

Report of:	Council Solicitor and Monitoring Officer
Contact Officer:	Matt Berry
Contact Number:	01543 464 589
Portfolio Leader:	Leader of the Council
Key Decision:	No
Report Track:	Council: 02/03/22

Council
2 March 2022
Review of the Members' Allowances Scheme

1 Purpose of Report

- 1.1 To consider the report and recommendations of the Independent Remuneration Panel ('the Panel') in relation to the latest review of the Members' Allowances Scheme.

2 Recommendation(s)

- 2.1 That Council considers the recommendations of the Independent Remuneration Panel, as outlined in paragraph 5.2, below, and approves a revised Scheme to come into effect from 1 April 2022.

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 The Council is required by the Local Authorities (Members' Allowances) (England) Regulations 2003 to have a Members' Allowances Scheme in place and to keep it reviewed on a regular basis.
- 3.2 Aside from the statutory requirement, it is important to review the Scheme regularly to ensure that the allowances paid are appropriate to reflect both the 'Council based' roles (e.g., Cabinet members, committee chairs etc.) and 'community leadership' roles that Members have.
- 3.2 As part of considering the Panel's recommendations, Members' will also need to be mindful of the impact the proposals could have on the relevant budgets. Details of the agreed members' allowances budget for 2022/23, and indicative members' allowances budgets for 2023/24 and 2024/25 are detailed in paragraph 6.1.

Reasons for Recommendations

- 3.3 The Members' Allowances Scheme was last reviewed in December 2020, with the updated Scheme being approved by full Council in January 2021. The current Scheme covers the period 1 April 2021 to 31 March 2022. It has therefore been necessary to conduct a fresh review and seek Members' approval for a new Scheme to come into effect from 1 April 2022.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's corporate priorities by seeking to ensure that persons who elect to stand for office as a local councillor are not financially disadvantaged from doing so, by providing them with appropriate levels of allowances to carry out the various roles available.

5 Report Detail

- 5.1 The final report of the Panel, which sets out details of the review process and the accompanying recommendations for Members to consider is attached at **Appendix 1**.
- 5.2 For ease of reference, the Panel's recommendations are:
- That:
- (a) The revised Members' Allowances Scheme be in place for three years, from 1 April 2022 to 31 March 2025.
 - (b) The Basic, Special Responsibility and Civic Allowances be index linked to NJC officer pay rates for 2022/23, 2023/24 and 2024/25.
 - (c) The Carers' Allowance continues to be paid at National Living Wage rates for each year of the revised Scheme.
 - (d) The Travel and Subsistence Allowances continue to be linked to officers' rates payable for each year of the revised Scheme.
 - (e) The 'Communications' Allowance be removed from the Scheme with effect from 1 April 2022.
- 5.3 A copy of the current Scheme is attached as **Appendix 2**, which sets out the allowances rates payable for the 2021/22 financial year.

6 Implications

6.1 Financial

Any changes to the number and / or amount of allowances payable will have to be met from within the allocated budget for Members' allowances / expenses.

The agreed and indicative Members' allowance budgets for each year of the proposed Scheme are (with a 2% inflationary increase applied for each year):

<i>Current budget (2021/22)</i>	£368,280
Members' Allowances Budget 2022/23 (as per the General Fund budget agreed by Council on 16 February 2022)	£375,640
Indicative Members' Allowances Budget 2023/24	£383,150
Indicative Members' Budget 2024/25	£390,810

6.2 Legal

Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is required to:

- Adopt a Members' Allowances Scheme before the beginning of each financial year to which it relates.
- Establish an Independent Remuneration Panel to review said Scheme on a regular basis.
- Have regard to any reports or recommendations of the Panel when adopting a new or revised Scheme.
- Publicise any recommendations made by the Panel.
- Publicise details of the Scheme once it has been revised or newly adopted.
- Ensure an accurate record is kept of the total amounts of allowances paid to each Member and the types of allowances paid.

6.3 Human Resources

None.

6.4 Risk Management

None.

6.5 Equality & Diversity

None.

6.6 Climate Change

None.

7 Appendices to the Report

Appendix 1: Report of the Independent Remuneration Panel.

Appendix 2: Current Members' Allowances Scheme

Previous Consideration

Previous reviews of the Scheme have taken place as and when required.

Background Papers

Members' Allowances Review Pack – December 2021.

