

NB Part 6A is subject to review

THE NEWCASTLE CHARTER

PART 6A - MEMBERS ALLOWANCES HANDBOOK

2014/15

CONTENTS

1. INTRODUCTION
2. MEMBERS' ALLOWANCES
3. TRAVEL AND SUBSISTENCE ALLOWANCES
4. OTHER EXPENSES
5. CHANGES TO THE MEMBERS' ALLOWANCES SCHEME
6. HOW TO CLAIM
7. CONFERENCES, SEMINARS AND OVERSEAS VISITS
8. CASH ADVANCES
9. CAR LOANS
10. TAXATION
11. INSURANCE
12. ELECTED MEMBERS' HOMEWORKING POLICY
13. CONTACTS

APPENDIX 1 (MEMBERS' ALLOWANCES)

APPENDIX 2 (APPROVED DUTY)

APPENDIX 3 (TRAVEL AND SUBSISTENCE ALLOWANCES)

APPENDIX 4 (DEPENDANTS' CARERS' ALLOWANCES)

APPENDIX 5 (PROTOCOL RE: AUTHORISATION OF MEMBERS' CLAIMS FOR ALLOWANCES AND EXPENSES)

APPENDIX 6 (TAXATION)

1. INTRODUCTION

- 1.1 This booklet sets out the details of the City Council's Scheme for paying allowances and for reimbursing members for the expenses they incur in the approved pursuit of legitimate City Council business. It also explains other matters such as the rules and procedures for conference attendance, foreign travel and car loans.
- 1.2 Information on taxation of members' allowances and expenses is given in the booklet together with details of insurance cover.
- 1.3 The booklet aims to spell out clearly the rules for claiming allowances etc. and the procedures and practices members should adopt. This is in order to protect them and the City Council from future problems in relation to tax, national insurance, etc. and to advise members on their entitlement. It is not meant to deter members from claiming their legitimate allowances and expenses.
- 1.4 Members should note that details of the payment of their allowances (including expenses) have to be made available for public inspection. All payments are made direct into each member's bank account other than in cases of hardship.
- 1.5 Hopefully the booklet is self-explanatory. However if members have any questions about any of the issues it raises or about how to claim allowances etc. they should get in touch with one of the officers listed in the Contacts Section of this booklet.

2. MEMBERS ALLOWANCES

- 2.1 There are 2 types of members' allowances:

Basic - An annual allowance of £8,775 is paid to each member. This includes the £500 paid to members prior to April 2010 as a separate Communications Allowance.

Special Responsibility - An additional allowance is paid to those members who hold certain positions within the City Council (these are listed at Appendix 1).

So each member is entitled to receive a basic allowance and in addition some members are entitled to receive special responsibility allowances.

- 2.2 Only one special responsibility allowance is paid in full per member. Special Responsibility Allowances for any other positions held for which payment is made are paid at 50%.

2.3.1 Co-optees' Allowance

An annual allowance is paid to a Co-optee as specified in Appendix 1. This reflects the commitment which they undertake as members of committees. The same provision in respect of pro-rata payments applies as for members (see Section 6). Only one co-optees allowance is paid in full per member. Special Responsibility Allowances for any other positions held for which payment is made are paid at 50%.

2.4 Pensions

All Members are eligible to join the Local Government Pension Scheme in accordance with the scheme made under section 7 of the Superannuation Act 1972. The standard contribution rate is 6% of allowances which have been deemed

pensionable i.e. basic allowance and special responsibility allowance. If Members are tax payers they will get tax relief on their pension contributions. The City Council will pay the balance of the cost of providing Members' benefits under the Superannuation Act 1972.

As the Local Government Pension Scheme is contracted – out of the State Second Pension (S2P), Members under state retirement age will pay reduced National Insurance contributions.

Members' pension benefits will be calculated on a career average pay. The career average pay is based on the pensionable allowances Members have received whilst a member of the Pension Scheme.

3. TRAVEL AND SUBSISTENCE ALLOWANCES

- 3.1 Travel and subsistence allowances will be paid to members and co-opted members in respect of approved duties (see Appendix 2). Appendix 3 provides more detail, and should be read in conjunction with this section when claiming.
- 3.2 Reimbursement of travel expenses is in respect of costs that would not otherwise have been incurred were it not for the approved duty.
- 3.3 It should be noted also that any travel expenses can only be claimed if the travel was undertaken solely for the purpose of the approved duty and was actually incurred (but see Appendix 3). So for example a member who lives in the outskirts of the City but works in the town centre and travels in to work every day cannot claim travel expenses from home if he/she goes from work to a meeting at the Civic Centre.
- 3.4 All travel by train must be booked in advance through the Travel Office (via the Service Manager Democratic Services) who will use the Authority's appointed travel agent (and thereby obtain maximum discount). No individual travel arrangements should therefore be made by members. This would include all plane and boat journeys.
- 3.5 The Council can purchase senior railcards for the members over 60 as cardholders can save 1/3 on most rail fares.
- 3.4 Members may as an alternative to public transport claim car mileage for return journeys of 100 miles or more in total. However, in order to do this it must be demonstrated in advance that this represents the cheapest option. Further details about this are given at Appendix 3.
- 3.5 Members should normally travel by the most direct route.
- 3.6 To qualify for the payment of subsistence allowance, members must be engaged on an approved duty, the level of payments being based on length of absence from the Member's home and reflecting actual costs incurred.
- 3.7 Reimbursement is for subsistence expenses that would not otherwise have been incurred, were it not for the approved duty.
- 3.8 If a meal or accommodation is provided either free of charge or is paid for in advance by the Authority (e.g. as part of a conference fee), members are not entitled to claim subsistence allowances.

