

# **North Tyneside Council Scheme of Members' Allowances and Expenses 2017-18**

## **A – Members' Allowances**

### **1. Introduction**

The Local Authorities (Members' Allowances) Amendment Regulations, came into effect from 1 April 1995, and it is under these Regulations together with further Regulations introduced in 1995, 1996, 1997, 1999, 2000 and 2003 that the Council's Scheme of Members' Allowances has been introduced.

North Tyneside Council, in exercise of the powers conferred by the Local Authorities (Members Allowances) Amendment Regulations 2003 hereby makes the following scheme of Members' Allowances. This scheme may be cited as the North Tyneside Council Members' Allowances Scheme and shall have effect from 1 April 2017 and subsequent years or until such time as the scheme is reviewed/changed. Further in exercise of the powers conferred by the Local Authorities (Elected Mayor and Mayor's Assistant) (England) Regulations, 2002 the Council makes the following Scheme of Allowances for the elected Mayor.

### **2. Basic Allowance**

This scheme provides for the payment of a Basic Allowance to each member of North Tyneside Council (hereinafter referred to as 'the Authority') who is a Councillor.

The level of Basic Allowance for 1 April 2017 will be £9,956 per annum and will be paid to each member of the Authority on a monthly basis, there is no need for a claim to be submitted.

Where the term of office of a Council begins or ends otherwise than at the beginning or end of a year, then the entitlement to Basic Allowance will be calculated pro rata to the number of days in office during that year.

This allowance is paid equally to all members of the Council and is deemed to cover a range of incidental expenses incurred by Councillors (e.g. Stationery, Postage, Telephone Calls, Additional Home Heating/Lighting) as well as recognising the unpaid hours spent on ward matters etc.

### **3. Special Responsibility Allowance**

This scheme provides for the payment of Special Responsibility Allowance to those members of the Authority shown below who are Councillors carrying special responsibilities in relation to the Authority.

This scheme also provides for payment of a Special Responsibility Allowance to the Leaders of the Political Groups.

Where a member does not carry special responsibilities for the full year period (i.e. the Municipal Year) then the payment of Special Responsibility Allowance will be calculated pro rata to the numbers of days in the year that special responsibilities were carried.

Special Responsibility Allowance will be paid automatically on a monthly basis – there is no need for a claim to be submitted.

No Member will receive more than one Special Responsibility Allowance.

The following are considered to carry out special responsibilities on behalf of the Authority and as such are to be paid a Special Responsibility Allowance under the Local Authorities (Members' Allowances) (England) 2003 and the Local Authorities (Elected Mayor and Mayor's Assistant) (England) Regulations 2002.

<b>Position</b>	<b>Annual Allowance £</b>
Elected Mayor	62,975
Deputy Mayor	6,929
Cabinet Members	3,063
Chair of Overview, Scrutiny and Policy Development Committee, Planning Committee, Standards Committee and Health and Wellbeing Board	3,063
Deputy Chair of Overview, Scrutiny and Policy Development Committee, Planning Committee, Standards Committee and Health and Wellbeing Board	2,142
All other Committee Chairs	2,142
Deputy Chair of all other Committees	1,503
Leaders of Groups*	3,063
Chair of Council	11,228
Deputy Chair of Council	4,076
Basic Allowance	9,956

\*On condition that their group has a minimum of 10% of the total number of Councillors (i.e. 6 at present).

#### **4. Uprating of Allowances**

The amount of Basic and Special Responsibility Allowance will be index linked to the annual pay award for employees working under the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service.

#### **5. Election to Forego**

A Member may, by notice in writing to the Council, elect to forego any part of his/her entitlement to an allowance under this scheme.

#### **6. Elected Mayor**

This scheme provides for the payment of an allowance to the Elected Mayor.

The level of allowance will be £62,975 per annum and will be paid on a monthly basis.

Where the term of the Elected Mayor begins or ends otherwise than at the beginning or end of a year, then the entitlement to any allowance will be calculated pro rata to the number of days in office during that year.

