

## **COUNCILLORS' REMUNERATION: REMUNERATION, ALLOWANCES AND EXPENSES – GUIDANCE – (revised) APRIL 2010**

### **Introduction**

1. This document updates the guidance, issued in February 2008, on the content and implications of the Regulations specifying the levels of salary, allowances and reimbursement of expenses which may be paid to local authority elected members. The document can also be accessed at (<http://www.scotland.gov.uk/Publications/2010/04/12120139/0>) on the Scottish Government's website. This guidance is non-statutory, and is issued to provide advice. Local authorities should seek appropriate advice from their legal or financial advisers if any part of the regulations referred to in this document requires clarification.
2. This Guidance follows on from recommendations made by the Scottish Local Authorities Remuneration Committee (SLARC) in its 2009 Report "Annual Review of Remuneration for Local Authority Councillors" published in November 2009 (<http://www.scotland.gov.uk/Publications/2009/11/12102159/0>), The Scottish Government responded to the report on 10 February 2010 (<http://www.scotland.gov.uk/Resource/Doc/1070/0094648.pdf>).
3. The regulations, which have been made in the Scottish Parliament and which give effect to councillors' remuneration, allowances and reimbursement of expenses are as follows:

### Remuneration

- The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI 2007/183) [http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi\\_20070183\\_en\\_1](http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi_20070183_en_1) as amended by
- The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2008 (SSI 2008/415) ([http://www.opsi.gov.uk/legislation/scotland/ssi2008/pdf/ssi\\_20080415\\_en.pdf](http://www.opsi.gov.uk/legislation/scotland/ssi2008/pdf/ssi_20080415_en.pdf))

### Allowances and Expenses

- The Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (SSI 2007/108) [http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi\\_20070108\\_en\\_1](http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi_20070108_en_1) as amended by
- The Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2008 (SSI 2008/414) ([http://www.opsi.gov.uk/legislation/scotland/ssi2008/pdf/ssi\\_20080414\\_en.pdf](http://www.opsi.gov.uk/legislation/scotland/ssi2008/pdf/ssi_20080414_en.pdf))
- The Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2010 (SSI 2010/45) ([http://www.opsi.gov.uk/legislation/scotland/ssi2010/pdf/ssi\\_20100045\\_en.pdf](http://www.opsi.gov.uk/legislation/scotland/ssi2010/pdf/ssi_20100045_en.pdf))
- The Local Government (Allowances and Expenses) (Scotland) Amendment (No 2) Regulations 2010 (SSI 2010/111) ([http://www.opsi.gov.uk/legislation/scotland/ssi2010/pdf/ssi\\_20100111\\_en.pdf](http://www.opsi.gov.uk/legislation/scotland/ssi2010/pdf/ssi_20100111_en.pdf)) and

### Amendments to Primary Legislation

- The Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007 (SSI 2007/265) [http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi\\_20070265\\_en\\_1](http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi_20070265_en_1)

4. The amended regulations SSI 2010/45 came into effect on 5 April 2010 and SSI 2010/111 came into effect on 6 April 2010. SSI 2010/111 is relevant only to Islands Councils and clarifies the entitlement for councillors in Islands Councils to reclaim for travel by boat, where a direct public ferry service is not available between 2 islands in the same council area – see paragraphs 32 and 39.

### Levels of Remuneration

5. In this guidance references to “remuneration” for councillors relate, generally, to the whole package of salary, allowances and reimbursement of actual receipted expenditure. For the purposes of the salary, allowance and expenses arrangements only, there will be 4 levels of payment, depending on the responsibilities of the councillor:
  - “Leader of the Council” – that is, the convener where councils use that term instead of Leader (e.g. usually used by councils where the administration of the council is not linked to a particular political party) or such other councillor the authority decides should be termed as ‘Leader of the Council’ for remuneration purposes.
  - “Civic Head” – that is, the councillor who holds this title for remuneration purposes is at the Council’s discretion. This is generally the Provost or Lord Provost. In some authorities this will be the depute convener, but in other authorities, the convener.
  - “Senior Councillor” – that is, a councillor who holds a **significant** position of responsibility in the Council’s political management structure, for example, a convener of a major committee, the leader of a significant opposition group etc.
  - “Councillor” – that is, a councillor who is likely to hold no significant position of responsibility in the council’s political management structure and who will receive the basic salary.

### Banding of Local Authorities

6. Each local authority has been banded within Band A, Band B, Band C or Band D for the purposes of payment of remuneration to councillors. Information on the banding of each local authority can be found at **ANNEX A**

### General

7. Any councillor, regardless of level of payment, will be able to renounce receipt of all or any part of his or her salary if he or she chooses to do so. Salaries should be paid either monthly or 4 weekly, as determined by the Council, and it is expected that they will be paid in arrears in the same way as, for example, staff salaries. Once elected, councillors would be available to the electorate on a daily basis and it is recommended that remuneration is calculated as such ( $\frac{1}{365}$ ).
8. HM Revenue and Customs have confirmed that **for income tax and national insurance purposes** councillors are regarded as office holders and liable for PAYE and Class 1 National Insurance contributions. As such they would be entitled to Statutory Sick Pay and Statutory Maternity Pay on the same basis as other Class 1 contributors for as long as they remain councillors. Councils should consider this alongside their standing orders on when a councillor ceases to be regarded as a councillor and as such would trigger the need for a by-election. HM Revenue and Customs advise that Statutory Sick Pay and Statutory Maternity Pay are not social security benefits but replacement earnings. They are therefore taxable and subject to

National Insurance contributions as income in the same way as other elements of their salary.

