

REPORT TO: FINANCE COMMITTEE – 10 NOVEMBER 2003

REPORT ON: SCHEME OF ALLOWANCES PAYABLE TO ELECTED MEMBERS

REPORT BY: DEPUTE CHIEF EXECUTIVE (FINANCE)

REPORT NO: 478-2003

1 PURPOSE OF REPORT

This report considers revisions to the detailed Scheme of Allowances for Elected Members.

2 RECOMMENDATIONS

2.1 That the Finance Committee agree the following amendments to the Members' Scheme of Allowances 2001, with effect from the date of this Committee meeting:-

- (a) increase the existing car mileage rate for travel within Scotland in respect of vehicles exceeding 1199cc from 30p to 40p per mile to reflect the approved Inland Revenue rate. The adoption of this rate would ensure that there was no taxable profit or loss on mileage allowance paid. Increase the rates for vehicles not exceeding 999cc and 1199cc from 30p to 35.9p and 39.9p respectively (as per Scottish Executive maximum rates);
- (b) in respect of travel outwith Scotland, increase the rate from 14.9p per mile to 16.9p per mile, in accordance with the Scottish Executive approved rate;
- (c) changes to the guidelines for payment of subsistence for visits abroad as set out in paragraph 13.7 of this report. This change clarifies that the £40 general allowance for out of pocket expenses is payable per 24 hour period or, in proportion to part thereof;
- (d) that when elected members are required to take flights in excess of six hours duration, they may travel Business Class.

3 FINANCIAL IMPLICATIONS

- 3.1 The cost of implementing the revised car mileage rates above is estimated at £1,940 in 2003/04 and £4,650 in a full financial year. The additional cost in the current financial year will be contained within the Revenue Budget, and future years Revenue Budgets will be amended to reflect the additional cost.
- 3.2 The cost of using Business Class for elected members flying over 6 hours on Council business will depend on the number of flights being taken. All visits abroad are approved in advance by the relevant Committee and therefore the cost is capable of being maintained within the current Revenue Budgets.

4 LOCAL AGENDA 21 IMPLICATIONS

There are no Local Agenda 21 implications arising directly from this report.

5 EQUAL OPPORTUNITIES IMPLICATIONS

There are no Equal Opportunity implications arising directly from this report.

6 BACKGROUND

Under the Local Authorities etc (Allowances) (Scotland) Regulations 1995 each local authority is required to make a Scheme of Allowances for each financial year.

Each authority's scheme must provide for Basic Allowance. The scheme may also provide for Attendance and Special Responsibility Allowances (SRA) for Elected Members.

The following allowances are also available for Councillors:

- a travelling and subsistence allowances under section 46 of the 1973 Act;
- b conference travelling and subsistence allowances under section 47 of the 1973 Act; and
- c Conveners' and depute Conveners' allowances under section 4(8) of the Local Government etc (Scotland) Act 1994.

7 REQUIREMENTS OF SCHEME

The scheme must provide for the appropriate proportion of full year entitlement in respect of elected members who join or leave the authority part way through the financial year, or who take up or relinquish responsibilities in the course of the year. Likewise, if the scheme is amended in the course of the year, the entitlement for basic and any Special Responsibility Allowances are to be the appropriate proportions of the full-year entitlement for the periods before and after the amendment comes into effect.

Amounts of entitlement by way of basic allowance and the rates of Special Responsibility and Attendance Allowances, if any, must be specified in the scheme. The scheme may lay down the times at which allowances are to be paid.

8 FINANCIAL RESTRICTIONS

Each authority is restricted in the total amount of payments that they may make in a financial year by way of basic allowances and attendance allowances taken together. However, the authority has a certain amount of flexibility, allowing it to overrun the limit in one year at the expense of reducing the limit for the next year by the same amount.

The basis for each authority's calculation is the amount produced by multiplying the number of Elected Members by the appropriate amount specified for the authority in Schedule 2 of the Regulations. The amounts specified in that schedule will be reviewed regularly.

The cash limit in respect of Dundee City Council is £185,252 (29 x £6,388).

