

PART 6

PENDLE BOROUGH COUNCIL

MEMBERS' ALLOWANCES SCHEME

1ST APRIL 2023 – 31ST MARCH 2025

INTRODUCTION

As required by law, the Council established an Independent Panel to consider allowances for its members. The Council has had regard to the Independent Panel's report and recommendations in making this scheme which came into full effect on 19th May, 2023. The levels of payments are those agreed by the Council at the Annual Council meeting in May 2023.

1. THE SCHEME

❖ Basic Allowance

£3,500

This is an annual allowance paid to every Councillor. It is intended to recognise attendances at Council, committee, working groups, meetings and also meetings of outside organisations. It is also intended to cover the time devoted by Councillors to other work including such inevitable calls on their time as meetings with constituents, political group meetings and other incidental costs for which no other provision is made.

❖ Special Responsibility Allowances

The following responsibility allowances will be paid : -

	£
Leader	4,000
Deputy Leader	1,200
Executive Member	1,200
Opposition Group Leader	1,200
Area Committee Chair	1,200
Overview and Scrutiny Committee Chair	1,200
Overview and Scrutiny Vice-Chair	500
Licensing Committee Chair	500
Accounts and Audit Chair	500
Taxi Licensing Chair	500
Development Management Chair	500

These Allowances are intended to cover such activities as: -

- Representing the Council and speaking to the media
- Chairing meetings

- Attending briefing meetings
- Representing the political group at various internal meetings
- Agreeing consultation and other responses

Members can only receive one additional allowance. In the event that (due to numbers) a Member is asked to chair more than one committee, they would only receive an allowance equivalent to the greater of the two or more allowances for each committee chaired.

❖ **Dependent/Child Carer's Allowance**

£3.00 per hour towards the cost of such provision whilst attending meetings and other approved duties as defined in Regulation 8 of the Local Authorities (Members Allowances) Regulations 2001. For meetings or duties in the Borough the duration of the meeting or duty plus one hour's travelling time will be paid. For duties outside the Borough, the duration of the meeting of duty plus actual travelling time will be paid.

Payments will be made in respect of the following :-

- child(ren) under 15 living with the member (N.B. only one payment irrespective of number of children)
- elderly dependent living with member and requiring full time care
- disabled dependent living with member and requiring full time care.

Exclusions are:-

- in the case of a child(ren), where the care is provided by another parent or the member's spouse or partner
- in the case of an elderly or disabled dependent, where the care is provided by another member of the member's household
- where the member is in receipt of a carer's allowance.

Payment will be made to the member and not the carer, and only on submission of an authorised claim form to Committee Services. The cared for child(ren) or dependent has to be "registered" with Committee Services in advance of any claim being made.

❖ **Travelling**

A Councillor may claim payment for travelling expenses to and from the meeting place. Where the Councillor uses his own private vehicle, mileage rates will apply. The rates for these are contained in statutory regulations which change from time to time. The current rate is 52.2p.

FUEL RECEIPTS MUST BE ATTACHED TO ALL TRAVEL CLAIM FORMS

Where public transport is used payment will be based on the ordinary fare or any available cheap fare.

2. PAYMENT OF ALLOWANCES

Helpline

A Member requiring assistance or clarification should contact Lynne Rowland in Committee Services (ext. 1648). Payments are made by the Payroll Section (contact Judy Williams on 298809).

In cases of uncertainty or ambiguity where a question of interpretation arises as to the payment of an allowance, the matter will be considered by the Head of Legal and Democratic, who will consult with the Group Leaders where necessary.

Payment

All payments will be made monthly in arrears on the 15th of the month or the nearest working day by bank transfer to the Member's bank account. Such payments will include any travel claims made in time.

Where a Member has arrears of council tax, a voluntary agreement will be sought as to deductions from payments of allowance to clear these. Such agreement will not override the Council's legal procedure to recover council tax arrears.

Travel Claims and Dependent/Child Carer's Claims

Travel claims and Dependent/Child Carer's claims should be submitted as soon as possible after each month end (a claim made after the 3rd of the month is unlikely to be paid in that month).

Attendance Record

Members should ensure that they sign the official attendance record at meetings as this will support a claim for expenses and form part of the permanent record.

Record of Payments

The Council is required to keep a record of all payments to Members indicating the amount paid to each Member in respect of each type of allowance. That record is open to inspection by any local government elector resident in the area of the Council. Furthermore, information as to payments made will be published each year on the Council's website.

3. TAXATION

Basic allowance and special responsibility allowance are taxable. They will be taxed at the standard basic rate unless either an appropriate notification of tax coding has been forwarded or the Inland Revenue have given details of any tax free pay. It is up to each Member to contact the Inland Revenue direct in order to obtain such

notifications. Mileage claims are tax free.

At the end of the year the allowances paid and tax deducted are notified to the Inspector of Taxes and included by him in the Members' Schedule "E" assessment. Also, a certificate (P60) will be issued to each Member showing the total amount of taxable allowances paid and the total tax deducted in that year. The certificate should be retained to check any notice of assessment which the Tax Office may issue.

4. NATIONAL INSURANCE CONTRIBUTIONS

General Liability

As basic allowance and special responsibility allowance are taxable under Schedule "E" they are also liable for National Insurance contributions under the PAYE procedure.

Liability for contributions will only arise when the gross total of taxable allowances exceeds a lower earnings limit (LEL) and this will then be payable on all taxable allowances up to a maximum upper earnings limit (UEL). These limits are subject to annual adjustment and are available on request.

Members should notify their DWP local office and the Council's Housing and Council Tax benefit sections of any taxable allowances received if they are claiming or receiving benefits (including supplementary, housing or council tax benefit).

Pensionable Age

In general, Members who are of pensionable age are not liable for contributions. Such members should apply to the DWP local office for a Certificate of Earner's Non-Liability (CF381), or a Certificate of Age Exemption (CF384), as appropriate, and hand this in.

Married Women and Widows

There is now no right to "opt out" of paying the full rate; however, those Members who currently hold a reduced rate certificate, and have paid some contributions over any two year period, can retain the right to pay reduced rate.

Dual Employment

Each employment or office is considered separately for contribution purposes and no account is taken for the fact that a Member may be employed or the holder of another office under another employer or self employed.

However, in situations where the taxable emoluments received, either in total or in one particular employment exceed the Upper Earnings Limit, Members should contact their DWP local office in order to limit contributions payable (by use of Form RD950) or obtain an appropriate refund of contributions paid.

5. INSURANCE ARRANGEMENTS

Liability Insurance

The Council's liability insurance arrangements provide appropriate cover in respect of its legal liabilities towards and for the actions of Members whilst acting on Council business.

Personal Accident Insurance

The Council has a Personal Accident Insurance Policy which provides financial benefits regardless of legal liability for Members who are accidentally killed or injured while attending a Council or committee meeting or any other function or engagement which forms part of their duties as Member of the Council, or whilst travelling to and from such meetings or functions, including travel abroad on Council business.

Full details are available on request.

Motor Vehicle Insurance

The use of motor vehicles is subject to compulsory insurance cover and where Members use private motor vehicles on Council business, it is the responsibility of individual Members to ensure that their own motor vehicle insurance policies provide appropriate cover for such use.