### **Childcare Vouchers**

9. Some councillors may choose to sacrifice part of their salary in exchange for childcare vouchers. HMRC's view is that the same tax rules would apply to elected members who hold office as a local councillor as for employees. Therefore, the childcare tax exemption can also apply to elected members in the same way as for employees. Provided the various qualifying conditions are satisfied, councillors can be provided with childcare vouchers without any tax liabilities. It is for local authorities, on advice from their own legal and finance advisers, to consider whether they would wish to offer this benefit to their elected members.

### **Councillors**

10. All councillors who do not hold the position, for remuneration purposes, of Leader, Civic Head or Senior Councillor will receive a basic annual salary, with effect from 1 April 2009, of £16,234. This figure is set nationally in the Regulations – The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2008 (SSI 2008/415), ([http://www.opsi.gov.uk/legislation/scotland/ssi2008/pdf/ssi\\_20080415\\_en.pdf](http://www.opsi.gov.uk/legislation/scotland/ssi2008/pdf/ssi_20080415_en.pdf)). Councils are not able to vary this salary level.

### **Salary of the Leader of the Council**

11. Each local authority will have **one** Leader of the Council to whom it will pay an annual salary dependant on the band at which each council has been set. As for the basic salary, the remuneration levels for Leaders have been fixed nationally. With effect from 1 April 2009 these are as follows:
  - Leaders of Councils in Band A £27,058
  - Leaders of Councils in Band B £32,470
  - Leaders of Councils in Band C £37,880
  - Leaders of Councils in Band D £48,704.

### **Salary of the Civic Head**

12. Each local authority may have **one** Civic Head post and will have scope to determine the level of remuneration paid to that Civic Head up to a maximum of 75 per cent of the remuneration paid to the Council Leader. This means that the maximum salary that can be paid to Civic Heads, with effect from 1 April 2009, is as follows:
  - Civic Heads of Local Authorities in Band A £20,294
  - Civic Heads of Local Authorities in Band B £24,353
  - Civic Heads of Local Authorities in Band C £28,410
  - Civic Heads of Local Authorities in Band D £36,528.

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

### **Senior Councillors**

13. In addition to the Leader and the Civic Head, each local authority may have up to a maximum number of 'Senior Councillors', as detailed in **ANNEX B**. Individual local

authorities will have the flexibility to determine which positions should be considered 'Senior Councillors' meriting higher salaries.

14. The salary of any Senior Councillors serving on Boards established by the Council, e.g. Licensing Boards, would have to be met from within the maximum total number of Senior Councillors allocated to their authority and the overall budget that authority has to meet Senior Councillors' salaries. Unlike appointments to joint boards, these posts are **not** in addition to the Senior Councillor allocation.
15. Similarly the salaries for Senior Councillor representatives on Regional Transport Partnerships would have to be met from the Senior Councillor allocation.
16. It is for Councils themselves to decide, within the legal restrictions, how many Senior Councillor posts they wish to allocate. The three restrictions that need to be considered when allocating Senior Councillor posts and determining salaries to be paid to Senior Councillors are:
  - The limit on the number of Senior Councillor posts that each council may have;
  - The total budget for paying Senior Councillors; and
  - That councils cannot pay any Senior Councillor more than 75% of the salary paid to the Leader
17. The maximum, with effect from 1 April 2009, which an authority could pay to a senior councillor is:
  - Senior Councillor of Local Authorities in Band A £20,294
  - Senior Councillor of Local Authorities in Band B £24,353
  - Senior Councillor of Local Authorities in Band C £28,410
  - Senior Councillor of Local Authorities in Band D £36,528.
18. It will be for Councils themselves to decide, within their own authority structures, which posts are deemed to be 'Senior Councillor' posts. Councils will also decide the level of salary to be paid to each of the senior councillors within the overall budget limit set for that purpose. Further information on how that limit is calculated and on the maximum budget available to Councils for senior councillor remuneration is provided at **ANNEX C**. Senior Councillors should be paid according to the level of responsibility they hold and this may result in different councillors being paid differing levels of salary.

### **Police and Fire and Rescue Functions**

19. In recognition of the role of Fife and Dumfries and Galloway Councils in relation to police and fire matters, it is for those Councils to determine the pay of the convener of police and/or fire committees. It must be at least £21,648 and no more than the maximum Senior Councillor's remuneration level for their respective councils. The vice convener should be paid 75 per cent of the convener's remuneration. For example a convener's salary of £21,648 would give the vice convener £16,236. Those convener and vice convener positions will be **in addition** to the maximum number of senior councillors allocated to these authorities.

### **Joint Boards**

20. The Scottish Local Authorities Remuneration Committee (SLARC) recommended that joint boards should be able to determine the level of salaries paid to their conveners and vice conveners. Each joint board can pay remuneration to one convener and up to

2 vice conveners. Whilst that remains the Government's intention, implementation would require amendment to primary legislation. As an interim measure, the local authority of which the convener or vice convener is a member should pay the remuneration appropriate to the member's work with the joint board. For joint boards responsible for **police or fire and rescue** matters, that remuneration is, for Conveners, 75 per cent of the remuneration of the leader of the *highest* banded council represented on the joint board and, for Vice Conveners, 75 per cent of the Convener's remuneration.

