

# Council Report



20 January 2021

## SCHEME OF COUNCILLORS' ALLOWANCES 2021/22

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Exempt / confidential / not for publication	<b>No</b>
Council Plan reference	<b>Not in Council Plan</b>
Wards affected	<b>All wards</b>

### Executive summary

Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is required, before the beginning of each year, to agree the scheme for the payment of basic allowance to each member of the Authority to each member of the Authority for that year.

The Scheme must also make provision for the following allowances if an authority intends to make such payments in respect of the year:

- (a) special responsibility allowance;
- (b) dependants' carers' allowance;
- (c) travelling and subsistence allowance; and
- (d) co-optees' allowance.

The proposed Scheme of Allowances for 2021/22, based on the recommendations of the Independent Remuneration Panel of 2017/2018 and subsequent amendments made by Council, is attached as Annex A to this report.

The current four-year indexation framework runs from April 2018 until March 2022 and so a review of allowances by an Independent Remuneration Panel will begin work in the new Council year 2021/2022 ready for implementation in April 2022.

## 1. Decision/s to be made

- 1.1 That the Scheme of Councillors' Allowances in Annex A to this report be adopted to take effect from 1 April 2021.
- 1.2 That the decision of the Independent Remuneration Panel to adopt the provisions of the 2014 report on allowances for members of Parish and Town Councils, be noted.

## 2. Why is the decision needed?

- 2.1 Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is required, before the beginning of each year, to agree the scheme for the payment of basic allowance to each member of the authority for that year.
- 2.2 The scheme must also make provision for the following allowances if an authority intends to make such payments in respect of the year:
  - (a) special responsibility allowance;
  - (b) dependants' carers' allowance;
  - (c) travelling and subsistence allowance; and
  - (d) co-optees' allowance.
- 2.3 Under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003, where utilising an allowance scheme with indexation, the Council is obliged to appoint an Independent Remuneration Panel to review, comment and advise on the level of allowances paid to councillors at least every four years. The Council last appointed an Independent Remuneration Panel in 2017/18 and adopted its report, subject to an amendment capping the pool for Cabinet members at the Council meeting on 17 January 2018.
- 2.4 The proposed Scheme of Allowances for 2020/21 is attached as Annex A to this report.

### Indexation

- 2.5 The proposed scheme of allowances at Annex A reflects the recommendations of the 2017/18 Independent Remuneration Panel and uprates the Basic Allowance, Special Responsibility Allowances and Civic Allowances by 2% from 1 April 2021, accordingly. The Child Care and Dependent Carers' Allowances have also been increased by between 1.5 – 2.2% in line with increases in the National Living Wage, for various age groups.
- 2.6 The Independent Remuneration Panel also reviewed the Allowances for Members of Parish and Town Councils and agreed that the 2014 Scheme should be continued. An extract from the 2014 report on allowances for members of Parish and Town Councils detailing the key elements is attached as Annex B.

### 3. Implications of the decision

Financial	Y	Human rights, equalities, diversity	
Legal	Y	Policies or Council Plan	
Communication		Procurement	
Energy Efficiency		Workforce	

#### (a) Financial implications

The Allowances Scheme as drafted is within the Council's approved budget for 2021/22.

#### (b) Legal implications

The Local Authorities (Members' Allowances) (England) Regulations 2003 make it a requirement to establish and maintain an Independent Remuneration Panel and for the Council to adopt a Scheme of Allowances for the forthcoming year by 1 April each year.

Under the terms of the Local Government Act 2000, the Council is required to take account of the recommendations of an independent panel before fixing its level of Councillors' Allowances.

#### (c) Other implications

None.

### 4. Alternatives

- 4.1 As the Council has a legal requirement to agree a scheme in advance of each municipal year it must make a scheme. However, it could decide not to accept the recommended increase, agree an alternative increase / decrease or change, with the exception of the basic allowance, the allowances paid.

### 5. Timetable for implementation

- 5.1 The proposed scheme of councillor allowances, if adopted will come into force from 1 April 2021.

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#### List of annexes

Annex A – Draft Scheme of Councillor Allowances 2021/2022

Annex B – Key elements of allowances for members of Parish and Town Councils

#### List of background papers:

Report of the Independent Remuneration Panel 2017/18

Councillors' Allowances Scheme 2020/21



milton keynes council

**DRAFT SCHEME OF COUNCILLORS'  
ALLOWANCES  
2021-2022**

**1. General**

- 1.1 This Scheme is made under the terms of the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.2 At the meeting of the Council on 20 January 2021 it was agreed that the Council would adopt this Scheme after taking into account the recommendations made by the Independent Remuneration Panel in 2017/18.
- 1.3 Milton Keynes Council currently has 57 councillors, who serve a 4 year term of office and all of whom are entitled to receive the allowances under this scheme.

