



**SCHEME FOR ADMINISTRATION OF
MEMBER REMUNERATION, EXPENSES
AND TRAVELLING**

MAY 2012

**Lorna Meahan
Proper Officer**

INDEX

SECTION	PAGE
1. Introduction	3
2. Remuneration Arrangements	3
3. Banding of Local Authorities	3
4. Renouncing of part or all of Salary	3
5. Payment of Salaries	3
6. HM Revenue and Customs	3
7. Councillors' Remuneration	4
8. Salary of the Leader of the Council	4
9. Salary of the Depute Leader as Civic Head	4
10. Senior Councillors	4
11. Training and development	5
12. Publication of training	5
13. Allowances and reimbursement of expenses including definitions of approved duties (E/D)	5 - 10
14. Monitoring and Revision of Scheme	10
ANNEX A	- CALCULATION OF SENIOR COUNCILLOR REMUNERATION
ANNEX B	- TYPES OF EXPENDITURE AND MAXIMUM RATES
ANNEX C	- MEMBER EXPENSES AND TRAINING PUBLICATION SCHEME
ANNEX D	- STANDARD MILEAGES BETWEEN MEMBERS' HOMES AND MAIN DESTINATIONS
UPDATES	- 26 April 2013 – removal of Police, Fire & Rescue references - Dumfries & Galloway Council's role as Police and Fire and Rescue Authority transferred to the national Scottish Police Authority and the national Scottish Fire and Rescue Service on 1 April 2013 [Police and Fire Reform (Scotland) Act 2012]. 20 Feb 2014 – removal of reference to Advocates at paragraph 13.5.2 as no longer relevant

1. INTRODUCTION

1.1 The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007, the Local Government (Allowances and Expenses) (Scotland) Regulations 2007 and the Local Governance (Scotland) Act 2004 (Allowances & Expenses) Regulations 2007 came into force on 2 May 2007.

1.2 The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2008 and the Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2008 came into force on 10 February 2009.

1.3 The Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2010 came into effect on 5 April 2010.

1.4 The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2011 came into force on 1 July 2011.

1.5 The Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2011 came into force on 14 November 2011.

1.6 The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2013 came into force on 18 February 2014.

1.7 The Council has produced a Scheme for the Administration of Members' Travel and Subsistence to provide guidance for Members on the content and implications of these Regulations and follows the non-statutory guidance issued by the Scottish Government.

2. REMUNERATION ARRANGEMENTS

References to "remuneration" in this Scheme relate, generally, to the whole package for councillors of salary, allowance and reimbursement of actual expenditure. For the purposes of the salary, allowance and expenses arrangements only, there will be four levels of payment, depending on the responsibilities of the councillor:

- "Leader of the Council"
- "Depute Leader"
- "Senior Councillor" – (i.e. a councillor who holds a significant position of responsibility in the Council's political management structure e.g. a Convener of a major committee, the leader of a significant opposition group etc.)
- "Councillor" – (i.e. a councillor who is likely to hold no significant position of responsibility in the council's political management structure and who will receive the basic salary)

3. BANDING OF LOCAL AUTHORITIES

The Dumfries and Galloway Council has been banded as a Band 'B' Council by the Scottish Government for the purposes of remuneration of Members.

4. RENOUNCING OF PART OR ALL OF SALARY

Any councillor, regardless of level of payment, will be able to renounce receipt of all or any part of his or her salary if he or she chooses to do so. To renounce receipt requires formal written notification to the Proper Officer.

5. PAYMENT OF SALARIES

Salaries are paid monthly and in arrears in the same way as staff salaries. Once elected, councillors are available to the electorate on a daily basis and salaries are calculated as such. Salaries are based on 365 days per year.

6. HM REVENUE AND CUSTOMS

HM Revenue and Customs have confirmed that for income tax and national insurance purposes councillors are regarded as office holders and liable for PAYE and Class 1 National Insurance contributions. As such, they would be entitled to Statutory Sick Pay and Statutory Maternity Pay. Statutory Sick Pay and Statutory Maternity Pay are not social security benefits but replacement earnings. They are therefore taxable and subject to National Insurance contributions as employment income in the same way as other elements of their remuneration.