#### **7. Attendance Allowance**

Although Attendance Allowance no longer forms part of the Council's Scheme of Members' Allowances, some bodies to whom the Council appoints representatives still retain Attendance Allowance as part of their own Schemes. Members who carry out approved duties on behalf of the bodies shown below should continue to claim Attendance Allowance in the usual way and claim forms will be held for processing with the monthly Basic Allowance payment:

Association of North East Councils  
Northern & North Eastern Provisional Employer's Organisation

#### **8. Income Tax**

Each of the above allowances are classed as earnings by HM Revenue and Customs (HMRC) and are liable to deduction of Income Tax. The appropriate deduction of tax is made at source and earnings are reported to HMRC at the end of each Tax Year.

#### **9. National Insurance Contributions**

Each of the above allowances are also liable to deductions of National Insurance Contributions. Again, these are deducted at source and reported to the HMRC at the end of each tax year.

## **10. Allowances to Co-opted/Independent Members**

This Scheme provides for the payment of allowances to co-opted and independent members as follows:

<b>Position</b>	<b>Annual Allowance £</b>
Independent Chair Audit Committee (one third of allowance of Chair of a major committee)	1,021
Independent Deputy Chair Audit Committee (one third of allowance of Deputy Chair of a major committee)	714
Co-opted Members Scrutiny Committees (10% of Members' Basic Allowance)	996
Independent Persons (Standards Committee)	1,020
Independent Remuneration Panel Members	500

## **B - Members' Expenses**

Expenses fall under three main types, Travel, Subsistence and Other Expenses.

### **1. Travel Expenses**

#### Rail, Air and Boat Fares

Tickets for the above must at all times be ordered in advance from Customer and Member Liaison at Quadrant. Tickets can, in urgent cases, normally be obtained within 4 hours. Wherever possible, standard class rail tickets, with pre-booked seats, will be purchased though 'special offers' where appropriate.

In an extreme emergency, Members may purchase their own standard travel tickets but the cost will only be reimbursed if the spent/used ticket stubs are submitted with the official expenses claim form.

#### Car Mileage

Car mileage may be claimed for attending approved duties as set out in Appendix 2 to this Scheme and claims must be submitted on the official expenses claim form.

The mileage is shown on the Schedule of Allowances/Expenses.

#### Miscellaneous Travel Expenses

These include bus and metro fares, car parking fees, Tyne Tunnel fees, taxi fares etc., and can be claimed for on the official expenses claim form.

Receipts or used tickets must be submitted.

For further details on how to claim travel expenses please refer to Section C - general points.

#### Income Tax and National Insurance Contributions

Although the Authority has been successful in obtaining a dispensation from HMRC in respect of travel expenses where no liability for either Income Tax or National Insurance Contributions arises on the payment of such expenses this does not cover expenses incurred in relation to journeys to and from Quadrant. Such expenses are deemed ordinary commuting and are liable to statutory deductions.

### **2. Subsistence Expenses**

The amounts of subsistence expenses are set each year by CLG, the Department of Communities and Local Government, and current rates are

shown on the enclosed schedule of Allowances/Expenses, as set out in Appendix 1.

### Day Subsistence

This may be claimed when carrying out approved Authority duties for any period of up to 24 hours. The range of allowances available are as follows:

<b>Allowance</b>	<b>Eligibility Criteria</b>
Breakfast - £4.92	Must be absent from normal place of residence for more than 4 hours before 11.00 a.m.
Lunch - £6.77	Must be absent from normal place of residence for more than 4 hours including the lunchtime period between 12.00 noon and 2.00 p.m.
Tea - £2.67	Must be absent from normal place of residence for more than 4 hours including the period 3.00 p.m. to 6.00 p.m.
or	
Evening Meal - £8.38	Must be absent from normal place of residence for more than 4 hours ending after 7.00 p.m.

It is important to remember that subsistence rates are maximum amounts and claims for such expenses should total the amount actually incurred or the maximum amount whichever is the lesser amount. Receipts must be submitted.

### Overnight Subsistence

Members who carry out approved Authority duties which last for more than 24 hours and/or include an overnight stay, must adhere to the Authority's arrangements for Conference attendance.

Accommodation will be arranged by the Customer and Member Liaison Office at selected hotels from the Hotel Accommodation Government Rate Scheme, this will be paid in advance by Customer and Member Liaison.

On those occasions when accommodation cannot be pre-booked via the Hotel Accommodation Government Rate Scheme, Customer and Member Liaison will find alternative accommodation.

Members must submit the official hotel invoice and an official claim form with the receipts to account for any additional expenses incurred to Customer and Member Liaison.

