

# *SCHEME OF MEMBERS' EXPENSES AND ALLOWANCE*

*(Updated annually through the Members' Services Working Party)*

**Includes the following  
Appendices:**

- **Schedule of current Allowances and Rates of Expenses**
- **Example of the new claim form (available electronically)**

**TORFAEN**

**LAST UPDATED: June 2008**

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# THE CONTEXT – YOUR QUESTIONS ANSWERED

## ***SETTING THE SCENE***

In June 2002 the Minister for Finance, Local Government and Communities provided all Councils in Wales with details of the all Wales Scheme of Members Allowances. The Council is required to adopt the basic principles of the Scheme within the Council's new Scheme of Members' Allowances in Torfaen. The Scheme was adopted by the Council at its meeting on 23<sup>rd</sup> July 2002 and the provisions became effective when the legislation came into force on 9 August 2002.

The basic principles for paying Basic Allowance, Special Responsibility Allowance, Care Allowance and travel and subsistence expenses, are contained in the Local Authorities (Allowances for Members of County and County Borough Councils and National Park Authorities) (Wales) Regulations 2002.

## ***WHAT IS THE PURPOSE OF THIS GUIDANCE NOTE?***

- To advise Members of the allowances and expenses that they are entitled to receive and the process for claiming expenses and receiving allowances.
- To advise Members as to the specific items of Council property that they will be provided with in order to enable the Council to carry out its business, and their responsibilities in the use of assets.

## ***WHAT ALLOWANCES DO MEMBERS RECEIVE?***

All Members receive a Basic Allowance (BA). A Special Responsibility Allowance (SRA) is paid to Members appointed by Annual Council to specific positions. A Care Allowance can be paid to all Members who satisfy the criteria (see later under "CARE ALLOWANCE")

A Member may choose to not receive any part of an entitlement to an allowance.

## ***WHAT EXPENSES ARE MEMBERS ENTITLED TO BE REIMBURSED FOR?***

A Member is entitled to receive payments for travel and subsistence costs incurred, reimbursed, **upon production of receipts** on an "actual" basis, up to a maximum, except for private motor vehicle journeys which are reimbursed at a fixed cost per mile.

## ***WHEN CAN A MEMBER CLAIM EXPENSES?***

Members are entitled to claim expenses where expenditure is necessarily incurred when undertaking "approved duties".

## ***WHAT IS AN "APPROVED DUTY"?***

Members are entitled to claim expenses when undertaking "approved duties", defined as follows: -

- (a) Attendance at a meeting of the authority or of any committee of the authority or of any body to which the authority makes appointments or nominations or of any committee of such a body;
- (b) Attendance at a meeting of any association of authorities of which the authority is a member;
- (c) Attendance at any other meeting the holding of which is authorised by the authority or by a committee of the authority or by a joint committee of the authority and one or more other authorities;
- (d) A duty undertaken for the purpose of or in connection with the discharge of the functions of an executive where the authority is operating executive arrangements within the meaning of Part II of the 2000 Act;
- (e) A duty undertaken in pursuance of a standing order which required a member or members to be present when tender documents are opened;
- (f) A duty undertaken in connection with the discharge of any function of the authority which empowers or requires the authority to inspect or authorise the inspection of premises;
- (g) Attendance at any training or developmental event approved by the authority or its executive or board;
- (h) Attendance at a Civic function when invited to attend as the representative of the Authority;
- (i) The Council has approved as a duty, attendance by a Member at a meeting with officers of the Authority where attendance by the Member is necessary to progress the essential business of the Authority.

The list is for guidance. If a Member is unsure if an activity qualifies as an “approved duty” clarification can be sought from the Principal Members’ Services Officer.

Departures from the scheme must be subject to Council approval before any expenses are incurred.

#### **TELEPHONES**

The cost of telephones is now met from within the Basic Allowance. However, mobile phones for Cabinet Members with portfolio, and also for the Chair of Planning and the Chair of Licensing, can be paid for by the Council, when used on business relating to the post.

A telephone connection to Council Services from Members’ home telephones (**0800 7839664**) is available at no charge.

Mobile phones can be provided free of charge to Members, who then meet the costs of line rental and calls. The “package” negotiated by the Council is extremely competitive.