Report of the Independent Remuneration Panel

Review of Cannock Chase Council's Members' Allowances Scheme

January 2022

Introduction

We present to Council the final report of the Independent Remuneration Panel arising out of our latest review of the Members' Allowances Scheme. The membership of the Panel for the latest review was:

- Mrs. K. Holtham – returning Panel member; appointed December 2017.
- Mr G. Marsh – returning Panel member, first appointed February 2014.
- Mr A. Showell – returning Panel member, appointed December 2017.

We are residents of the District with a variety of employment backgrounds and our current term of office on the Panel is for the period December 2020 to December 2023.

During the review process we were supported by Ian Curran, Council Solicitor and Monitoring Officer and Matt Berry, Democratic Services Team Leader.

Review Process

Prior to our meeting, we were issued with a 'Members' Allowances Review Pack', which included the following information/data:

- Background information about the Council
- Members' Allowances data compared with the Staffordshire borough / district councils and the Council's 'audit group' of local authorities.
- Meetings' attendances figures – June 2020 to December 2021
- Committee meeting held/scheduled – June 2020 to December 2021
- Members' Allowances survey results
- Functions, Responsibilities and Structures of Committees and Chief Officers
- Current Members' Allowances scheme.

Meeting – 3 February 2022

Mrs. Holtham was unfortunately not able to attend the meeting, therefore the review was undertaken by Mr Marsh and Mr Showell. Mrs Holtham has been advised separately via email of the discussion and has endorsed the recommendations as detailed on the following page.

We discussed the information and data provided in the review pack, particularly noting the levels of allowances paid to Cannock Chase District Councillors compared to those of the other local authorities referenced in the pack and the feedback provided by those Members who completed the review survey.

Conclusions

In deciding whether to make any change to the Scheme, we noted that the Basic, Special Responsibility and Civic Allowances had been frozen for the 2021/22 financial year, but were also mindful of wider economic pressures, particularly with recent increases in inflation and interest rates.

We considered whether the allowance payable to the Chairmen of the Scrutiny Committees was too low based on the comparator data provided but resolved not to recommend a change that would put it out of sync with the other special responsibility allowances.

We also looked at the feedback provided by Members as part of the survey conducted in autumn 2021. This showed that in all cases, Members were primarily in favour of allowances being frozen at current rates or index linked to officers' pay. Approximately a fifth of respondents were in favour of allowances being decreased from the current level.

We also noted the decisions taken by full Council back in September 2021 regarding the provision of ICT equipment to all members and linked to this, the removal of the 'communications' allowance.

It was also noted that the Council was at the start of a review process by the Local Government Boundary Commission for England (LGBCE), which could see the number of councillors and wards in the District being altered, with any changes being effective from May 2024. It would be important to assess the impact of these changes on the Council and councillor workloads when considering future changes to the Scheme.

Considering all of the above, our key recommendations were that:

1. The revised scheme operates for three years (01/04/22 to 31/03/25).
2. The Basic, Special Responsibility and Civic Allowances be index-linked to changes in officers' pay (at NJC rates) for each year of the revised scheme.
3. The Carers' Allowance continue to be paid at National Living Wage rates.
4. The Travel and Subsistence Allowances continued to be linked to officers' rates.
5. The £400 'Communications' Allowance be removed from the Scheme with effect from 1 April 2022.

The proposed changes for each individual allowance are set out below:

Scheme Area and (Current Allowance Paid)	Recommendations
Length of Scheme (1 year)	Three Years (01/04/22 to 31/03/25)
Basic Allowance (£5,706)	Index link to NJC officer pay rates for each year of the revised Scheme
Leader of the Council (£19,403)	Index link to NJC officer pay rates for each year of the revised Scheme