Subsistence expenses in respect of meals taken will be reimbursed up to the maximum amounts specified for “Day Subsistence” and must be claimed on the official claim form and handed to Customer and Member Liaison.

It is important to remember that subsistence rates are maximum amounts and claims for such expenses should total the amount actually incurred or the maximum amount whichever is the lesser amount. Members must submit receipts for all expenses to Customer and Member Liaison.

On those occasions where a Member opts to stay with a relative or friend (as opposed to a hotel or guest house etc.) when carrying out official business which involves an overnight stay, a maximum amount of £30 can be claimed towards subsistence costs. Such subsistence is to be claimed in lieu of the normal evening meal and bed/breakfast allowance.

#### Income Tax and National Insurance Contributions

The Authority has been successful in obtaining a Dispensation from HMRC in respect of the majority of subsistence expenses. Therefore, with the following exception (please see note on Day Subsistence below), no liability for either Income Tax or National Insurance Contributions arises on the payment of such expenses.

To maintain our tax dispensation, hotel bills must be submitted to Customer and Member Liaison for overnight accommodation.

Current maximum rates of overnight subsistence are shown on the attached Schedule of Allowances and Expenses.

#### **NB. Day Subsistence**

Where day subsistence is claimed for carrying out approved duties at the normal place of work, then the amount is liable to Income Tax and National Insurance Contributions. “The Normal Place of Work” will usually be regarded as Quadrant, or some other venue where business normally takes place. For further details on how to claim subsistence expenses please refer to Section C - General Points.

### **3. Personal Incidental Expenses**

Members who carry out approved Authority duties which last for more than 24 hours and/or include an overnight stay, may claim for personal incidental expenses to cover personal telephone calls, newspapers, laundry service etc. Such expenses may be claimed on the official claim form and must not exceed:

£5 per period within the UK  
£10 per period outside of the UK

The above rates will be allowed by HMRC as being tax-free. For further details on how to claim Personal Incidental Expenses please refer to Section C - General Points.

#### **4. Meals Provided Free of Charge**

Where a meal is provided free of charge or as part of a conference/seminar/business package, then subsistence expenses will be reduced accordingly, e.g. a lunch provided free of charge will result in the overall subsistence claim being reduced by the maximum lunch allowance prevailing at the time. Members must declare such meals on the claim form.

#### **5. Meals on Trains/Aeroplanes/Boats etc.**

Where it is necessary to take a meal on a train, aeroplane or boat, the full cost of the meal will be reimbursed provided that the receipt is submitted with the official claim form. Failure to do so will restrict reimbursement to the appropriate meal subsistence allowance.

#### **6. Advances of Expenses**

Where Members are required to travel away on business, an advance of expenses may be obtained by request to the Customer and Member Liaison Office, who will arrange for an appropriate advance. It is still necessary, however, to submit an official claim form to Customer and Member Liaison for expenses actually incurred and upon receipt this will be processed, the advance recovered and any credit balance remaining will be forwarded to you.

#### **7. Telephone Expenses**

Members who are not on the Authority's Telephone System may claim the cost of telephone rental plus VAT element. To claim this expense, Members must pay their telephone account in full to their provider and then send the top portion of the account, with an expenses claim form, to Financial and Employee Services, for reimbursement. To conform with VAT Regulations, photocopies of telephone accounts are not acceptable.

Payment of this expense is fully liable to both Income Tax and National Insurance Contributions which will be deducted at source.

#### **8. Mobile Telephones**

Members who are issued with a mobile telephone are required to pay for the cost of any private telephone calls made plus VAT at the prevailing rate. The Customer and Member Liaison Office at Quadrant will provide full details regarding repayment.



In addition to this, the advice and guidance from the health and safety section on the use of mobile phones whilst driving is as follows. "No employee should use or answer a mobile phone whilst driving. The phones have messaging and answer phone facilities. The officer will pull over as soon as it is safe to do so and park up, then they can access their phone. Unfortunately this means that there will be times when members don't get an immediate answer, as the safety of the employees on the road carrying out Authority business is paramount, this will have to be accepted by the members."

