



**ALLOWANCES PAYABLE TO  
MEMBERS OF THE COUNCIL**

**1 APRIL 2007**

Agreed at Council Meeting on 18 April 2007.

MEMALLOW/MDLA

**DACORUM BOROUGH COUNCIL**  
**MEMBERS' ALLOWANCES SCHEME**

The Dacorum Borough Council, in exercise of the powers conferred by the Local Government Act 2000 (after consideration of the recommendations of an Independent Remuneration Panel (in line with the Local Authorities (Members' Allowances)(England) Regulations 2003)) hereby makes the following scheme:

1. This scheme may be cited as the Dacorum Borough Council Members' Allowances Scheme, and shall have effect from 1 April 2007. (The scheme will be reviewed in Spring 2008)

**2. Basic Allowance**

For each year a basic allowance of £4,670.00 shall be paid to each Councillor.

The Basic Allowance will be increased each April in line with the rate of increase in the Retail Prices Index (RPI) for the preceding September. This will, in effect, mean that the BA is indexed on the same basis as the state retirement pension.

**3. Special Responsibility Allowances**

(a) For each year a Special Responsibility Allowance shall be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in schedule 1 to this scheme.

(b) Subject to paragraphs 8 and 9, the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.

(c) No member is allowed to draw more than one special responsibility allowance at any one time.

#### **4. Indexation of Basic Allowance and Special Responsibility Allowance**

Indexation arrangements will permit the Basic Allowance to be increased each April in line with the rate of increase in the Retail Prices Index (RPI) for the preceding September. This latter arrangement will, in effect, mean that the BA is indexed on the same basis as the state retirement pension.

These allowances should be valid for the period from 1 April 2007 through to the end of the 2007/2008 financial year.

The same indexing arrangement will apply for to the Special Responsibility Allowances.

This indexing arrangement should apply from 1 April 2007 to the end of the financial year commencing on 1st April 2007, and a full review of all allowances undertaken in the Spring of 2008, with a view to recommending a new allowances scheme to be applied from May 2008, after the next review of Local Government Legislation (Winter 2007?).

The indexing arrangements applying to all allowances other than the BA/SRAs are set out under the relevant allowance. In all cases, it is recommended that the indexation arrangement should apply until the end of the financial year commencing on 1st April 2007.

#### **5. Care Allowances**

This is an allowance for Members who incur expenditure on the care of children or dependants in order to perform their duties as Councillors. To qualify, each of the following criteria must be met:-

- (i) The event requires the Member to provide care for:-
  - a child below school age; or
  - a child under 14 outside school hours; or
  - an elderly, sick or disabled dependent requiring constant care
- (iii) The Member pays another person (not his/her partner) to provide that care.

- (iv) The sums claimed do not in the case of **Child Care** exceed the actual sum paid or £4.80 per hour up to a maximum of £500 for the year.
- (v) The sums claimed do not in the case of **Dependant Carers Allowance** exceed the actual sum paid or £13.00 per hour up to a maximum of £1250 for the year.

The levels of these allowances will be increased each April in line with the rate of increase in the Retail Prices Index (RPI) for the preceding September.

## **6. Allowances for co-opted members**

Currently, the Council has no co-opted members

Co-opted members can only be paid an allowance for the time they spend in meetings of the Committee. The allowance for co-opted members of any Committee who are not Chairman of the Committee is £200 p.a.

The co-opted member chairing a Committee should receive an allowance of £1,000. The Chairman of the Committee should receive only this sum, and should not also be able to claim the “ordinary” co-optees allowance referred to in the paragraph immediately above.

The allowances payable to co-optees are also to be covered by the same indexing arrangement applied to the Basic Allowance and Special Responsibility Allowances.

Co-opted members will receive the same rates of travel allowance in respect of travel to and from meetings as Councillors.

There is a possibility that, in the future, the Council may choose to co-opt members on to Committees. It would be right for such members to receive travel allowance and an annual allowance. The level of the latter would, however, depend on the Committee to which the co-option had been made and the work the co-optee was expected to undertake. It would therefore need to be referred back to the Independent Remuneration Panel, who would endeavour to arrive at a recommended level very quickly and with the minimum of formality.

## **7. Local Government Association - Approved Duties**

The Local Government Association (LGA) will pay an attendance allowance of £30 for each day that includes an approved duty. Approved duties will include:

- (a) Standing Committees (including the Urban and Rural Commission Steering Committees).
- (b) Panels and task Groups of the Association.

