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Part 6 Members' allowances scheme

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PART 6 – Members’ allowances scheme**1. Introduction**

- 1.1 The Local Authorities (Members’ Allowances) (England) Regulations 2003 SI 1021, make provision for any councillor to receive payment by way of basic allowance, special responsibility allowance, travelling and subsistence allowance and dependants’ carers’ allowance whilst engaged upon approved duties. This guide has been prepared to inform you of the allowances you are entitled to claim as a member of Broadland District Council. The current members’ allowances scheme is set out at appendix A.

2. Approved duties

- 2.1 Approved duties include attendance at a meeting of the council, any of its committees or sub-committees. In addition, the council may recognise duties carried out by a councillor as its appointed representative on other bodies or attendance at other meetings convened by the council provided it is a meeting to which members of at least two political groups have been invited as an approved duty. For these duties and meetings approval must precede performance of the duty and not be given retrospectively.
- 2.2 When deciding upon the allowances to be paid in respect of attendance at meetings of outside bodies, the following criteria will be considered:
- (1) Has the council given strong financial support to the outside body?
 - (2) Does the body either provide a direct service for the council’s council tax payers or are the objectives of the body closely aligned with the council’s direct interests?
 - (3) Is it essential for the council to be involved in the policy making or management of the outside body?
 - (4) Can the body be considered to be part of the local government process?

3. Conferences

- 3.1 The council has a discretion to pay travelling and subsistence allowances to members attending conferences. The conference must be to discuss matters which relate to the interests of at least some part of the council's area or some of its inhabitants. Approval must precede attendance and not be given retrospectively.

4. Travelling and subsistence

- 4.1 Members are entitled to claim for payment of travelling and subsistence expenses incurred in the performance of an approved duty of the council. In addition, members may claim travelling and subsistence expenses in relation to other duties approved by the council for the purpose of, or in connection with, the discharge of the functions of the council. The rates are determined by the council. Current rates and provisions are set out at appendix B. Any amendment will take effect from the day following the council resolution making the change.
- 4.2 Subsistence allowances are subject to reductions in respect of any meal provided free of charge by any authority or body.
- 4.3 The chairman and vice-chairman of the council may claim travelling and subsistence allowances when undertaking civic duties.
- 4.4 It is a condition of payment of travelling and subsistence allowance that the duty for which they are paid has been approved before the duty is performed.

5. Income tax

- 5.1 Basic and special responsibility allowances are taxable.
- 5.2 For members, a special regulation exists which enables option for deduction of tax at the basic rate, rather than by the use of a tax code number. The individual member's inspector of taxes will be able to give further advice on this option.

5.3 Expenses which are "wholly, exclusively and necessarily incurred" by members are eligible for tax relief. The inspector of taxes will require substantiation of claims for expense allowances. For the guidance of members, a list of expenses qualifying for tax relief is set out as appendix C. Claims for tax relief will be a matter for negotiation between the member and the inspector of taxes.

5.4 The councillor's home is regarded as his place of work. Members who use their own cars in the performance of their duties are entitled to claim travelling allowance to cover their cost.

5.5 Payments in respect of subsistence are regarded as reimbursement of expenses and consequently are not liable to deduction of income tax.

6. **National insurance contributions**

6.1 Basic and special responsibility allowances are treated as earnings for the purposes of National Insurance. Information on national insurance contributions is available on the Government website www.gov.uk/national-insurance.

6.2 There is a statutory responsibility to enter the National Insurance number of each councillor on the Department for Work and Pensions' records and to obtain the partial and total exemption certificates of all persons paying contributions at other than the standard rate. **The appropriate details and certificates will be required by the assistant director governance and business support and should be forwarded as soon as possible.**

6.3 Leaflets on National Insurance contributions may be obtained from your local Department for Work and Pensions.

7. **Members' allowances and social security benefits**

7.1 Members who are incapable of work, unemployed, who have low income or who are retired may find that being paid allowances will affect their entitlement to Social Security benefits.

7.2 Leaflets on this issue are available from the local Department for Work and Pensions' office.

8. Record of allowances paid

8.1 The council is required to keep records of payments to members. The records are open to inspection by any local government elector resident in the council's area and any such person may make a copy of or extract from such records. The council also has to publish annually the allowances paid to each member.