**2. Basic Allowance**

- 2.1 All councillors to receive a Basic Allowance of £11,142 per annum. This is paid in 12 equal, monthly instalments and is subject to both tax and National Insurance contributions where applicable.
- 2.2 If a councillor ceases to be a councillor before the end of his or her term of office, payment of the allowance ceases and a pro rata calculation is made to ensure that the councillor receives the right amount of allowance. If necessary, an adjustment for under or overpayment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of Basic Allowance.
- 2.3 The Basic Allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs, such as the use of their homes for council business, telephone rental and broadband charges.
- 2.4 The Basic Allowance is subject to indexation at a rate of 2% per year from 1 April 2019 until the end of the financial year beginning 1 April 2021.

**3. Special Responsibility Allowance**

- 3.1 The Council also pays Special Responsibility Allowances to those councillors it considers to have significant, additional responsibilities over and above the generally accepted duties of a councillor. These special responsibilities are related to the discharge of the Council's functions.

3.2 Milton Keynes Council currently pays Special Responsibility Allowances for the following roles at the rates stated:

Leader of the Council	£32,473
Deputy Leader of the Council	£16,236
Main Opposition Group Leader - per Group Member	£671
Smaller Opposition Group Leader(s) - per Group Member	£671
Cabinet Member* <sup>1</sup>	£11,673
Chair of Scrutiny Management Committee	£8,118
Chair of Scrutiny Committee* <sup>2</sup>	£4,872
Chairs of Task and Finish Groups (pro rata depending on the length of time the Group is in place)	£4,872
Chair of Development Control Committee	£8,659
Chair of Licensing & Regulatory Committees (1 person)	£8,659
Chair of Audit Committee	£5,953
Chair of Standards Committee	£3,247

Notes:

\*<sup>1</sup> Pool capped at £70,039 shared between a maximum of 8 Cabinet Members (in addition to the Leader and Deputy Leader) and increased by 2% for each year 2019 to 2021. Figure of £11,673 is based on six Cabinet members in addition to the Leader and Deputy Leader.

\*<sup>2</sup> Budget and Resources Scrutiny Committee, Children and Young People Scrutiny Committee, Community and Housing Scrutiny Committee, Health and Adult Social Care Scrutiny Committee, Regeneration Scrutiny Committee and Strategic Placemaking Scrutiny Committee.

3.3 Special Responsibility Allowance is paid in 12 equal, monthly instalments. Special Responsibility Allowances are liable for tax and National Insurance.

3.4 Special Responsibility Allowances (and Civic Allowances) are subject to indexation at a rate of 2% per year from 1 April 2019 until the end of the financial year beginning 1 April 2021.

3.5 In the event of a councillor ceasing to hold an office which entitled him or her to receive a Special Responsibility Allowance before the term of office is completed, payment of the Allowance ceases, and a calculation based on the number of days in the Council year concerned will be made to determine the entitlement. If necessary, an adjustment for under or overpayment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of Special Responsibility Allowance.

- 3.6 In the case of a councillor who is in receipt of a Special Responsibility Allowance being unable to carry out the duty for which the Allowance is payable for a period of three months or more, requiring the duty to be carried out by a specific councillor as deputy, the Council will consider the circumstances, with the option of ceasing the Special Responsibility Allowance payment to the councillor concerned, and making a retrospective payment to the deputising councillor for the whole of the three month period, and continuing until the original councillor is able to resume the duty concerned.
- 3.7 Under the terms of Milton Keynes Council's Scheme of Allowances no councillor is allowed to receive more than one Special Responsibility Allowance, even if they fulfil more than one role.
- 3.8 In the event of a councillor already in receipt of a Special Responsibility Allowance being appointed to an office with a different level of Special Responsibility Allowance, a calculation based on the number of days in the Council year concerned will be made to determine the entitlement. If necessary, an adjustment for under or overpayment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of the Special Responsibility Allowance.

#### **4. Co-opted Members of Committees**

- 4.1 Persons co-opted to serve on Committees, Sub-Committees or Panels, and who have voting rights, shall receive an allowance of £640 calculated pro-rata to the term of co-option. This is to be paid in 12 equal, monthly instalments and will be liable for tax and National Insurance.
- 4.2 All co-optees are eligible for travel and subsistence allowances at the Councillors' rate when carrying out the duties for which they are co-opted.
- 4.3 If the co-opted person ceases to serve as a co-opted member before the end of his or her term of co-option, payment of the Allowance ceases, and a calculation based on the number of days in the Council year concerned will be made to determine the entitlement. If necessary, an adjustment for under or overpayment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of this allowance.

