

LONDON BOROUGH OF HOUNSLOW

Members' Allowances Scheme 2007/08

MEMBERS' ALLOWANCES SCHEME

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introduction

1. This scheme of members' allowances was approved by the Borough Council for 2007/08. It was made in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 made under section 18 the Local Government and Housing Act 1989 and sections 99 & 100 of the Local Government Act 2000.

types of allowance

2. There are four different types of allowance, which may be paid to members:
 - ⊙ basic allowance
 - ⊙ special responsibility allowance
 - ⊙ dependants' carers' allowance
 - ⊙ travelling and subsistence allowance

basic allowance

3. Basic allowance is paid equally to all members. It is intended to recognise the time commitment of all councillors, including calls on time such as meetings with officers and constituents and attendance at political group meetings. The rate of basic allowance is set out in appendix A. Councillors are expected to bear the cost of phone calls from home and items such as minor stationery and computer print cartridges from their basic allowance
4. If a member wishes to waive their right to receive a basic allowance they must notify the Proper Officer (Director of Legal Services) in writing. Where the term of office of a member begins or ends during a municipal year their basic allowance entitlement will be paid in proportion to the number of days as a member. It is paid monthly or as a lump sum at the beginning of each municipal year.

special responsibility allowances

5. The Council has decided to pay special responsibility allowances (SRA) to those members whom it considers have significant responsibilities for the discharge of the functions of the council. The list of SRAs payable is set out in appendix A. SRA is paid monthly. No member will receive more than one SRA and if a member holds more than one post of responsibility only the higher allowance will be paid. If a member wishes to waive their SRA they must notify the Proper Officer in writing. Where a member does not hold the post attracting the SRA for a complete calendar month, it will be paid proportionately for the number of days during which they held the post.

dependants' carers' allowances

6. Members may claim this allowance as reimbursement of costs they incur for carers looking after children or other dependants whilst undertaking the duties set out in paragraph 8 below. The Council has decided that the dependants' carers' allowance should be the same rate as the London Living Wage. The current rate is set out in appendix B. A sample form for claiming this allowance is attached at appendix C. The carer should sign the form indicating that they have received the allowance and the completed form should be attached to the claim for travel and subsistence and sent to the Members' Support Officers. The member is responsible for making the caring arrangements and the Council can accept no responsibility for anything that might happen as a result of those arrangements.
7. Dependants' carers' allowances are not payable for carers who are normally resident in the member's home or are under 16 years of age. Payment will only be made after the member has submitted a statement of claim for each use of a carer.

travel and subsistence allowances

8. Travel expenses incurred in the performance of "approved duties" (see paragraph 9 below) may be claimed from the Council subject to the conditions applying and the approved rates set out in appendix B. The maximum rates for subsistence allowance are also set out in appendix B. These allowances should be claimed using the form at appendix D. These allowances are **not** payable where the Council has made arrangements for meals and/or accommodation for an approved duty.

approved duties (for the purpose of travel, subsistence and dependants' carers' allowance only)

9. The duties specified in the Regulations are:
 - 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 make appointments or nominations, or
- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations;
- a meeting which has **both** been authorised by the authority, a committee, or subcommittee 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 the authority is a member;
- duties undertaken on behalf of the authority 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.

10. The following are **not** "approved duties".

- (a) attendance at any conference in relation to which there is entitlement to payment of an allowance under Section 175 of the 1972 Act; or:
- (b) if such payment would be contrary to a provision of any enactment or instrument.
- (c) attendance at college and school governing bodies.
- (d) members' surgeries.
- (e) political group meetings

income tax, welfare benefits and national insurance

income tax

11. Basic allowance and SRA are subject to Income Tax under Schedule E, as they are payments made in respect of the duties of an office. Travel and Dependants' Carers' Allowances are not subject to tax. A return of Tax and National Insurance deducted from members is sent to HM Revenue and Customs at the end of each year and a P60 is sent to each member. Tax is deducted at basic rate until the HM Revenue and Customs notify Payroll Services of the appropriate tax code for each member.
12. Some of the expenses incurred in the course of duties as a councillor may be deductible against tax liability. If you believe that some of your expenses may be tax deductible, you should contact your Tax Office. The relevant tax office is:

HM Inspector of Taxes (North East Metropolitan Area)
Fountain Court
119 Grange Road

National Insurance Contributions

13. All basic allowance and SRA payments will attract National Insurance (NI) deductions, at levels, which vary, depending on the total earnings of the member concerned. Some members may not be liable to any NI contributions on the allowances if they fulfil any of the following criteria:
- (a) Their total earnings are less than £435 per month (in 2007/08);
 - (b) They are men aged 65 or over;
 - (c) They are women aged 60 or over (on production of age exemption card);

Only 1% NI contributions may apply if members are already paying the maximum NI Contributions on their employment earnings (currently £2,579 per month). A deferment certificate must be applied for from HM Revenue and Customs National Insurance Contributions Office.

