

## **PART 6**

# **MEMBERS' ALLOWANCES SCHEME**



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### **Members' Allowances Scheme**

#### **1. INTRODUCTION**

- 1.1 This Scheme is based on the recommendations of the Independent Remuneration Panel and approved by Council in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.2 This Scheme may be cited as the London Borough of Hackney Members' Allowances Scheme (2012-13) and shall have effect from 17<sup>th</sup> May 2012.
- 1.3 Before the start of each financial year, the Council shall adopt a Scheme for the payment of Basic Allowances, as required by Regulation 4(1)(a). In addition, provision for the following allowances shall be made for payments of:
- Special Responsibility Allowance;
  - Independent and Co-opted Members Allowance;
  - Carers Allowance;
  - Maternity, Paternity and Sickness Pay;
  - Travel and Subsistence Allowance;
- 1.4 The Council's Independent Remuneration Panel shall review the Scheme on an annual basis and make recommendations to Council.

#### **2. BASIC ALLOWANCE**

- 2.1 A Basic Allowance is paid to all Councillors in recognition of their commitment to attend formal meetings of the Council as well as meetings with officers and constituents. The Basic Allowance is intended to cover any incidental costs which may arise, such as use of private telephones.
- 2.2 Each Councillor is entitled to claim a Basic Allowance of £9,943.50 per annum, which is payable monthly via the Council's payroll.

#### **3. SPECIAL RESPONSIBILITY ALLOWANCE**

- 3.1 A Special Responsibility (SRA) is payable in addition to the Basic Allowance to those Councillors that are given significant additional Council duties.

#### **4. THE ALLOWANCES**

- 4.1 The Basic Allowances and SRAs are as follows:-

## **BASIC ALLOWANCE**

Basic Allowance (£9,943.50)	All Councillors (except the Mayor)
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## **SPECIAL RESPONSIBILITY ALLOWANCE**

Band 1 (£2,222.53)	First Opposition Group Whip
	Second Opposition Group Leader
	Majority Group Whip
	Majority Group Chair
	Majority Group Secretary
	Deputy Speaker (see 4.4 below)
	Member of the Adoption Panel
	Member of the Fostering Panel

Band 2 Scale A (£13,000)	Vice Chair of Overview and Scrutiny Board
	Chair of Children and Young People Scrutiny Commission
	Chair of Community Safety and Social Inclusion Scrutiny Commission
	Chair of Governance and Resources Scrutiny Commission
	Chair of Health in Hackney Scrutiny Commission
	Chair of Living in Hackney Scrutiny Commission

Band 2 Scale B (£14,352.43)	Cabinet Adviser for Crime and Community Safety
	Cabinet Adviser for Hackney Homes
	Chair of Audit Sub Committee
	Chair of Licensing Committee
	Chair of Planning Sub Committee
	Chair of Pensions Sub Committee
	Chair of Regulatory Committee

Band 2 Scale C (£17,500)	First Opposition Group Leader
	Speaker (see 4.3 below)

Band 3 Scale A (£30,000)	Chair of Overview and Scrutiny Board
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Band 3 Scale B (£32,555.49)	Cabinet Member for Children's Services
	Cabinet Member for Crime, Sustainability and Customer Services
	Cabinet Member for Finance
	Cabinet Member for Health, Social Care

	and Culture
	Cabinet Member for Neighbourhoods
	Cabinet Member for Regeneration and 2012 Olympic and Paralympic Games

Band 3 Scale C (£38,623.18)	Deputy Mayor
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### **THE MAYOR'S ALLOWANCE**

Band 4 (£75,846.14)	Elected Mayor (see 4.4 below)
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- 4.2 Only one SRA may be claimed. It will be for individual Members who would otherwise qualify for more than one SRA to inform the Corporate Director of Legal, HR and Regulatory Services which allowance they wish to claim, , otherwise the highest allowance will be paid.
- 4.3 The roles of Speaker and Deputy Speaker do not attract a SRA but are covered by a separate legal regime. Schedule 2 of the Local Government Act 1972 provides that a London Borough may pay the Chair of the Council (known as the Speaker in the London Borough of Hackney) such allowances and the Council thinks reasonable for the purpose of enabling the Chair to meet the expense of the office. There is a similar power in respect of the Vice Chair (Deputy Speaker).
- 4.4 The role of directly elected Mayor does not attract a Basic Allowance or SRA. The Mayor receives one single allowance which covers all of the responsibilities included in the role.