## **C General Points**

### **1. Claim Forms**

Claims for travel, subsistence, expenses, incidental expenses (and/or attendance allowance as specified in Section A) must be made to Customer and Member Liaison on the official form. A supply of forms can be obtained direct from the Customer and Member Liaison Office or an electronic form can be downloaded from the Councillors Intranet via the Quick Links section.

Completed claim forms should be submitted to the Employee Services Manager, (Courier Code D1) to reach the office by the 20<sup>th</sup> day of each month. Any claims received after this time may not be paid until the following month.

Payment will be made by BACS transfer direct to your bank account or alternatively by cheque if this proves not to be possible.

In accordance with the Authority's Financial Regulations claims for Members' travel and subsistence allowances must be submitted on a monthly basis. Where claims are for values of less than £20, these may be held by the Member and submitted at a future date when the aggregated claim exceeds this value. Claims in respect of a financial year must however be submitted within one month of the year end.

### **2. Income Tax Relief for Household Expenses**

The Authority has arranged with HMRC for each Member of the Authority to receive Income Tax relief for 'Household Expenses' e.g. purchase of stationery, filing cabinet, use of a room as an office etc.

This Income Tax relief has been allowed under HMRC instruction SE7612 and is currently valued at £135 per annum. However, should any Member feel that his/her outgoings for such items are greater than this figure, then a personal claim would have to be made to the Inspector of Taxes.

Should any Member wish to make an individual claim, it is recommended that you complete the Expenses Claim Form and return it to Financial and Employee Services where it will be checked and forwarded to HMRC.

### **3. Pensions for Councillors**

Due to the Local Government Pensions Scheme Regulations, no Councillors are entitled to join the Scheme from 1 April 2014. Any Councillor contributing to the Scheme on 31 March 2014 can only continue to contribute for the remainder of their current term of office. Please use the link below to view the Scheme.

<http://www.twpf.info/article/13024/Councillor-Members>

Enquiries regarding the scheme, scheme benefits etc. should be made to Financial and Employee Services, at Quadrant, tel: 0191 643 5511 e-mail [sharon.cheetham@northtyneside.gov.uk](mailto:sharon.cheetham@northtyneside.gov.uk)

#### **4. Dependent Carers Allowance**

Dependent Carers Allowance is available, whilst undertaking approved duties, at the equivalent to an hourly rate of the North Tyneside Living Wage (over 25 years) or the statutory minimum wage (below 25 years), for Members who have childcare or other care commitments. To reclaim the money back from the Council you will be required to complete your expenses claim form, attach a receipt, where possible and submit to Financial Processing on a monthly basis so that reimbursement can be provided.

#### **5. Contact Personnel**

All enquiries concerning allowances and expenses should be made to Financial and Employee Services, at Quadrant, tel: 0191 643 5511 e-mail [sharon.cheetham@northtyneside.gov.uk](mailto:sharon.cheetham@northtyneside.gov.uk)

## APPENDIX 1

### Schedule of Members' Allowances and Expenses Rates for 2017/18

Allowance Type	Detail	Maximum Amount Payable	
Basic Allowance	Annual Allowance	£9,956	
Motor Mileage Allowance	<p>Motor Cycles</p> <p>Motor Cars &amp; Tri-Cars</p> <p>Under 8500 miles</p> <p>Over 8500 miles</p> <p>Under 8500 miles</p> <p>Over 8500 miles</p> <p>Cycles</p>	<p>Pence per Mile</p> <p>24.0</p> <p>451-999cc</p> <p>46.9</p> <p>13.7</p> <p>1000cc and over</p> <p>52.2</p> <p>14.4</p> <p>20.0</p>	
Passenger Allowance	<p>A supplement payable for each 'official passenger' carried to whom a travelling allowance would otherwise be payable:</p> <p>First Passenger</p> <p>Second and subsequent passengers (not exceeding 4 in total)</p>	<p>Pence per Mile</p> <p>3.0</p> <p>2.0</p>	
Subsistence Allowance	<p>Day Subsistence</p> <p style="text-align: right;">Breakfast</p> <p style="text-align: right;">Lunch</p> <p style="text-align: right;">Tea</p> <p style="text-align: right;">Evening Meal</p> <p>Overnight Subsistence</p> <p style="text-align: right;">London (each 24hr period)</p> <p style="text-align: right;">Elsewhere (each 24hr period)</p>	<p>£4.92</p> <p>£6.77</p> <p>£2.67</p> <p>£8.38</p> <p>£91.00</p> <p>£79.80</p>	