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Scheme Area and (Current Allowance Paid)	Recommendations
Deputy Leader of the Council (£9,903)	Index link to NJC officer pay rates for each year of the revised Scheme
Councillors of Cabinet (£8,578)	Index link to NJC officer pay rates for each year of the revised Scheme
Leader of the Opposition (£7,260)	Index link to NJC officer pay rates for each year of the revised Scheme
Chairman of Planning Control Committee (£4,619)	Index link to NJC officer pay rates for each year of the revised Scheme
Chairmen of Scrutiny Committees (£2,138)	Index link to NJC officer pay rates for each year of the revised Scheme
Chairman of Licensing & Public Protection Committee (£1,982)	Index link to NJC officer pay rates for each year of the revised Scheme
Chairman of Audit & Governance Committee (£1,982)	Index link to NJC officer pay rates for each year of the revised Scheme
Councillors of Shadow Cabinet (£1,282)	Index link to NJC officer pay rates for each year of the revised Scheme
Chairman of the Council (£9,559)	Index link to NJC officer pay rates for each year of the revised Scheme
Vice-Chairman of the Council (£3,767)	Index link to NJC officer pay rates for each year of the revised Scheme
Communications Allowance (£400 per year)	Remove from Scheme with effect from 1 April 2022
Carers' Allowances (National Living Wage Rates)	Continue to pay at National Living Wage rates
Travel Allowances (Same as rates paid to officers)	Continue to link to rates paid to officers
Subsistence Allowances (Same as rates paid to officers)	Continue to link to rates paid to officers

**K. Holtham
G, Marsh
A. Showell**

**Independent Remuneration Panel
3 February 2022**

Members' Allowance Scheme 2021-22

This document contains the scheme for Councillors' Allowances as approved by the Council for the period 1 April 2021 to 31 March 2022. Any amendment to the scheme requires the approval of the Council.

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1. Introduction

- 1.1 This Scheme, which may be cited as the Cannock Chase Council Members' Allowances Scheme, was approved by Cannock Chase Council at its meeting on 20 January 2021 in exercise of the powers conferred by the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.2 This Scheme replaces all previous Members' Allowances Schemes.
- 1.3 The Allowances mentioned in this scheme shall be implemented with effect from 1 April 2021 and shall run until 31 March 2022.
- 1.4 Any other amendments to the Scheme will be solely determined by the Council, following receipt of recommendations from the Independent Remuneration Panel.

2. Explanation of Terms

- 2.1 In this scheme,

“Councillor” means a Councillor of Cannock Chase Council.

“Year” means the 12 months commencing from the Council’s Annual General Meeting

3. Basic Allowance

- 3.1 Subject to paragraph 6, for each year a basic allowance shall be paid to each Councillor, in accordance with the table at Schedule 1 to include a notional allowance for the provision of stationery, postage and indemnity insurance.

4. Special Responsibility Allowances

- 4.1 For each year a special responsibility allowance, comprising component elements to be agreed by the Council, may be paid to those Councillors who hold the special responsibilities in relation to the authority that are specified in Schedule 1 to this scheme provided that a signed request form has been received by the Managing Director from the Councillor confirming their wish to receive a special responsibility allowance.
- 4.2 Subject to paragraph 6, the amount of each such element shall be the amount specified against that special responsibility in that schedule.
- 4.3 With the exception of those Councillors in receipt of a Civic Allowance, Councillors shall be entitled to only one special responsibility allowance, with the single highest allowance being paid. Those Councillors in receipt of a Civic Allowance shall also be entitled to a special responsibility allowance, where appropriate.

5. Renunciation

- 5.1 A Councillor may give notice in writing to the Managing Director to elect to forego any part of his/her entitlement to an allowance under this scheme. For clarification, this may include entitlement to an annual increase.
- 5.2 A Councillor must give notice in writing to the Managing Director to elect to forego any part of his/her entitlement, including any increases in Basic, Special Responsibility or Civic allowances payable under this Scheme. Any such requests must also specify the rate of Basic, Special Responsibility or Civic allowance the Councillor concerned wishes to continue receiving (where applicable).

6. Part-Year Entitlements

- 6.1 The provisions of this paragraph shall have effect to regulate the entitlements of a Councillor to basic and special responsibility allowances where in the course of a year, this scheme is amended or that Councillor becomes, or ceases to be, a Councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility is payable.
- 6.2 If an amendment to this scheme changes the amount to which a Councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:
 - (a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or
 - (b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year,

the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of days in the period bears to the number of days in the year.
- 6.3 If an amendment to this scheme changes the duties specified in schedule 2 to this scheme, the entitlement to an allowance shall be to the payment of the amount of the allowance under the scheme as it has effect when the duty is carried out.
- 6.4 Where the term of office of a Councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that Councillor to a basic allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her term of office subsists bears to the number of days in that year.
- 6.5 Where this scheme is amended as mentioned in sub-paragraph 6.2, and the term of office of a Councillor does not subsist throughout the period mentioned in sub-paragraph 6.2(a), the entitlement of any such Councillor to a basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole the same proportion as the number of days during which

his/her term of office as a Councillor subsists bears to the number of days in that period.