#### **5. Civic Allowances**

- 5.1 The Mayor of Milton Keynes receives a civic allowance of £11,905 per annum, in line with that paid to Cabinet Members, paid in two equal instalments of £5,952.50 in June and November.
- 5.2 The Deputy Mayor of Milton Keynes receives a civic allowance of 50% of the Mayor's allowance, i.e. £5,953 per annum, payable in two equal instalments of £2,975.50 in June and November.

- 5.3 In the event of a Mayor or Deputy Mayor ceasing to hold office before the term of office is completed, payment of the Allowance ceases, and a calculation based on the number of days in the Council year concerned will be made to determine the entitlement. If necessary, an adjustment for under or overpayment may have to be made to ensure that the correct final payment is made, and the Council reserves the right to recover any overpayments of the Civic Allowance.

## **6. Child Care and Dependent Carers' Allowance**

- 6.1 All councillors and co-opted members of Council committees can claim, on production of appropriate receipts, the Child Care and Dependent Carers' Allowance at the following rates:

Child Care:

The Living Wage of £8.91 per hour applies for those aged 23 or over. The current minimum wage rate which applies is dependent on the age of the carer, the rates at 1 April 2021 are:

- £8.36 per hour (21 – 22 year olds)
- £6.56 per hour (18 – 20 year olds)
- £4.62 per hour (for workers under 18 who are above compulsory school leaving age)

Other Dependants:

£10 per hour, or the applicable rate for the hourly cost of Milton Keynes Council Home Help carer, whichever is the least.

This is paid for up to a maximum of 5 hours in any 24 hour period and covers care provided for a councillor's/co-opted member's dependent(s) whilst the councillor/co-opted member is carrying out any 'Approved Duties' specified in the Appendix.

This includes travel time associated with the Approved Duties.

- 6.2 Full details of the Dependent Carers' Allowance Scheme are listed in the Appendix of this Scheme

## **7. Travel and Subsistence**

- 7.1 Re-imbusement to councillors for travel and subsistence will be paid at the current rates agreed by the National Joint Council (NJC) for the re-imbusement of Council officers.
- 7.2 From 1 April, 2016 mileage claims are no longer liable for tax and National Insurance contributions.
- 7.3 Councillors will be reimbursed the full cost of travelling by the most appropriate means of transport at standard class rates whilst carrying out Approved Duties, provided a valid receipt (bus ticket etc), is produced to substantiate the claim.

7.4 All reasonable claims for subsistence expenses whilst carrying out Approved Duties will be paid provided they are supported by valid receipts. As there is no profit element in the payment of subsistence claims, this allowance is not subject to tax or National Insurance contributions.

## **8. Claimable Allowances**

8.1 There is a 3 month time limit for submitting claims for the claimable allowances above i.e. Child Care and Dependent Carers' Allowance and Travel and Subsistence Allowances. Any claims made outside of this time limit will only be paid in exceptional circumstances with the approval of the Director Law and Governance and the Chief Internal Auditor.

## **9. Pensions**

9.1 Councillors are no longer eligible to join the Local Government Pension Scheme.

## **10. Dual Authority Roles**

10.1 Councillors cannot receive an allowance from more than one authority (e.g. Fire Authority) for the same duties.

## **11. Forgoing Allowances**

11.1 A councillor may forgo all or part of any allowances to which he or she is entitled, provided he or she has given notice in writing to the Director Law and Governance.

## **12. Approved Duties**

12.1 The list of "Approved Duties" under the regulations for which the Travel and Subsistence Allowance is payable is as follows:

- a meeting of the Council;
- a meeting of the Cabinet;
- a meeting of a committee of the Cabinet;
- a meeting of a committee or sub-committee of a committee of the Council where that councillor is a member of that committee, is substituting for a member of that committee or otherwise receives a specific invitation from the chair of that committee;
- a meeting of Cabinet members with the Corporate Leadership Team;
- a meeting with officer colleagues in relation to portfolio / corporate issues (to include Group Leaders, Cabinet members, Chairs, Vice-Chairs and opposition spokespersons) and Ward issues;
- a meeting of some other body to which the Council makes appointments or nominations (i.e. Outside Bodies);
- a meeting of a committee or sub-committee of a body to which the Council makes appointments or nominations;



