

REPORT TO: FINANCE COMMITTEE – 13 AUGUST 2001
REPORT ON: SCHEME OF ALLOWANCES PAYABLE TO ELECTED MEMBERS
REPORT BY: DIRECTOR OF FINANCE
REPORT NO: 514-2001

1 PURPOSE OF REPORT

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

2 RECOMMENDATIONS

It is recommended that the Recess Sub-Committee approve the following amendments to the Members' Scheme of Allowances 1999 as detailed in this report, and the revised Scheme be approved with effect from the date of this Committee:-

- a Increase the elected members' mileage rate from 30p to 34.7p, in line with the absolute increase announced by the Scottish Executive.
- b Increase the elected members' mileage rate outwith Scotland from 14.9p to 16.9p.
- c Increase the elected members' subsistence rates in accordance with the Scottish Executive Circular as detailed in paragraph 13.
- d No subsistence allowances will be payable to elected members for approved duties carried out within the City boundary.
- e That all claims for elected members' travel and subsistence must be submitted within 3 months of the approved duty and any claims submitted outwith this period will not be paid.
- f That mobile telephones be offered to all elected members on the basis that they purchase "pay as you go" cards. If the member has claimed a telephone allowance then this would not be reimbursed for any business calls, whereas if they have not claimed a telephone allowance then they may claim business calls. Where mobile phones are already provided, existing contracts will be allowed to continue until termination.

3 FINANCIAL IMPLICATIONS

The cost of implementing the revised Members' Scheme of Allowances will be contained within the 2001/2002 Revenue Budget for members' allowances.

4 LOCAL AGENDA 21 IMPLICATIONS

None.

5 EQUAL OPPORTUNITIES IMPLICATIONS

None.

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 £173,681 (29 x £5,989).

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 £5,989 per Councillor (per Schedule 2 of the 1995 Regulations).

10 SPECIAL RESPONSIBILITY ALLOWANCE

The Finance Committee at its meeting on 17 May 1999 approved the allowances to be paid to the Convener, Lord Provost, Deputies thereof and Special Responsibility Allowances and that these allowances would be effective for the financial year 1999/2000. 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 2001/02 have been increased in line with the 2001 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

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>p</u>	<u>New Rate</u> <u>Pence per Mile</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

It would be appropriate to increase the local mileage rate of 30p in line with the Scottish Executive circular, ie by the absolute increase in the 999cc to 1199cc rate, ie 4.7p. This would revise the elected members' mileage rate to 34.7p.

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 earlier, this increases the equivalent rate of 14.9p to 16.9p and it is recommended that the City Council outwith Scotland mileage rate be increased to 16.9p

Subsistence - Day and Overnight Allowances

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

	<u>Old Rate</u>	<u>New Rate</u>
Breakfast Allowance	4.48	5.08
Lunch Allowance	6.17	6.99
Tea Allowance	2.43	2.75
Dinner Allowance	7.64	8.70
Standard Overnight	72.71	82.53
Overnight London or Approved Conference	82.92	94.11

It is proposed that the new rates for mileage and subsistence will be applied from 1 September 2001.

In respect of subsistence allowances payable, a further matter needs clarification. During the last financial year, a number of elected members have queried whether subsistence rates are payable when duties are being carried out within the City boundary. The Chief Executive and Director of Finance are firmly of the view that no subsistence allowances should be paid for approved duties carried out within the City boundaries and would recommend that the Members' Scheme of Allowances be amended accordingly.

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.

It is proposed that 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. The External Auditor has raised the lack of compliance with this requirement in his annual review of Members' Expenses. Accordingly, a letter will now be sent to all elected members reminding them of this requirement and in future 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 12 March 2001, it was agreed that the maximum amount payable for telephone allowance be set at £293 for 2001/02. 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. A number of elected members have been given mobile telephones and it would now be appropriate to regularise the issue of mobile phones to members by offering these to all members, on the basis that members would purchase "pay as you go" cards for all calls 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.

Where mobile phones are already provided, existing contracts will be allowed to continue until termination.

18 CONCLUSIONS

The report considers the Scheme of Allowances payable to Elected Members for the financial year 2001/02.

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.

The only amendments to the previous Members' Scheme of Allowances are as follows:-

- a Revision of the maximum mileage rate payable to elected members in line with the absolute increase advised by the Scottish Executive in their recent circular.
- b Revision of subsistence allowances in accordance with Scottish Executive Circular.
- c No subsistence allowances payable for the carrying out of approved duties within the Dundee City boundary.

- d A strict application of a three-month deadline for submitting claims for travel and subsistence.
- e The offer of mobile telephones to all elected members on the basis that they are “pay as you go” and any reimbursement of Council business calls is dependent on whether the member has claimed a telephone allowance.

A copy of the detailed Members' Scheme of Allowances 2001 will be issued to each Elected Member.

DAVID K DORWARD
DIRECTOR OF FINANCE

DATE

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.