- 6.6 Where a Councillor has during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the same proportion as the number of days during which he has such special responsibilities bears to the number of days in that year.
- 6.7 Where this scheme is amended as mentioned in sub-paragraph 6.2, and a Councillor has during part, but does not have throughout the whole, of any period mentioned in sub-paragraph 6.2(a) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that Councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

7. Suspension or Partial-Suspension of Councillors

- 7.1 Where a Councillor or Independent Member is suspended or partially suspended from responsibilities or duties as a member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of the allowance payable (including travel and subsistence allowances) in respect of the period of suspension or partial suspension may be withheld by the Council.
- 7.2 Where payment of any allowance has already been made in respect of any period during which the member is concerned is:
- (i) suspended or partially suspended from responsibilities or duties as described above;
 - (ii) ceases to be a Member of the Council; or
 - (iii) is in any other way not entitled to receive the allowances in respect of that period,

the Council may require that such part of the allowance as they relate to any such period be repaid to the Council.

8. Travel and Subsistence

- 8.1 Payment of allowances for travel and subsistence are not payable under this Scheme, but Councillors shall be entitled to receive payments by way of travelling allowance or subsistence allowance under the provisions of Section 174 of the Local Government Act, 1972, in connection with performing any of the approved duties set out in Annex 1 to this Scheme. The amounts of such payments and limits and conditions relating to them are set out in Annex 2 to this Scheme.
- 8.2 Such allowances will be payable at the same rates as those which can be claimed by Officers.

9. Travel and Subsistence Outside the UK

- 9.1 Payment of travel and subsistence allowances for official duties outside the United Kingdom are not payable under the Scheme but travelling and subsistence allowances are payable under Section 174 of the Local Government Act, 1972 and are detailed in Annex 3.

10. Claims and Payments

10.1 Payments shall be made:-

- (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme on the 25th of each month (20th December) by bank credit transfer (BACS);
- (b) in respect of travel and subsistence expenses, on the 25th of the month (20th December) following submission by a Councillor provided that submission is made to the Managing Director by the 7th day of that month.

Where the 25th/20th falls on a non-banking day, payment will be made on the last banking day before.

- 10.2 Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the Councillor receiving more than the amount to which, by virtue of paragraph 6, he or she is entitled, the payment shall be restricted to such an amount as will ensure that no more is paid than the amount to which he or she is entitled.

11. Publicity

11.1 Details of this scheme will be publicised within the Authority's area as soon as possible after the Council has agreed or amended the scheme.

11.2 As soon as practicable after the end of the year the Authority shall make arrangements for the publication, within the Authority's area, of the total payments of each allowance made to Councillors in accordance with Regulation 15 of the Local Authorities (Councillors Allowances) (England) Regulations 2003.

Schedule 1
Basic, Special Responsibility and
Other Allowances

Basic Allowance

The Basic Allowance for 2021/22 is £5,706 of which £1,224 is included in this sum for the purchase of consumables by Councillors, such as stationery, postage, and the provision of indemnity insurance for work on outside bodies, which shall be arranged by each individual Councillor as they see fit.

Special Responsibility Allowances and Civic Allowances

Special Responsibility Allowances and Civic Allowances for 2021/22 shall be paid as follows:

Special Responsibility Allowances:	2021/22
Leader of the Council	£19,403
Deputy Leader of the Council	£9,903
Councillors of Cabinet	£8,578
Leader of the Opposition	£7,260
Chairman of Planning Control Committee	£4,619
Chairmen of Scrutiny Committees	£2,138
Chairman of Licensing & Public Protection Committee	£1,982
Chairman of Audit & Governance Committee	£1,982
Councillors of Shadow Cabinet	£1,282
Civic Allowances:	
Chairman of the Council	£9,559
Vice-Chairman of the Council	£3,767

The nature of the allowances payable to the Council Chairman and Vice-Chairman are different in nature from the other allowances payable, due to the very much different role played by these Councillors as civic leaders. These are thus payable as “cash” sums, rather than the more salary-like basis of most other allowances.

Independent Members

The payment to Independent Members with decision-making powers, such as those on the Standards Committee and the Independent Remuneration Panel, is £220 per annum.

Communications Allowance

An allowance of £400 per annum will be paid to existing Councillors (i.e., those not newly elected) for the duration of their current term of office. This allowance will be paid in instalments of £33.33 per month as a ‘communications allowance’, to cover the cost of; consumables, broadband, telephone line rental and mobile phone usage. All payments are subject to tax.