9. Avoidance of duplication of allowances

9.1 Where in any one period a person performs approved duties as a member of more than one body, members may not claim daily more than the maxima and travelling and subsistence allowances which would be payable had all the duties been performed on behalf of only one body.

10. Submission of claims for allowances

10.1 Members are required by statute to submit claims in a prescribed form. In order that the correct amounts of allowances are claimed and paid, it is important that the claim forms are completed to show times of departure and return.

10.2 Claims for travelling and subsistence allowances should be submitted in a timely manner. Any claims submitted on a less frequent basis might result in delays in the claim being processed.

10.3 Members are requested to submit their claims to the Committee Team by the third day following the month end in order that payment may be made on the 20th day of that month direct to the member's bank account.

10.4 Basic allowance and special responsibility allowances will be paid automatically on a monthly basis. However, a member may by giving written notice to the assistant director finance to elect to forego any part of his entitlement to an allowance under the scheme.

10.5 Further assistance and advice on claims can be obtained from the assistant director governance and business support.

APPENDIX A – Members’ allowances scheme

1.1 The Broadland District Council, in exercise of the powers conferred by the Local Authorities (Members’ Allowances) (England) Regulations 2003 hereby makes the following scheme:

(1) This scheme may be cited as the Broadland District Council members’ allowances scheme and commences on 1 April 2006.

(2) In this scheme except where the context requires otherwise

“councillor” means a member of the Broadland District Council who is a councillor;

“total estimated allowances” means the aggregate of the amounts estimated by the head of finance and revenue services, at the time when a payment of any allowance is made, to be payable under this scheme for the relevant year and

“year” means the 12 months ending with 31 March.

2. Basic allowance

2.1 Subject to paragraph 6, for each year a basic allowance shall be paid to each councillor. The current basic allowances are shown at annex I.

3. Special responsibility allowances

3.1 For each year a special responsibility allowance shall be paid to those councillors who hold the special responsibilities that are specified in annex I to this scheme.

3.2 Subject to paragraph 6, the special responsibility allowances are shown in annex I.

3.3 In the event of one member holding more than one specified post only one special responsibility allowance, whichever is the greater sum, shall be paid.

4. Renunciation

4.1 A councillor may by notice in writing given to the head of finance elect to forego any part of his entitlement to an allowance under this scheme.

5. Part-year entitlements

5.1 The provisions of this paragraph shall have effect to regulate the entitlements of a councillor to basic and special responsibility allowances where, in the course of a year and this scheme is amended or that councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.

5.2 If an amendment to this scheme changes the amount to which a councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:

- (1) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or
- (2) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year, the entitlement to such an allowance shall be made on a pro rata daily basis with the number of days in office with the number of days in that year.
- (3) Where the term of office of a councillor begins or ends during the year, the entitlement of the councillor to a basic allowance shall be on a pro rata basis with the number of days in office with the number of days in that year.
- (4) Where this scheme is amended as mentioned in sub-paragraph 5.2 and the term of office of a councillor does not coincide throughout the period mentioned in sub-paragraph 5.2 (1), the entitlement of any such councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) on a pro rata basis with

the number of days in office as with the number of days in that period.

- (5) Where a councillor has during that part of, but not throughout, a year such special responsibilities as entitles him to a special responsibility allowance, that councillor's entitlement shall be on a pro rata basis of the number of days during which there has been an entitlement to a special responsibility allowance and the number of days in that year.
- (6) Where this scheme is amended as mentioned in subparagraph (2) and a councillor has during part, but does not have throughout the whole, of any period mentioned in subparagraph 5.2 (1) of that paragraph any such special responsibilities as entitle the member to a special responsibility allowance, that councillor's entitlement shall be on a pro rata basis with the number of days in that period.