21. For joint boards responsible for functions **other than police or fire and rescue** conveners should receive a remuneration, which, when added to their existing remuneration as a Councillor or Senior Councillor, equals 75 per cent of the Leader of a Band A council i.e. £20,294 per annum and the vice convener £19,279 per annum. The vice convener remuneration is calculated on the basis of the basic salary plus 75 per cent of the **difference** between the basic salary and the convener's salary.
22. Any joint board convener or vice convener who is already a Senior Councillor in his/her own authority and would receive a higher salary, should continue to be paid the higher salary. In other words, a councillor should be paid the highest level of salary to which he/she is entitled. In an instance where a councillor is already Senior Councillor in his/her own authority, he/she **would** already be included in the maximum number of Senior Councillors and in the budget allocated to his/her authority and should not be classed as an additional Senior Councillor.
23. The local authority in question should make administrative arrangements with the Joint Board for reimbursement of any remuneration paid by them on behalf of the Joint Board. In line with SLARC's report, the proportion of remuneration which should be met from local authority funds would be the basic salary of £16,234, or if the post holder is already a Senior Councillor, the amount the Council has determined as an appropriate Senior Councillor salary for the duties he/she is undertaking on its behalf. Any remaining balance should be recouped from the relevant Joint Board.
24. As with Dumfries and Galloway and Fife Councils, the conveners and vice conveners of joint boards normally will be in addition to the maximum number of senior councillors allocated to the authority of which they are a member. They will not be covered by the council's maximum number of senior councillors or budget for the remuneration of senior councillors, unless they are already 'Senior Councillors' in their own authority.

## **ALLOWANCES AND REIMBURSEMENT OF EXPENSES**

25. This guidance relates to the reimbursement of expenses incurred by councillors in carrying out council business as specified in the Regulations [http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi\\_20070108\\_en\\_1](http://www.opsi.gov.uk/legislation/scotland/ssi2007/ssi_20070108_en_1). It includes situations where the Council itself purchases places for members at a conference or for part attendance at a conference or where the Council would, in any event, consider it reasonable to offer lunch to all those attending any particular meeting. When claiming reimbursement, councillors are required to declare that their claims are for approved council business and relate to associated costs incurred by them. It will be for councils themselves to decide whether claims made by their councillors are reasonable and should be reimbursed. An initial view has also been sought from HM Revenue and Customs as to what elements of the allowance and expenses package may be subject to income tax. It will be for authorities, however, to discuss particular issues of concern on tax and national insurance liability with HM Revenue and Customs.

26. Travel and subsistence expenses may be claimed for approved duties (as defined in Section 49 of the Local Government (Scotland) Act 1973) [http://www.opsi.gov.uk/acts/acts1973/pdf/ukpga\\_19730065\\_en.pdf](http://www.opsi.gov.uk/acts/acts1973/pdf/ukpga_19730065_en.pdf). For the majority of instances of expenditure, councillors will be required to produce a receipt. Approved duties are defined as:

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

27. For the purposes of calculating claims, a councillor's normal place of residence (his/her home) is regarded as his or her normal place of work, so expenses associated with travel from home to the council headquarters, and other locations to conduct council business, may be claimed back. Where a councillor travels on council business from his or her employment or business (which is not council related) he or she may be reimbursed for the cost of the journey. However, if the cost of making this journey would have been lower had it started from the councillor's home, then that lower cost is the maximum amount which should be reimbursed. For example if the distance from a councillor's home to council offices is 5 miles and from a councillor's business to council offices is 10 miles, a maximum of 5 miles may be reimbursed.

### **Allowances**

28. Three allowances are available under the Regulations:

- Mileage (car, van, motorcycle, bicycle)
- Mileage (boat) for certain islands councillors
- Members choosing to stay overnight with friends rather than stay in a hotel.

These allowances are prescribed in the Regulations.

#### *Mileage allowance (car, van, motorcycle, bicycle)*

29. Councillors may claim costs incurred when travelling by private car or van, motorcycle and bicycle, on approved duties, and may also claim costs for travelling with passengers where both the councillor and the passenger are carrying out any approved duties. These rates, which are mandatory, are:

- 40p per mile for travel by car or van
- 24p per mile for travel by motorcycle
- 20p per mile for travel by bicycle
- 5p per passenger per mile where both the passenger and the councillor are carrying out any approved duties.

30. The mileage allowance is intended to reimburse members for the mileage travelled where they choose to travel by car etc. The main point is that it is incurred on approved council related business and the claim for reimbursement is made by the elected member. Provided the authority is satisfied that these conditions have been met, it should not matter whether the member is the car driver or a third party is driving. In

instances where a third party is driving the member on council business, the member should amend the claim form declaration to say that the driver holds a current licence and the necessary insurance rather than declaring that he/she holds a driving licence and insurance. It is for councils to determine whether a particular claim is reasonable.

31. HMRC rates for travel by car or van are tax free for the first 10,000 miles travelled in any tax year (6 April to 5 April) and 25p for each mile over 10,000 travelled in a tax year. Mileage above 10,000 miles (and paid at 40p per mile) would therefore be taxable and need to be declared.

#### *Mileage allowance (boat)*

32. Where there is no direct ferry service and where the Council agrees that it is not reasonable for members to charter a boat and claim re-imburement of receipted expenditure, members of Orkney Islands Council, Shetland Islands Council and Comhairle nan Eilean Siar may claim £2 per nautical mile, where they use their own boat, for travel between islands in their own local authority area, to enable them to undertake approved council business. An allowance of 25p per passenger per nautical mile may also be claimed where both the passenger and the member are travelling in the same boat and are undertaking approved duties.
33. Members claiming this allowance must also have adequate insurance cover for business purposes.

