ARUN DISTRICT COUNCIL

REPORT OF THE ARUN DISTRICT COUNCIL REMUNERATION PANEL
ON TRAVEL AND SUBSISTENCE ALLOWANCES

AUGUST 2011

1.0 INTRODUCTION

1.1 The Local Government Act 2000 and the Local Authority (Members’ Allowances [England]) Regulations 2003 require Local Authorities to establish and maintain an Independent Panel to review Members’ Allowances. The Regulations require Local Authorities to have regard to the recommendations of an Independent Panel when paying Allowances. This includes Travel and Subsistence allowances.

1.2 During the latter part of 2010 the Panel started work on an interim review of the Members’ Allowances Scheme and as part of the consultation that took place with Members, the Panel received feedback that it should look at increasing the mileage rate paid to Members. This was a matter that was debated amongst Members at a meeting of the Governance Committee held on 21st October 2010 which the Panel attended to outline the remit of its intended interim review.

1.3 At that time, no changes had been proposed to the Inland Revenue rate of 40p per mile which had been the previous recommendation of the Panel. As the Panel’s interim review was deferred to after the Elections in 2011, no further work was undertaken on this issue.

2.0 THE PANEL

2.1 For the benefit of newly Elected Councillors, the Panel comprises three members representing the public, business and voluntary sectors of the District, namely:

- Mrs Sandy Pascoe (CAB Volunteer and Arun Wavelength Panel Member)
- Ms June Munro (Retired Business Manager)
- Mrs Alison Tuck (Retired Local Government Officer – Democratic Services)

3.0 BACKGROUND TO THIS REPORT

3.1 From 1st April 2011, the Inland Revenue introduced changes to mileage rates which increased the basic 40p level to 45p per mile. The Panel was therefore asked to review current arrangements.
3.2 Back in 2003, the then Independent Remuneration Panel specifically looked at the arrangements for the payment of Travel and Subsistence Allowances in response to the 2003 Regulations and it concluded that the payment of Travel Allowances should be based on the current Inland Revenue Scheme of 40p per mile. This recommendation was accepted by Full Council on 27 August 2003.

3.3 In 2006, the Panel revisited the level of travel allowance payable but as there had been no change to the Inland Revenue limit, it recommended that no changes be made to the level of travel allowance paid. The same applied in 2007.

3.4 In the 2009 review, which is the most recent review completed, it was agreed at Full Council on 2nd September 2009 that the arrangements for travel and subsistence expenses remain unchanged. This same rate applies to the Parish Councillor Allowances Scheme as well.

3.5 On this basis, the Panel met recently to look at this issue and also to examine what other Councils within the East and West Sussex area paid.

4.0 SCOPE OF THIS REVIEW

4.1 The Panel has agreed that the payment of Travel Allowances should still be on the basis of the current Inland Revenue Scheme which has now increased to 45p per mile, as this allows for a much easier administration of the payment of travel allowances and also Members would not be required to pay tax on any higher level paid. The Panel has also agreed that there is a need to clearly define what claims can be made within what is set out in the Regulations and it has considered the duties that will be approved. Appendix A illustrates the rates to be paid in respect of travel undertaken in connection with or relating to the duties set out in Appendix B.

4.2 In making this recommendation, the Panel was aware that some Members had proposed a higher rate of Travel Allowance when the issues was discussed in 2010 but believed that the Inland Revenue rate of 45p was the right option as it did not involve any tax calculations and therefore met two of their Terms of Reference which were

- the need to ensure the scheme is straightforward and economic; and
- the need to ensure the scheme may be justified in terms of affordability and in the public’s perception

4.3 In terms of the payment of Subsistence Allowances, for a long time now these have been based on actual costs since the Panel’s report made in 2003. This stated that receipts should be provided where possible or the self receipting system could be applied where it was not.
4.4 Only a few Members claim the subsistence allowance and it tends to be those in positions of responsibility, such as Cabinet Members. The level of expenditure is not particularly high but without a fixed scale, there is no basis on which to set reasonableness or to offer guidance to Members when they find the need to claim this allowance.