- 3.9 All claims for travel and subsistence allowances must be supported by receipts or some other form of written authorisation.

4. OTHER EXPENSES

4.1 Ward Surgeries

Owners of buildings used for members' surgeries can charge for this service. The relevant member should pass the invoice to the Service Manager Democratic Services who will arrange for payment direct to the owner.

4.2 Telephone and IT Costs

The City Council will reimburse members for the installation of telephones used solely for Council business. Members previously received a communication allowance of £500 per annum as a contribution towards the costs incurred in using their telephones and PC's or laptops for Council business. This now forms part of the Basic Allowance and is subject to tax and NI. This provision does not apply to co-opted members.

4.3. Dependents' Carers' Allowance

An allowance will be paid to each member who needs to incur the expenses of arranging for the care of their dependants while undertaking those duties specified in Appendix 2. These payments will relate to actual expenditure up to £7.55 per hour and subject to observing a protocol on the claims procedure. This is set out in Appendix 4.

5. CHANGES TO THE MEMBERS ALLOWANCES SCHEME

- 5.1 Any changes to the Members Allowances Scheme require approval by full Council having regard to recommendations from the Independent Remuneration Panel.

- 5.2 Members must submit claims for dependants' carers' allowance, travelling and subsistence allowances and co-optees' allowances within 1 month from the date on which the entitlement to the relevant allowance arises and use the standard pre-printed form.

- 5.3 The Service Manager Democratic Services and Standards Committee (on a reference by the Service Manager Democratic Services) will have delegated power to permit claims to be paid outside this period in exceptional circumstances.

- 5.4 Members should note that payment of allowances will only be paid in accordance with the Members Allowances Scheme and as stated in this handbook.

- 5.5 The Members Allowances Scheme is made in exercise of the powers conferred by the Local Authorities (Members' Allowances)(England) Regulations 2003 as amended.

6. HOW TO CLAIM

6.1 Basic and Special Responsibility Allowances

You need do nothing in respect of these two allowances. They will be paid direct into your bank account from the start of each Municipal Year in twelve monthly

instalments. You should note that the first monthly payment may be adjusted slightly to bring the total payable to the exact amount of the annual allowance.

If any member or co-opted member steps down and/or ceases to be entitled to a special responsibility allowance (or is appointed to a post which attracts an SRA) part way through the municipal year, his/her basic and/or special responsibility allowance payment will be paid on a pro-rata basis. Equally, where entitlement ceases, the member or co-opted member will be required to reimburse the Council on a pro-rata basis for any allowances paid in advance.

6.2 Attendance at meetings

For audit purposes, Members and co-opted members are still required to certify their attendance for all approved duties, wherever possible. A pre-printed form will be made available at these meetings for members to sign. In respect of all other approved duties, members will need to submit certified claims using their individual member pre-printed forms (available from Exchequer Services).

The certified claims will be processed and paid monthly, one month in arrears. The Council, Committee etc. forms will be processed automatically. Any claim using the individual member pre-printed forms must be submitted within one month of the date of the meeting. Members must submit their form by the end of the first week of each month for it to be included in the next monthly payment.

Following an Internal Audit review in 2010/11, a protocol on the authorisation of Members' claims has been approved. This is set out in Appendix 5.

6.4 Travel Allowances

The individual member pre-printed forms referred to in Section 6.2 above (for committees etc. and for individual members) contain space for claiming car mileage. Members should obtain receipts for all other travel incurred (which has not been pre-booked by the Exchequer Services Section). This would include such things as taxi fares or train tickets.

Members wishing to use a Travel Ticket should contact the Service Manager Democratic Services who will arrange for the Travel Office to purchase the Ticket on the member's behalf in order to take advantage of the discounts negotiated by the City Council.

6.5 Subsistence Allowances

When claiming subsistence allowance, members should use the appropriate claim form, detailing:

- the approved duty being carried out on behalf of the Authority
- the destination/location
- the dates and times and meal/s that were taken
- the actual cost of the meal

Members must attach receipts for all subsistence claims to their official claim form.

Members must certify their claim and have the claim authorised by the Service Manager Democratic Services prior to submission to the Exchequer Services Section.

The subsistence forms must be submitted by the end of the first week of the month for processing for payment by that month end. Any forms received after that date will be processed in the following month.

6.6 **Telephones**

As members receive a communications allowance as part of the Basic Allowance, there is no need for members to submit their telephone bills. However, members are advised to retain these (including itemised bills where possible) in the event of any investigation by the Inland Revenue.

6.7 **Monthly Claim**

Members have a right to these allowances and are urged to claim them every month as soon as possible after they are incurred to avoid being out of pocket. All payments will be made monthly direct into your bank account on the last working day of each month.