9 BASIC ALLOWANCE

The scheme must include provision for a basic allowance for all Elected Members. This must be the same amount for each Elected Member and the total to be distributed by way of basic allowance must be between 75% and 100% of the total relevant allowances. Basic allowance is intended to recognise the duties common to all Councillors, including meetings with constituents. The sum available for

basic/attendance allowances for Dundee City Council is £6,388 per Councillor (per Schedule 2 of the 1995 Regulations).

10 SPECIAL RESPONSIBILITY ALLOWANCE

The Finance Committee at its meeting on 19 May 2003 approved the allowances to be paid to the Convener, Lord Provost, Deputies thereof and Special Responsibility Allowances and that these allowances would be effective from May 2003. The allowances agreed at that meeting are detailed in the Scheme. These allowances have been arrived at on the basis of the guidance on Special Responsibility Allowances issued by COSLA. The Special Responsibility Allowances for 2003/04 have been increased in line with the 2003 pay award for local government employees and are detailed in the Members' Scheme of Allowances.

11 ATTENDANCE ALLOWANCE

The scheme may, if the authority wishes, provide for attendance allowance and for the time spent travelling to and from any such duty. If provided, the scheme must specify what duties are to attract attendance allowances. The duties which may be specified and thus attract attendance allowance are set out in regulation 8. They include attendance at a meeting of a joint board or licensing board or of any committee or sub-committee of such a board. Certain duties carried out by individual Councillors have also been added to the list of duties eligible to attract attendance allowance.

The ability to pay attendance allowance is intended to allow a local authority to recognise the higher commitment to the authority's work which some councillors may give. If an authority chooses to use this approach, the total to be distributed by way of attendance allowance must not exceed 25% of the total relevant allowances calculated as specified at Paragraph 9 above. This proportion will have to be reduced to the extent that basic allowances exceed 75% of the total relevant allowances. In terms of the approved Dundee City Council Scheme, no attendance allowance will be paid to Elected Members.

12 FINANCIAL LOSS ALLOWANCE

Financial loss allowance is only available to elected members of an authority, its Committees, or Sub-Committees who are not Councillors and for members of other bodies. The amounts payable for financial loss allowances, which are maximum limits, are specified in the regulations.

13 TRAVELLING AND SUBSISTENCE ALLOWANCES

13.1 Travelling within Scotland

Councillors and those entitled to financial loss allowances are entitled to receive such allowances where they necessarily incur expenditure on travelling and subsistence for the purpose of enabling them to perform an approved duty as defined under Section 49(2) of the Local Government (Scotland) Act 1973.

Travelling and subsistence will only be paid for approved duties as per the scheme of allowances which will be issued to every member.

Expenses in relation to attendance at meetings of other bodies will be payable where member representation has been previously approved by the Council.

The Policy & Resources Committee at its meeting on 15 February 2001 agreed that elected members would be paid a car mileage rate of 30p per mile for carrying out any approved duties.

The Scottish Executive issued a circular on 10 April 2001, increasing the maximum rates payable for elected members travelling. The old and new rates are as follows:-

| | <u>Old Rate</u> <u>Pence per Mile</u> | <u>New Rate</u> <u>Pence per Mile</u> |
|------------------------------------|--|--|
| | <u>p</u> | <u>p</u> |
| Motor Car Not Exceeding 999cc | 31.7 | 35.9 |
| Motor Car Between 999cc and 1199cc | 35.2 | 39.9 |
| Motor Car Exceeding 1199cc | 43.5 | 49.3 |
| Motorcycle Rate Exceeding 500cc | 14.9 | 16.9 |

13.2 Travelling outwith Scotland

The current Members' Scheme of Allowances provides that elected members who use their own motor vehicles on approved duties outwith Scotland are paid a mileage rate of 14.9p per mile. In the Scottish Executive circular referred to above, this increases the equivalent rate of 14.9p to 16.9p.

13.3 The Finance Committee at its meeting on 13 August 2001, decided not to increase the current rates of 30p for travel within Scotland and 14.9p for travel outwith Scotland.