### **5. MEMBER ALLOWANCE UPLIFT**

- 5.1 The Basic and Special Responsibility Allowances are normally uplifted each year in line with the Local Government Pay Settlement Pay Rate when this becomes known, and will be reviewed and approved by Council prior to the start of each financial year.

### **6. PENSIONS**

- 6.1 All Members under the age of 75 are eligible to join the Local Government Pension Scheme (LGPS), without satisfying any period of qualification.

### **7. MATERNITY, PATERNITY AND SICKNESS PAY**

- 7.1 All Members shall continue to receive their Basic Allowance in full in the case of maternity, paternity and sickness leave.
- 7.2 Members entitled to a Special Responsibility Allowance shall continue to receive their allowance in the case of maternity, paternity and

sickness leave in the same way that the Council's employees enjoy such benefits. A replacement to cover the period of absence shall be appointed by Council, and the replacement will be entitled to claim an SRA. Where the SRA in question relates to the Cabinet, the appointment will be made by the Mayor.

8. **CARERS' ALLOWANCE**

- 8.1 The Council will make reasonable payments for the reimbursement of the care of dependent relatives living with the Elected Member. Full details of the Carers' Allowance Scheme are attached at Appendix A.

9. **TRAVEL AND SUBSISTENCE ALLOWANCE**

- 9.1 The Council will provide an allowance to Members for any travel or subsistence costs incurred as a result of attending a Council Approved Duty outside of the Borough. Co-opted and Independent Members can claim for any travel or subsistence costs associated with their Council duty. Full details of the Travel and Subsistence Allowance are attached at Appendix B.

10. **APPROVED COUNCIL DUTIES**

- 10.1 The schedule of approved Council duties can be found at Appendix C of this Scheme. Members of the Council may claim a Travel and Subsistence Allowance and/or Carers' Allowances when attending these duties.

11. **COUNCIL CYCLE SCHEME**

- 11.1 Members are entitled to join the Council's employee Cycle Scheme whereby they can choose a bicycle and equipment from an approved supplier (up to £1,000 in value) and the Council purchases it and loans it to the Member. The Member will then repay the loan from their Basic Allowance in return for the loan of the VAT free bicycle across an agreed period. At the end of the loan period the Council may sell the bicycle to the Member at a fair market value.

12. **PART PAYMENTS**

- 12.1 In the case of Basic Allowances, Special Responsibility Allowances, Travel and Subsistence Allowance, or Carers' Allowances, payment will only be made for the period during which a person performs the duties for which these allowances are payable. Where a Member, Co-opted or Independent Member resigns or ceases to be a Member the part of the allowance payable to the Member or Co-optee in respect of the period for which they cease to be a member or Co-optee may be withheld by the Council.

13. **REPAYMENTS**

13.1 Where payment of any allowance has already been made in respect of any period during which the Member concerned ceases to be a Member of the Council or is in any other way not entitled to receive the allowance in respect of that period, the Member, Co-opted or Independent Member shall repay to the Council on demand such part of the allowance as relates to any such period.

14. **OPTING TO FORGO AN ALLOWANCE**

14.1 Basic Allowance and SRAs will be paid automatically unless notice is received in writing from the Member concerned forgoing the entitlement in whole or in part. All such notices should be sent to the Corporate Director of Legal, HR and Regulatory Services.

15. **CLAIMS AND PAYMENT**

15.1 Payments in relation to Basic Allowances, SRA and Co-opted Member Allowances shall be paid in monthly instalments in accordance with this Scheme.

15.2 Basic, SRA and Co-opted Member allowance payments are made net of income tax and national insurance through the PAYE system used for salaried employees. Bank details are therefore required for each Member. If a Member changes their bank details, the revised details should be provided to Member Services.