- a meeting of a local authority association of which the Council is a member (e.g. Local Government Association);
- a meeting in the Councillor's Ward called by a Council Officer or Parish Council;
- duties undertaken on behalf of the Council in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- duties undertaken on behalf of the Council in pursuance of any Procedure Rule requiring a councillor or councillors to be present while tender documents are opened;
- duties undertaken on behalf of the Council in connection with arrangements made by the Council for the attendance of pupils at a school approved for the purposes of Section 342 of the Education Act 1996;
- a meeting which has been:
  - both authorised by the Council, a committee, or a sub-committee of the Council and one or more other authorities, or a sub-committee of a joint committee, and
  - to which representatives of more than one political group have been invited or to which two or more Councillors have been invited;
- a meeting of the Cabinet, committee of the Cabinet, committee of the Council, or sub-committee, at which a councillor, who is not appointed to that body:
  - attends to present an item which he/she has requested be included on the Agenda in his/her name;
  - is required to attend to answer questions/give evidence; or
  - attends to present a report on behalf of another body of the Council;
- attendance at conferences, seminars and other Councillor Development and training events as approved by the Council or the Service Director (Legal and Democratic Services);
- attendance at casework surgeries organised at advertised times and venues within the Councillor's own ward;
- any other duty approved by the Council in connection with discharging the duties of the authority or its committees or sub-committees.

### **13. Indexing**

13.1 The Basic Allowance, Special Responsibility Allowances and Civic Allowances are subject to indexation at a rate of 2% per year from 1 April 2019 until the end of the financial year beginning 1 April 2021.

13.2 The Dependent Carer's Allowance: indexed to the maximum hourly rates for minimum wage for age of carer/average hourly cost of Milton Keynes Council home help.

13.3 Travel and Subsistence allowances: at the same rates and conditions applicable to Officer and HMRC rates where applicable.

**14. Duration**

14.1 The above Scheme of Allowances is operative from 1 April 2020 until 31 March 2021 or such other time as agreed by the Council.

## Dependant Carer Allowance Scheme

1. The Scheme is open to all elected councillors of Milton Keynes Council and co-opted members of Council committees.
2. The Scheme covers the care of dependants whether children, elderly people or people with disabilities for whom those listed in 1 above have responsibility.
3. The rate payable is the current hourly rate for the National Minimum Wage, up to a maximum of 5 hours in any 24 hour period.
4. The Scheme covers care provided for a councillor's/co-opted member's dependant(s) whilst they are carrying out any 'approved duties', including travel time, as listed below.
5. Carers must be over the age of 16 and not be a member of the claimant's own household.
6. Where the provision is for childcare, it is recommended that a registered child-minder / nursery or an approved child carer is used. However, it is ultimately the parents' responsibility to make adequate provision for their childcare needs.
7. Claims should be made on the Councillor' Business Expense claim forms, supported by valid receipts. Co-opted members of committees should submit their receipts with a covering letter to the Head of Democratic Services, Milton Keynes Council, 1 Saxon Gate East, Milton Keynes, MK9 3EJ.
8. Receipts should contain the date the care was provided, length of time the care was provided, the 'approved duty' covered, the cost per hour and should be countersigned by both the carer and claimant. Claimants may wish to use the attached sample receipt as a standard format.
9. In accordance with paragraph 9 of the Council's Scheme of Councillors' Allowances claims for Dependent Carer Allowance payments should be submitted within 3 months of the event.

## **LIST OF APPROVED DUTIES FOR DEPENDENT CARER'S ALLOWANCE**

A scheme may provide for the payment to councillor of an authority of an allowance ("dependants' carers' allowance") in respect of such expenses of arranging for the care of their children or dependants as are necessarily incurred.

The list of "Approved Duties" for which the dependants carers' allowance is payable is follows:

- a meeting of the Council;
- a meeting of the Cabinet;
- a meeting of a committee of the Cabinet;
- a meeting of a committee or sub-committee of a committee of the Council where that councillor is a member of that committee, is substituting for a member of that committee or otherwise receives a specific invitation from the chair of that committee;
- a meeting of Cabinet members with the Corporate Leadership Team;
- a meeting with officer colleagues in relation to portfolio / corporate issues (to include Group Leaders, Cabinet members, Chairs, Vice-Chairs and opposition spokespersons) and Ward issues;
- a meeting of some other body to which the Council makes appointments or nominations (i.e. Outside Bodies);
- a meeting of a committee or sub-committee of a body to which the Council makes appointments or nominations;
- a meeting of a local authority association of which the Council is a member (e.g. Local Government Association);
- a meeting in the Councillor's Ward called by a Council Officer or Parish Council;
- duties undertaken on behalf of the Council in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- duties undertaken on behalf of the Council in pursuance of any Procedure Rule requiring a councillor or councillors to be present while tender documents are opened;
- duties undertaken on behalf of the Council in connection with arrangements made by the Council for the attendance of pupils at a school approved for the purposes of Section 342 of the Education Act 1996;