#### *Staying with family or friends allowance*

34. Councillors may choose to stay overnight with family or friends **instead** of claiming overnight subsistence (bed and breakfast). In such cases, councils may pay an allowance of £25 per night if they consider the expense has been reasonably incurred by the councillor on approved council business. Councillors making such a claim should include the name(s) and address of the friends or family with whom they have stayed.
35. Councils should publish any costs associated with a councillor's claim to stay with family or friends but should not publish details of the name or address of the person with whom the councillor was staying. These costs should be included under the column headed " Other Allowances and Other Expenses."
36. HMRC's view is that this allowance is taxable and would need to be declared.

### **Reimbursement of Expenses**

#### **Travel**

#### **Travel by Private Transport**

37. In addition to the mileage allowance covered in paragraphs 29 to 33 above, Councillors can also claim the following costs associated with travelling by private car, motorcycle or bicycle:
  - Parking charges – receipted costs of expenses incurred
  - Road and bridge tolls (if appropriate) – costs of expenses incurred
  - Road pricing/congestion charging – receipted costs of expenses incurred
  - Ferry fares for car, motorcycle or bicycle – receipted costs of expenses incurred.

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

39. Councillors in Orkney Islands Council, Shetland Islands Council and Comhairle nan Eilean Siar may claim re-imbusement of receipted expenditure incurred where they charter a boat to enable them to travel between islands, in their own local authority area, for undertaking approved council business. This is only permitted where there is no direct ferry service between those islands.

### **Travel by Public Transport**

40. The following expenses may be claimed back by councillors who use public transport to carry out their duties:

- Buses and trams – expenses incurred, including season ticket/passes where this is considered more cost effective
- Taxis, trains, air travel, ferry travel – receipted cost of fare.

41. It is expected that councillors should travel by standard/economy class for the vast majority of their journeys. Councillors and local authorities should consider cost effectiveness and value for money when choosing the mode and class of transport for a journey on council business. Councils may offer season tickets or reimburse the cost of season tickets to their members where they consider it more cost effective to do so. Any such costs should be recorded as a cost to the relevant councillor and published annually on the Council's website.

### **Subsistence**

#### **Expenses Incurred for Meals and Overnight Accommodation**

42. Councillors may be entitled to claim back the actual costs incurred for meals and overnight accommodation when they are carrying out council business away from their home or away from council premises.

#### **Overnight Subsistence (bed and breakfast)**

43. Councillors in all wards may be reimbursed the actual receipted costs for overnight accommodation up to the maximum rate in **ANNEX D**. The overnight reimbursement covers the cost of bed and breakfast whether accommodation is booked on a 'room only' or 'bed and breakfast' basis. Costs up to:

- a maximum of £131 for London and
- £110 elsewhere in the UK

may be reimbursed on production of a receipt. Under normal circumstances such bookings and payments should be made by the councillors themselves. However, where several councillors are attending an event and Councils can demonstrate best value would be achieved, they may choose exceptionally to book accommodation on behalf of members. The costs should normally be within the maximum rate allowed in the regulations. (As indicated in paragraphs 34 and 35 above, councillors have an option to choose to stay with friends or family instead of staying in a hotel).



## Meals

44. Councillors in those wards listed in **ANNEX D** which comprise a combination of mainland and island communities, or those which cover a large geographical area, may be reimbursed the receipted costs of meals within their wards or whilst working within council premises. In these circumstances, the authority would need to consider such costs as having been reasonably incurred and required to enable the councillor effectively to carry out an approved duty.
45. In all other circumstances, expenditure on meals should **not** be reimbursed where a councillor is carrying out council business in his or her own ward or is working in council premises within the council of which he/she is a member i.e. no reimbursement should be made where a councillor is working in council premises and leaves for a short time to purchase a snack or meal.
46. Where a Councillor is required to carry out council business **outwith** his or her own ward, or to work **outwith** council premises, whether or not he/she is claiming an allowance for staying with friends or family, the actual **receipted** cost of reasonable expenses is as follows:
- lunch – up to a maximum of £12
  - dinner – up to a maximum of £25
47. In addition, where a Councillor is required to carry out council business **outwith** his or her own ward, or is working **outwith** council premises, it **may** be possible for him/her to claim reimbursement of actual **receipted** costs for:
- breakfast – up to a maximum of £8
- Where he/she is not claiming overnight subsistence or an allowance for staying with friends and where he/she has needed to purchase breakfast e.g. where they have to travel some distance at an unreasonable hour to attend a meeting and stop to purchase breakfast en route. HM Revenue and Customs have advised that reimbursement of breakfast costs, which is not covered by overnight subsistence, might be taxable and would need to be declared.**
48. Reimbursement of breakfast costs cannot be claimed in addition to overnight subsistence since it is included in the maximum subsistence for overnight absence from home.
49. There may be an occasion when a council meeting may start in the morning and continue into the afternoon (e.g. 10am to 3pm) where councils choose to provide a working lunch. However, these occasions should be exceptional. In such circumstances no claims for reimbursement should be made by the councillors attending the meeting.

## Conferences

50. There will be occasions when councillors will be required to attend conferences where either the conference cost is a package including accommodation or one where accommodation costs cannot be readily identified. It is reasonable that these costs are met by the Council. Accommodation costs, where these are identified, should normally be within the maximum limits set for bed and breakfast, lunch and dinner. Information on how these costs should be published is given in paragraph 68.

51. There may be **exceptional** circumstances where a councillor may be attending a conference and staying at the conference hotel for part of the time which could mean that the accommodation cost may be higher than the recommended maximum. In such instances the Council should decide, before any booking is made, if the cost is reasonable and could be justified as such to their auditors. The councillor should also be made aware before the booking is made whether he or she will be required to fund any of the cost. These instances should, however, be the **exception rather than the rule**.