### ***INFORMATION TECHNOLOGY***

Every Member receives mobile computing equipment, complete with Internet and Email facilities, paid for, installed and supported by the Council. Members can choose a Broadband provider – except AOL which does not work on our systems. The Council recommends BT Option1. The cost of the Broadband connection (including the VAT element) can be claimed.

### ***HOW DO I CLAIM?***

A new claim form has been designed in order to provide a simple step-by-step guide to making a claim.

### ***REQUEST FOR ADVANCE PAYMENTS***

There may be occasions when Members need to pay sums of money in advance of being able to reclaim such monies from the Council by the way of their monthly expenses claim. Examples of such occasions may be a requirement to book long distance travel tickets in advance of travel, or to pre-book a number of nights' hotel accommodation some time in advance of the stay.

Members should request the advance from the Principal Members' Services Officer, stating the reason and amount (up to a limit of £250).

*Please remember that the Members' Services Team can book travel and accommodation for you in advance, thereby avoiding the need for advance payments.*

### ***WHAT RECORDS ARE MAINTAINED AND INFORMATION PUBLISHED?***

A register is kept which records all payments made to Members, and this register is available for inspection by a Local Government elector. The Council operates a full disclosure policy and publishes this information on an annual basis.

### ***WHERE CAN I GO FOR ADVICE AND GUIDANCE?***

The principal contact for Members is Ian McGill (Principal Members Services Officer), Performance and Engagement Directorate (Ext 6092). Ian will be happy to speak to you and will act as the first point of contact on all matters.

Queries regarding the processing of claims, amounts that can be claimed, additional claim forms, etc can be dealt with by Jacquelyn Tranter (Members' Services Officer) (Ext 6086)

If a Member has a specific query concerning their taxation then they should contact: -

H M Revenue and Customs  
South Wales Area  
Ty Glas  
Llanishen  
Cardiff CF14 5YA

Tel: 0845 300 3949

Quote Reference 948/T413N and your **National Insurance Number**

**Jacquelyn Tranter (MEMBERS' SERVICES OFFICER)**  
**June 2008**

## ALLOWANCES AND EXPENSES (FOR CURRENT RATES SEE ATTACHED APPENDIX)

<u>ALLOWANCES</u> TYPE OF ALLOWANCE	DESCRIPTION OF ALLOWANCE	ENTITLEMENT - WHAT YOU CAN CLAIM
BASIC ALLOWANCE	<p>This is paid to all Members. All costs incurred by Members in carrying out their constituency work are contained within the Basic Allowance, however, the Council will bear the costs of accommodation for surgeries where free facilities are not available and provide stationery to Members on Council and constituency business. The Basic Allowance will be uplifted annually in April in line with changes in the average male, non-manual wage for Wales published in the New Earnings Survey for the previous year.</p> <p><b>Note: To assist Members to carry out constituency business, a free phone line is provided into the Council switchboard to make contact with Council officers. Mobile phones are available for Members but the rental and the cost of calls must be met from this Basic Allowance</b></p> <p>These are paid to individual Members who undertake specific duties for which the Authority has resolved that Special Responsibility Allowance will be paid see (Appendix for these duties). The Special Responsibility Allowance will be uplifted annually in April in line with any increase in the basic salary level of Members of the Welsh Assembly Government.</p>	<p>No claim is required; payment is automatic every month.</p> <p>No Member can claim more than one Basic Allowances</p> <p>Basic Allowances are paid pro rata for Members elected mid-term based on the number of days of the financial year for which they are an elected member</p> <p>No claim is required; payment is automatic every month.</p> <p>No Member can claim more than one Special Responsibility Allowance</p>
SPECIAL RESPONSIBILITY ALLOWANCE		<p>Special Responsibility Allowances are paid pro rata if a member does not have a particular special responsibility throughout a financial year based on the number of days during which they have that responsibility.</p> <p>An agreed allowance will be paid each month. Members will be required to make a monthly claim in order to receive this allowance. The claim will require a Member to sign to say that they have dependants fulfilling the criteria and that they have incurred expenditure in making arrangements for their care.</p>
CARE ALLOWANCE	<p>Members are entitled to claim a Care Allowance if they have dependent children under the age of 15 or if they can satisfy the Council that they have a dependant aged 15 or over who requires supervision and for whom they have caring responsibilities. Members must necessarily incur expenditure to enable them to perform their duties. The rate of allowance will be uplifted annually in April in line with the Basic Allowance. Members who are in receipt of a SRA in excess of a prescribed limit are not entitled to claim this allowance. Currently this is £15,000. The Care Allowance would not be paid to more than one Member of the authority in relation to the same dependent</p> <p>More than one Care Allowance will not be paid to any member, unless it can be clearly demonstrated that that member needs to make separate arrangements for the care of different dependants, and needs to pay for that care. Members must disclose any financial support provided under this allowance when applying for other care services offered by the Local Authority</p>	
MAYORAL ALLOWANCE	<p>This is paid to the Mayor and Deputy Mayor. Mayoral Allowances are outside the Members Allowance Scheme, which only applies to the political management arrangements of the Council. The Council has agreed to pay an appropriate allowance to the Mayor and Deputy Mayor for their terms of office, equal to the level of Special Responsibility Allowance paid to a Chair and Vice Chair of Overview and Scrutiny Committees respectively. All costs incurred in carrying out these offices (excluding travel and subsistence expenses for both Office holders and Consorts which are reimbursed in the normal way) are contained within the Mayoral Allowance.</p>	<p>No claim is required and payment is automatic each month. The Mayoral Allowance will be paid pro rata to the period of time in office</p>

