



# ABERDEEN

## CITY COUNCIL

### **Members Allowances and Expenses**

### **Guidance Notes**

Issue: *ELEVEN*

# Guidance Notes

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## **1. Introduction**

This booklet has been produced to provide a comprehensive guide to elected members' allowances and expenses. This sets out to explain clearly what can be claimed and how to go about doing so. It also sets out to provide a simple introduction to members' entitlement for any new members of Council. This is the tenth issue and we would welcome feedback on any areas that have been omitted or any guidance that is ambiguous or incorrect.

If, having read the appropriate section of this booklet, you are not clear on any aspect, please contact the following:

**Margaret Murray, Support Services Section , Marischal College - Ext. (52)3436- Expenses and Allowances**

**Travel Section , Marischal College – Ext(52)2323 – Travel outwith City  
HR Service Centre, 4<sup>th</sup> Floor Marischal College – Ext (52)3939 – Payroll  
If dialling from Town House, only use the last 4 numbers**

**Alternatively contact Steven Whyte, Head of Finance, on Ext. (52)2551 or myself,**

## **2. Basic Remuneration**

The Basic Remuneration is advised by the Scottish Government and is based on population and is increased in line with the Consumer Price Index.

The current basic remuneration payable to all elected members is **£16927** per year, with effect from **5<sup>th</sup> May 2017** It is paid monthly through the payroll direct to elected members bank accounts and no claim is required to have this paid. In the event of the elected member changing their bank account or any other personal details, then Payroll should be advised at the number above.

### 3. Salary of the Leader of the Council

Each Local Authority will have one Leader of the Council to whom it will pay an annual remuneration dependant on the band at which each Council has been set. Aberdeen City Council is in Band C and the current remuneration is **£39497** p.a. from **5<sup>th</sup> May 2017**

### 4. Salary of the Civic Head

Each Local Authority may have one Civic Head post and will have scope to determine the level of salary paid to that Civic Head up to a maximum of 75% of the remuneration paid to the Council Leader. The current remuneration is **£29623** p.a. from **5<sup>th</sup> May 2017**

### 5. Senior Councillors

In addition to the Leader and the Civic Head (**Lord Provost**), each Local Authority may have a maximum number of Senior Councillors. Aberdeen City Council has an allowance for 19 Senior Councillors with a set budget of **£442215** per annum. Individual local authorities have the flexibility to determine which positions should be considered Senior Councillors. Additionally, the salaries of any Senior Councillors serving on Boards established by the council, e.g. Licensing Boards, would have to be met from within the maximum total number of Senior Councillors allocated to their authority and the overall budget that authority has to meet Senior Councillor's salaries. Where a Councillor is appointed to a Joint Board at a higher level of Remuneration than that being paid to him/her by their own Authority the difference can be reclaimed from the Joint Board but their position as a Senior Councillor must still be counted into our Senior Councillor allocation. The 3 restrictions that need to be considered when allocating salaries to Senior Councillors are:

- The limit on the number of Senior Councillor posts that each Council may have;
- The total budget for paying Senior Councillors;
- Councils cannot pay any Senior Councillor more than 75% of the remuneration paid to the Leader.

The current remuneration for Senior Councillors is **with effect from 5<sup>th</sup> May 2017**

Senior Councillor Posts have historically been allocated for example to Conveners and Vice Conveners of the Core Committees, and the Licensing Committee/Board. These appointments will be made at the first Full Council Meeting after the Election.

Aberdeen City Council made a decision not to pay Senior Levels of Remuneration to Leaders of Opposition parties.

Senior Councillor Remuneration rates presently effective are as follows.

<b>Senior Councillor :- Convener</b>	<b>£29623</b>
<b>Vice Convener</b>	<b>£22218</b>

In order to meet the allocated budgets not all Convenors will necessarily be paid at the top rate of remuneration.

## **6. Civic Allowances**

In addition to the Civic Head's remuneration, a local authority may reimburse actual and receipted expenditure incurred by the Civic Head or any of his/her representatives in carrying out his or her civic duties. The Civic Head's expenses are subject to the maximum, depending on the banding of the local authority. Aberdeen City Council's maximum is £4,000 p.a. The year for these purposes, runs from the date of the election for 12 months, and the sum available is the total amount which may be reimbursed in any year even if the Civic Head changes during that time.

## **7. Mileage Allowances**

The only allowance which is available under the new Regulations is for mileage and the Regulations prescribe appropriate mileage rates. Councillors may claim costs incurred when travelling by private car or van, motorcycle and bicycle, on approved duties, and may also claim costs for travelling with passengers where both the councillor and the passenger are carrying out any approved duties., examples of approved duties would be attendance at Community Council Meetings, Surgeries, travelling from home to the Town House.

These rates, which are mandatory, are:

- 45p per mile for travel by car or van
- 24p per mile for travel by motorcycle
- 20p per mile for travel by bicycle
- 5p per passenger per mile where both the passenger and the councillor are carrying out approved duties.

