

**REPORT TO: CITY COUNCIL – 22 MAY 2017**

**REPORT ON: MEMBERS SALARIES, PENSIONS & EXPENSES**

**REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**REPORT NO: 167-2017**

## **1 PURPOSE OF REPORT**

The purpose of this report is to seek the Council's approval to a Scheme of Salaries and Expenses for elected members, with the scheme to be effective from 22 May 2017.

## **2 RECOMMENDATIONS**

- 2.1 That the Council agrees the contents of this report, including the salaries proposals detailed in Appendix B.
- 2.2 That the Council agrees that a Scheme of Salaries and Expenses based on this report be prepared and issued to all elected members.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 A provision for members' salaries, pensions and expenses of £719,000 as detailed in Appendix A is included in the Corporate Services – Corporate Finance 2017/18 Revenue Budget.

The estimated revenue costs for members' salaries, national insurance, pensions and expenses based on the members' salaries proposed in Appendix B is within the budget provision.

## **4 BACKGROUND**

- 4.1 The Scottish Government has issued regulations which give effect to councillors' remuneration, allowances, pensions and reimbursement of expenses.
- 4.2 Reference is made to Article XVIII of the minute of the meeting of the Policy and Resources Committee of 14 March 2016 when Report 112-2016, which set out the current members' salaries following the review of Committee Structures in 2016, was approved.

## **5 SALARIES, PENSIONS & EXPENSES**

### **5.1 Salaries**

Under the current regulations, the elected members' salaries for the City Council are detailed below:-

- The Leader of the Administration shall receive a salary of £33,857.
- The Civic Head, ie Lord Provost, shall receive a salary of £25,392.
- In addition to the Civic Head's remuneration, the Council may pay the Lord Provost a civic allowance of up to £3,000. This allowance shall be reimbursed in respect of receipted expenditure which has been incurred by the Civic Head.
- The City Council can pay remuneration to up to 13 Senior Councillors.

- Each local authority shall pay to each of its Senior Councillors an amount to be determined by the authority, but which shall be greater than the basic Councillor's salary.
- The total amount payable to Senior Councillors is determined by a formula and for the City Council this total sum is £275,079.
- Each Council shall not pay its senior Councillors any amount of remuneration as the Leader of Administration, the Civic Head or as a basic Councillor.
- The remaining Councillors who are not the Leader of Administration, Civic Head or Senior Councillors shall each be a Basic Councillor and will receive remuneration of £16,927 per annum.
- In terms of the Tayside Valuation Joint Board and Tay Road Bridge Joint Board, the Convener shall be paid a total yearly amount of £21,160 (inclusive of any amount payable to the Convener as a Councillor or Senior Councillor), or if greater, the amount payable to the Convener as a Senior Councillor.
- The Vice Conveners of the two Joint Boards referred to immediately above shall be paid a total yearly amount of £20,103 (inclusive of any amount payable to the Vice Convener as a Councillor or Senior Councillor), or if greater, the amount payable to the elected member as a Senior Councillor.
- It should be noted that from May 2017, it is anticipated that a City Council Member will hold the post of Vice Convener of Tayside Valuation Joint Board at a salary of £20,103.
- It should be noted that an elected member cannot receive more than one salary and he/she will receive the higher salary of the respective posts they are holding.
- If a member is suspended in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000 for a period in excess of 2 calendar months, then the member's remuneration shall be reduced by 50%.

## 5.2 Pensions

- Elected members will have access to the Local Government Pension Scheme (LGPS) and will be automatically enrolled up to age 75 unless they opt out.
- Normal pension age is linked to members' state pension age for all benefits built up from April 2015, and as such normal pension age will change in line with state pension age amendments.
- For Council members contributing to the LGPS prior to 1 April 2015, the normal pension age for benefits accrued to this date is age 65.
- Tiered contributions as per the table below will be applied.

<b>Full Time Equivalent (FTE) Pensionable Pay 2017/2018</b>	<b>Rate (%)</b>
On earnings up to and including £20,700	5.5
On earnings above £20,700 and up to £25,300	7.25
On earnings above £25,300 and up to £34,700	8.5
On earnings above £34,700 and up to £46,300	9.5
On earnings above £46,300	12

- The pension is a career average related earnings scheme to reflect the possibility that elected members may hold positions of responsibility with higher remuneration at various points in their career.