## **8. Backdating of allowances**

The Local Authorities (Members' Allowances)(England) Regulations 2003 provide for: the retrospective application (to the beginning of the financial year) of an amended scheme of allowances; and/or the backdating of allowances to individual Councillors in circumstances where they take on duties entitling them to a different level of allowances (e.g. where a Councillor is appointed to the Executive, and thus entitled to a special responsibility allowance) to the time at which the circumstance changed.

With regard to the latter provision, where any member has been formally appointed to a role which attracts an SRA for a period, but has not been receiving that SRA, it should be paid retrospectively (subject to the restriction that it cannot be backdated beyond the start of the relevant financial year.) See also paragraph 9 (f) and (g) regarding the making of retrospective payments of SRAs to individual members where circumstances justify it.

With regard to the former provision (i.e. retrospective application of the allowances scheme), there is no reason to backdate the scheme introduced on 1 April 2007. However, in the future, the Council may choose to exercise the discretion, permitted in the 2003 regulations, to backdate a new allowances scheme, subject to the Council receiving a recommendation from the Independent Remuneration Panel to this effect.

## 9. Part-year Entitlements

- (a) 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, 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.
- (b) 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:
  - (i) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or
  - (ii) 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 to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

- (c) Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office subsists bears to the number of days in that year.
- (d) Where this scheme is amended as mentioned in sub-paragraph (b), and the term of office of a Councillor does not subsist throughout the period mentioned in sub-paragraph (b) (i), 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) as bears to the whole the same

proportion as the number of days during which his/her term of office as a Councillor subsists bears to the number of days in that period.

- (f) Where a Councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he/she has such special responsibilities bears to the number of days in that year.
- (g) Where this scheme is amended as mentioned in sub-paragraph (b), and a Councillor has during part, but does not have throughout the whole, or any period mentioned in sub-paragraph (b) (i) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

## **10. Renunciation**

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

## **11. Ceasing payments of allowances to members who have been suspended**

The Council, through the Standards Committee will make every effort to (fully or partly) withdraw or recover allowances from members, who have been (fully or partly) suspended or disqualified, unless there are exceptional extenuating circumstances.

(NB. under the Local Authorities (Members' Allowances)(England) Regulations 2003, withholding or recovering Carers Allowance is not permissible, should this issue ever arise.)

(Note: Although not part of the general scheme, attention is drawn to the Annex concerning other types of allowances and general guidance.)

## SCHEDULE 1

### SPECIAL RESPONSIBILITY ALLOWANCE

The following are specified as the special responsibilities in respect of which special responsibility allowances are payable, and the amounts of those allowances:

Role	Number payable	SRA 2007/2008
Leader of the Council	1	13,300
Cabinet members	6	8,800
Chairman of Development Control Committee	1	4,390
Chairman of Licensing and Health and Safety Enforcement Committee	1	4,390
Chairman of Appeals Committee	1	3,300
Chairman of Audit Committee	1	1,100
Chairman of Overview and Scrutiny Committees	4	4,130
Vice Chairmen of Overview and Scrutiny Committees	4	2,730
Vice Chairman of Development Control Committee	1	2,200
Vice-Chairman of Licensing and Health and Safety Enforcement Committee		1,100
First Opposition Group Leader	1	6,430
Second Opposition Group Leader	1	3,830

\* No member is allowed to draw more than one SRA at any one time.

<b>Mayor/Deputy Mayor</b>		
Mayor's Salary and Allowance	1	£6,900
Deputy Mayor's Salary	1	£1,220

## **SCHEDULE 2**

### **APPROVED DUTIES**

Specified for the purpose of the payment of the Basic Allowance, are the following categories of approved duties.

1. Attendance at meetings of the Council.
2. Attendance at meetings of Committees and Sub-Committees to which members have been duly appointed.
3. Attendance as a duly appointed member at a meeting of the Cabinet; Overview and Scrutiny Committees; any joint consultative Committee or Working Party or other sub group, however named, approved by the Council or a Regulatory Committee.
4. Attendance by a member of the Council at a meeting of the Cabinet; Overview and Scrutiny Committees; or a Committee or Sub-Committee of which he/she is not a duly appointed member on the occasion of there being an item of business in particular of ward interest.
5. Attendance at any official visit, or site visit provided such attendance is approved by a Portfolio Holder before the duty is carried out.
6. Attendance at any seminar run by officers of the Council to inform members on matters concerning Local Government administration and finance when the invitation to attend is extended to at least all members of the Cabinet; Overview and Scrutiny Committees; or a particular Committee or Sub-Committee.
7. Attendance by a member or members of the Council present at the opening of tender documents.
8. Attendance by a member or members of the Council in connection with the discharge of any functions of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises.