14. Some members, who are married women or widows who have elected to pay reduced rate contributions for National Insurance, will pay their NI Contributions on allowances calculated at a reduced rate.
15. Members who believe that they come into any of the above categories can get further information from Payroll Services and should obtain the appropriate certificates from HM Revenues and Customs.

Social Security Benefits

16. The receipt of allowances may affect members who are receiving Social Security Benefits. All allowances should be declared to HM Revenue and Customs who should be able to advise members about the way in which allowances affect benefits such as Income Support. Members should note that any failure to disclose allowances received to HM Revenue and Customs may result in prosecution by HM Revenue and Customs.

insurance

17. The London Borough of Hounslow provides insurance cover for members when they are engaged on business which relates to their council activities, or which is complementary to their council activities, such as ward surgeries. It does not cover party political activities. The risks, which are covered, are:

Personal Accident
Assault
Public Liability
Libel or Slander

18. If any member believes that they may have a claim on the Council's insurers for the risks, which are covered, they should contact the Director of Finance as soon as possible after the event to establish the facts of the incident and to discuss possible courses of action. This is particularly important, as the Council's insurers make it a condition of the insurance that they are notified immediately of all possible claims.
19. Councillors are advised to check that their motor insurance policy covers them for using their car on council business. The Council does **not** provide cover for councillors' cars, and some motor insurance policies will deem council business to be a business use, which may not be covered by a 'Social,

Domestic or Pleasure' policy.

how to claim allowances

20. Claims for travel and subsistence or dependants' carers' allowance should be submitted on the forms attached at appendices C & D respectively. If you need additional forms, please contact the Members' Support Officers. When completed, forms should be passed to the Members' Support Officers. After your form has been processed, the amount owed will be paid through the Payroll.
21. Members should submit travel & subsistence and dependants' carers' claims within 2 months of the event. This cuts down the delay in processing forms, and enables queries to be dealt with speedily. Members should note that it is their responsibility to ensure that any claims submitted are accurate. It is suggested that this can best be done by members maintaining a diary record of meetings attended, showing the date of the meeting and its duration. These records may be required by the Director of Finance for spot checks on the accuracy of claims, or by the external auditor if members' allowances payments become the subject of investigation.
22. Members should also note that the Council has to maintain a statutory register showing allowances payments made to members. This register is open to inspection by any local government elector for the area at any time during normal office hours. Under the Local Government Act 1972, members are not allowed to claim duplicate allowances. That is, they cannot claim travel & subsistence and dependants' carers' allowance, from both the Council **and** from another body, which pays its own allowances for performing the same duty.

further information and advice

23. For further information and advice please contact the following officers:

the scheme & claims: Linda Allen and Jennifer Morgan, Members' Support Officers (ext 2250).

progress of claims in the Finance Department; Sue Holmes, Payroll Services (ext 5669)

national insurance; Joanna Waddy, Payroll Services (ext 5665)

insurance matters; Phil Brown, Insurance & Risk Manager (ext 2346)

Appendix A

Basic and Special Responsibility Allowances 2007/08 (approved by the Borough Council on 24 July 2007)

	£
<u>Basic allowance</u>	9,763
 <u>Special Responsibility Allowances</u>	
Leader of the Council	34,000
Mayor	10,000
Deputy Mayor	1,500
Deputy Leader of the Council	20,000
Other Members of the Executive	16,000
Chair of Overview and Scrutiny Committee	10,000
Chair of Sustainable Development Committee	8,000
Chair of Audit Committee	8,000
Chairs and Vice-Chairs of Area Committees	8,000
Leaders of the Largest Minority Party	2,710
Leaders of Other Minority Parties	1,089
Chief Whip	3,254
Overview and Scrutiny Committee Members	2,166
Licensing Committee Members	500

Appendix B

Travel and subsistence allowances

1. travel allowances (from 1st April 2003)

(a) private motor vehicle

A member's private motor vehicle (or one they have use of) may be used where its use:

- ⊙ results in a substantial saving of the member's time;
- ⊙ is in the interest of the Council; or
- ⊙ is otherwise reasonable.

The rate is 39.9p per mile (linked to rate paid to staff).

(b) private solo motorcycle

The rate is 20.7p per mile for the first 10,000 miles per annum.

(c) hired vehicles

Where this is necessary the actual cost of hiring will be paid.