7. **CONFERENCES, SEMINARS AND OVERSEAS VISITS**

7.1 The rules for attendance and travel and subsistence allowances for conferences, seminars and overseas visits are basically the same as for all other approved duties, and reference should be made to the preceding sections of this booklet when claiming. There are however a number of points relating specifically to conferences. These are detailed below.

7.2 Attendance by members at any conference, seminar or overseas visit must be approved in advance by the Service Manager Democratic Services or the relevant committee. Arrangements for such attendance will be co-ordinated by the Service Manager Democratic Services with the cost being met from the corporate conferences budget, or in the case of Overview and Scrutiny Committees from their own budgets.

7.3 Where necessary, in determining whether requests should be approved, the Service Manager Democratic Services will consult with the Leader of Council. Overview and Scrutiny Committees can determine their own attendance subject to meeting the following criteria:

- Subject matter cannot be accessed through other means e.g. electronically.
- Sufficient budget provision.
- Wherever possible, a local venue should be chosen to minimise the need for overnight accommodation and reduce travelling costs.
- Other than in exceptional circumstances, no more than two members are to attend each event.

The members concerned are required to report back to the relevant Committee on the key issues raised and any potential implications for the Council or ensure that the information is made available through some other means, such as via the intranet.

Details of members' attendance at such events are held by the Service Manager Democratic Services on a central register and are available for public inspection via the intranet/internet.

- 7.4 It has been agreed that members should ensure they are able to be present at the start of an event and remain until it ends. If this would result in a member having to depart from or return home at an unreasonable time then members can travel the day before an event and/or return home the day after an event.
- 7.5 If as part of the conference a meal is provided (e.g. lunch, dinner etc.) and/or if any accommodation includes meals then it is not possible also to claim the relevant subsistence allowance. Similarly if accommodation is either included as part of the conference or paid for in advance by the authority then it is not possible also to claim the relevant subsistence allowance.
- 7.6 Where members are required to travel abroad on behalf of the Council, the limits on expenditure on travel and subsistence within the United Kingdom do not apply. Members can therefore claim for the reasonable costs they incur. Given this, it is essential that receipts are produced to substantiate subsistence claims for foreign travel.
- 7.7 In all circumstances the Travel Office must book the travel and accommodation for foreign visits in advance (if necessary, in consultation with the Service Manager Democratic Services).
- 7.8 Foreign currency for use abroad will be provided for members by officers of the relevant directorate and only ordered via the Exchequer Services Section. Any unused foreign currency will be returned by those officers to the Exchequer Services Section. Receipts for all but incidental cash purchases must be obtained.

8. CASH ADVANCES

In exceptional circumstances or to avoid personal hardship members can obtain cash advances to cover incidental travel and subsistence expenses incurred when travelling on approved duties (and which cannot be booked in advance by the Authority). This is subject to the following guidelines:-

- Cash advances will only be available for sums of £25 and over.
- All cash advances must be authorised by the Service Manager Democratic Services prior to processing.
- At least 24 hours advance notice must be given to allow completion of the necessary processes.
- Upon return from the approved duty members must produce receipts to support the majority of the expenditure and must return any surplus advance. Inability to produce receipts for a substantial proportion of the expenditure claimed will result in no further cash advances being awarded until such time as satisfactory supporting receipts are received or the situation is satisfactorily resolved.

9. CAR LOANS

- 9.1 Members can obtain a car loan to finance the purchase of a vehicle to assist them in their duties. The amount of the loan is 100% of the car's value or the price paid whichever is the lower up to a maximum of £15,000. (subject to conditions)

- 9.2 The loan for a new car is for a period of four years or the balance of the member's current period of office (whichever is the shorter). For a second hand car, it is the estimated future life of the car, or the balance of the member's current period of office (whichever is the shorter).
- 9.3 Interest shall be charged at the rate set out in Appendix F, paragraph 7(b) of the N.J.C. Conditions of Service, currently 4.45% per annum on the total of loan. Repayments are on a monthly basis and are deducted from Members Allowances.
- 9.4 Please see the Contacts Section of this booklet for how to obtain more details about this scheme.

10. TAXATION

10.1 The Tax Charge

For tax purposes, Members are treated in the same way as any other employee or person who holds an office.

- "Emoluments" (payments which more than cover expenses are taxable and are deducted as part of Income Tax.
- Payments which reimburse expenses actually incurred or are in line with nationally agreed rates are not taxable.

10.2 Tax and NIC Treatment

Members pay tax and national insurance contributions on

- Basic Allowance
- Special Responsibility Allowance
- Carers Allowance
- Car mileage which is claimed from Home to the Civic Centre or from another work place to the Civic Centre (if this is additional mileage)

Members do not pay tax and national insurance contributions on:

- Business journeys e.g. travelling from the Civic Centre to another Authority
- travelling expenses necessarily incurred when performing duties of the office of employment providing there is no element of profit or personal use.
- any other expenses which are wholly, exclusively and necessarily incurred in the performance of their duties, providing the prescribed rates are not exceeded and there is no element of profit or personal use.