6. Claims and payments

- 6.1 A claim for allowances under this scheme shall be made in a timely manner using the proforma issued by the assistant director governance and business support. Any claims covering a number of months could incur a delay in processing.
- 6.2 A claim for allowances shall be on the appropriate form issued by the assistant director governance and business support and signed to confirm that the member is entitled to make the claim.
- 6.3 In respect of travel claims, the following documentation must be provided to the payroll co-ordinator prior to payment of the claim:
 - driving licence
 - V5 car registration document
 - certificate of car insurance (with business use)
 - valid MOT certificate (where applicable).

Documents to be provided as soon as details change (eg change in vehicle) or upon renewal of policies/certificates.

Failure to provide the requisite information will result in claims not being paid.

- 6.4 (1) Payments of basic and special responsibility allowances shall be made in arrears and will be paid in equal monthly instalments on the 20th of each month.
- (2) Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the councillor receiving more than the amount to which, by virtue of paragraph 6, he is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he is entitled.
- 6.5 **Note:** Members are reminded that in accordance with council procedure rule 19, they must sign the attendance sheet provided for that purpose when attending meetings. Failure to sign the attendance sheet might result in delays in processing claims.

ANNEX I – Basic allowance (wef 1 April 2020)

Subject to paragraph 6 the basic allowance is £4,962. These figures are updated annually in line with the staff pay award.

Special responsibility allowances	Per Annum
Chairman of council	£3,949
Vice-chairman of council	£987
Leader of the council (no separate group leader's allowance)	£13,166
Deputy Leader of the council (no separate portfolio holder allowance)	£9,216
Executive member with portfolio	£6,583
Audit committee chairman	£2,634
Licensing & regulatory committee chairman	£2,634
Overview and scrutiny committee chairman	£3,949
Overview and scrutiny committee vice-chairman	£1,975
Planning committee chairman	£3,949
Planning committee vice-chairman	£1,975
Service improvement & efficiency committee chairman	£1,150
Standing policy panel chairman	£1,150

In the event of one member holding more than one specified post, only one special responsibility allowance, whichever is the greater sum, shall be paid.

Other allowances	Per Annum
Opposition group leaders (minimum of five members)	£2,634

Note:

The allowance for the majority group leader has been amalgamated into the leader's special responsibility allowance (pre-supposing they are of the same political group).

No separate group leader's allowance to be paid if the leader of the council is not also the leader of his/her group.

ANNEX II – List of approved duties

Attendance at the following meetings is recognised as approved duty for the payment of travelling and subsistence allowances.

Any council, cabinet, committee or panel meeting, including informal meetings of the overview and scrutiny committee called by the managing director.

Formally constituted parish/town council meetings (with effect from 21 February 2020) (unless the member has been able to claim an allowance by virtue of their being a member of another authority ie County Council.

Meetings, presentations and seminars held either with other local authorities or by outside bodies in connection with local government related issues.

Members' seminars at Thorpe Lodge or South Norfolk House.

“Fact finding” site visits arranged by the managing director.

Courses, conferences and seminars which assist councillors in the performance of their duties and which are authorised by the managing director.

Investigatory interviews held by the Local Government Ombudsman.

By the chairmen and vice-chairmen of all committees and sub-committees who are not already in receipt of a special responsibility allowance and the deputy leader of each political group at meetings arranged by the managing director to discuss the contents of committee or sub-committee agenda. (This is subject to no individual being able to claim allowances for attendance at more than one such meeting for each committee or sub-committee meeting).

Meetings held with representatives of outside bodies (other than those of a commercial or political nature) and which have been approved by the managing director.

Attendance at the annual meeting with parish and town councils by members invited by the managing director to make a presentation.

Other approved duties to be specified in future resolutions of appointment.

The following travel is recognised as approved duty for the payment of travelling allowances.

Travel to Thorpe Lodge and South Norfolk House to:

- (a) a pre-arranged meeting of group leaders with the managing director or chief officers;
- (b) a pre-arranged meeting of overview and scrutiny chairmen and vice-chairmen with the managing director or chief officers and
- (c) a pre-arranged meeting with the managing director or chief officers.