7. COUNCILLORS' REMUNERATION

7.1 All councillors who do not hold the position, for remuneration purposes, of Leader, Depute Leader or Senior Councillor will receive a basic remuneration of:

- £16,893 (2016/17)

This figure is set nationally in the Regulations. The Council is not able to vary this remuneration level.

7.2 No local authority shall allow a body controlled by it to make any payments to its councillors by way of remuneration other than the reimbursement of authorised and receipted expenses.

8. 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. For Dumfries and Galloway the salary is as follows:

Leaders of Councils in Band B

- £33,789 (2016/17)

9. SALARY OF THE DEPUTE LEADER AS 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 per cent of the remuneration paid to the Council Leader. For Dumfries and Galloway the salary of the Depute Leader has been set as follows:

Depute Leader/Civic Heads of Local Authorities in Band B:

- £25,341 (2016/17)

N.B. The councillor termed the 'Leader of the Council' and the councillor termed the 'Civic Head' for remuneration purposes cannot be the same person.

10. SENIOR COUNCILLORS

10.1 Dumfries and Galloway Council may have up to 14 Senior Councillor positions. These 14 positions are in addition to the Leader and Depute Leader. It is for the Council to determine which positions and the number up to 14 it would wish to establish as Senior Councillor positions.

10.2 The salaries of any Senior Councillors serving on Boards established by the Council e.g. Licensing Boards 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 Councillors' salaries. Similarly, the salaries for Senior Councillor representatives on Regional Transport Partnerships have to be met from the Senior Councillor allocation. Three restrictions need to be considered when allocating salaries to Senior Councillors:

- the limit on the number of Senior Councillor posts that each council may have;
- the total budget for paying Senior Councillors; and
- that councils cannot pay any Senior Councillor more than 75% of the remuneration paid to the leader.

10.3 It is for the Council to decide which posts are deemed to be 'Senior Councillor' posts and the remuneration to be paid to each of the senior councillors within the overall budget limit set for that purpose. Senior Councillors should be paid according to the level of responsibility they hold and this may result in differing levels of salary.

11. TRAINING AND DEVELOPMENT

Each councillor will:

- have a role description in a format determined by the council
- have participated in a training needs assessment
- have a personal development plan

12. PUBLICATION OF TRAINING

12.1 In June of each year, the Council will publish information on councillors' expenses on its website and details of any training undertaken by councillors in the previous year.

12.2 Councillors' personal development plans will not be published.

12.3 Information will be published in accordance with the Publication Scheme as appended.

13. ALLOWANCES AND REIMBURSEMENT OF EXPENSES

13.1 The scheme only relates to expenses incurred by councillors in carrying out council business. It does not apply where the Council itself purchases places for members at a conference or where the Council would, in any event, consider it reasonable to offer lunch to all those attending any particular meeting.

13.2 Councillors are required to declare that their claims are for approved Council business and that costs have been actually and necessarily incurred by them.

13.3 Travel Allowance

13.3.1 Councillors may claim where costs have been incurred by them on travelling by private car or van, motorcycle and bicycle, and may also claim an allowance for transporting passengers where both the Councillor and the passenger are carrying out any approved duties.

13.3.2 Reimbursement is calculated using the prevailing mileage allowance set out in Regulations (as amended from time to time). These rates currently 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 any approved duties

13.3.3 The mileage allowance is intended to reimburse members for the mileage travelled where they choose to travel by car etc. The main point is that it is incurred on approved council related business and the claim for reimbursement is made by the elected member. Provided the authority is satisfied that these conditions have been met, it should not matter whether the member is the car driver or a third party is driving. In instances where a third party is driving the member on council business, the member should amend the claim form declaration to say that the driver holds a current licence and the necessary insurance rather than declaring that he/she holds a driving licence and insurance. It is for councils to determine whether a particular claim is reasonable.

13.3.4 The Scottish Government Guidance sets out that expenses can be claimed from home but does not say the place of home has to be in the local authority area.