13.4 A possible option would be to increase the existing car mileage rate for travel within Scotland to 40p per mile in respect of vehicles exceeding 1199cc to reflect the approved Inland Revenue rate. The adoption of this rate would ensure that there was no taxable profit or loss on mileage allowance paid. The rates in respect of vehicles not exceeding 999cc and 1199cc would be increased to 35.9p and 39.9p per mile respectively (as per Scottish Executive maximum rates).

In respect of travel outwith Scotland, it is proposed that the rate be increased from 14.9p per mile to 16.9p per mile, in accordance with the Scottish Executive approved rate.

13.5 Travel by Air

The current Members Scheme of Allowances provides that elected members travelling by air may be paid:-

- (i) the ordinary fare or any available cheap fare by a regular service, or
- (ii) where no such service is available, or in cases of urgency, the actual fare paid.

It is proposed that for travel abroad, where elected members are required to take flights in excess of six hours duration, they may travel business class.

13.6 Subsistence - Day and Overnight Allowances within the UK

The Scottish Executive Circular issued on 10 April 2001 also set the maximum rates payable for elected members as follows:

| | <u>New Rate</u> |
|---|-----------------|
| Breakfast Allowance | 5.08 |
| Lunch Allowance | 6.99 |
| Tea Allowance | 2.75 |
| Dinner Allowance | 8.70 |
| | <u>New Rate</u> |
| Standard Overnight | 82.53 |
| Overnight London or Approved Conference | 94.11 |

These rates are still current and form part of the existing Scheme of Allowances.

No subsistence allowances are payable for approved duties carried out within the City boundaries.

13.7 Subsistence - Day and Overnight Allowances outwith the UK

The standard overnight rate for visits abroad remains at £141.16 (1½ x Central London rate) and this is deemed to cover a 24 hour period. Periods of less than 24 hours are payable at 1½ times the appropriate day subsistence rate.

If accommodation/meals etc are provided by host/conference, then a general allowance of £40 per 24 hour period may be claimed to cover out of pocket expenses, including hospitality. Any part of a 24 hour period will generate a proportionate share of the £40 for a 24 hour period.

14 **ATTENDANCE AT CONFERENCES**

All attendances at conferences by elected members, will require the prior approval of the appropriate committee. There will not be a requirement for an Officer to attend with an elected member unless specifically agreed.

Attendance at conferences by Chief Officers (where an elected member is not attending) is normally restricted to one representative. Attendance will be subject to the agreement of the Chief Executive and appropriate Convener.

15 **PAYMENT OF TRAVEL AND SUBSISTENCE CLAIMS**

In accordance with the Regulations, it is suggested that all claims for reimbursement must be made within two months of the date of undertaking an approved duty. Any claims submitted outwith a three-month period will not be paid apart from in exceptional circumstances.

16 **PUBLICATION**

Authorities are required to publish, at least annually, details of the allowances paid to Council members. Publication may be in such a manner as the authority sees fit. The Council comply with this requirement and publish in the Dundee Courier and Advertiser the aforementioned details.

17 TELEPHONES (INCLUDING MOBILES)

At the Finance Committee on 19 May 2003, it was agreed that the maximum amount payable for telephone allowance be set at £308 for 2003/04. This telephone allowance is payable under Section 69 of the Local Government (Scotland) Act 1973 and is in respect of telephones which are accessible to the public.

All elected members are eligible for mobile telephones on the basis that members purchase "pay as you go" cards for all calls that they make.

If a member has claimed a telephone allowance then they would not be reimbursed for any Council business call they make on the mobile, whereas if they have not claimed a telephone allowance they would be reimbursed.

18 CONCLUSIONS

The report considers the Scheme of Allowances payable to Elected Members for the financial year 2003/04.

The Scheme of Allowances for Dundee City Council has been prepared in accordance with the appropriate regulations and incorporates the COSLA recommendations on payments of Special Responsibility Allowances.

A copy of the detailed Members' Scheme of Allowances 2003 will be issued to each Elected Member.

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

DATE: 3 NOVEMBER 2003

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.