4.5 The Panel feel that in the current economic climate that an open ended approach to subsistence allowances by Members is not necessarily appropriate and that levels should be based on fixed rates, as is the case for Arun District Council employees.

4.6 The Panel therefore recommend that a maximum rate similar to that applied to Council employees should be proposed, with the Chief Executive, being allowed to use his discretion to authorise additional payment in exceptional circumstances. Appendix B also sets out the rates and arrangements for Members to claim subsistence allowances.

4.7 Whilst undertaking the Review, the Panel was also made aware of an issue raised by Members about the need for their car insurance to include Business use when on some Council duties. A request was made for an allowance to be included within the Members’ Allowances Scheme to cover any costs involved as this was a requirement of the Council’s Driving Policy.

4.8 The Panel was made aware of the Insurance & Risk Officer’s advice to some Members about what qualified as business use which highlighted that it was the individual’s responsibility to ensure that they had the appropriate cover. The Panel also sought advice on arrangements for staff and were advised that no payment was made and in fact, it was assumed that this was covered, as was vehicle wear and tear, by any mileage allowance paid.

4.9 The Panel also revisited the Regulations and determined from this that they only allowed provision for payment to Members of an allowance in respect of travelling and subsistence and there was no reference to an allowance for the cost of running a vehicle. Therefore, the Panel believes that this is not a matter for the Members’ Allowances Scheme.

4.10 The Panel was also asked to consider backdating these new arrangements to 1st April 2011 and have decided that this should be a matter for the Council to determine. The Regulations do allow backdating within the current financial year.
5.0 FINANCIAL IMPLICATIONS

In agreeing the Members’ Allowances Scheme in 2009, a reduction was made to the Members Travelling & Subsistence Budget reducing this from £30,300 to £27,908. The Budget for 2011/12 is £27,910. At this stage, it is not anticipated that the proposed increase from 40p to 45p per mile will have a significant impact on the budget as this is currently underspent. Should the Council decide to backdate payments for 2011/12 to 1st April 2011, then the advice of the Group Accountant is that this could be met within budget.

6.0 RECOMMENDATIONS

6.1 The Panel therefore recommend that:

(1) a Member shall be entitled to be paid travelling and subsistence allowance at the rates specified in Appendices A, with the use of taxis being allowed in exceptional circumstances and subject to the approval of the Head of Democratic Services. These allowances to be undertaken in connection with or relating to the duties set out in Appendix B;

(2) a claim for travelling and subsistence allowance under this scheme shall be made on the appropriate claim form within two months of the date of the meeting in respect of which the entitlement to the allowance arises. Claims which do not comply with this timescale will only be accepted by the Chief Executive/Head of Democratic Services/ in exceptional circumstances. Members are encouraged to submit a claim every month with any such claims being accompanied by receipts; and

(3) the payment of the revised travelling allowance (as set out in Appendix A) should commence from 1st November 2011;

Sandy Pascoe .........................................................

Alison Tuck ..........................................................

June Munro ..........................................................

Dated September 2011
APPENDIX A

The rates under the Scheme shall be as follows:-

1. **Travelling**

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>First 10,000 miles (within and out of the District)</th>
<th>Above 10,000 (within and out of the District)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car/Van</td>
<td>45p</td>
<td>25p</td>
</tr>
<tr>
<td>Motorcycles</td>
<td>24p</td>
<td>24p</td>
</tr>
<tr>
<td>Cycles</td>
<td>20p</td>
<td>20p</td>
</tr>
<tr>
<td>Travel by Train/Bus</td>
<td>Standard Class Fare</td>
<td></td>
</tr>
<tr>
<td>Taxi</td>
<td>Fares incurred by Members will only be paid in exceptional circumstances and subject to the approval of the Head of Democratic Services.</td>
<td></td>
</tr>
<tr>
<td>Hired Motor Vehicles</td>
<td>Rates payable shall not exceed the rates for Councillors own motor vehicle unless previously approved by the Council.</td>
<td></td>
</tr>
<tr>
<td>Travel by Air</td>
<td>Please refer to the Head of Democratic Services</td>
<td></td>
</tr>
<tr>
<td>Car Parking and other Supplements</td>
<td>The actual cost of any necessarily incurred tolls and car parking fees can be claimed</td>
<td></td>
</tr>
</tbody>
</table>