ANNEX III – Approved duties qualifying for travel and subsistence allowances

A47 Alliance

Aylsham Cittaslow Committee

Broadland Futures Initiative Elected Members' Forum

Broads Authority

Community Rail Norfolk including Bittern Line Partnership and Wherry Lines Partnership

Community Safety Partnership Scrutiny Panel

CNC Building Control

District Councils' Network

East of England Local Government Association

Greater Norwich Development Partnership Board

Greater Norwich Growth Board

HMP Bure Liaison Committee

Horsford Public Pits Charity

Internal Drainage Boards

LGA Mutual

Local Government Association – General Assembly

Local Government Association Strategic Aviation Special Interest Group

Norfolk Against Scams Partnership

Norfolk Arts Forum (Executive Committee)

Norfolk Biodiversity Partnership

Norfolk Health Overview and Scrutiny Committee

Norfolk's Health & Wellbeing Board

Norfolk Joint Museums Committee

Norfolk Joint Records Committee

Norfolk Parking Partnership Joint Committee

Norfolk Police & Crime Panel

Norfolk Rail Policy Group

Norfolk Strategic Planning Member Forum

Norfolk Supporting People Member Champions Group

Norfolk Waste Partnership including JVC

Norfolk Water Management Partnership Strategic Forum

North Norfolk Clinical Commissioning Group Community Engagement Panel

Norwich Airport Ltd Consultative Committee

Norwich Area Museums Committee

Safer Neighbourhood Action Panels (SNAPs)

Scottow Enterprise Park Partnership Board

Youth Advisory Board

Other approved duties to be specified in future resolutions of appointment

APPENDIX B – Scale of travelling and subsistence allowances

The council has resolved to pay the following rates of travelling and subsistence allowances to councillors and co-opted members. The maximum rates payable from 1 April 2019 are as shown below:

Scale of travelling allowances**1. Travel by public transport**

- 1.1 The amount of the ordinary fare or any cheap fare available. Where more than one class of fare is available, the rate is determined by reference to first class fare or the fare actually paid, if less. Supplementary allowances are available for Pullman car or similar charges, reservation of seats deposit or portage of luggage and sleeping accommodation for an overnight journey (subject in the latter case to a reduction in any subsistence allowance for that night).

2. Travel by member's own solo motor cycle or bicycle

- 2.1 Members who travel by these methods of transport should contact the Council's payroll section who will advise the appropriate mileage rates.

3. Travel by member's own private motor vehicle

- 3.1 The council has decided generally that travel by a member's own vehicle results in a substantial saving of a member's time or is in the interests of the council or is otherwise reasonable and in these circumstances the current HMRC rates will be payable.

- (1) for the carriage of each passenger (not exceeding four) to whom a travelling allowance would otherwise be payable – 5p per mile.
- (2) the amount incurred on tolls, ferries and parking fees, including overnight garaging.

4. Travel by taxi cab

- 4.1 In cases of urgency or where no public transport is reasonably available, the actual fare and any reasonable gratuity paid. In any other case the rate is limited to the amount of the fare for travel by public transport.

5. Travel by hired motor vehicle

- 5.1 Unless the council otherwise determines, the rate for a hired vehicle shall not exceed that which would have been applicable had the vehicle belonged to the member who hired it.

6. Travel by air

- 6.1 The rate of travel by air shall not exceed the rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in attendance allowance or financial loss allowance and subsistence allowance consequent on travel by air:

provided that where the body resolves, either generally or specifically, that the saving in time is so substantial as to justify payment of the fare for travel by air, there may be paid an amount not exceeding: the ordinary fare or any available cheap fare for travel by regular air service, or; where no such service is available or in case of urgency, the fare actually paid by the member.

Scale of subsistence allowances

- 1.
- A 'daily' expenses rate up to a maximum of £20 will be paid on proof of expenditure, where the member leaves home before 6.30 am **and** does not return home before 8.00 pm. This will be the maximum a member can claim for any expenses (excluding travel) incurred during that day and will also cover attendance on residential courses where meals are not included.
 - Where a member leaves their home before 6.30 am **or** returns home after 8.00 pm they can claim reimbursement of costs up to a maximum of £10.

- Members must produce receipts for expenditure incurred.
- Reimbursement for alcohol will not be paid.