**Approved duties for the purpose of the payment of Car Mileage and Subsistence claims :**

1. The attendance at a meeting of the Authority or of any Committee or Sub-Committee of the Authority, or of any other body to which the Authority makes appointments or nominations, or of any Committee or Sub-Committee of such a body.
2. The attendance at any other meeting, the holding of which is authorised by the Authority, or a Committee or Sub-Committee of the Authority, or a Joint Committee of the Authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a Sub-Committee of such a Joint Committee provided that:
  - (i) where the Authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited, or
  - (ii) if the Authority is not so divided, it is a meeting to which at least two members of the Authority have been invited.
3. The attendance at a meeting of any association of authorities of which the Authority is a member.
4. The attendance at a meeting of the executive or a meeting of any of its Committees, where the Authority is operating executive arrangements.
5. The performance of any duty 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.
6. The performance of any duty in connection with arrangements made by the Authority for the attendance of pupils at any school approved for the purposes of Section 342 of the Education Act 1996 (approval of non-maintained Special Schools).
7. The carrying out of any other duty approved by the Authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Authority or of any of its Committees or Sub-committees (other than political meetings), including:
  - the attendance at a meeting of a Working Group or Panel of the Authority.
  - the attendance at site visits and inspections.
  - the attendance at ward surgeries.

- the attendance at meetings with tenants or community groups.
- the attendance at meetings with officers.
- the attendance at meetings as invited observers or attendees officially recognised as such in the official invitation list e.g. Citizenship Ceremonies, Civic Events, hospitality functions, exhibitions, open days or similar events.
- the attendance at meetings in some other formal representational capacity e.g. at the specific request of local residents to represent their views.
- the attendance at formal or informal briefings/presentations about matters related to the functions and work of the Authority.
- the attendance at training events for Members arranged as part of the Member Development programme.

### North Tyneside Council Dependant Carers Allowance (Guidance Notes)

The Carers' Allowance is to cover "expenses" necessarily incurred to secure the care of children or dependants when fulfilling duties as a Councillor. This means that expenditure has either been incurred or the Councillor is contractually bound to cover the cost.

The expenses that may be reimbursed/recovered must be "necessarily incurred" which means unavoidably incurred i.e. that there is no other option to incurring such expenditure.

The expenses that may be reimbursed/recovered are available in respect of "arranging for the care of Councillors' children or dependants". Dependants are those who depend on the Councillor for maintenance or other support and rely on the Member for care.

The allowance is only available for the care of children under the age of 16.

Confirmation is required to support the expense request that care for dependants is required, for example, from the dependant person's GP or other appropriate health professional or if relevant their social worker.

Payment will be made with a financial limit equating to the North Tyneside Living Wage (over 25 years) or the statutory minimum wage (below 25 years).

Travel time is paid to and from the venue / location up to a maximum of 1 hour, each way and will be rounded to the nearest quarter.

Where care is provided and expenses reimbursed to a Member this does not transfer responsibility for a child or dependant to the Authority. For the purposes of clarity it is a Member's responsibility to source an appropriate carer for a child or dependant and the Authority does not accept any responsibility or liability in respect of the suitability or otherwise of such a carer.

Timescales for claims, provision of receipts, and appropriate declaration that the expenses have necessarily been incurred to enable specified approved duties to be fulfilled, should be submitted within the policy of the Authority's Financial Regulations, i.e. claims should be submitted monthly and within the financial year to which they relate. Claims for March will be accepted during April of the next financial year.

Payment of carer expenses necessarily incurred by the Councillor in circumstances where they would not otherwise be eligible under the Scheme may be granted in exceptional circumstances at the discretion of the Head of Law and Governance. Any request that the discretion is exercised must be made in writing to the Head of Law and Governance with supporting information.

NB: The allowance is not available for payment to members of the family. The Authority has already adopted a definition of a member of the family within the Authority's Code of Conduct. In the Code a member of a councillor's family means a councillor's partner (i.e. their spouse, civil partner or anyone with whom they live in a similar capacity), the councillor's parent

or parent in law, any child, step child or sibling of the councillor or their partner, the councillor's grandparent, grandchild, aunt, uncle, nephew or niece and the partners of any of those people.