## EXPENSES (CURRENT RATES ARE DETAILED IN THE ATTACHED APPENDIX)

### TRAVEL

A Member is entitled to travel by road, rail, air or sea when carrying out “Approved duties” and by any reasonable route. Members are expected to travel by the cost effective means, taking into account the actual cost of the travel and cost of any overnight stay expenses. However, the time involved in a journey may also be taken into account and where benefits from savings in journey time can be demonstrated, exceptionally it may be possible to claim at a higher rate of reimbursement. A Member who, in the opinion of the Monitoring Officer does not travel by the most cost effective means may have the amount of his/her claim adjusted by an appropriate amount. For example if a Member chooses to use a car/taxi when the journey could reasonably and more economically be made by public transport the cost of the public transport will be payable unless an explanation is included with the claim demonstrating why public transport was not appropriate.

A claim for payment by way of travel or subsistence expenses shall include a statement signed by the Member that the Member has not made and will not make any other claim in respect of the matter to which the claim relates.

Members are encouraged to claim their travel expenses monthly and at least quarterly. The annual accounts must include details of member’s entitlement to expenses for the previous financial year. For that reason, a member will lose his or her entitlement to claim travel expenses for any year if he or she has not claimed those expenses by 30<sup>th</sup> April following the year-end unless there are exceptional reasons why it was not possible to claim before this date.

**NOTE: - Members are encouraged to submit claims within 3 months of incurring the expense.**

*(By way of comparison, Members may wish to note that Officer Claims which are submitted after the 3 month deadline need to be scrutinised by Internal Audit and personally approved for payment by the Section 151 Officer, Mr Nigel Aurelius).*

**Following changes to European legislation regarding the recovery of VAT you are now required to provide a proper VAT receipt for fuel which should be attached to your expenses claims. It is accepted by the Revenue that the receipt will bear little correlation between the amounts shown on the receipts and the VAT element of the fuel allowance claimed by you but nevertheless HM R&C require that they are provided.**

**Failure to provide the receipts will mean the Authority is unable to reclaim the VAT element of mileage expensed incurred on fuel. Please be aware that a credit card receipt is not a VAT receipt and that receipts can only be accepted for dates up to the date of travel.**

TYPE OF EXPENSE	DESCRIPTION OF EXPENSE	ENTITLEMENT – WHAT YOU CAN CLAIM
MILEAGE	<p>An agreed mileage rate per mile travelled will be paid for all business journeys where travel is by means of car, motorcycle or bike. These will be the same rates as paid to Members of the Welsh Assembly Government.</p>	<p>A Member may undertake travel by car/motor vehicle/bicycle and claim a mileage allowance based on actual mileage travelled.</p> <p>The claim should be based on the shortest route and should not be a private journey. Where a business journey includes a detour for private purposes this must be deducted from the claim.</p> <p>Claims must be based on the personal use of a vehicle by the Member of his/her personal expense.</p> <p>The level of allowances will be the same as those paid to Members of the Welsh Assembly Government</p> <p>A Member may also claim for other assisted travel expenses necessarily incurred such as parking fees, tolls etc based on actual expenditure incurred, supported by relevant receipts.</p> <p>Passenger supplements are not payable.</p> <p>The council allows Members to claim the journey between their houses and Council Offices as a business journey</p> <p>Where a Member uses a vehicle for travel from their home to the nearest suitable railway station/bus station/airport etc the cost of the return journey may be claimed if undertaken by another person</p> <p>The destination and purpose of journey must be included on the claim form under 'description'.</p> <p><b><u>REMEMBER</u></b></p> <p><b>Members are reminded to make sure that insurance covers them for their business journeys.</b></p> <p><b>If you change your vehicle during the month then a separate claim form should be completed for each vehicle used in the period relating to the claim.</b></p>