2. Absence from usual place of residence overnight

- 2.1 The council will pay directly reasonable hotel charges for attendance at approved conferences.

3. Dependants' carers' allowance

- 3.1 A dependants' carers' allowance is available where a member incurs costs (receipted) associated with arranging care for a dependent because they are required to attend meetings outside of normal working hours. This allowance will be paid at an hourly rate up to a maximum of the National Minimum Wage (NMW) hourly rate plus £3.00. It will be reviewed annually (each October) when the NMW is reviewed.

APPENDIX C – Income tax – Tax relief for expenses of office

1. General

1.1 Basic and special responsibility allowances are subject to income tax but certain expenses are eligible for tax relief.

1.2 To be eligible for tax relief the expenses must be “wholly, exclusively and necessarily incurred”.

1.3 Political expenses are not eligible for tax relief.

2. Recording expenses

2.1 Members are required to keep a record of their expenses to support their “end of the tax year” claim for relief. Weekly totals will be sufficient for minor items but a note by way of explanation should be put against any large or unusual item.

3. Expenses qualifying for tax relief

3.1 Postages

A record of the expenses incurred must be kept.

3.2 Telephones

Charges necessarily incurred in the performance of a member’s duties qualify for tax relief. A record of calls made must be kept (a weekly figure being sufficient) but members should retain their telephone accounts in case the Inspector requires additional information.

3.3 Stationery expenses

Stationery expenses necessitated by council membership qualify for tax relief. A record of the amounts spent must be kept (a weekly figure being sufficient). Any large items of expenditure should be marked with details.

3.4 **Journals, magazines and books**

Expenditure will rank for tax relief only if the publication relates to a member's council duties and if a personal copy is considered necessary for the efficient performance thereof. Details of the publications purchased will need to be kept.

3.5 **Secretarial assistance**

Proof of payment for secretarial assistance will be required by HM Inspector of Taxes (except in the case of small claims for notional amounts). If payments are made to a member's spouse, the Inspector may require the production of paid cheques, etc to substantiate these payments.

3.6 **Travelling**

Travelling expenses in connection with a member's duties, **which are not reimbursed**, may be claimed for tax relief (eg travelling to see constituents or to parish meetings). Expenditure on public transport, etc should be entered on a record sheet with mileage travelled in the member's private car being recorded in a separate column. A record of the actual journeys travelled during each week should be kept. The expenses of running the member's car during the year will need to be established (eg licences, insurance, petrol, oil, repairs, tyres, parking and depreciation) and apportioned pro rata to the mileage travelled.

3.7 **Office equipment**

Office equipment used in connection with a member's duties will qualify for tax relief (eg desks, personal computers, filing cabinets). The relief should be on the basis of depreciation which may be claimed in full when the item is purchased or may be apportioned over several years. Items claimed for tax relief should be specifically identified and invoices should be retained for inspection if required.

3.8 Accommodation

Providing a room is set aside for use in connection with council business, a proportion of the expenses of accommodation will be eligible for tax relief (eg separate heating, upkeep of property, depreciation of furniture and fittings). A record of such expenditure will need to be kept and the proportion eligible for tax relief will need to be agreed with HM Inspector of Taxes.

3.9 Other items

Members may submit a claim to HM Inspector of Taxes for any other item which they consider to be expenses “wholly, exclusively and necessarily incurred” to enable the member to carry out his duties and responsibilities to his electorate. A record of any such items should be maintained.

3.10 Tax office

The tax office dealing with taxation matters for this council is Inland Revenue (Norfolk), Nelson House, Prince of Wales Road, Norwich NR1 1DR. The reference to be quoted by members in any correspondence with that office is 531/B3790.

Benefits and National insurance contributions**1. Social security benefits**

- 1.1 A member must notify his Department for Work and Pensions local office of any allowance payments received if he is claiming or receiving benefit, including income support.

2. Housing and council tax benefits

- 2.1 A member must notify his local authority housing and council tax benefit section of any allowance payments received if he is claiming or receiving housing or council tax benefit.

3. National insurance contributions

- 3.1 National insurance contributions may be liable for payment by members. Information on national insurance contributions is available on the Government website www.gov.uk/national-insurance.