be that shown on the vehicle registration document.

5.3.2 The rates of reimbursement are as follows:-

Motor Cars 451-999cc, Motor Cycles

Nationally agreed lowest car mileage band (up to 999cc band)

Motor Cars 1000cc+

Nationally agreed middle car mileage band (1000-1199cc band)

5.4 TRAVEL BY HIRED MOTOR VEHICLE

5.4.1 Reimbursement of hired motor vehicle fares shall not exceed the amount of the fare for travel by appropriate public transport except in cases of urgency or

where no public transport is reasonably available, in which case the fare actually incurred plus any reasonable gratuity paid may be reimbursed.

6. SUBSISTENCE ALLOWANCE

The council resolved on 24 September 2003 not to pay subsistence allowances under this scheme.

7. CARERS / DEPENDANTS ALLOWANCES

The Dependent Carers Allowance (DCA) is open to all Members who are the main carers of dependent relatives. This entitlement includes the statutory co-opted members, co-opted members of the Standards Committee and the Independent Persons (Code of Conduct). The Allowance will be paid where a Member requires care provision for a dependent relative or co-habitee to enable the Councillor to perform an Approved Duty.

The Member is responsible for making the care arrangements and the Council can accept no responsibility for anything that might happen as a result of those arrangements.

Dependants are defined as:

- Children aged fifteen or less;
- Relatives and co-habitees requiring full time care; and
- other dependants where there is medical or social work evidence that care is required.

An Approved Duty is defined as;

1. A meeting of the Council, Cabinet, Overview and Scrutiny Commission or any committee, or sub-committee of the Authority or of any other Scrutiny Panel or body to which the Authority makes appointments or nominations, or of any committee or sub-committee of such a body.
2. Any other meeting the holding of which is authorised by the Council, Cabinet, Overview and Scrutiny Commission or any committee, sub-committee or scrutiny Panel of the Authority or a joint committee of the Authority and one or more other Authorities, or a sub-committee of such a joint committee.
3. A meeting of any association or authorities of which the Authority is a member.
4. Duties undertaken on behalf of the Authority in the pursuance of any Standing Order requiring Members to be present.
5. Duties undertaken 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. This includes visits by Members to residential establishments controlled by the Council.
6. Duties undertaken in connection with the arrangements made by the Authority for the attendance of pupils at special schools.

7. Any other duty approved by the body, or any duty of a class so approved, for the purposes of, or in connection with, the discharge of the functions of the body, or any of its' committees or sub-committees.

The Allowance is payable;

For the length of the qualifying duty, plus up to half an hour each side to cater for care during the Councillor's travel to and from the duty.

The Allowance is to reimburse actual costs incurred up to the following maximum rate of £6.00 per hour, subject to a maximum weekly payment of £45 per week, (or seven and a half hours equivalent care).

The Allowance is paid as a reimbursement of incurred expenditure against receipts. Payments made under this Scheme may be liable to Income Tax and National Insurance Contributions.

The Allowance will not be paid in respect of other family members who cover the Member's caring duties.

The carer must be over the age of sixteen (and not a spouse or partner / co-habitee of the member or a relative living at the same address.

Councillors wishing to claim the Allowance will need to complete a Dependent Carers Allowance claim form and sign a declaration that states:

"I declare that the above named provided a babysitting/carer service to me as detailed above in order that I could attend the meetings listed. I also certify that the carer is over the age of sixteen and not a close relative or resident of my household."

All claims for Dependant Carers Allowance must be submitted to the Head of Democracy Services within two calendar months of the date on which the duty qualifying for the payment is carried out. Late applications can be accepted at that officer's discretion.

The rate will be uplifted annually in line with [Retail Price Index] for April of each year.

Disputes on entitlement or allegations of abuse to be adjudicated by the Standards Committee.

8. APPROVED DUTIES

8.1 Approved duties for the purposes of claiming travelling or subsistence allowances scheme are defined below.

8.1.1 Representing the Council outside the Borough in response to a formal invitation for Member attendance.

8.1.2 Attendance at meetings of the following bodies, outside the Borough:

Association of London Government;
Ethnic Minority Centre;
Greater London Authority, or properly constituted organisations affiliated to the GLA where the Member is the Merton representative;
Greater London Joint and Whitley Councils;
Housing organisation, mobility and Exchange services;

Local Authorities Mutual Investment Trust;
Local Government Association;
London Accident Prevention Council;
London and South East Library Region;
London Recycling Forum;
London Research Committee;
London Waste Regulation Authority;
London Youth Games;
Merton and Morden Guild of Social Services;
Merton Arts Council;
Merton Association for Disabled People;
Merton and Sutton Joint Cemetery Board;
Merton Voluntary Service Council;
National Joint Councils;
National Playing Fields Association;
North East Surrey Crematorium Board;
South West London Probation Committee;
Standing Conference on Racial Equality in Europe;
Territorial Auxiliary and Volunteer Reserve Association for Greater London.

9. CLAIMS AND PAYMENTS

- 9.1 Claims must be submitted on the appropriate form within three months of the date of the meeting attended or duty carried out.
- 9.2 All relevant sections of the claim forms must be completed in full. Failure to comply will result in delay while forms are returned to Members for completion.
- 9.3 Payments will be made on the 15th of each month in respect of Basic and Special Responsibility Allowances and claims for other allowances/expenses properly completed and received up to the first day of that month.
- 9.4 A copy of the claim will be returned when payment is made together with a supply of new forms for future use.
- 9.5 Payment will be made by credit transfer direct to the account specified by the Member on the Credit Transfer form and returned to the Payroll Manager. If no details are provided by the Member payment will be made by cheque sent to the home address.