- a meeting which has been:
  - both authorised by the Council, a committee, or a sub-committee of the Council and one or more other authorities, or a sub-committee of a joint committee, and
  - to which representatives of more than one political group have been invited or to which two or more Councillors have been invited;
- a meeting of the Cabinet, committee of the Cabinet, committee of the Council, or sub-committee, at which a councillor, who is not appointed to that body:
  - attends to present an item which he/she has requested be included on the Agenda in his/her name;
  - is required to attend to answer questions/give evidence; or
  - attends to present a report on behalf of another body of the Council;
- attendance at conferences, seminars and other Councillor Development and training events as approved by the Council or the Service Director (Legal and Democratic Services);
- attendance at casework surgeries organised at advertised times and venues within the Councillor's own ward;
- any other duty approved by the Council in connection with discharging the duties of the authority or its committees or sub-committees.

## Dependant Carers' Allowance

Data care provided	
Duty covered	
Time from	
Time to	
Total hours	
Cost per hour	
Total	
Name of Carer	
Signature of Carer	
Name of Claimant	
Signature of Claimant	

### Parish Basic Allowance

(2014 Rates – Indexation applied yearly from April 2017 to the annual salary percentage increase, as agreed each April by the National Joint Councils for Local Government Staff).

Role	2014 rate	2021 rate
<b>Town and parish councils achieving quality status with budgets of £50,000 and above:</b>		
Chairs	£1,500	£1,620
Member	£750	£810
<b>Town and parish councils achieving quality status with budgets of less than £50,000:</b>		
Chairs	£750	£810
Member	£375	£405
<b>Other town and parish councils with budgets of £50,000 and above:</b>		
Chairs	£1,500	£1,620
Member	£750	£810
<b>Other town and parish councils with budgets of less than £50,000:</b>		
Chairs	£0	N/a
Member	£0	N/a

### Travel and Subsistence Allowances

The 2003 Regulations and subsequent amendments permit Parish and Town Councils to pay travel and subsistence allowances for approved duties only to elected and co-opted Members.

Travel and subsistence allowances are payable for the attendance at approved duties outside the boundary of the parish/town council only.

Parish and Town Councils are recommended to include Travel and Subsistence Allowances in their Scheme of Allowances.

### Mileage Rates – Payable outside respective Council area only

The relevant rates are those applicable to Members and Co-optees of Milton Keynes Council.

The following rates, in addition to those covered by the National Joint Council approved rates, be included in travel allowances schemes for Parish and Town Councils. These should be based on HMRC rates, which are currently:

- Bicycle allowance: 20p per mile
- Motorcycle allowance: 24p per mile
- Passenger supplement: 5p per mile

Where public transport is used, then it is recommended that the same terms and conditions that are applicable to the Members of Milton Keynes Council are applicable to Parish and Town Councillors in the area. The guiding principle should be that value for money should be maximised in the use of public transport.

## **Subsistence Allowances – Payable outside respective Council area only**

The relevant subsistence rates should be those applicable to Members and Co-optees of Milton Keynes Council, which are based on those paid to officers of the Council. Subsistence allowances should only be payable when a Parish or Town Councillor undertakes an approved duty outside their respective council area and allowances be reimbursed only on the production of receipts for expenditure incurred up to the maximums permitted.

### **Approved Duties**

The statutory definition of approved duties for which members of Parish and Town Councils may claim travel and subsistence allowances for undertaking approved duties outwith their Parish/Town Council area is set out below:

Travel and subsistence allowances may be payable only in respect of the following duties undertaken outside a Members' Parish/Town Council area:

- A meeting of the authority
- A meeting of a committee or sub-committee of the authority
- A meeting of some other body to which the authority makes appointments or nominations
- Duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- A meeting of a local authority association of which the authority is a member
- Duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- Any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees

### **Indexation**

- The Parish Basic Allowance and Chairs Parish Basic Allowance should be indexed to the annual salary percentage increase, as agreed each April by National Joint Councils for Local Government Staff.
- Travel and subsistence allowances should be indexed to the same rates and conditions applicable to Milton Keynes Council Officers, and where applicable, HMRC rates.

### **Withdrawal of Allowances**

Parish and Town Councils are recommended to make provision in their schemes for the withdrawal of allowances from any member who is suspended or partially suspended from their duties in the same terms as those in the Borough Council's Scheme.