9. Attendance, as an appointee or nominee of the Council, at a meeting of the following outside bodies approved for the time being by the Council (including attendance at a meeting of a Committee or other subordinate body of such a body to which the member has been duly appointed by the body or the Council):

Community Development Agency for Hertfordshire  
Hertfordshire Countryside Forum  
Dacorum Environmental Forum  
Eastern Arts Board  
Eastern Orchestral Board  
Hertfordshire Building Preservation Trust  
Hertfordshire Local Government Association  
East of England Regional Assembly  
Hertfordshire Environmental Forum  
Hertfordshire Playing Fields Association  
Hertfordshire Conservation Society  
Hertfordshire Leisure Strategy Steering Committee  
Local Government Association  
Luton Airport Joint Consultative Committee  
National Playing Fields Association  
National Society for Clean Air  
Police Community Partnerships  
Standing Committee for Museum Services in Hertfordshire  
West Herts Crematorium Joint Committee  
Watford Enterprise Agency  
Leaders Meetings

## NOTES ON OTHER TYPES OF MEMBERS' ALLOWANCES AND GENERAL GUIDANCE

### 1. Other Allowances

In addition to the allowances prescribed in the Scheme, Councillors are entitled to claim the following allowances for an approved duty:

#### Travelling Expenses and Subsistence Allowance

- (1) Where expenditure on travelling or subsistence is necessarily incurred for the purpose of enabling a member to perform any approved duty, travelling allowance or subsistence allowance, as the case may be, will be paid at the maximum rate for the time being specified in this scheme; and
  - (a) where a member so travels by rail, **standard** class rail fare shall be paid;
  - (b) for the purpose of determining whether travel by a member's own private car is reasonable, it shall be taken that such mode of travel is reasonable in any case where the member certifies that the use of his/her vehicle is of greater convenience to him than public transport in performing the approved duty.
- (2) The rate for mileage allowances is as follows:
  - (a) Where a member certifies that the use of his or her own **solo motor cycle the rate is 24p per mile.:**
  - (b) Where a member certifies that the use of a private vehicle results in a substantial saving of the member's time, or is in the interests of the Council, or is of greater convenience to him/her than public transport in performing the approved duty **a standard mileage payment of 40p per mile be made in respect of all "approved duty" journeys undertaken.**

Where a member is not able to provide a certificate under the preceding sub-paragraph:

A flat rate of 13.6p a mile for all classes of vehicles.

- (c) The rate specified in sub-paragraphs (a) and (b) may be increased in respect of the carriage of each passenger, not exceeding 4, to whom a travelling allowance would otherwise be payable under any enactment:
  - (i) by not more than 3.0p a mile for the first passenger and;
  - (ii) 2.0p per mile for the second and subsequent passengers.
- (d) Where a member certifies that the use of his or her own **solo bicycle the rate is 20p per mile**

The level of the payments in (a) – (d) above should be indexed to the Inland Revenue approved cost of operating such vehicles, as published by the Inland Revenue from time to time.

- (3) The present rates of subsistence allowance payable are as follows:
  - (a) in the case of an absence, not involving an absence overnight from the usual place or residence:

	£
(i) Breakfast Allowance (more than 4 hours away or a lesser period before 11 am)	4.92
(ii) Lunch Allowance (more than 4 hours or a lesser period, including the lunchtime between 12 noon and 2 pm)	6.77

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|-------|---|------|
| (iii) | Tea Allowance (more than 4 hours away or a lesser period , including the period 3 pm to 6 pm) | 2.67 |
| (iv)  | Evening Meal Allowance (more than 4 hours away or a lesser period, ending after 7 pm)         | 8.38 |
- (b) in the case of an absence overnight from the usual place of residence £79.82 (to cover the cost of an hotel or guest house); and for such absence overnight in London, or for the purposes of attendance at an annual conference (including or not including an annual meeting) of the Local Government Association or such other association of Local Authorities, or such other association of bodies as the Council may for the time being approve for the purpose, £91.04.
- (4) When main meals (ie a full breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement to day subsistence, the reasonable cost of the meals (including VAT), may be reimbursed in full, within the limits specified below. Where the cost of meals taken on trains is reimbursed, the rate of day subsistence allowance for that period of duty shall not exceed the maximum payable if the period of absence from the usual place of residence were reduced by 4 hours in respect of each meal taken.
- (5) The limitations on reimbursement are:
- |       |   |
|-------|---|
| (i)   | Absence of more than 4 but no more than 8 hours, the cost of 1 main meal.   |
| (ii)  | Absence of more than 8 but no more than 12 hours, the cost of 2 main meals. |
| (iii) | Absence of more than 12 hours, the cost of 3 main meals.                    |

The levels of these Subsistence Allowances will be increased each April in line with the rate of increase in the Retail Prices Index (RPI) for the preceding September, with the first uprating to take place on 1<sup>st</sup> April 2005.