10. NATIONAL INSURANCE CONTRIBUTIONS

- 10.1 Basic and Special Responsibility Allowances, together with Child Care / Dependents allowances, are subject to deduction of Class I contributions to the extent that they fall within the statutory range of earnings levels. Members who are over the state retirement age are not liable to this deduction.
- 10.2 Contributions will be assessed on the basis of monthly earnings and at the current non-contracted out Class I rate, excepting certain married women and widows who are liable only for reduced rate contributions.

- 10.3 In order that contributions are properly allocated to Members' credit by the DSS the Payroll Manager will require the Date of Birth and National Insurance Number of each member to whom payments are made.
- 10.4 All Members who are over the state retirement age and female Members liable to reduced rate contributions should complete the appropriate exemption certificate and send this to the Payroll Manager.
- 10.5 Each employment is dealt with separately as regards National Insurance Contributions. If the effect of this is that the annual maximum contribution is exceeded a refund will be made by the DSS.
- 10.6 If a member is aware that their contributions from other employment already reach the annual maximum he/she may apply to be exempted from having deductions made by obtaining form RD950 from their local DSS office.

11. INCOME TAX

- 11.1 Basic and Special Responsibility Allowances, are taxable and the Council is required to deduct Income Tax at the basic rate on these payments.
- 11.2 Members may be entitled to relief from Income Tax on any part of their allowances which is recognised by the Inspector of Taxes as the necessary expenses of office and, to claim such relief, should complete form P15 and send it direct to the Inspector.
- 11.3 Newly elected Members should complete form P46 and return it to the Payroll Manager. Alternatively, form P15 should be returned direct to the Inspector of Taxes by Members not wishing to complete a form P46.
- 11.3.1 Members with no other employment should pass their P45 to the Payroll Manager or, if this is not available, apply to the Inspector of Taxes for a Tax Coding on forms P46 or P15 both of which are available from the Director of Financial Services.
- 11.4 The Inspector of Taxes responsible for the Tax affairs of Council Members is:

HM Inspector of Taxes
London Provincial 6
Rede House
71 Corporation Road
Middlesborough
Cleveland
TS1 1TW
Quote Ref. LP6/996/B22

12. STATUTORY SICK PAY

- 12.1 Members who pay National Insurance Contributions on their allowances have a potential entitlement to Statutory Sick Pay in respect of any sickness which prevents him/her from carrying out Members' duties for four or more days.
- 12.2 The exact position will be different in respect of each Member and will depend on the amount of contributions paid over the preceding eight weeks. There

will be further complications in respect of members with other employment should one entitlement be exhausted before the other.

- 12.3 Members who find themselves in this situation should contact the Payroll Manager for further advice.

13. PENSIONS

- 13.1 All Elected Members under the age of 70 are entitled to apply for inclusion in the Pension Scheme. There is no period of qualification required.
- 13.2 Councillors cannot join or remain in the scheme after their 70th birthday.
- 13.3 Both basic allowances will be treated as “pay” for pensions purposes.
- 13.4 Each eligible Councillor must decide for themselves whether to join the pension scheme. Officers of the Council are not able to advise Councillors whether or not it is in their interest to join.

APPENDIX 7

14. Subsistence Allowance

- 14.1 Members may claim reimbursement of subsistence costs when they are obliged to incur expense in connection with the performance of an approved duty outside the boundaries of Greater London.
- 14.2 The current schedule of approved duties in Merton for which Members can claim subsistence is set out in Section 8 of this part of the Constitution ('Approved Duties').
- 14.3 The Council can reimburse subsistence to the limits given in the schedule below when the meeting attended or duty carried out is on the list of approved duties. These are only payable when the expense has been incurred. Where a Member attends an event, (for example a conference) where a meal is provided, subsistence cannot be claimed, unless it is in addition to that which has been provided.
- 14.4 Where an event has accommodation associated with it as part of the booking arrangements (common to longer distance conferences and learning events) Members are expected to make use of this facility, as subsidised rates often apply.

14.5 Schedule of Subsistence Rates

Type of Expenditure	Available Allowance and Eligibility Criteria
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<p>Out of Pocket Expenses (Meals)</p>	<p>Members may claim reasonable out of pocket expenses to cover all meals taken whilst on approved duties. The level of reimbursement will be the actual cost of the meals (excluding alcohol) up to a maximum daily rate of £28.00p.</p> <p>Out of pocket expenses will not be paid where time spent on the approved duty is less than 4 hours.</p>
<p>Overnight absence (Accommodation)</p>	<p>Members may claim reasonable out of pocket expenses to cover hotel costs whilst on approved duties. The level of reimbursement will be the actual cost of the hotel accommodation to a maximum rate of £112.00p per night. This upper limit may be relaxed if the average cost of available hotel accommodation available in the area is higher. Where the Member is part of a Council delegation staying in the same hotel, the actual cost of the accommodation will be reimbursed.</p> <p>Accommodation costs will not be paid where time spent on the approved duty is less than 15 hours unless return travel to home is not available or unreasonable.</p>

14.6 The above rates will be reviewed from time to time in line with best practice and cost changes.

How to Claim for Subsistence Allowance

14.7 This allowance is based on the principle that expenditure on meals/accommodation has actually taken place. Members will be reimbursed the actual expenditure incurred up to the maximum rates set in the above schedule. All claims must be supported by receipts or third party documentation.

14.8 Members are asked to submit their fully completed claims monthly. They should be sent to the Head of Democracy Services. The responsibility for the accuracy of any claims rests upon each individual claimant. A record of all payments made can be subject to inspection by the public and press under access to information legislation.

14.9 Claims must be made within 6 months of the expenditure being incurred. Payment will normally be made by cheque to the Member. “