It should be noted that it is for the Inland Revenue to determine what is taxable and what is not taxable and that they do apply their rules very strictly.

It is also possible for members to claim tax relief on certain of the expenses they incur in the pursuit of their duties, providing certain criteria are met.

Please see Appendix 5 for more details about taxation.

11. INSURANCE

11.1 Personal Accident

The following accident insurance cover is provided for members whilst they are undertaking approved duties in the UK (including travel to and from meetings).

- | | |
|---|--|
| • Death or loss of two limbs or sight of both eyes | £70,000 |
| • Permanent total disablement from following any occupation | Up to £70,000 |
| • Temporary total disablement from following usual occupation (This is limited to 104 weeks - members not in paid employment get limited cover) | £250 per week (or weekly earnings whichever is less) |

Please note that there is an age limit for cover for personal accident insurance. The benefits of insurance do not apply to members of 80 years and over.

11.2 Foreign Travel

A specific travel insurance is required for each overseas visit on approved duties. A request for this cover should be made to the Insurance Section at least seven days prior to departure.

The benefits include:-

- | | |
|---|------------|
| • medical and emergency travel expenses | unlimited |
| • rescue expenses | unlimited |
| • Assistance | unlimited |
| • legal expenses | £50,000 |
| • personal liability | £5,000,000 |
| • personal property | £5,000 |
| • Money | £5,000 |
| • cancellation, curtailment, travel disruption, replacement and travel delay | £10,000 |
| • cancellation, curtailment, travel disruption, alternation and travel delay from Natural Catastrophe | £10,000 |
| • hi-jack | £25,000 |
| • kidnap, kidnap for ransom or hostage (aggregate limit) | £250,000 |
| • political evacuation (aggregate limit) | £50,000 |

A more detailed statement of cover will be provided upon notification of intention to travel.

11.3 Car Insurance

It is important to note that there is no motor vehicle cover provided by the City Council. Members must insure their vehicles themselves for business use and will be expected to produce their insurance documents for inspection at annual intervals. Those members who take out car loans through the Council will be required to obtain fully comprehensive cover.

Claims Procedure

- 11.4 Any accident or incident whilst on Council business which might give rise to a claim should be reported to the Insurance Section immediately. Please see the Contacts Section for which officer to contact for all insurance matters.

12. **ELECTED MEMBERS' HOMEWORKING POLICY**

This policy was adopted in December 2005.

The City Council is committed to supporting the work of Elected Members to allow them to balance their work and home life with their duties as Councillors. To that end, all Members have been offered support to assist with the effective performance of their duties and are supplied with consumables and printers as required.

All equipment provided to an Elected Member for home use is covered by the Council's insurance scheme.

ICT Support

ICT support is provided by IT Newcastle, all requests for service and support are to be logged with the Service Desk on 0191 2772000. This will ensure that the request is logged for monitoring and tracking purposes and is directed to the appropriate personnel.

ICT support requests will be subject to prioritisation / escalation procedures and responded to in the time-scales agreed in Directorate service level agreements. System failures will be given priority over all other activities.

Where possible, Elected Members ICT equipment is to be returned to the Civic Centre for maintenance/repair. Otherwise a home visit will take place.

ICT Training

Full training is provided to Elected Members for both applications and general use of the equipment as part of their induction training.

Members Allowances

The Council will also where necessary install a second telephone line in a member's home, provided that this is used solely for council business. As part of the Basic Allowance, Members receive a sum towards the cost of using their home telephones and equipment for council business. All equipment issued to members is subject to members agreeing to only use it for council business, this being reflected in a protocol at Part 5.4B of the Newcastle Charter:

<http://www.newcastle.gov.uk/your-council/how-council-works/newcastle-charter>

Where members incur extra costs on lighting heating etc in carrying out their duties at home, they may claim relief from the Inland Revenue up to a max of £135 per annum.

Health & Safety

For the health and safety aspects of working at home based PC workstations, the attention of Council members is drawn to the corporate H&S code of practice K60 "Working at Home Based PC Workstations under the Council's Homeworking Scheme for Employees":

<http://194.61.175.66/hr.nsf/a/seck60?opendocument>

Whilst the procedural aspects of this code, such as workstation assessments by employees and workstation inspections by their managers, are not relevant to council members, the general H&S guidance on the workstations and their immediate environment is.

More general H&S guidance specifically for Council members on their role within their communities is contained in corporate H&S code of practice K57 " Personal Safety Advice for Newcastle City Councillors " .

<http://194.61.175.66/hr.nsf/a/seck57?opendocument>

Both K57 and K60 can be accessed on the Health and Safety Management site with in the council's intranet.