Claims for Mileage should be made on a monthly basis using the Council's Mileage and Subsistence Claim form and should be accompanied by VAT petrol receipts.

Where a Councillor is travelling by private car outwith the City to undertake approved duties and where the destination is accessible by public transport the equivalent 2<sup>nd</sup> class rail fare will be paid.

## **8. Use of the Civic Car**

Where the Lord/Lady Provost or a Councillor representing them travels to an engagement using the Civic Car or an alternative vehicle the costs involved in this are recorded against the Councillor and are reported at year end.

Each Councillor incurring the costs above will be supplied with a spreadsheet detailing these costs at the end of the financial year and before publication.

## **9. Travel by Private Transport**

In addition to the mileage allowance, Councillors can also claim the following costs associated with travelling by private car, motorcycle or bicycle when on approved Council Business.

- Parking charges – receipted costs of expenses incurred
- Road and bridge tolls – costs of expenses incurred
- Road pricing / congestion charging – receipted costs of expenses incurred
- Ferry fares for car, motorcycle or bicycle – receipted costs of expenses incurred.

## **10. Travel by Public Transport**

The following expenses may be claimed back by councillors who use public transport to carry out their duties:

- Buses and trams – expenses incurred, including season tickets / passes where this is considered more cost effective
- Taxis, trains, air travel, ferry – receipted cost of fare.

All accommodation, trains, air and ferry travel should be booked by the City Council Travel Section and in accordance with the Council's Travel Policy.

The procedure for booking taxis for use on approved Council Business is to contact the Town Sergeants – (52)2543

**It is expected that councillors should travel by standard / economy class for the vast majority of their journeys.** Councillors and local authorities should consider cost effectiveness and value for money when choosing the mode and class of transport for a journey on Council business. Councils may offer season tickets or reimburse the cost of season tickets to their members where they consider it more cost effective to do so.

## **11. Subsistence Rates**

### **A) Expense incurred for meals and overnight accommodation**

All daily subsistence allowances and overnight subsistence allowances have been abolished with effect from 3<sup>rd</sup> May 07

This means that instead of a flat – rate subsistence allowances being paid, councillors may claim back the actual costs incurred for meals and overnight accommodation when they are carrying out Council business away from their home or away from Council premises, Claims should be made using the Council Mileage and subsistence claim form and accompanied by the relevant receipts as only receipted expenditure will be reimbursed.

### **B) Overnight Subsistence (bed and breakfast)**

Councillors may be reimbursed the actual receipted costs for overnight accommodation up to the maximum rate of **£250** for London, and **£150** elsewhere in the UK upon production of a receipt. The overnight reimbursement covers the cost of bed and breakfast whether accommodation is booked on a room only or bed and breakfast basis

Councillors and local authorities should consider cost effectiveness and value for money when booking accommodation.

### **C) Meals**

Meal expenditure should not be reimbursed where a Councillor is carrying out Council business in his or her own ward or on Council premises within the Council of which they are

a member. **The only exception to the rule will be when Councillors attend scheduled Council meetings of Full Council, Council Committee or a Joint Board of which they are a member that commences before lunch and is continued in the afternoon.**

Where this is the case Councillors may charge the amount of their lunch these charges will appear on the quarterly statement issued to each Councillor, and they will be asked to identify which meetings they attended. The sums will also appear in the Annual Press Statement, showing all Allowances and Expenses paid to, or on behalf of, each Councillor. The payments will be shown as indirect payments, i.e. payments made on behalf of Councillors.

Where a Councillor is required to carry out Council business outwith his or her ward, or outwith Council premises, the actual receipted cost of reasonable expenses incurred for lunch up to a maximum of £12, and up to a maximum of £25 for dinner. It may also be possible to claim reimbursement of up to £8 for breakfast where they are not claiming overnight subsistence and where they have needed to purchase breakfast en route.

## **12. Overseas Travel and Accommodation**

Overseas travel and accommodation are not covered by the Allowances and Expenses Regulations. The Scottish Government recommends that for journeys in Europe, economy class should be used where possible. Business class may also be considered in certain circumstances. An application to travel business class would have to be made, in writing, to the Head of Finance or the Director for Corporate Governance. Business class may also be considered for long haul flights using the same procedure.

The travel booking staff based at 1<sup>st</sup> Floor South Marischal College will try to pay all the hotel accommodation costs before departure and will supply Councillors foreign currency using the HMRC rates for the city or country being visited, in accordance with the Council's travel policy, on return a receipted breakdown of the currency and any left over currency should be returned to the Travel Section.