(d) train, bus & coach

The rate for travel by public transport shall not exceed the amount of the ordinary fare or any available cheap fare. Wherever possible standard class fares should be claimed.

The following additional expenditure may also be reimbursed:

- ⊙ reservation of seats, deposit or portage of luggage; and
- ⊙ sleeping accommodation engaged by a member for an overnight journey; subject to a reduction of any subsistence allowance paid to the member for that night.

(e) taxi or mini-cab

The rate shall not exceed

- ⊙ in cases of urgency or, where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity paid; and
- ⊙ in any other case, the amount of the fare for travel by appropriate public transport.

(f) air travel

The rate for air travel shall not normally exceed the lower of the actual fare or the rate applicable to the alternative means of transport increased by the amount of the saving (if any) in subsistence allowance and attendance allowance consequent on travel by air.

(g) subsistence allowance (from 1st April 2003)

The maximum rates for subsistence allowances are as follows:

Breakfast	£5.44 - more than 4 hours away from home before 11.00 am
Lunch	£7.52 - more than 4 hours away from home including the lunchtime period between 12 noon and 2.00 pm.
Tea	£2.95 - more than 4 hours away from home including 3.00 pm – 6.00 pm.
Evening Meal	£9.29 - More than 4 hours away from home ending after 7.00 pm.
Meals on trains	reasonable cost of main meals (ie breakfast, lunch or dinner) taken on train during a period for which there is an entitlement to a subsistence allowance may be reimbursed in full subject to the above limits.

(h) dependants' carers' allowance

£7.20 per hour (this allowance is linked to the London Living Wage).

Appendix C

APPLICATION FOR DEPENDENT RELATIVE CARE ALLOWANCE

Please see paragraphs 6 & 7 of the London Borough of Hounslow's Members' Allowances Scheme

Name of Councillor:

Meeting:

Date of Meeting:

I declare that to enable me to attend the above meeting it was necessary to provide care for

.....

(a member of your household who is a child aged 14 or under or a person with a disability or an older relative requiring regular care)

I declare that I have paid the sum of £ for care provided

from to

at an hourly rate of **£7.20**

.....

Signature of Councillor

Name of Councillor

Date

I confirm that I have received the sum of £..... for care provided

.....

Signature of Carer

Name of Carer

Date

When completed this form should be signed and sent to the Members' Support Team

**LIST OF DUTIES APPROVED FOR PAYMENT OF TRAVEL AND SUBSISTENCE ALLOWANCE
FOR FURTHER INFORMATION PLEASE SEE THE MEMBERS ALLOWANCES HANDBOOK**

AVOIDANCE OF DUPLICATION OF ALLOWANCES

1. **Members are not permitted to claim allowances from more than one body where the period overlaps.**
2. **Members are not entitled to take expenditure on travelling into account for the purposes of more than one claim**
3. **Members are not entitled to take any period of absence from their usual place of residence into account for the purposes of more than one claim**

THE FOLLOWING INFORMATION MAY HELP YOU DECIDE WHETHER THE DUTY YOU HAVE CARRIED OUT QUALIFIES UNDER THE SCHEME. IF IN DOUBT PLEASE CONTACT A MEMBERS SUPPORT OFFICER (EXT. 2246/2247/2251) OR THE HEAD OF MEMBERS' SERVICES (EXT. 2253)

1. **BOROUGH COUNCIL AND FORMAL COMMITTEES OF THE COUNCIL**

Members can claim travelling and subsistence for attending meetings of Borough Council and Committees set up by the Council.

Example: Sustainable Development Committee, Overview and Scrutiny Committee

2. **SUB-COMMITTEES**

Members can claim for attending Sub-Committees set up by main Committees

Example: Scrutiny Panels

3. **COMMITTEES, PANELS/GROUPS ESTABLISHED FOR SPECIAL PURPOSES**

Members can claim for attending Committees, Panels, Groups established for Special Purposes.

Example: Gunnersbury Park Committee

4. **OUTSIDE BODIES**

Meetings of outside bodies, other than charities, **to which Councillors have been appointed by the Council**, qualify for Travel and Subsistence Allowance

5. **OFFICER MEETINGS**

Members in receipt of SRA may claim for meetings with appropriate officers on matters related to their responsibilities.

6. **OTHER CATEGORIES**

Members can also claim travelling and subsistence in respect of attendance at:

- Conferences
- Call-overs and pre-agenda meetings
- Meetings involving Government departments
- Seminars/Briefing

The following are examples of duties which **DO NOT** qualify under the scheme unless they fall under one of the categories on Pages 4 & 5:

1. General invitations
2. Site visits
3. Visits to schools
4. Attendance at Ward Surgeries
5. Attendance at School Governing Bodies
6. Political Group meetings