13.3.5 The regulations regarding qualifications for nomination, elections and holding office as members of a local authority are contained in Part 111 para 29 of the Local Government (Scotland) Act 1973. As long as a councillor satisfies the qualification conditions set out in para 29, which includes a residency qualification, and is eligible to be a councillor in a local authority area, they can claim travel expenses as per the Guidance from their place of home, wherever this might be.

13.4 Reimbursement of Expenses

13.4.1 In addition to the Depute Leader's remuneration as Civic Head, the Council may reimburse actual and receipted expenditure incurred by the Depute Leader in carrying out his or her civic duties. Others undertaking civic duties on behalf of the Civic Head can also claim reimbursement of Civic Head expenses. This is separate from entitlement to be reimbursed with travel and subsistence costs. The Depute Leader's expenses are subject to the following total yearly amount as a maximum, depending on the banding of the local authority and are only payable to the Civic Head. The year, for these purposes, runs for 12 months from the date of the election and the sum available is the total amount which may be reimbursed in any year even if the Depute Leader changes during that time.

- Band B - £3,000

13.4.2 HM Revenue and Customs have indicated that they consider the reimbursement of receipted expenditure incurred by the Depute Leader to enable them to carry out his or her civic duties should be subject to PAYE, unless the particular council can satisfy HMRC that the Civic Head is likely to incur tax deductible expenditure up to a specified amount. Even if they can reach agreement, all such expenditure would need to be reported to HMRC.

13.5 Approved Duties

13.5.1 Travel and subsistence expenses may be claimed for approved duties (as defined in Section 49 of the Local Government (Scotland) Act 1973). For the majority

of instances of expenditure, councillors will be required to produce a receipt.
Approved duties are defined as:

- attendance at a meeting of the local authority or any of its committees or sub-committee
- the carrying out of any other duty approved by the local authority, or anything of a class so approved for the purposes of, or in connection with, the discharge of functions of the local authority or any of its committees or sub-committees
- the performing of any duty as a member of any other body, prescribed by the Scottish Ministers for the purpose, to which the councillor has been nominated or appointed by the local authority

13.5.2 Dumfries and Galloway Council have agreed the following as approved duties for the purposes of Members' expenses:

Approved (E)

- attendance at Council and Committee meetings (including Sub-Committees)
- attendance at Joint Committee meetings with other bodies
- attendance at conferences and other meetings approved by the Council
- Service on any other body as an appointed representative of the Council (unless the Councillor has already claimed or received expenses from that body)
- approved visits to local authority establishments, sites and tours of inspection, provided authority for the visit is contained in the minutes of the appropriate Committees
- attendance at Community Council Meetings
- attendance at Member Briefings
- attendance by Councillors to meet with named Council officers
- attendance at training as scheduled in the Council diary and attendance at seminars (i.e. participation by Members e.g. in workshops) but not conferences (assumed non participation by Members) within Scotland, which could be seen to be supporting Members' personal development as set out in their Personal Development Plan.
- attendance by Councillors at Political Group meetings which have been diaried in the Council's Calendar of Meetings and where the business is linked with that of the Council
- travel outwith the region by the 'Armed Forces' champion (*previously 'Veterans champion'*)

Approved (D)

- performance by Councillors of constituency duties
- attendance by Committee Chairmen and Vice Chairmen to discuss emergencies and urgent items that require immediate discussions with Chief Officials
- attendance at Councillors surgeries
- official functions, openings of buildings etc approved by the Council

13.5.3 For the purposes of calculating claims, a councillor's normal place of residence (his/her home) is regarded as his or her normal place of work, so expenses associated with travel from home to the council headquarters, and other locations to

conduct council business, may be claimed back. Where a councillor travels on council business from his or her employment or business (which is not council related) he or she may be reimbursed for the cost of the journey. However, if the cost of making this journey would have been lower had it started from the councillor's home, then that lower cost is the maximum amount which should be reimbursed. For example if the distance from a councillor's home to council offices is 5 miles and from a councillor's business to council offices is 10 miles, a maximum of 5 miles may be reimbursed.

13.5.4 Each Councillor will agree with the Proper Officer the mileage to be adopted from their home/place of employment to English Street and other Council Offices (**Annex D**).