### **Overseas Travel and Accommodation**

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

53. We would recommend that Councils should use the UK rates for accommodation costs for bed and breakfast and meals as a guide to determine what costs might be reasonable for foreign travel. They would also wish to take into account the "cost of living" of the area(s) being visited. In making these considerations, Councils should always consider cost implications and value for money.

### **Civic Head**

54. In addition to the Civic Head's salary, a local authority may re-imburse actual and receipted expenditure incurred by the Civic Head, or any other member deputising for the Civic Head in carrying out his or her civic duties. This is separate from entitlement to be reimbursed for travel and subsistence costs. The Civic Head's expenses are subject to the following total yearly amount, as a maximum, depending on the banding of the local authority and are only payable to the Civic Head or a councillor deputising for him or her. The year, for these purposes, runs from the date of the election for 12 months (i.e. May to May), and the sum available is the total amount which may be reimbursed in any year, even if the Civic Head changes during that time.

- Band A - £2,000
- Band B - £3,000
- Band C - £4,000
- Band D - £5,000.

55. **It is for councils to decide what a legitimate use of these funds might be.** For guidance funds may be used for example for:

- Any additional necessary purchase or hire of clothes to attend civic functions; or
- Any visits where the Civic Head, or a councillor deputising for the Civic Head, would like to return hospitality to his/her host, by purchasing, for example, a meal for them. Such visits may, for example, be twinning arrangements or other

international events attended by the Civic Head or a councillor deputising for him/her, or

- Personal hospitality and other approved costs associated with holding office.

56. Claims for re-imburement must be receipted.

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

### **Telephone and Computer Expenses**

58. Councils should continue to provide equipment necessary such as mobile phones, PC equipment and fax machines to allow councillors to carry out their role. Councillors should not be reimbursed for purchasing such equipment. Councillors may be reimbursed for reasonable peripheral costs e.g. printer cartridges/ribbons. It is expected that authorities themselves would supply any stationery, CDs, memory sticks etc. Any additional telephone costs necessarily incurred to allow councillors to carry out their role effectively may be reimbursed, i.e. provision and rental of a second telephone line.

59. Councillors may be reimbursed for the cost of itemised business calls made on their home telephone, networked PC, fax machine or personal mobile phone. They may also be reimbursed up to 50% of line rental where a councillor uses a personal phone for business use. HM Revenue and Customs believe that a line rental used for personal and business use may be subject to tax.

60. It is open to authorities to decide whether it would be more cost effective to supply their members with any relevant telephones and broadband facilities, including mobile phones and blackberries or similar equipment, to enable them to carry out their Council business. Any personal calls should be identified and paid for by the councillor. Information on how these costs should be published is given at paragraph 68.

### **Joint Boards**

61. Primary legislation would be required to extend all provisions to Joint Boards. However, as their membership consists of a number of councillors it is expected that joint boards will, in deciding what expenses and allowances to reimburse, take account of these provisions in relation to claims and reimburse receipted expenditure where appropriate.

### **Standard Form for Claims**

62. Councillors will be required to complete a standard form for claims for reimbursement of travel, subsistence and expense costs. Councils may introduce drop down menus in the columns relating to Subsistence to show whether expenditure is for meals or accommodation; Other Travel etc to show whether mode of transport is rail, bus etc. The form which they are required to complete can be found at **ANNEX E**.

63. Each element of reimbursement claimed should be unique. Councillors may not claim reimbursement for the same expense more than once.

64. Details of the time of arrival and departure should be completed in all claims for overnight subsistence, staying with friends or family and meals but need not be necessary where a claim relates only to travel costs. It would be for councils to decide whether they would wish councillors to provide that degree of information on travel claims.

### Scrutiny

65. Councils should treat councillors' claims in the same way as those from staff, and satisfy themselves that the checks and balances built into their systems are sufficiently robust to stand up to external scrutiny.

## PUBLICATION

### Publication of Remuneration Information

66. All councils **must** publish information on councillors' salary, allowances and expenses in respect of the previous financial year on their website by 1 June each year. In publishing this information, councils should ensure that the information is transparent and easily accessible to the public. In this regard, signposting the information on the front page of the website is helpful. All councils have a section on their website dedicated to councillors.

67. In publishing information, Schedule 2 to the Local Government (Allowances and Expenses) (Scotland) Amendment Regulations SSI 2010/45 redefines the areas which councils are obliged to publish. It has also been constructed in such a way as to make it easily readable within the Regulations. Most councils currently publish this information annually, using an excel spreadsheet or similar, which shows, at a glance, expenses etc relating to all councillors. **Councils still have scope to do this and it is recommended that they publish using single columns under each of the bulleted points at paragraph 68.** This would enable members of the public and others to see, within a single document, costs relating to all councillors.

68. The **minimum** information which must be published by the council must include

- Name of councillor
- Position held (this should be shown as convener of named committee, leader of main opposition party). The position held should relate to what the Council considers is the most senior position held by the councillor concerned
- Salary
- Car and van mileage expenses (it is recommended that these should be divided into 2 columns, the first of which should relate to those claimed by and reimbursed to the councillor and the second, to those met directly by the council. Such costs would include the use of pooled cars and the use of chauffeur driven cars by all elected members. Councils should calculate actual costs which relate to the elected members' use of chauffeur driven cars. This should include associated staff costs in addition to mileage costs. These costs could vary from council to council. As an example, costs, identified by one council, for the use of pooled cars is 28p per mile and costs for the use of chauffeur driven cars is 60p per mile plus £20 per hour staff costs (for normal office hours) and £30 per hour staff costs (outwith normal office hours)
- Other travel (it is recommended that these should be divided into 2 columns, the first of which should relate to those claimed by and reimbursed to the councillor and the second, to those met directly by the council)

- Subsistence costs (sub divided into 2 columns – one relating to accommodation costs and the other relating to meals)
- Training and conference expenses (where all such costs are met by the council, it is recommended this is made clear within the area where it is published rather than as a footnote)
- Telephone and information communication technology (ICT) expenses, **excluding capital costs where the equipment is supplied by the council and the council retains ownership of that equipment.** (It is recommended that these should be divided into 2 columns, the first of which should relate to those claimed by and reimbursed to the councillor and the second, to those met directly by the council)
- Other allowances and expenses, for example the civic head expenses and staying with friends allowance
- Total expenses and
- Total salary and expenses.