Re-elected Councillors will have the option to retain this allowance or instead be issued with a laptop or tablet device by the Council.

Newly elected Councillors will be issued with a laptop or tablet device by the Council and will not be eligible to receive this allowance.

Carers Allowances

Councillors shall be reimbursed for the actual costs incurred as a result of providing care for children under the age of 14, persons over the age of 60 and people with disabilities or learning difficulties. Reimbursement will be at the National Living Wage rate in force at the time any such claim is made.

The person to be cared for should be someone who normally lives in the claimant's household who cannot be left unsupervised. In addition, the carer employed should not be someone who normally lives with the claimant. The allowance is payable for approved duties only as defined in the Members Allowances Regulations 2003.

Schedule 2 Approved Duties

Approved duties are prescribed as:-

- (a) Attendance of **appointed** Councillors at meetings of the Council, Cabinet, Committees, and other Council meetings.
- (b) Attendance of **appointed** Councillors at Special Meetings.
- (c) Attendance of **invited** Councillors at meetings.

Note: A payment shall be made only to Councillors invited to attend to participate by the Chairman of the Committee etc., prior to the meeting and whose names are recorded in the Minutes as being present with an indication of the Chairman's reasons for permitting participation.

- (d) Attendance at meetings that relate to the business of the Council i.e., presentations and events whereby all Councillors of the Council are invited to attend.
- (e) Attendance of at least two Group Leaders (or, where only one Group Leader exists, two Councillors) at meetings called by the Managing Director. (Refer to Schedule 2(b))
- (f) Attendance of Councillors appointed to deputations, site visits or like business, where prior approval by the Council/Committee has been granted

Note: Eligible provided that the duty for which the attendance is paid shall have had prior approval by the Committee requiring the duty to be undertaken or, in exceptional circumstances, by the Managing Director after consultation with the Chairman of the Council.

- (g) Attendance at meetings by Councillors of the Cabinet in their capacity as Portfolio Leader.
- (h) Attendance at:-

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- (i) Bodies of national, regional, or county standing which carry out directly related Council functions. The Councillor appointed to these bodies must be appointed to 'act' on behalf of the Council, which must form part of the list of bodies approved by Council and Cabinet.

Note: Although not part of this Scheme, attendance at approved Conferences will also qualify for payment of travelling expenses and subsistence under Section 175 of the Local Government Act, 1972. The approved Conferences are:-

- (A) Local Government Association Annual Conference:
Leader of the Council and Managing Director

- (B) Chartered Institute of Public Finance and Accountancy:
Leader of the Council and Head of Finance

- (C) Chartered Institute of Housing:
Leader for Housing and Head of Housing and Partnerships

- (D) LGA Economic Regeneration Conference:
Leader for Economic Development & Planning and Head of Economic Prosperity

- (E) Chartered Institute for the Management of Sport & Physical Activity:
Leader for Culture & Sport and Head of Environment and Healthy Lifestyles

Annex 1 Travel and Subsistence Allowance

Approved duties for the purposes of payment of travelling and subsistence allowances under Section 174 of the Local Government Act, 1972 shall be payable in respect of the following:-

- (a) All Approved Duties for the purposes of the Members' Allowances Scheme referred to in the Second Schedule to the scheme.

- (b) Attendance of Chairman/Vice-Chairman of the Council, Cabinet or Committees for Agenda discussion or on business of the Council, Committee or Sub-Committee.

- (c) Attendance of Councillors at Council offices on the business of the Council.

- (d) Attendance of Councillors on courses or seminars approved by the Council, Committee or Sub-Committee.

- (e) Bodies of local standing generally having statutory backing carrying out functions of a consultative nature but not necessarily being directly or indirectly related to local authority work.

- (f) The Executive Committee of the Staffordshire Parish Councils' Association.

Annex 2
Travel and Subsistence Allowances

Travel

Councillors shall be paid car mileage rates in accordance with rates paid to Officers, including any local amendments to national rates. Current rates payable are:

Engine Capacity	451-999cc	Over 1000cc
Claimable rate (pence per mile)	46.9p	52.2p

- (a) If Councillors use a taxi regularly to attend meetings and they live within easy access to a convenient bus route then reimbursement will only be made at the appropriate bus fare rate.
- (b) Journeys from the place of Council meetings to the place of work are considered to be for the purpose of attending work and reimbursement of travelling allowance will not be paid.