Further details of the Council's Work Life Balance Homeworking Scheme for employees can also be found within the Organisational Development Website:

<http://194.61.175.66/hr.nsf/a/worklife>

More information is available from Service Manager Democratic Services on 0191 2115159

13. CONTACTS

Members are requested to try if at all possible to resolve any queries they may have about any aspect of their allowances before they incur any actual expenditure. Day to day points of clarification on the scheme can be referred to the Exchequer Services Section Staff. If however there is a question of interpretation or a member feels that an issue is not covered by the handbook the query should be referred to the Service Manager Democratic Services (Linda Scott Ext. 25159)

Exchequer Services Section

Day to day queries, Form completion & Pay details	Steve Taylor	Ext. 26570
Car Loans	Steve Taylor	Ext. 26570
Taxation	Jeff Coxon	Ext. 26514

Insurance Section

Foreign Travel Insurance Notification of Accidents/Incidents	Jackie Carabine	Ext. 27530
---	-----------------	------------

Travel Office

Train times etc.	Carol Loga	Ext. 27148
------------------	------------	------------

APPENDIX 1
MEMBERS ALLOWANCES

SCHEDULE 1

BASIC ALLOWANCE

All Members

£8,775 (includes former
£500 Communications
Allowance)

SCHEDULE 2

SPECIAL RESPONSIBILITY ALLOWANCES

OFFICE HOLDER	AMOUNT OF ALLOWANCE	CURRENT POST HOLDER
Leader of the Council	£16,550	Forbes
Deputy Leader of Council	£8,275	McCarty
Leader of the Opposition	£6,207	Lower
Deputy Leader of the Opposition	£3,104	Taylor
Opposition Spokespersons	£2,069	Role shared equally by Cllrs Shepherd, Stone and Kane
<u>Cabinet Members</u>		
Children's Services	£6,207	Kingsland
Adult Services	£6,207	Dunn
Communities	£6,207	Stephenson
Investment and Development	£6,207	Bell
<u>Deputy Cabinet Members</u>		
Child Poverty	£4,138	Streather
Neighbourhoods	£4,138	Todd
Public Health	£4,138	Stockdale
Age Friendly City	£4,138	Schofield
Customer Service	£4,138	White
Housing	£4,138	Myers
Community Safety and Regulation	£4,138	Hobson
Skills Business and Enterprise	£4,138	Johnson
Performance and Resources	£4,138	Talbot

Chairs of Non Executive Committees

Planning	£4,138	Allison
Regulatory & Appeals	£4,138	Wright
Constitutional	£4,138	Bartlett
Licensing	£4,138	G Pattison
Standards (no SRA payable as Committee is chaired by Independent Member)	N/A	
Audit (no SRA payable as Committee is chaired by Independent Member)	N/A	

Chairs of Scrutiny Committees

Overview and Scrutiny	£4,138	Cott
Health	£4,138	Taylor

Vice Chairs of Non Executive Committees

Planning	£2,069	Cook
Regulatory & Appeals	£2,069	Stokel-Walker
Constitutional	£2,069	Hunter
Licensing	£2,069	Lowson
Standards	£2,069	Hardman
Audit	£2,069	Kemp

Vice Chairs of Scrutiny Committees

Overview and Scrutiny	£2,069	Franks
Health	£2,069	Mendelson

Members of Northumbria Police and Crime Panel

£1,035

Members of Planning Committee

£828 (see note 2)

Members of Regulatory & Appeals Committee*

£414 (see note 3)

Members of Licensing Committee*

£414 (see note 3)

Note 2 – Cabinet Members of the Committee are entitled to receive 50% of the amount specified. However, the Chair and Vice Chair of this Committee are not entitled to any of this allowance.

Note 3 – All Members of the Committees are entitled to receive this except for the Chairs and Vice Chairs.

*Payment of allowance dependant on each member attending a minimum of one meeting every three weeks.

SCHEDULE 3

DEPENDENTS' CARERS' ALLOWANCE

£7.55 per hour

SCHEDULE 4

TRAVELLING AND SUBSISTENCE

TRAVEL

A. Car

- (a) Mileage at a rate of £0.45 per mile, such rate to be increased in accordance with any increase of Inland Revenue maximum allowance.
- (b) A supplement for official passengers at a rate of £0.05 per mile per passenger.

Note 1 The rate shall be the same whatever the type of fuel used (including petrol, diesel and LPG)

Note 2 Members should only use cars for longer journeys where it is reasonable or more efficient to do so. Guidance is contained in the Members' Handbook.

- (c) Reimbursement of car parking charges subject to receipts or tickets being submitted where possible (but see Note 3)

Note 3 Members are not reimbursed for the cost of a pass to park at the Civic Centre.

B. Train

- (a) A standard class ticket unless there are special circumstances in which event a first class ticket.

Note 4 A Councillor or Co-optee will be reimbursed the cost of such a train ticket subject to a receipt being provided. However, unless there are special circumstances, the ticket should be booked by the Council in accordance with the Members' Handbook and in line with the Council's Travel Policy which took effect on 1 July 2010.

Note 5 Guidance on "special circumstances" is contained in the Members' Handbook.

C. Motor cycles and bicycles

- (a) Motorcycle £0.24 per mile
- (b) Bicycle £0.20 per mile
- (c) These rates shall be increased in accordance with any increase of the Inland Revenue maximum rates of allowance.

D. Taxis

- (a) The cost of taxi fares where public transport is not readily available.

- (b) The cost of other taxi fares where there are special circumstances or the use of taxi has been approved by the Service Manager Democratic Services.

Note 6 A Councillor or Co-optee will be reimbursed the cost of taxi fares subject to a receipt being provided. However, unless there are special circumstances, the taxi should be booked using the Council's account in accordance with the Members' Handbook.