13.6 Travels by Private Transport

13.6.1 Councillors can also claim the following costs associated with travelling by private car, motorcycle or bicycle:

- 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

13.6.2 Parking fines or tow-away costs will not be reimbursed.

13.7 Travels by Public Transport

13.7.1 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 ticket/passes where this is considered more cost effective
- Taxis, trains, air travel, ferry travel – receipted cost of fare

13.7.2 It is expected that councillors should travel by standard/economy class for the vast majority of their journeys. Councillors should consider cost effectiveness and value for money when choosing the mode and class of transport for a journey on council business. The Council may offer season tickets or reimburse the cost of season tickets where it is considered to be best value to do so.

13.8 Subsistence

13.8.1 Expenses incurred for meals and overnight accommodation

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.

13.8.2 Overnight subsistence (bed and breakfast)

Councillors in all wards may be reimbursed the actual receipted costs for overnight accommodation up to a maximum rate. The overnight reimbursement covers the cost of bed and breakfast whether accommodation is booked on a 'room only' or 'bed and breakfast' basis. Costs up to a maximum of £131 for London and £110 elsewhere in the UK may be reimbursed on production of a receipt, rather than a flat rate payment. Under normal circumstances such bookings and payments should be made by the

Councillors themselves. However, where several councillors are attending an event and it can be demonstrated that best value would be achieved, the Council may choose exceptionally to book accommodation on behalf of members. The costs should be within the maximum rate allowed in the regulations.

13.8.3 Overnight Accommodation away from home with friends/family

An allowance is provided of £25 per night when a councillor opts to stay with friends or family instead of incurring the price of a hotel while engaged on council business.

13.9 Meals

13.9.1 Meal expenditure will 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.

13.9.2 Where a Councillor is required to carry out council business outwith his or her own ward, or outwith council premises, the actual receipted cost of reasonable expenses incurred for lunch (up to a maximum of £12) and dinner (up to a maximum of £25) may be reimbursed.

13.9.3 In addition, where a Councillor is required to carry out council business outwith his or her own ward, or outwith council premises, they may claim reimbursement of actual receipted breakfast costs (up to a maximum of £8) where they are not claiming overnight subsistence and where they have needed to purchase breakfast e.g. where they have to travel some distance at an unreasonable hour to attend a meeting and stop to purchase breakfast en route.

13.9.4 HM Revenue and Customs have advised that reimbursement of breakfast costs, which is not covered by overnight subsistence, might be taxable and would need to be declared.

13.9.5 Reimbursement of breakfast costs cannot be claimed in addition to overnight subsistence since it is included in the maximum subsistence for overnight absence from home.

13.10 Overseas travel and accommodation

13.10.1 Overseas travel and accommodation are not covered by the Allowances and Expenses Regulations. For journeys in Europe, economy class will be used where possible. The next higher class (normally business class) may also be considered in certain circumstances. This would normally be when it was not cost effective to book economy flights, perhaps because of restrictions on bookings or in the case of short-term visits. Also in cases where a councillor necessarily travels for official reasons in company with a person who is not a councillor but who is travelling in a higher class, then business class travel can be considered. Where long haul journeys are being undertaken, e.g. to the USA or Far East, business class travel can be permitted.

13.10.2 The Council will use the UK rates for accommodation costs for bed and breakfast and meals as a guide to determine what costs might be reasonable for foreign travel. In making these considerations, the Council will always consider cost implications and value for money.

13.11 Telephone and computer expenses

13.11.1 The Council will provide equipment necessary to allow councillors to carry out their role such as mobile phones, Blackberries, PC equipment and fax machines.

13.11.2 Councillors will not be reimbursed for purchasing such equipment.

13.11.3 Councillors may be reimbursed for reasonable peripheral costs e.g. printer cartridges/ribbons. The Council will provide any stationery, CDs, memory sticks etc.

13.11.4 Any additional telephone 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.

13.11.5 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 up to 50% of line rental where a councillor uses a personal phone for business use. HM Revenue and Customs believe that a line rental used for personal and business use may be subject to tax.