15.3 Claims for Travel and Subsistence allowances, and Carers' allowance should be submitted no later than 3 months from the date that costs (expenses) are incurred. Claims must be made on the agreed claim form available from Member Services.

15.4 Claims will be checked on receipt by Member Services. Claims received before the 20th day of the month will be paid on or before the 15th day of the following month.

16. **ALLOWANCE FOR INDEPENDENT AND CO-OPTED MEMBERS**

16.1 The standard rate for Independent and statutory Co-opted Members allowances is £109.48 per meeting. This is translated into an annual allowance by multiplying this by the anticipated number of meetings. This amount is payable to Independent and Co-opted Members on the Children and Young People Scrutiny Commission, Standards Committee and Independent Remuneration Panel.

16.2 The standard rate for the independent Chair of Standards Committee is currently set at £218.96 per meeting (i.e. double the rate for independent and statutory Co-opted Members allowances) and is translated into an annual allowance by multiplying by the anticipated

number of meetings. However, the Council is actively progressing arrangements to implement the Localism Act 2011. From 1<sup>st</sup> July 2012, the Council's Standards Committee will be chaired by an elected Member so the Allowance for Independent Chair will be deleted from the Scheme from this date.

17. **PUBLICATION**

- 17.1 The Council is required to publish details of the Members' Allowances Scheme and the total amounts received by each Member. The records must also be available for inspection by any local government elector for the authority, or by any local government elector of any principal council in whose area the authority operates.

18. **REVIEW OF THE SCHEME**

- 18.1 The Council's Independent Remuneration Panel undertakes a continuous review of the Members' Allowances Scheme and will make recommendations to Council annually ahead of each financial year.
- 18.2 Minor revisions are the responsibility of the Corporate Director of Legal, HR and Regulatory Services in consultation with the Chair of the Council's Independent Remuneration Panel.

19. **QUERIES**

- 19.1 Any specific queries regarding the entitlement to the Scheme should, in the first instance, be addressed to the Head of Governance Services (020 8356 2716). Queries regarding the processing of claims and payments should be addressed to the Deputy Head of Member Services (020 8356 3591).

**CARERS' ALLOWANCE**

**1. LEGALITY**

1.1 The Scheme is established by the Council under the Local Authorities (Members Allowances) (England) Regulations 2003. The Carers' Allowance is payable in respect of the approved duties set out in Appendix C. The Scheme requires Members claiming the allowance to demonstrate and certify that carer expenses are actually and necessarily incurred in the conduct of their official duties.

**2. ENTITLEMENT**

2.1 The Scheme provides for payments to be made to Members in respect of care for "dependent relatives" living with the Member. For the purposes of the scheme, "dependent relatives" are defined as:

- I. children aged 15 or under;
- II. relatives requiring full time care as a result of disability or infirmity.

2.2 Allowances are payable for care provided by carers registered by a Member with the Authority. Under no circumstances will the allowance be payable to an immediate relative of the Member.

2.3 For meetings or duties within the Council's boundaries, the allowance will be paid for the duration of the meeting or approved duty plus an allowance for up to one hour's travelling time before and after the meeting. For duties outside the Council's boundaries, the allowance will be paid for the duration of the duty plus the actual travelling time to and from the venue. In all instances, total time claimed should be rounded to the nearest half-hour.

**3. RATES OF ALLOWANCE**

3.1 The actual cost of care will be reimbursed, up to a maximum of £7.85 per hour, irrespective of the number of dependants.

3.2 Where a dependent relative requires specialist professional care, the full cost of care will be allowed, with the prior written approval of the Corporate Director of Legal, HR and Regulatory Services.

**4. CLAIMS PROCEDURES**

4.1 Members wishing to apply for Carers' Allowance must submit an application form to the Corporate Director of Legal, HR and Regulatory Services, declaring that:

- (i) claims made shall only be made in respect of a named dependent relative (or relatives) as defined in the scheme;

- (ii) claims shall only be made in respect of the entitlements set out in paragraph 2 above;
- (iii) receipts shall be provided in support of all claims; and
- (iv) where a specialist professional carer is to be engaged, that this is a necessary expense for which full reimbursement will be claimed.