2. **Subsistence**

2.1 Subsistence Allowances may be claimed to meet the costs of meals, refreshments etc in connection with approved duties. Receipts **MUST** be provided.
ITEM | AMOUNT
--- | ---
Breakfast | £6.98 (where travel starts before 07:00 and absence is less than 24 hours)
Lunch | £9.64 (for necessary absences of several hours spanning the normal lunch period leaving home/office before 11:00 and returning after 15:00 hours)
Tea | £3.82 (if unable to return to home/office by 18:30 hours)
Evening Meal | £11.94 (if unable to return to home/office by 20:30 hours)
Overnight Accommodation | £106.91

3. Further Conditions

(1) to claim travel and/or subsistence allowance valid receipts or other evidence of the expenditure must be produced;
(2) if the expenditure on subsistence is less than the allowance, only the lesser figure will be reimbursed. No claim will be paid if the meal was provided free by the Council or another body;
(3) allowances for tea and evening meal cannot be claimed for the same day; and
(4) if an overnight stay is necessary, and not included in the course fee, normally only bed and breakfast and evening meal are reimbursed; and
(5) claims for expenses exceeding the above rates must be approved by the Head of Democratic Services before incurring the expense.
APPENDIX B

DUTIES SPECIFIED IN THE REGULATIONS
[Regulation 8 (1) (a) – (f)]

(a) Attendance at meetings of the Council or of any Committee or Sub-Committee or Working Group of the Council, or of any other body to which the Council makes appointments or nominations, or of any Committee or Sub-Committee of such a body;

(b) Attendance of any other meeting, the holding of which is authorised by the Council, or a Committee or Sub-Committee or Working Group of the Council, or a Joint Committee of the Council and one or more local authorities or a Sub-Committee of such a Joint Committee, provided that where the Council is divided into two or more political groups it is a meeting to which Members of a least two such groups have been invited;

(c) Attendance at a meeting of any association of authorities of which the Council is a member;

(d) Attendance at meetings of the Cabinet or of any Panels or Forums appointed by the Cabinet;

(e) Duties in pursuance of any standing order requiring a Member of Members to be present while tender documents are opened;

(f) Duties in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises.

DUTIES APPROVED BY THE COUNCIL
[Regulation 8 (1) (h)]

(1) Any duties by Cabinet Members for the purpose of or in connection with the discharge of the functions of the Cabinet;

(2) Liaison meetings with Town/Parish Councillors and West Sussex County Council;

(3) Attendance of Councillors at meetings of which they are not Members if the Chairman of the meeting invites them to attend to assist its deliberations;

(4) Site meetings of the Development Control Committee but excluding attendance by local representatives unless specifically approved. For this purpose, site meetings are those meetings the holding of which has been previously authorised by a Committee or other formally constituted Panel of Councillors in order to assist it in formulating a
decision or recommendation on any matter formally before it for consideration; and that authorisation expressly designated the meeting as an approved duty for the purpose of payment of Councillors’ allowances;

(5) Meetings, visits or other arrangements made on an ad hoc basis between meetings of the relevant bodies if approval is given in accordance with the power delegated to the Chief Executive.

(6) Attendance at briefings for Chairman and Vice-Chairman of particular meetings;

(7) In-house training seminars and training and educational conferences where authorised by the Chief Executive under the powers delegated to him;

(8) Attendance at Parish Council meetings within the Member’s Ward where the District Councillor is not already a Member of that Parish Council;

(9) Consultations or meetings with constituents, only where this involved an invitation from an Officer to accompany a Member on a visit;

10) Representing the Council on its Outside Bodies (where that Body does not pay travel and subsistence).