### 5.3 Expenses

Under the expenses regulations referred to in Paragraph 4.1, the following conditions will apply:-

- Expenditure on travel, subsistence or other expenses by an elected member on approved duties must be receipted and will be reimbursed by the local authority.
- Each local authority shall not make any payments to its members by way of travel or subsistence allowances (as opposed to the reimbursement of receipted expenditure incurred) in respect of carrying out any approved duty, except where that is permitted by these Regulations.
- A member of a local authority shall be entitled to receive payments by way of a mileage allowance in respect of travelling (whether inside or outside the United Kingdom) which is reasonably incurred by them for the purpose of enabling them to perform any approved duty as a member of that local authority.
- The mileage allowance in respect of the types and rates of travelling are as follows:-
  - car or van - 25 pence per mile;
  - motorcycle - 24 pence per mile;
  - bicycle - 20 pence per mile;
  - and
  - passenger travelling allowance (where both the member and the passengers are carrying out any approved duties - 5 pence per mile, per passenger.
- The mileage allowance per the Scottish Government Regulations is 45p per mile for a car or van, however the Council approved a reduced rate of 25p per mile in 2013. Any member may apply in writing to the Executive Director of Corporate Services should they wish to receive the full HMRC mileage rate.
- Any member of a local authority may claim amounts of expenditure or allowance by completing and lodging a claim form with the local authority,
- The maximum subsistence rates payable by the local authority shall be as follows:-
  - Breakfast (where no overnight subsistence is claimed) - £ 8 per day
  - Lunch - £12 per day
  - Dinner - £25 per day
- Overnight accommodation away from home and local authority premises:-
  - within London - £131.00
  - elsewhere - £110.00
  - staying with friends or family - £ 25.00
- Visits abroad:-
  - Overnight deemed to cover 24 hours per Central London limit - £131.00

The above limit is the maximum amount within which subsistence expenses may be incurred.

If all accommodation/meals etc are provided by host/conference/residential course then a maximum allowance of £40 per 24 hour period may be claimed to cover out of pocket expenses (eg coffees, incidental expenses etc) including hospitality, provided receipts are submitted.

- Road and Bridge tolls (no receipt required) - Actual cost of expenses
- Other transport cost eg parking charges,  
ferry fares, taxi fares and public transport fares      Receipted cost of expenses
- Telephone and computer line rental for use  
of personal telephone and computer for  
approved duties      50% of line rental costs
- Other telephone and computer costs  
(including business calls)      Receipted cost of expense
- Members will be offered a Council contract mobile  
phone
- It should be stressed that all expenditure, with the exception of road and bridge tolls  
will only be refunded on production of a receipt.
- Every local authority shall keep a record of the payments of expenditure and  
allowances made by it in accordance with these Regulations.

#### 5.4 Payment of Salaries and Expenses

The Remuneration Regulations make provision for local authorities to make payments either calendar monthly or every 4 weeks.

Dundee City Council payments of salaries and expenses will be paid on a calendar monthly basis.

## 6 **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

## 7 **CONSULTATIONS**

The Council Management Team were consulted in the preparation of this report.

## 8 **BACKGROUND PAPERS**

None.

**MARJORY M STEWART  
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

**MAY 2017**

**APPENDIX A****REVENUE BUDGET 2017/18****MEMBERS SALARIES & EXPENSES**

	<u>£</u>
Members Salaries	572,000
Allowances National Insurance	51,000
Pension Contribution	85,000
Conferences	1,000
Travel & Subsistence/Car Allowances	8,000
Telephone/IT	<u>2,000</u>
Rounded to	<u>719,000</u>

**APPENDIX B****MEMBERS' SALARIES 2017/18**

	<u>Salary (£)</u>
Leader	33,857
Lord Provost	25,392
Depute Lord Provost	19,043
Depute Policy & Resources Convener (specific responsibility for Finance)	22,483
Lead Member for Health and Social Care	22,483
Convener of Scrutiny Committee/Leader of Major Opposition Group	22,483
Convener City Development Committee	22,483
Convener, Neighbourhood Services Committee	22,483
Convener Community Safety and Public Protection Committee	22,483
Convener Children and Families Services Committee	22,483
Convener Licensing Committee	-
Convener Licensing Board	-
Convener Development Management Committee	22,483
Depute Convener City Development Committee	19,043
Depute Convener, Neighbourhood Services Committee	19,043
Depute Convener Community Safety and Public Protection Committee	-
Depute Convener Children and Families Committee	19,043
Depute Convener Development Management Committee	19,043
Basic Councillor Salaries (14 x £16,927)	236,978
TOTAL SALARIES	<u>571,306</u>