4.2 Signed applications for registration of a carer are to be submitted by Members for approval by the Corporate Director of Legal, HR and Regulatory Services. Approved applications will be retained by Member Services.

4.3 Members are required to notify Member Services in the event of their entitlement to Carers' Allowance ending.

4.4 All claims will be processed through the Council's payroll system.

5. **AUDIT**

5.1 Internal Audit will review the systems for payment of Members' Allowances on a routine basis and include sample testing of Members' Allowances transactions in annual probity programmes.

**TRAVEL AND SUBSISTENCE ALLOWANCE**

**1. PUBLIC TRANSPORT (EXCEPT TAXIS AND AIRCRAFT)**

- 1.1 Elected Members and Independent Members may claim expenses for journeys associated with an approved duty (see Appendix C) outside of the Borough. The Council will not provide an allowance for any travel within the Borough.
- 1.2 Co-opted Members of the Council may claim for travel both inside and outside the Borough for journeys associated with an approved duty.
- 1.3 The rate must not exceed the ordinary standard class fare or any available saver fare.
- 1.4 Booking arrangements for travel outside of London must be made by Member Services to seek the most cost-effective deal within current parameters.
- 1.5 A receipt must be produced for any claim.
- 1.6 For travel within London, Members may claim for travel on an Oyster Card. To claim for travel paid for on an Oyster Card, Members must provide Member Services with a printed receipt of the journey travelled, which can be obtained from most TfL stations.

**2. PRIVATE VEHICLE**

- 2.1 Elected Members, Independent and Co-opted Members may claim expenses for journeys by private vehicle associated with an approved duty outside of the Borough. The Council will not provide an allowance for any travel within the Borough.
- 2.2 An allowance of 24p per mile can be claimed for travel by motorcycle.
- 2.3 An allowance of 42.9p per mile can be claimed for travel by motor vehicle up to the first 8,500 miles annually. After the first 8,500 miles, an allowance of 11.7p per mile.
- 2.4 Members, if using a private motor vehicle, should note that the Council does not provide any insurance cover. Members should have Business Use cover as part of their policy.

**3. TAXI**

- 3.1 Members can claim an allowance for the amount of a taxi fare, and any reasonable gratuity, to enable them to attend an approved duty if the following exceptional circumstances and criteria apply:

- in cases of a genuine emergency;
- when no public transport is reasonably available to travel to the approved duty;
- for safety reasons;
- or if there is insufficient time to travel from one approved duty to another by public transport.

3.2 The cost of travel by taxi must have been incurred wholly and exclusively for a Member's attendance at an approved Council duty. Taxi fares can only be claimed by Members once approved by the Corporate Director of Legal, HR and Regulatory Services.

3.3 A receipt must be produced for any claim.

#### 4. **HIRED VEHICLE**

4.1 Other than for a taxi, Members will only be able to claim an allowance per mile as per the rates detailed in paragraph 2 above. As such, Members will be reimbursed as if they had owned the vehicle, and will not be reimbursed for the cost of hiring the vehicle.

4.2 A receipt must be produced for any claim by the Member who hired the vehicle.

#### 5. **AEROPLANE**

5.1 Subject to prior approval by the Corporate Director of Legal, HR and Regulatory Services, the cost of travel at the ordinary fare or any available cheap fare by regular air service or where no such service is available or in case of urgency the actual fare paid by the Member where the saving in time against other available means of transport is so substantial as to justify payment of the fare by that means.

5.2 A receipt must be produced for any claim.

#### 6. **CYCLING ALLOWANCE**

6.1 Members and Independent Members may claim an allowance in respect of travel by bicycle or by any other non motorised form of transport undertaken, of 20p per mile, in connection with or relating to an approved Council duty outside of the Borough.

6.2 Co-opted Members may claim a cycling allowance for journeys inside and outside of the Borough.

#### 7. **SUBSISTENCE**

7.1 The payment of subsistence allowance will only be payable to Members for approved Council duties and conferences subject to the

approval of the Corporate Director of Legal, HR and Regulatory Services.