Note 7 Guidance on "special circumstances" is contained in the Members' Handbook.

E. **Plane**

- (a) An ordinary fare for air services provided that it is more cost efficient to fly than travel by other forms of transport.

Note 8 A Councillor or Co-optee will be reimbursed the cost of such a fare subject to a receipt being provided. However, unless there are special circumstances, the ticket should be booked by the Council in accordance with the Members' Handbook.

F. **Bus/Metro**

- (a) One of the following:

- (i) an annual Network Travel Ticket within the zones between a Councillor's or Co-optee's home and the Civic Centre
- (ii) an annual bus pass
- (iii) an annual Senior Citizen's bus pass

- (b) The cost of one – off journeys on a bus/metro if a Councillor or Co-optee does not have a pass.

Note 9 Only in special circumstances, with the agreement of the Service Manager Democratic Services, may Councillors or Co-optees with one of the travel passes referred to in paragraph (a) claim the mileage for the use of their car, motor cycle or bicycle for journeys within the area covered by the pass.

Note 10 A Councillor or Co-optee will be reimbursed the cost referred to in paragraphs (a) or (b). However, unless there are special circumstances, the passes referred to in paragraph (a) should be purchased by the Council in accordance with the Members' Handbook.

Note 11 Guidance on "special circumstances" is contained in the Members' Handbook.

SUBSISTENCE

A. **Accommodation for overnight absence**

- (a) The cost of accommodation at a minimum 3* hotel.

Note 12 A Councillor or Co-optee will be reimbursed the cost of such a accommodation subject to a receipt being provided. However, unless there are special circumstances, the accommodation should be booked by the Council in accordance with the Members' Handbook.

Note 13 Guidance on "special circumstances" is contained in the Members' Handbook.

B. Daily allowances:

- (a) up to £10 per day for an absence of up to four hours away from the normal place of residence.
- (b) up to £20 per day for an absence of four to eight hours away from the normal place of residence.
- (c) up to £30 per day for an absence of more than eight hours away from the normal place of residence.

Note 14 Reimbursement will only be made upon the production of receipts showing the expenditure that had been incurred on subsistence by the councillor or co-optee.

C. Hospitality

- (a) The cost of hospitality offered to official guests by Councillors or Co-optees acting on behalf of the Authority provided always that receipts are provided by the Councillor or Co-optee claiming reimbursement.

SCHEDULE 5**CO-OPTEE ALLOWANCES**

	<u>Amount</u>
Independent Chair of Standards Committee	£4,138
Independent Chair of Audit Committee	£4,138
Independent Joint Vice Chair of Standards Committee	£2,069
Independent Members of Standards Committee	£828
Independent Members of Audit Committee	£828
Statutory Co-opted Members for Education Matters	£414

Lord Mayor's Allowances

Lord Mayor	£12,413
Sheriff	£4,138

Independent Remuneration Panel

Each member of the Panel is paid £414 per annum.

APPENDIX 2

APPROVED DUTY FOR DEPENDANTS' CARERS' ALLOWANCES AND TRAVEL AND SUBSISTENCE ALLOWANCES

The following are approved duties:-

1. The attendance at a meeting of the Authority or of any committee or sub-committee of the Authority, or of any other body to which the Authority makes appointments or nominations, or of any committee or sub-committee of such a body.
2. The attendance at any other meeting, the holding of which is authorised by the Authority, or a committee or sub-committee of the Authority, or a joint committee of the Authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee.

Note 1 In relation to category 2 meetings, it must be a meeting to which members of at least 2 political groups have been invited.

3. The attendance at a meeting of any association of authorities of which the Authority is a member.
4. The attendance at a meeting of the Cabinet or a meeting of any of its committees, where the Authority is operating executive arrangements.
5. The performance of any duty in pursuance of any standing order made under Section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened.
6. The performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
7. The performance of any duty in connection with arrangements made by the Authority for the attendance of pupils at any school approved for the purposes of Section 342 of the Education Act 1996 (approval of non-maintained Special Schools).
8. The carrying out of any other duty approved by the Authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Authority or of any of its committees or sub-committees.

Note 2 In relation to category 8, the Council has approved the attendance at all meetings which are for the purpose of, or in connection with, the discharge of the Authority's functions or of any of its committees or sub-committees (other than political meetings), including:-

- The attendance at a meeting of a Working Group or Panel of the Authority
- The attendance at site visits and inspections
- The attendance at ward surgeries
- The attendance at meetings with tenants or community groups.
- The attendance at meetings with officers.

In addition for each passenger (up to a maximum of four) who would otherwise qualify for a travel allowance, the following passenger supplement will be paid:

5.0 pence per mile.

The rate is the same whatever the type of fuel used.

Members can also reclaim car parking charges which they incur in undertaking approved duties subject to receipts or tickets being submitted where possible. The introduction of a charge for a car parking pass to park at the Civic Centre, represents a personal charge and cannot be reimbursed.