TAXI FARES	A business journey necessarily undertaken by taxi, where other modes of transport are unavailable or not appropriate to the circumstances	<p>Subject to the expectation that Members will travel by the most cost effective means, there may be occasions when a Member will need to travel by taxi, in cases of urgency, or where suitable public transport is not available or appropriate</p> <p>Normally the reimbursement would not exceed the mileage allowance that would have been payable if the journey had been undertaken by car. If it was not reasonably practicable for the Member to travel other than by taxi, they shall be entitled to claim the actual level of expense incurred by them (including any reasonable gratuity).</p> <p>Claims must be supported by the submission of relevant receipts.</p>
RAIL / AIR FARES / FERRY CROSSINGS	For Business Travel as appropriate	<p>Rail fares and ferry crossings can be claimed at either first or standard class depending on a Members personal preference and availability.</p> <p>Air fares can be claimed at either the standard class or available cheap fare rate, depending on a Members personal preference and availability</p> <p>A member may also claim for other related expenses necessarily incurred, such as booking fees, reservation fees, based on actual expenditure incurred</p> <p><b>Claims must be supported by the submission of relevant receipts. If receipts are not produced then the reason should be explained on the claim form and amounts for tax and national insurance will be deducted from payments.</b></p> <p><b><u>REMEMBER</u></b></p> <p><b>Tickets purchased through Members' Services make use of specially negotiated discount facilities with approved suppliers</b></p> <p><b>The cost of railcards / bus cards will be met if it can be demonstrated that, by providing a Member with a railcard, the Council will save money.</b></p>
BROADBAND	The cost of Broadband connection.	<p>ICT Operations recommends BT Option1. The current cost is £17.99 per month (or billed quarterly in advance at £45.93 + £8.04 VAT).</p> <p>The choice of provider and package is open to each Member however payment will be made based on the actual cost, up to a maximum of the cost of BT Option1 package (currently £17.99).</p> <p>A member will not require any equipment rental for Broadband access therefore any equipment rented is to be paid for by the Member.</p> <p>All claims must be supported with a complete, original bill.</p> <p>When completing expenses claim forms the Broadband expense must be included in the 'OTHER EXPENSES' column and the VAT element in the VAT column.</p>

## **SUBSISTENCE**

A Member is entitled to receive payments, based on receipts, where expenditure is actually and necessarily incurred in the performance of an "approved duty". The allowances in the Appendices other than the Basic Allowances are the amounts for 2006/7. Allowances are uplifted with from 1 April each year, in accordance with the increase over the previous year in the UK Retail Price Index for March, unless stated otherwise.

Members are encouraged to claim their subsistence monthly and at least quarterly. The annual accounts must include details of member's entitlement to expenses for the previous financial year. For that reason, a member will lose his or her entitlement to claim subsistence for any year if he or she has not claimed those expenses by 30<sup>th</sup> April following the year-end unless there are exceptional reasons why it was not possible to claim before this date.

**NOTE: - As with claims to travelling expenses, Members are encouraged to submit claims to subsistence within 3 months of incurring the expense.**

***(By way of comparison, Members may wish to note that Officer Claims which are submitted after the 3 month deadline need to be scrutinised by Internal Audit and personally approved for payment by the Section 151 Officer, Mr Nigel Aurelius).***