## **13. Telephone and Computer Costs**

Councils should continue to provide equipment necessary to allow Councillors to carry out their role such as Blackberries and Lap Tops, The Council will provide Councillors if required with a Broadband connection to their home to enable Councillors to carry out Council Business from home. Councillors should not be reimbursed for purchasing such equipment. Councillors may be reimbursed for reasonable peripheral costs e.g. printer cartridges / ribbons. The authority will supply stationery, CD's, memory sticks, etc. Any



additional telephones costs necessarily incurred to allow Councillors to carry out their role effectively may be reimbursed, i.e. Provision and rental of a second telephone line. Councillors may be reimbursed for the cost of business calls made on their home telephone, networked PC, fax machine or personal mobile phone. They may also be reimbursed 50% of line rental where a Councillor uses a personal phone for business use. All personal usage of equipment supplied to Members by the Council must be reimbursed and in order to facilitate this a mandate plus call lists for each piece of equipment will be sent to each Member where call costs on the bill exceed £1 in order for them to verify whether personal usage has occurred, this mandate must be completed and returned to Margaret Murray 1<sup>st</sup> Floor South Marischal College Tel 01224 (52)3436

**Please be advised that HM Revenue and Customs believe that a line rental used for both personal and business use may be subject to tax**

#### **14. Childcare Benefit Scheme**

Councillors are entitled to join Aberdeen City Council's Childcare benefit scheme. This allows Councillors/employees to benefit from a tax free sum towards the cost of childcare. To enjoy the benefits of this scheme the Councillor/employee must be with a registered childcare provider.

#### **15 Publication of Remuneration Information**

All councils must publish information on councillor's salaries, allowances and expenses in respect of the previous financial year in a standard format on their website by 1<sup>st</sup> June each year. These should include information on any costs for transport or subsistence which have been booked by the council on behalf of the Councillor.

Councils will also be required to make information on councillor's remuneration and expenses available for inspection at council offices when requested to do so in writing by a member of the public. It would be for that person to consider at which Council's office they would wish to see the information.

#### **Information to be provided for individual Councillors**

##### **(a) Information held/paid through authority payroll system**

<b>Information detail</b>	<b>Publish</b>
Remuneration	Yes
Civic Head Expenses	Yes
Telephone reimbursement (net of personal contribution) (including home telephone, own mobile, (this item may not be quite transparent if, for example, pay-as-you-go), with/without internet connection)	Yes
Subsistence – actual accommodation costs	Yes
Subsistence – actual meal costs	Yes
Car mileage (actual)	Yes
Other travel (actual fares, parking tolls)	Yes

**(b) Information held outwith payroll system**

<b>System</b>	<b>Information Detail</b>	<b>Publish</b>
Creditor Payments	Telephone costs of a dedicated second line for business use.  Information communication technology (ICT) costs.  Company mobile phones	Yes (collated with payroll information)
Members' Services/ Creditor Payments	Fares, taxis and hotels booked and paid by Council on behalf of elected member.	Yes (collated)
Civic Car Costs	Purpose, Costs	Yes only total cost
Sundry Income	Amounts "made good" by Councillor for private use of company – provided telephones.	Yes, but net of any private calls made (deduction from collated payroll information)
Members Services/Training	Personal Development Plan/Training Needs Assessment	As a note

**16. Taxation and National Insurance**

Travel from normal residence to Council premises is not taxable, as the Inland Revenue has recognised the elected member's normal residence as one of their places of work.

Where the elected member incurs mileage in a tax year on Council business, then this will be notified as a taxable expense to the Inland Revenue via the P11D form for untaxed benefits. The P11D will be provided annually before 6<sup>th</sup> July to elected members from the **Support Services Section of Corporate Governance.**

Where elected members carry out Council business from home then they are entitled to claim household expenses of £120 on their tax return.

Following the financial year-end, elected members will be provided with a P60 from the Payroll Section and Expenses Form 14048-MJ from **Support Services Section of Corporate Governance.** This Inland Revenue form should be completed and returned to Inland Revenue if it is intended to claim tax relief on expenses.

National Insurance is not payable once the elected member reaches pensionable age (65 men; 60 women) and an Age Exemption Certificate from HM Revenue & Customs is required as authority to stop the deduction of National Insurance. This certificate should be passed to Payroll Section of Corporate Governance, marked for the attention of HR **Service Centre, Business Hub 18, 4<sup>th</sup> Floor West, Marischal College.**

There is a maximum level of contributions for National Insurance and if your total income from all sources in **2012/13 exceeds £40,044** then you should obtain form CA2700 (Deferring Payment) from Department of Works and Pensions to avoid paying above the limit.

## **17. Allowances and Expenses Payable to Non-Elected Members of Prison Visiting Committees.**

Any non-elected members of Prison Visiting Committees cannot claim travel and subsistence expenses from Aberdeen City Council. They must claim from the Prison they are visiting, or the Prison Committee they are affiliated to. Prison Visitors are appointed at the Statutory Meeting after an election, but the previous postholders continue with their duties for another month. If you have any queries, please contact Allison Swanson, Committee Services Officer, telephone number (52)2822