Motor Cycles and Bicycles

Members will be paid mileage when using their own motor cycles and bicycles to attend approved duties. The following rates will apply, these being increased in accordance with any increase of the Inland Revenue maximum rates of allowance:

Motorcycle	24.0 pence per mile
Bicycle	20.0 pence per mile

Taxi

Taxis should only be used where public transport is not readily available and, where appropriate, cheaper alternatives should be examined. It is not anticipated that a taxi will be required to enable a member to attend a regular scheduled meeting.

Taxis may be used under special circumstances with the approval of the Service Manager Democratic Services. Such circumstances could include, for example, where the member is recovering from illness or where the member is required to carry equipment or a large volume of documents which could not be easily conveyed using public transport.

The Council has formal contracts with the following firms and they should be used wherever possible as they charge a set tariff. In some cases, fares can be charged to an account (for further advice, please contact the Service Manager Democratic Services).

1. Noda Taxis
189 Westgate Road
Newcastle
NE4 6AA
Tel. 222 1888
2. LA Taxis
196 Portland Road
Newcastle
NE2 1DJ
Tel. 287 7777

Additional Suppliers

3. Five Star Taxis
81 High Street

Gosforth
Newcastle
NE3 4AA
Tel. 285 7300

4. Budget Taxis (no wheelchair access)
189 Westgate Road
Newcastle
NE4 6AA
Tel. 0800 0325022

If members have to make cash payment, they will be re-imbursed subject to a receipt being provided. However, unless there are special circumstances, the ticket should be booked by the Council.

Train

To be booked in advance via the Service Manager Democratic Services who will make the necessary arrangements through the Travel Office. Details of travel times etc. will be provided upon request. A standard class ticket will be purchased unless there are special circumstances where a first class ticket may be purchased instead..

Special circumstances could include:

- Travelling with members of other Councils or representatives of other agencies who had already purchased first class tickets
- Where the outward or return journeys are expected to last more than two hours and using first class accommodation would enable Members to work during the journey
- Where purchasing first class tickets would prove more cost effective e.g avoiding the need to pay separately for car parking or meals

A travel request document must be submitted on behalf of the relevant member(s) by the Directorate which is dealing with the trip.

Members should only book their own travel where there are special circumstances. These could include where a Member can achieve savings which are not available to the Council for whatever reason.

The Council can purchase senior railcards for those Councillors over the age of 60 as this would result in 33% savings on most rail fares.

Plane

Air services may be used as an alternative to train travel if there is an economic argument to justify it. An ordinary fare will be obtained by the Exchequer Services Section upon request. Bookings should be made at least seven days in advance in order to guarantee a seat.

Members should only book their own travel where there are special circumstances. These could include where a Member can achieve savings which are not available to the Council for whatever reason.

Car - Long Distance

If a member wishes to use his/her car for travel involving return journeys of 100 miles or more in total they must determine in advance if it is cheaper to do so and/or what other reasons would make a car journey necessary.

The prime reason for use of a car would be that it was cheaper than the costs entailed by the use of public transport. So it might be cheaper if:-

- a member is carrying other members or officers to the same destination and the total cost of the individual fares would exceed the car mileage claim.
- if the use of a car would save the cost of an overnight stay.

The member would need to have assessed all the likely costs of both modes of transport and determining which was the cheapest.

Other reasons for use of a car would be:-

- if a member needs to carry materials or equipment which cannot be easily taken on a train or bus
- if the use of a car would avoid excessive delay

Members will be paid the cheapest of:-

- the car mileage
- the cost of the appropriate Second Class rail fare less 2% commission plus the 5p per mile/per passenger supplement

NB: The Service Manager Democratic Services has access to a corporate credit card which enables the Council to maximise savings e.g. through the use of internet bookings.

Outside Organisations

Travelling expenses will be payable to members appointed by the City Council to any approved outside organisation irrespective of venue.

SUBSISTENCE (DAILY) ALLOWANCES

(a) Daily Allowances

In the case of an absence, not involving an absence overnight, from the usual place of residence, the following allowances will be paid:

- Up to £10 per day for an absence of up to four hours away from the normal place of residence
- Up to £20 per day for an absence of four to eight hours away from the normal place of residence

Up to £30 per day for an absence of more than eight hours away from the normal place of residence

Members should note that they are entitled to claim if they have been on an approved duty for the time specified and if they have incurred some expenditure on subsistence. These rates are the maximum and claims for such expenses should be for the amount actually incurred or the rate above, whichever is the lesser.

(b) Overnight absence

Accommodation for overnight absence will be arranged at a minimum 3* hotel, unless there are special circumstances e.g. where the Council can take advantage of special offers. Members must always book accommodation in advance through the Travel Office (who will pay the bill).

(c) Communication Allowance

Until 2009/10 the Council paid an allowance of £500 per annum, in twelve monthly instalments. This was a contribution towards the additional telephone and IT costs which members incur when acting on behalf of the Council. As part of the 2009/10 review, the Independent Remuneration Panel recommended that instead of receiving a separate Communications Allowance, this form part of the Basic Allowance which would enable the Allowance to be index-linked in future years, it having been introduced as a flat rate payment in 2004. This was agreed by full Council on 4 March 2010 and took effect from 1 April 2010.

Members can be issued with equipment provided that these are only used for Council purposes. Consumables such as paper and cartridges are also supplied free of charge.