69. It is open to Councils themselves to decide whether they would wish to include footnotes to the effect that payment of salary costs are subject to tax and national insurance and that expenses relate only to the reimbursement of actual expenditure incurred by the councillor. The standard form can be found at **ANNEX F**. Most of the headings in Annex F are self explanatory. However in column B "Position Held" councils should specify the **main** position held by the councillor e.g. councillor, convener/vice convener of a named committee, leader, provost, leader of opposition, leader of x party etc rather than just using the terms like "senior councillor."
70. For councillors who are also members of joint boards, where the council chooses to publish all expenses claimed by that councillor, separate entries should be included for expenses relating to the member's service on the joint board and that exclusively on council related business.
71. Additionally, councils are free to decide to publish more information than that prescribed in the regulations outlined in paragraph 68. They can publish information on councillors' salaries, allowances and expenses as often as they consider appropriate and they can also decide whether to use any other forms of publication and how they would wish to offer that information for publication e.g. in a newspaper.
72. Councils are required to make information on councillors' remuneration and expenses available for inspection at council offices when requested to do so in writing by a member of the public. It is for the person requesting the information to specify at which Council office he/she would wish see the information, if it is not the Council's headquarters.

## **TRAINING**

### **Training and Development**

73. Each councillor should:

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

74. Training is seen as vitally important in enabling councillors to perform their duties effectively and should be ongoing for all councillors based on their individual development needs. Councils will wish to ensure that sufficient mechanisms are in

place to allow councillors to take these opportunities. There is evidence of good practice in a number of local authorities, the sharing of which may be of benefit to other councils. There may also be opportunities through COSLA and the Improvement Service to consider whether certain aspects of councillor training could be pooled nationally enabling councillors also to benefit from experiences of other councillors in similar councils to their own.

### **Publication of Training**

75. Councils should keep an up to date record of training undertaken by councillors which should be made available to members of the public on request. Councils themselves should decide whether to publish information on councillor training at the same time as they publish information on councillors' expenses. They should also decide what that information should be and whether it should be published on the council website or elsewhere. The type of information published should inform the public in a meaningful way.

Scottish Government  
April 2010

**BANDING OF LOCAL AUTHORITIES FOR REMUNERATION ARRANGEMENTS**

**Band A Councils:** Clackmannanshire Council  
East Lothian Council  
East Renfrewshire Council  
Comhairle nan Eilean Siar  
Inverclyde Council  
Midlothian Council  
Moray Council  
Orkney Islands Council  
Shetland Islands Council  
Stirling Council

**Band B Councils:** Angus Council  
Argyll and Bute Council  
Dumfries and Galloway Council  
Dundee City Council  
East Ayrshire Council  
East Dunbartonshire Council  
Falkirk Council  
North Ayrshire Council  
Perth and Kinross Council  
Renfrewshire Council  
Scottish Borders Council  
South Ayrshire Council  
West Dunbartonshire Council  
West Lothian Council

**Band C Councils:** Aberdeen City Council  
Aberdeenshire Council  
Fife Council  
The Highland Council  
North Lanarkshire Council  
South Lanarkshire Council

**Band D Councils:** City of Edinburgh Council  
Glasgow City Council

**MAXIMUM NUMBER OF SENIOR COUNCILLORS PER LOCAL AUTHORITY**

- 8 for Clackmannanshire Council and Midlothian Council
- 9 for all other local authorities in Band A
- 10 for West Dunbartonshire Council
- 11 for East Dunbartonshire Council
- 13 for Angus Council and Dundee City Council
- 14 for all other local authorities in Band B
- 19 for each local authority in Band C
- 24 for each local authority in Band D



**CALCULATION OF SENIOR COUNCILLOR REMUNERATION**

Step 1	The Leader's remuneration as set in regulations
Step 2	reduce that figure by 25% to establish the maximum senior councillor remuneration permissible
Step 3	deduct the Councillor's basic remuneration
Step 4	divide the result by 2 to establish the mid-point between the Councillor's basic remuneration and the maximum senior councillor remuneration
Step 5	add that to the Councillor's basic remuneration
Step 6	multiply the result by the permitted number of senior councillors to establish a total sum from which all senior councillors' remuneration must be met.

For example, in respect of Clackmannanshire Council with 8 senior councillors, the calculation in the 2010-11 financial year would be:

Step 1	Leader's salary	=	£27,058
Step 2	- 25%	=	£20,294
Step 3	- £16,234	=	£4,060
Step 4	divided by 2	=	£2,030
Step 5	+ £16,234	=	£18,264
Step 6	x 8	=	£146,112

Clackmannanshire Council will therefore be able to spend up to £146,112 on remuneration for up to 8 senior councillors in whatever way they consider appropriate. They could divide it equally and pay £18,264 to each of the 8 senior councillors. However, they can, if they wish, vary the level of salaries and pay some councillors a higher amount (up to the maximum of £20,294) and some a lower amount.