CATEGORY OF SUBSISTENCE	PROVISIONS RELATING TO THESE CATEGORIES	ENTITLEMENT – WHAT YOU CLAIM
Breakfast Allowance	The period for claiming breakfast allowance be fixed at any two hour period ending at 11.00 am away from the normal place of residence	Allowances provided are maximum sums that can be paid and reimbursement will be on the basis of actual expenditure incurred up to these amounts, provided these are supported by relevant receipts.
Lunch Allowance	The period for claiming lunch allowance must be more than 4 hours away from the normal place of residence, including the lunch time between 12 noon and 2.00 pm	
Tea Allowance	The period for claiming tea allowance must be more than 4 hours away from the normal place of residence including the period 3.00 pm to 6.00 pm.	
Evening Meal Allowance	An evening meal allowance may be claimed for a period of 3 hours and after 7.00 pm away from the normal place of residence	
Day Allowance	Where the main expenses of attending a course, conference or specific function /event are met directly by the Council, host organisation or a 3 <sup>rd</sup> party then a day allowance will be payable to cover incidental expenses. A claim can only be made for expenses within this, where the member is engaged on Council business for a period of not less than 7 hours, and is not entitled to any other allowance	
Overnight Allowance (Outside London)	An absence overnight from the normal place of residence shall be deemed to cover a continuous period of absence of 24 hours as far as the maximum rate payable is concerned and this sum will cover all expenses incurred including incidental expenses such as newspapers, laundry and telephone calls home. Expenses cannot be claimed under this allowance if a meal allowance or day allowance is claimed (see above).	
Overnight Allowance (London)	London means the City of London, and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster. For attendance at the following Annual Conferences the London Allowance will be payable: - Local Government Association , Association of British Market Authorities, British Resorts Association, Council of Local Education Authorities, National Association of Local Council's.	
Overnight Allowance (outside UK)	Expenses cannot be claimed under this allowance if a meal allowance or day allowance is claimed (see above). The maximum rate payable for an absence overnight outside of the United Kingdom is set at the European Commission Allowance Rate that applies to the Committee of the Regions and will be uplifted in line with this rate.	
Overnight Allowance (Incidental Expenses)	Expenses cannot be claimed under this allowance if a meal allowance or day allowance is claimed (see above) Where the main expenses of an absence overnight (i.e. Accommodation, Breakfast, Lunch and Evening Meal) are met directly by the Council, the host organisation or a third party (e.g., Attendance Courses or Conferences, Participation in Twinning Visits, etc), so that none of the allowances above are payable, then an overnight allowance will still be payable but at a reduced rate to cover incidental expenses.	

# MEMBERS' EXPENSES AND ALLOWANCES

## APPENDIX 1

### LEVEL OF ALLOWANCES AND RATES OF EXPENSES 1<sup>ST</sup> April 2007 – 31<sup>ST</sup> MARCH 2008

#### 1. ALLOWANCES

ALLOWANCE TYPE	AMOUNT £
Leader of the Council	27017
Deputy Leader	14859
Executive Member	13508
Chair of Planning Committee	8105
Chair of Licensing Committee	8105
Chairs of Overview and Scrutiny Committees	8105
Chairs of Committees (other)	5402
Basic Allowance	12718
Mayor's Allowance	8105
Deputy Mayor's Allowance	5402
Care Allowance	£375 per month

#### 2. MILEAGE RATES

MODE OF TRANSPORT	DISTANCE TRAVELLED	RATE PER MILE
Motor Vehicle	Up to 8,500	50.1p*
	8501 – 20,000	45p
	Over 20,000	25p
Motor Cycle	Up to 20,000	22.1p
	Over 20,000	9p
Bicycle	All miles travelled	6.9p

\* If the CC of the vehicle as stipulated in the vehicle registration document is less than 1200cc, then 45pence per mile will be paid for the first 8,500 miles travelled. The Assembly rate is 40p per mile so the figure of 50.1 will remain frozen until Assembly rates exceed it.

### 3. SUBSISTENCE EXPENSES

<u>NATURE OF EXPENSE INCURRED</u>	<u>MAXIMUM CEILING OF REIMBURSEMENT</u>
Breakfast	£5.24
Lunch	£7.21
Tea	£2.85
Evening Meal	£15.48
Day Allowance (incidental expenses)	£2.58
Overnight Allowance (London / Agreed Annual Conferences)	£123.84
Overnight Allowance (other)	£103.20
Overnight Allowance (outside UK)	<b>£213</b>
Overnight Allowance (incidental expenses UK rate)	£10.32
Overnight Allowance (incidental expenses outside UK)	£30.96

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