## **2. PAYMENT OF ALLOWANCES**

Arrangements for payment of allowances to which members are entitled are set out in the following paragraphs:

### **(1) Travelling Expenses and Subsistence Allowance**

It is necessary to complete a claim form obtainable from the Finance Department to receive travelling expenses and/or subsistence allowance. They may be claimed immediately after they have been incurred and payment will be made by direct credit on the 25th of the month. In the case of travelling expenses to Council and other meetings, it is suggested that members list on a sheet of paper for a period of, say, at least a month, the date and name of the meetings they attend with the appropriate mileage.

### **(2) Special Responsibility and Basic Allowances**

The allowances are subject to income tax and National Insurance contributions. The special responsibility and basic attendance allowances will be paid monthly. The period of payment will be from the 10th of one month to the 9th of the next month (ie 10 April to 9 May). Payments will be made on the 25th of the month by direct credit into Members Bank or Building Society accounts.

## **3. LIABILITY FOR INCOME TAX AND NATIONAL INSURANCE CONTRIBUTIONS**

### **(1) Income Tax**

The allowances are income from which tax is deductible under the Pay-As-You-Earn system. Travelling and subsistence allowances are not taxable. Generally, if a member has employment elsewhere, tax will be deductible from the allowances at the standard rate. However, a member who is not in regular employment may qualify for personal tax allowances to be set against the liability on the allowances. Any

member who feels that he/she may qualify for the tax allowances should write to HM Inspector of Taxes at Lord Alexander House, Waterhouse Street, Hemel Hempstead.

The Inspector will make an assessment of tax allowances and issue a notice of coding in appropriate cases. The tax codes received from the Inspector will be used in the calculation of tax payable on the allowances.

The Inland Revenue has recently introduced a new system of Self Assessment for taxation purposes and some members may receive a tax return to complete in respect of allowances received, Further information can be obtained from the Payroll Manager, Financial Services.

## (2) **National Insurance**

(a) Some Councillors will be liable for National Insurance contributions on their allowances. The main provisions of the National Insurance rules are as follows:

- (i) Contributions are calculated on a **monthly basis** according to the total amount of allowances payable in the month.
- (ii) Contributions are not due where the allowances payable total less than £265 in a month.
- (iii) Married women and certain widows who have other employment in respect of which they have exercised their right not to pay the full national insurance contribution and have obtained an exemption card (see (c) below) will be liable to pay at the lower rate of 3.85% on the total allowance payable.
- (iv) Certain members who are retired for national insurance purposes, or who do not satisfy the conditions for retirement pension will **not** have to pay any contributions (see (c) below).

- (v) All other members will have to pay contributions at the full rate when the total allowance payable in any month is £265 or more.
  - (vi) Each employment has to be treated separately for contribution purposes and no account is taken of membership of another authority or other employment.
  - (vii) Contributions are payable only on the special responsibility and basic allowance and **not** on travelling and subsistence allowances, which are reimbursements of expenses.
- (b) Where a member considers that the 3.85% rate applies or that no contributions at all are payable (see sub-paragraphs (2) (a) (iii) and (iv) above), the Department of Health and Social Security at 1 Waterhouse Street, Hemel Hempstead should be contacted. If the Department of Health and Social Security confirm entitlement of such a concession, they will issue a card to that effect, which should be forwarded to the Director of Finance as soon as possible. Contributions at the full rate will be payable until a card is received, and this may, of course, necessitate a retrospective adjustment. It is, therefore, in a member's own interest and helpful to the Finance Department for the advice of the Department of Health and Social Security to be obtained without delay.
- (d) If a member has other employment which is subject to deduction of National Insurance contributions, the joint contributions for all employment may exceed the maximum annual rate. If this should happen, the member will receive a repayment claim form from the Department of Health and Social Security after the end of the tax year and a refund will be made.

#### **4. EXPLANATORY NOTES**

"Financial Year" means the period 1 April to 31 March inclusive.

"Council year" means the period between one annual meeting of the Council and the next.

"Council cycle" means the period between one ordinary meeting of the Council and the next. (An annual meeting shall be taken to be an ordinary meeting for this purpose.)

All claim forms and other forms can be obtained from the Members Support Services Section of the Resources Directorate. The persons to contact at the Dacorum Civic Centre are:

Member Services	Jim Doyle	HH 228222
Financial Services	Payroll	HH 228286

***Approved at Full Council on 18 April 2007***