Subsistence

Councillors shall be paid subsistence rates in accordance with rates paid to Officers, including any local amendments to national rates. Current rates payable are:

Allowance Type	Maximum Claim Amount
Breakfast	£5.89
Lunch	£8.11
Tea	£3.20
Dinner	£10.04
Overnight Accommodation (Outside London)	£95.60
Overnight Accommodation (London)	£109.03

When refreshments/meals are provided at meetings subsistence should not be claimed.

Other Travel and Subsistence

Councillors shall be paid in accordance with rates paid to Officers, including any local amendments to national rates.

The travel and subsistence allowances should be adjusted annually in line with those paid to Officers.

Note: Claims for travel and subsistence will not be approved unless accompanied with appropriate VAT receipts as proof of the expense being incurred.

**Annex 3
Travel and Subsistence Allowances
Outside The U.K.**

1. For approved duties within the U.K. there are a series of subsistence allowances approved by the Secretary of State, dependent on the location, duration, and purpose of the duty.
2. However, the Secretary of State has no jurisdiction to determine subsistence rates abroad and each Local Authority must pay whatever it considers appropriate.
3. Accordingly, the Council has adopted the following scheme for the payment of subsistence on official duty outside the U.K.
4. Councillors of the Council and Officers who are required to undertake official duties outside the U.K. shall be entitled to the following travel and subsistence allowances:
 - (i) Full cost of all travel (to the extent that it is not met directly by the Council) from the Councillor's/Officer's home or office as appropriate to the place of duty, all necessary travel whilst engaged on the duty and return, such costs to be supported by appropriate receipts.
 - (ii) Full cost of accommodation for the duration of the duty (to the extent that it is not met directly by the Council), such costs to be supported by appropriate receipts.
 - (iii) The reasonable cost of all meals purchased (not including alcoholic beverages) such costs to be supported by appropriate receipts.
 - (iv) The commission charged on the necessary exchange of sterling into the appropriate foreign currency and the commission charged on the necessary exchange of the appropriate foreign currency back into sterling, such costs to be supported by appropriate receipts.
 - (v) The monetary loss as a consequence of differing exchange rates as a consequence of the exchange of the appropriate foreign currency into sterling, as identified on the exchange receipt and calculated by the Director of Resources.
 - (vi) The sum of £10 per day or part thereof to meet incidental, unidentified expenses.

The sterling equivalent of costs arising under (i), (ii) and (iii) above, when not in sterling, will be calculated using the exchange rate identified on the "out of sterling" currency exchange document.

**Annex 4
National Insurance Contributions**

1. If a Councillor is paid Councillors' Allowance equalling or exceeding the lower earnings limit of £520 per month (2021/22 rate), as from 6th April 1997, there is a liability for Class 1 (earnings related) contributions.

2. The contributions are payable whether or not the Councillor has other employment or self-employment. There is an annual maximum for contribution liability for people with more than one job and in some instances a Councillor in this position may be entitled to a refund of contributions; alternatively, a Councillor may be able to apply to defer payment of contributions in his/her capacity as a Councillor.
3. Certain Councillors may be exempt from National Insurance either by virtue of age or already on the maximum rate elsewhere. If this is the case, the Councillor will need to provide the Head of Finance with an exemption certificate. Further, advice can be sought from the Head of Finance.

Annex 5
Social Security Contributions and Benefits

1. Payment of allowances will count as earnings for social security purposes. Councillors can be affected, therefore, both as contributors to the social security scheme and as beneficiaries. The above allowances will be chargeable to Schedule E for income tax and accordingly will give rise to liability for national insurance contributions unless the payments fall below the lower earnings limit.
2. These contributions can, of course, give rise to pension entitlement. As regards social security benefits, a number are subject to earnings rules, and can therefore be affected by the receipt of allowances. A Councillor who is receiving a particular benefit and is in doubt about how it may be affected is recommended to make enquiries at the local offices of the Department for Work and Pensions.

Annex 6
Statutory Sick Pay

1. Councillors who are in receipt of Councillors' Allowances are considered to be 'employed' by their authority and as such, may in certain circumstances be eligible to receive Statutory Sick Pay (SSP).
2. Where a Councillor wishes to make a claim for payment of SSP it is essential that there is a notification on the first day of absence due to sickness to the Human Resources Department. Further advice and documentation will then be issued.