

PART 6

MEMBERS' ALLOWANCE SCHEME

1. BACKGROUND AND GENERAL INFORMATION

- 1.1 The current scheme for paying allowances to Members was approved by Council on 13 September 2023 and it was made under powers conferred by the Local Authorities (Member's Allowances) (England) Regulations 2003. It replaces the scheme agreed in February 2023. This scheme may be cited as the London Borough of Merton Members' Allowance Scheme 2024/25 and shall have effect from and including 1 April 2024.
- 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 Members 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 Executive Director of Innovation and Change.
- 1.3 The scheme provides for the payment of some travel expenses (**section 6**). These payments can only be claimed by Members in respect of Approved Duties (**section 9**). 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 10**) are fully complied with.
- 1.5 National Insurance (**section 11**) and Income Tax (**section 12**) 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 13**).
- 1.6 Members are not able to join the Pension Scheme (**section 14**).
- 1.7 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 Executive Director of Innovation and Change and published to accompany the Constitution.

2. RENUNCIATION & WITHDRAWAL

- 2.1 A Member may, by notice in writing given to the Monitoring Officer, 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.

3. BASIC ALLOWANCE

- 3.1 The current rates are set out in Part 6 Addendum. It is paid in monthly instalments and there is no need to claim payment.

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 allowance, 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	2
Leader of the largest Minority Group	1
Leader of the next largest Minority Group	0.5
Members of the Cabinet	2
Chair, Overview and Scrutiny Commission	1
Chair – Development and Planning Applications Committee	1

Chair – Licensing Committee	1
Chair – Standards and General Purposes committee	0.33
Chair - Scrutiny Panel	0.33
Mayor	1
Administration Whip	0.5
Deputy Leader of the Opposition	0.5
Opposition Whip	0.33
Minority Group Whip	0.25

4.4 Statutory co-opted members, co-opted members of the Standards Committee and Independent Persons (Code of Conduct)

4.5 An allowance will be paid to the statutory co-opted members, co-opted members of the Standards and General Purposes 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.

4.6 This allowance is not subject to indexation.

5. PART YEAR ENTITLEMENT

5.1 The provisions of this part shall have effect to regulate the entitlements of a Member to Basic and Special Responsibility Allowances where, in the course of a year, this scheme is amended or that Member becomes, or ceases to be, a Member or accepts or relinquishes a position in respect of which a Special Responsibility Allowance is payable.

5.2 If an amendment to this scheme changes the amount to which a Member is entitled by way of Basic Allowance or Special Responsibility Allowance, then the allowances shall be paid having regard to the relevant proportion of the year to which the entitlement relates (calculated on a daily basis).

5.3 If an amendment to this scheme changes the duties specified, the entitlement will be based on that applicable when the duty is carried out.

5.4 Where the term of office of a Member begins or ends other than at the beginning or end of a year, their entitlement to a Basic Allowance shall be based in proportion to the number of days which they hold/held office.

5.5 If eligibility to a Special Responsibility Allowance applies other than for a full Year, that too shall be apportioned on a daily basis in accordance with paragraph 5.4 above.

6. SICKNESS AND PARENTAL LEAVE

6.1 Members on sickness, maternity, paternity and adoption leave may continue to claim both their Basic Allowance and any Special Responsibility Allowance for which they are eligible. A pro-rata Special Responsibility Allowance will be paid to a Member covering an eligible post during such a period of absence.

7. TRAVEL EXPENSES

7.1 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 9.4.

7.2 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.

7.3 PUBLIC TRANSPORT

7.3.1 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.

7.3.2 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.

7.4 MEMBERS' OWN TRANSPORT

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

7.4.2 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)

7.5 TRAVEL BY HIRED MOTOR VEHICLE

7.5.1 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.

8. SUBSISTENCE ALLOWANCE

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

9. CARERS / DEPENDANTS ALLOWANCES

9.1 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 and General Purposes 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 Member to perform an Approved Duty.

9.2 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.

9.3 **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.

9.4 **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 Authority, or any duty of a class so approved, for the purposes of, or in connection with, the discharge of the functions of the Authority, or any of its' committees or sub-committees.

9.5 The Allowance is payable;

1. For the length of the qualifying duty, plus up to half an hour each side to cater for care during the Member's travel to and from the duty.
2. The Allowance is to reimburse actual costs incurred up to the London Living Wage maximum rate per hour, subject to a maximum weekly payment of seven and a half hours equivalent care.
3. 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.
4. The Allowance will not be paid in respect of other family members who cover the Member's caring duties.
5. 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.
6. Members 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."

7. 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.
8. The rate will be uplifted annually in line with [Retail Price Index] for April of each year.
9. Disputes on entitlement or allegations of abuse to be adjudicated by the Standards and General Purposes Committee.

10. APPROVED DUTIES

10.1 APPROVED DUTIES FOR THE PURPOSES OF CLAIMING TRAVELLING OR SUBSISTENCE ALLOWANCES SCHEME ARE DEFINED BELOW.

- 10.1 Representing the Council outside the borough in response to a formal invitation for member attendance.
- 10.2 Attendance at meetings outside the Borough, of committees, outside bodies and consultative groups to which Members are appointed annually by Council.

11. CLAIMS AND PAYMENTS

- 11.1 Claims must be submitted on the appropriate form within three months of the date of the meeting attended or duty carried out.
- 11.2 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.
- 11.3 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.
- 11.4 A copy of the claim will be returned when payment is made together with a supply of new forms for future use.

11.5 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.

12. NATIONAL INSURANCE CONTRIBUTIONS

12.1 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.

12.2 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.

12.3 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.

12.4 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.

12.5 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.

12.6 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.

13. INCOME TAX

13.1 Basic and Special Responsibility Allowances, are taxable and the Council is required to deduct income tax at the basic rate on these payments.

13.2 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.

- 13.3 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.
- 13.4 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 Executive Director of Finance and Digital.
- 13.5 The Inspector of Taxes responsible for the tax affairs of Members is:

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

14. STATUTORY SICK PAY

- 14.1 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.
- 14.2 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.
- 14.3 Members who find themselves in this situation should contact the Payroll Manager for further advice.

15. PENSIONS

- 15.1 Members are not entitled to apply for inclusion in the Pension Scheme.

16. SUBSISTENCE ALLOWANCE

- 16.1 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.

16.2 The current schedule of approved duties in Merton for which members can claim subsistence is set out in paragraph 9.4.

16.3 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.

16.4 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.

16.5 Schedule of Subsistence Rates

Type of Expenditure	Available Allowance and Eligibility Criteria
Out of Pocket Expenses (Meals)	<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 £28.00.</p> <p>Out of pocket expenses will not be paid where time spent on the approved duty is less than 4 hours.</p>
Overnight absence (Accommodation)	<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>

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

How to Claim for Subsistence Allowance

16.7 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.

16.8 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.

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