7.2 When more than 4 hours away from normal place of residence, the repayment of subsistence allowances will be made to cover the actual cost incurred up to the following rates –

- (i) Breakfast - £5.50
- (ii) Lunch - £7.50
- (iii) Evening Meal - £10.50
- (iv) Out of pocket expenses (per night) - £4.50

7.3 Members are also entitled to overnight accommodation, if required, when attending an approved duty outside of London, subject to the approval of the Corporate Director of Legal, HR and Regulatory Services. Member Services shall be responsible for making any bookings and will pay for the accommodation directly.

7.4 Receipts must be produced for any claim in order to be valid.

**APPROVED COUNCIL DUTIES**

For the purposes of the payment of Travel, Subsistence and Carers' Allowances, Approved Council duties are defined as the following official meetings:

1. Council
2. Cabinet or Cabinet Sub Committees
3. Joint Committee of the London 2012 Olympic and Paralympic Host Boroughs
4. Overview and Scrutiny Board or Scrutiny Commissions
5. Regulatory Committee or Sub Committees (including site visits)
6. Licensing Committee or Sub Committees
7. Standards Committee or Sub Committees
8. Appointments Committee or Sub Committees
9. Neighbourhood Committees or Forums
10. Independent Remuneration Panel
11. Council Joint Committee
12. Education related meetings such as:
  - the Schools Admissions Forum
  - School Governing Bodies
  - the Standing Advisory Council for Religious Education (SACRE)
  - the Learning Trust Board
13. Hackney Homes Arms Length Management Organisation
14. A meeting of outside bodies:
  - Abney Park Cemetery Trust
  - Adoption Panel
  - Agudas Israel Housing Association
  - Bangla Housing Association
  - Canalside Housing Partnership
  - Chats Palace Arts Centre
  - CREATE London
  - Disability Hackney
  - Dr Spurstowe and Bishop Wood's Almhouse Charity
  - Fin Future
  - Finsbury Park Community Trust
  - Fostering Panel
  - Greater London Enterprise
  - Groundwork Local Authority Strategic Input Board
  - Hackney Community Law Centre
  - Hackney Empire Ltd Board
  - Hackney Homes Tenants Levy Steering Group
  - Hackney Parochial Charity
  - Hackney University Technical College
  - Hanover in Hackney
  - Hornsey Parochial Charity
  - Host Borough Partnership Meetings

- Hoxton Trust
- Industrial Dwellings Society
- Lee Valley Regional Park Authority
- LGA General Assembly
- LGA Urban Commission
- LGiU Management Committee
- London Accident Prevention Council
- London Councils Children and Young People Forum
- London Councils Culture, Tourism and 2012 Panel
- London Councils Economic Development Forum
- London Councils Executive
- London Councils Grants Committee
- London Councils Greater London Employment Forum
- London Councils Greater London Provincial Council
- London Councils Health and Adult Services Forum
- London Councils Leaders' Committee
- London Councils Transport and Environment Committee
- London Housing Consortium
- London Youth Games
- Newlon Housing Group
- North London Muslim Housing Association
- North London Waste Authority
- Peabody Trust – Pembury Estate Committee
- Reserve Forces and Cadets Association
- Sanctuary Housing Association – East London Customer Panel
- Shoreditch Town Hall Trust
- Shoreditch Trust
- South Hackney Parochial Charity
- Sun Babies Trust
- West Hackney Parochial Charity

15. Attendance at Conference meetings:

- London Councils
- Local Government Association

16. Attendance at any meeting which is an induction training session, seminar, presentation, or briefing arranged by Chief Officers of the Council for all members of a Committee, sub Committee or panel to discuss matters relevant to the discharge of the Council's functions and to which Members of more than one party Group have been invited.

17. Attendance at visits and inspection of sites and premises arranged by officers (e.g. opening of new facilities).

18. Attendance by Members who have the relevant special responsibility on matters concerning the discharge of the Council's functions.

19. Attendance before parliamentary Committees, official bodies and inquiries to give evidence or make representations on the Council's behalf.