13.11.6 Broadband connections will be made available to all Councillors at their home address if required or, alternatively, Councillors using their personal broadband for council duties can reclaim 50% of the costs.

13.12 Scrutiny

In accordance with the Regulations, the Council has established arrangements for Councillors' claims to be reviewed before payment.

13.13 Publication of remuneration information

13.13.1 The Council will publish information on councillors' salaries, allowances and expenses in respect of the previous financial year in a standard format on their website by 1 June each year. The gross costs will be routinely published and net figures will only be released on the direct request of any Member. These will include information on any costs for transport or subsistence which have been booked by the Council on behalf of the councillor.

13.13.2 The Council will include footnotes to the effect that salary costs are subject to tax and national insurance and expenses relate to the reimbursement of actual expenditure incurred by the councillor.

13.13.3 Members' expense claim forms for the previous month are scanned and made available on the Council website on the 15th of each month.

13.13.4 The Council is required to make information on councillors' 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 office they would wish see the information.

14. MONITORING AND REVISION OF SCHEME

14.1 All matters of interpretation of this Scheme are to be determined by the Proper Officer.

14.2 The Proper Officer is authorised to make any necessary amendment to or to correct any error arising in this Scheme which is of an administrative nature.

Annex A - Calculation of Senior Councillor Remuneration

Annex B - Types of Expenditure and Maximum Rates

Annex C - Member Expenses and Training Publication Scheme

Annex D - Standard Mileages between Members' homes and main destinations

ANNEX A

CALCULATION OF SENIOR COUNCILLOR REMUNERATION

Step 1 – note the Leader’s remuneration as set in regulations

Step 2 - reduce that figure by 25% to establish the maximum senior councillor remuneration permissible

Step 3 - deduct the Councillor’s basic remuneration

Step 4 - divide the result by 2 to establish the mid-point between the Councillor’s basic remuneration and the maximum senior councillor remuneration

Step 5 - add that to the Councillor’s basic remuneration

Step 6 - multiply the result by the permitted number of senior councillors to establish a total sum from which all senior councillors’ salaries must be met

ANNEX B

TYPES OF EXPENDITURE AND MAXIMUM RATES	
(a) Breakfast (where no overnight subsistence is claimed)	£8 per day
(b) Lunch	£12 per day
(c) Dinner	£25 per day
(d) Overnight accommodation away from home and council premises (costs for bed and breakfast)	£131 within London £110 elsewhere
(e) Overnight accommodation away from home with friends or family	£25
(f) Other particular costs of travel by private car or van, motorcycle or bicycle, being – (i) parking charges (ii) road pricing schemes and congestion charging (iii) ferry fares	Receipted costs of expense
(g) Road and bridge tolls	Actual costs of expense
(h) Public transport (including taxis)	Receipted cost of expense
(i) Telephone and computer line rental for use of personal telephone and computer for approved duties	50% of line rental cost
(j) Telephone and computer line rental for second line for approved duties use	Receipted cost of expense
(k) Telephone and computer costs (apart from calls or line rental) necessarily incurred for approved duties	Receipted cost of expense
(l) Calls made in respect of approved duties, upon a home telephone, networked personal computer, fax machine, or personal mobile telephone	Receipted cost of expense

ANNEX C

MEMBER EXPENSES AND TRAINING PUBLICATION SCHEME

(a) Information held/ paid through authority payroll system

INFORMATION DETAIL	PUBLISH?
Remuneration	Yes - Gross unless Members have specifically requested that net figures can be published
Depute Leader as Civic Head Expenses	Yes
Telephone reimbursement (net of personal contribution) (including home telephone, own mobile)	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

SYSTEM	INFORMATION DETAIL	PUBLISH?
Creditor Payments	Telephone costs of a dedicated second line for business use; Information communication technology (ICT) costs Blackberry/Mobile Phones.	Yes
Members' Services/ Creditor Payments	Fares, taxis and hotels booked and paid by Council on behalf of elected member	Yes
Sundry Income	Amounts 'made good' by Councillor for private use of Council-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 to advise if one completed
	Training Attendance	Yes