## ANNEX C (cont)

<b>Council</b>	<b>Maximum no. of senior councillors</b>	<b>Budget £</b>
<b>Band A Councils</b>		
Clackmannanshire	8	£146,112
East Lothian	9	£164,376
East Renfrewshire	9	£164,376
Eilean Siar	9	£164,376
Inverclyde	9	£164,376
Midlothian	8	£146,112
Moray	9	£164,376
Orkney Islands	9	£164,376
Shetland Islands	9	£164,376
Stirling	9	£164,376
<b>Band B Councils</b>		
Angus	13	£263,822
Argyll & Bute	14	£284,116
Dumfries & Galloway	14	£284,116
Dundee City	13	£263,822
East Ayrshire	14	£284,116
East Dunbartonshire	11	£223,234
Falkirk	14	£284,116
North Ayrshire	14	£284,116
Perth & Kinross	14	£284,116
Renfrewshire	14	£284,116
Scottish Borders	14	£284,116
South Ayrshire	14	£284,116
West Dunbartonshire	10	£202,940
West Lothian	14	£284,116
<b>Band C Councils</b>		
Aberdeen City	19	£424,118
Aberdeenshire	19	£424,118
Fife	19	£424,118
Highland	19	£424,118
North Lanarkshire	19	£424,118
South Lanarkshire	19	£424,118
<b>Band D Councils</b>		
City of Edinburgh	24	£633,144
Glasgow City	24	£633,144

## TYPES OF EXPENDITURE AND MAXIMUM RATES

(a) Meals taken by a member of a local authority within the electoral ward in respect of which they hold office (including within any council premises) for the following wards –	The amount per day stated for each meal in paragraphs (b), (c) and (d) if the local authority determines the expense is reasonably incurred for approved duties, and otherwise no reimbursement.
<b>The Highland Council</b> Ward 1 – North West and Central Sutherland Ward 6 – Wester Ross, Strathpeffer and Lochalsh Ward 12 – Caol and Mallaig Ward 22 – Fort William and Ardnamurchan	
<b>Argyll &amp; Bute Council</b> Ward 2 – Kintyre and the Islands Ward 4 – Oban South and the Isles	
<b>Comhairle nan Eilean Siar</b> Ward 1 – Barraigh, Bhatarsaigh, Eirisgeigh agus Uibhist a Deas	
<b>Shetland Islands Council</b> Ward 1 – North Isles	
<b>Orkney Islands Council</b> Ward 3 – Stromness and South Isles Ward 6 – North Isles	
<b>North Ayrshire Council</b> Ward 2 – Ardrossan and Arran Ward 8 – North Coast and Cumbraes	
(b) Breakfast (where no overnight subsistence is claimed)	£8 per day
(c) Lunch	£12 per day
(d) Dinner	£25 per day
Meals taken under paragraphs (b), (c) and (d) exclude those purchased or taken by a member of a local authority within the electoral ward in respect of which they hold office and those purchased or taken while he/she is carrying out council business in any local authority premises in the area of the local authority of which they are a member	
(e) Overnight accommodation away from home and council premises (costs for bed and breakfast)	£131 within London £110 elsewhere
(ee) overnight accommodation away from home with friends or family	£25 per night if the local authority considers that the cost is reasonably incurred for approved duties, otherwise no allowance is payable.

**ANNEX D (cont)****TYPES OF EXPENDITURE AND MAXIMUM RATES (cont)**

(f) Other particular costs of travel by private car or van, motorcycle or bicycle, being–	Receipted costs of expense
(i) parking charges	
(ii) road pricing schemes and congestion charging	
(iii) ferry fares	
(fa) Costs of chartering a boat	Receipted cost of expense
(g) Road and bridge tolls	Actual costs of expense
(h) Public transport (including taxis)	Receipted cost of expense
(i) Telephone and computer line rental for use of personal telephone and computer for approved duties	50 per cent of line rental cost
(j) Telephone and computer line rental for second line for approved duties use	Receipted cost of expense
(k) Telephone and computer costs (apart from calls or line rental) necessarily incurred for approved duties	Receipted cost of expense
(l) Calls made in respect of approved duties, on a home telephone, networked personal computer, fax machine, or personal mobile telephone	Receipted cost of expense

**MEMBER'S TRAVEL & SUBSISTENCE**

**ANNEX E**

**EXPENSES CLAIM FORM**

**MEMBER'S NAME:** ..... **PAYROLL NO :** .....

**PRIVATE VEHICLE REG NO :** ..... **PERIOD END:** .....

**SUMMARY OF CLAIM**

<b>Car and Van Mileage Claim</b>	
<b>Boat Mileage Claim</b>	
<b>Motorcycle Mileage Claim</b>	
<b>Bicycle Mileage Claim</b>	
<b>Passenger Mileage Claim</b>	
<b>Staying with friends allowance</b>	
<b>Subsistence</b>	
<b>Other Travel</b>	
<b>Other Expenses</b>	
<b>Total of Claim</b>	

<b>OFFICIAL USE ONLY</b>	

**DECLARATION**

I declare that:-

- The amounts of travel and subsistence expenses claimed, have been actually and reasonably incurred for the purpose of enabling me to perform approved duties as a Member of the Council
- I have paid the fares shown and all other amounts claimed are in accordance with rates approved by the council
- I have attached all necessary receipts in connection with expenses claimed
- I have not made, and will not make, any other claim under any enactment for subsistence expenses or allowances in connection with the duties indicated in this form
- Where I am claiming mileage expenses, I have a valid licence and appropriate motor insurance, which covers my vehicle being used for business purposes
- Where I am claiming mileage expenses for travel by a boat which I own, I have appropriate insurance which covers it being used for business purposes

**SIGNATURE** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**Finance Use Only**

CHECKED BY \_\_\_\_\_ DATE: \_\_\_\_\_

AUTHORISED BY \_\_\_\_\_ DATE: \_\_\_\_\_

**NOTES OF GUIDANCE FOR COMPLETION OF CLAIM FORM**

The claim form has been devised to take account of the requirements for publishing information in a standard format about Councillors' claims. This form will also provide the necessary documentation for HM Revenue and Customs and Internal and External Audit.