APPENDIX 4

PROCEDURE FOR CLAIMING DEPENDANTS' CARERS' ALLOWANCES

- Members to claim actual expenditure up to a maximum of £7.55 per hour, the level to be reviewed on an annual basis.
- Payments to be made for care of dependants, whether they be children, elderly persons or those with some form of disability – Members to be able to claim for care provided by relatives not living in the family home.
- Payments to be made where Members are undertaking approved duties as set out in appendix 2 (these being drawn from the regulations). Essentially, any formal committee meeting would represent an approved duty, as would meetings with officers or tenants groups, attendance at site visits and ward surgeries. The only category which is exempt is attendance at political group meetings. Members should be able to claim for travelling time as well as the meetings themselves. Any member requiring clarification as to whether a duty is eligible should contact either the Assistant Director Legal Services or the Service Manager Democratic Services.
- No limit to be imposed on the number of claims per member.
- Carers not to be subject to registration.
- The insurance implications to be kept under review, it being made clear that the contract is between the individual member and the carer rather than between the Council and the carer.
- Claimants to complete a form specifying the nature, date and duration of the approved duty and the amount claimed, the form to be signed by both the member and carer and show the date of the claim with the carer's name and address also being supplied.
- No limit to be imposed on start or finish times, members to be able to claim for daytime as well as evening and weekend duties.
- Claims to reflect costs actually incurred, no provision at this stage to be made for carers' travelling expenses. No distinction to be drawn between the different levels of care required, nor the number requiring care at any one time
- Claims to be submitted to Exchequer Services with Members being reimbursed via the monthly payroll.

APPENDIX 5

PROTOCOL RE AUTHORISATION OF MEMBERS' CLAIMS FOR ALLOWANCES AND EXPENSES

Under the Newcastle Charter, the Service Manager Democratic Services is responsible for preparing and maintaining the Council's Members' Allowances Scheme. Under the Scheme, the Service Manager Democratic Services authorises claims for allowances and expenses submitted by individual members.

The Members' Allowances Scheme provides that claims for the following allowances must be submitted within one month from the date on which the entitlement arises:

- Dependants' Carers' allowance
- Travelling and subsistence allowance
- Co-optees' allowance

The Service Manager Democratic Services and Standards Committee have delegated power to permit claims to be paid outside that period.

Should the Service Manager Democratic Services, or (in his absence) officers acting on his behalf, have concerns about individual Members' claims which they are unable to resolve satisfactorily, then these should be referred to Standards Committee for determination.

The Chair of Standards Committee will be notified as soon as any referral has been made and will confirm, in conjunction with the Service Manager Democratic Services, the timescale for the Committee's consideration of this matter and the documents to be presented.

APPENDIX 6

TAXATION

This appendix should be read in conjunction with Section 10 of this handbook.

Taxable and NI-able Expenses

Tax and National Insurance contributions will be deducted at the standard rate from members monthly allowance payment. Members should note that it is their personal responsibility to inform the Inland Revenue if as a result of receiving their members allowance they either are or become liable to pay higher rates of tax or have a change in their national insurance position e.g. reach state pension age. The following will also be subject to tax and national insurance contributions at source.

- Telephone installation costs.
- 75% of the cost of a travel ticket will be subject to tax and NI to cover private use.

The following will also be taxable but will not be taxed at source. Members will be provided with a year end benefits statement P11D with these details on. These should be included on their own tax returns as "other income".

- Computers for home use where the total cost of the equipment exceeds £2500.
- Any other benefits in kind.

Members will be provided with a car mileage statement at the tax year end showing details of their car mileage payments. If Members are required to complete their own tax returns they will not have to account for car mileage allowances from the City Council.

There have been occasions where members have paid too much NI because of the contributions they had already made via their employer. If a Councillor earns above the threshold (currently £33,450pa), they could request deferral on the NI contribution arising from their Members Allowance. The Inland Revenue would then assess at the year end the level of contribution required. If the deferment was agreed their NI contribution on earnings above the threshold would fall to 1%. Members may wish to seek advice from the Inland Revenue if they feel their circumstances warrant it.

Non Taxable and Non NI-able Expenses

Provided that there is no element of profit or personal use members do not pay tax on the following:-

- Bus Fares
- Train Fares
- Aeroplane Fares
- Taxi Fares

The Inland Revenue will need to be satisfied that the reimbursements have actually been incurred.

Subsistence Allowances

Daily subsistence allowances are classed as emoluments and are taxable when they are paid for meetings of the Authority at the Civic Centre. Other daily subsistence allowances are not taxable.

Overnight subsistence and conference travelling and subsistence allowances are not taxable provided the rates quoted in Appendix 3 are not exceeded.

TAX RELIEF FOR EXPENSES

A number of expenses are eligible for tax relief.

Household Expenses

Where it costs you more for lighting, fuel etc. to carry out Members duties at home, a standard allowance of £135 may be permitted by the Inland Revenue. (NB the City Council does not pay for these expenses and members must actually claim the relief themselves from the Inland Revenue).

No tax allowance can be made for postage/stationery/secretarial services as these are made available by the Council for members.