To assist in completion of the form your attention is drawn to the following points:

**1. DATE**

Please insert date for which expense item is claimed.

**2. TIMES OF DEPARTURE/ARRIVAL**

Departure/Arrival Times should be entered for verification of amounts claimed for subsistence where claims relate to overnight subsistence or meal costs, but not where claims relate only to travel.

**3. DETAILED DESCRIPTION OF APPROVED DUTY**

Clearly indicate which meeting you have attended or the relevant detail of the approved duty undertaken. Approved duties should indicate – council meetings, duties in connection with Council functions, conferences/seminars etc. nominee to other bodies, group meetings, duties undertaken by chair or vice chair or other senior councillors, members surgeries, constituency/committee work and meetings with named officers.

**4. EXPENSE ITEMS/JOURNEY DETAILS**

As meetings and approved duties are held at various locations, it is essential for the calculation of mileage that all locations visited are entered onto the claim form.

**5. PASSENGER MILES**

This calculation should be entered by calculating the number of miles travelled multiplied by the number of passengers e.g. 2 passengers times 30 miles = 60 passenger miles.

**6. SUBSISTENCE**

Subsistence relates to overnight accommodation and meals. With the exception of the allowance provide for by regulation 4(4) of the Allowances and Expenses Regulations, only receipted costs will be reimbursed to the prescribed maximum levels when council business was required to be conducted outwith a Councillor's own ward, or outwith council premises, or otherwise in accordance with Schedule 2 to the Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007 (SSI 2007/108 as amended).

**6A. ACCOMMODATION DETAILS**

This column relates to claims for overnight accommodation with friends and family. These must include the address of the accommodation and the name(s) of the friends or family with whom you stayed.

**7. OTHER TRAVEL EXPENSES**

This column should be used to record claims for public transport, taxi and air fares and any other allowable travel expenses for which a receipt is available.

**8. OTHER EXPENSES**

This column should be used for reimbursement of other receipted allowable expenditure.

**CLAIM FORM FOR ALLOWANCES AND EXPENSES**

**ANNEX E (cont)**

<i>Journey Details</i>		<i>Detailed Description of Approved Duty</i>	<i>Expense Items or Details of Journey</i>	<i>Car and Van Mileage</i>	<i>Boat Mileage</i>	<i>Motor-cycle Mileage</i>	<i>Bicycle Mileage</i>	<i>Passenger Mileage<sup>(1)</sup></i>	<i>Subsistence</i>	<i>Accommodation Details</i>	<i>Other Travel etc.</i>	<i>Other Expenses</i>
Depart Time and Date	Arrival Time and Date											
			Sub Total									
			Rate	£0.400	£2.000	£0.240	£0.200					
			Cash Value of Mileage Claim	£	£	£	£	£				

<sup>(1)</sup> Passenger mileage is £0.050 for car, van and motorcycle passengers and £0.250 for boat passengers.

# ANNUAL RETURN

# ANNEX F

Name: ..... Council: .....

Position held: ..... Annual salary: .....

Allowances and Expenses							
Travel <sup>(1)</sup>		Subsistence		Training and conference	Telephone & information technology (ICT) <sup>(1) (2)</sup>		Other allowances and expenses
Car and Van	Other Travel	Accommodation	Meals				

<b>Total expenses</b>	<b>Total salary and expenses</b>

<sup>(1)</sup> Two columns are provided. This is to allow the Council, if it wishes, to show separately costs met directly by the Council, in addition to reimbursement of claims.

<sup>(2)</sup> Telephone and Information Technology (ICT) Expenses: excludes capital costs where the equipment is supplied by the Council and the Council retains ownership of that equipment.



**Information to be provided for individual Councillors**

**ANNEX F (cont)**

**(a) Information held/paid through authority payroll system**

<b>Information detail</b>	<b>Publish</b>
Remuneration	Yes
Civic Head Expenses	Yes
Telephone reimbursement (net of personal contribution) (including home telephone, own mobile, (this item may not be quite transparent if, for example, pay-as-you-go), with/without internet connection) ( <i>Note A</i> )	Yes
Subsistence – actual accommodation costs	Yes
Subsistence – actual meal costs	Yes
Conference costs	Yes
Car mileage (actual)	Yes
Other travel (actual fares, parking, tolls)	Yes

**(b) Information held outwith payroll system**

<b>System</b>	<b>Information detail</b>	<b>Publish</b>
Creditor Payments	Telephone costs of a dedicated second line for business use Information communication technology (ICT) costs Company mobile phones	Yes (collated with payroll information)
Members' Services/ Creditor Payments	Fares, taxis and hotels booked and paid by Council on behalf of elected member	Yes (collated)
Sundry Income	Amounts 'made good' by Councillor for private use of company-provided telephones	Yes but net of any private calls made (deduction from collated payroll information)
Members' Services/ Training	Personal development plan/ training needs assessment	At council discretion

