



# **GUIDE TO MEMBERS' ALLOWANCES**

April 2007

# GUIDE TO MEMBERS' ALLOWANCES FROM 1 APRIL 2007

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This Guide is also available on the Cheshire Fire Authority website ([www.cheshirefire.gov.uk](http://www.cheshirefire.gov.uk)) and will be reviewed periodically.

## 1 INTRODUCTION

- 1.1 These notes are designed, in summary form, to assist you as a Member of the Fire Authority in making your claim for Allowances. They are only a guide and you should consult the Brigade Manager, Deputy Chief Officer, Corporate Services as indicated below if you have any problem or query not dealt with in the notes.

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Detailed advice on taxation/benefits should be sought from the local Tax Inspector or the local DSS office (see Section 4).

- 1.2 Whilst officers are happy to advise and assist, **Members remain personally responsible in law for the accuracy of their claims.** In order to satisfy Audit requirements all claims must be certified for payment by the Fire Service. You may therefore be asked from time to time to provide additional information if it is not clear whether a claim is eligible for payment.
- 1.3 The Fire Authority has to publish details of its Members Allowances Scheme and the amounts paid to each Member under the Scheme. A summarised and cumulative record is produced annually and copies are deposited at Fire Service HQ. The record is open to inspection by any local government elector for the Fire Service's area at any reasonable time. Such persons are entitled to make a copy of any part of the record.
- 1.4 In addition, the Fire Service has to make available for inspection by any person interested, the accounts which are to be audited by the Audit Commission, and all books, deeds, contracts, bills, vouchers and receipts relating to them. The inspection can only be made during a period of 15 days immediately before the advertised opening date of the audit of the accounts. This provision requires that both the record of Allowances and individual claim forms must be available for inspection.
- 1.5 The Fire Service's Standards Committee is responsible for over-seeing the Scheme of Allowances, and for monitoring its operation.

## 2 THE MEMBERS ALLOWANCES SCHEME

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## 2 THE MEMBERS ALLOWANCES SCHEME

### 2.1 What Can I Claim For?

Basic Allowance:- this allowance is the same for each councillor and is intended to recognise the time devoted to attending formal meetings, meetings with constituents, political group meetings and other incidental costs for which no other provision is made. It also includes Member involvement at a local level on Performance Delivery Groups (PDGs) and ad hoc task groups.

Special Responsibility Allowance:- some councillors may be eligible for a special responsibility allowance in recognition of specific responsibilities.

#### Travel and Subsistence

An approved duty normally needs the support of the Fire Authority. A meeting/duty has to be approved before it takes place - ie it cannot be approved retrospectively. A list of those bodies that constitute an approved duty can be found in the attached Appendix

- 2.2 You may, by notice in writing to the Brigade Manager, Deputy Chief Officer, Corporate Services, elect to forgo any part of the above allowances. You are also quite entitled to claim less than the maximum rates.
- 2.3 Co-opted Members (Independent members of the Standards Committee) also receive a basic allowance in addition to travel and subsistence reimbursement (See Appendix).
- 2.4 Regular monitoring of expenditure by Members is essential to the efficient administration of the Scheme of Allowances and for budget monitoring purposes. To assist in this, all claims for Allowance reimbursement must be submitted **within three months** of the performance of the duty. A claim submitted outside this period and/or a claim which is retrospective to the last financial year will be paid only with the express approval of the Standards Committee.
- 2.5 The current rates of Basic, Special Responsibility Allowances and Travel and Subsistence rates are set out in the attached Appendix.

#### Provision for Claiming Travel Reimbursement

You will normally be aware of meetings well in advance and so will, in most cases, be claiming for travel from home or place of work. There may however be occasions when meetings are called at short notice for emergency purposes. The question of eligibility for allowances from other points of departure in such circumstances requires careful consideration and, for this reason, you are advised to seek guidance from the officers indicated in the introduction to this Guide.

A further point to note is that if you travel from your place of work to attend meetings held at a point between the place of work and home, no travelling allowance will ordinarily be payable. If, on the other hand, the meeting is held at a point which requires a detour from the normal route, the travelling allowance will be restricted to "additional" mileage. In cases of doubt please seek guidance.

The Allowance for travel by your own vehicle is claimed at a standard rate per mile. **You should ensure that your private car insurance covers the use of the vehicle on Fire Authority business.** You must submit annually a copy of your Car Registration and insurance details.

If you travel by public transport you are entitled to claim the fare of the class actually travelled, together with the cost of any reservation of seats and deposit or portorage of luggage (Refer to paragraph 4(a) of the Appendix).

**Members undertaking train journeys on official business on behalf of the Authority are expected either to use a Rail Warrant or to submit a ticket receipt with their claim form.**

For those Members who are eligible, attention is drawn to the potential financial savings to the Authority through use of a Senior Citizens Rail Card which enables the cost of all train journeys to be reduced by 1/3 rd of the original price. The Card will be purchased by the Fire Authority.

An Allowance may be claimed for travel by taxi but the amount of the actual fare and any reasonable gratuity are only payable in cases of urgency or where no public transport is reasonably available. In any other case, only the fare for travel by appropriate public transport may be claimed.

Travel by hired car normally may not be claimed at more than the rate payable had the vehicle belonged to you. Exceptionally, where there are special circumstances and the Fire Authority so approves, the rate may be increased up to the actual cost of hiring.

## 2.6 What About Subsistence?

- (1) Reimbursement of subsistence expenses may be payable for attendance at meetings where meals are not provided by the Fire Service. Any claim will be based on the time of day the meal is taken and time away from home.
- (2) Before attendance at an approved conference you should discuss arrangements for Attendance and Subsistence Allowances with the persons listed in the front of this booklet. Where a block booking is made by the Authority, the Authority will pay for the hotel accommodation when you use accommodation recommended by the conference organisers. If you wish to stay elsewhere you should make your own arrangements for booking accommodation and payment of bills etc. In this instance, the Authority will pay the maximum appropriate overnight rate for subsistence, or the actual cost whichever is the cheaper. You will also be required to present a receipt for the amount paid which will not only be used to verify your claim, but also will enable the Fire Authority to reclaim the VAT element.

- (3) The cost of meals taken on trains during a period for which there is an entitlement to a Subsistence Allowance may be reimbursed in accordance with rates set down in the Appendix.

## 2.7 Monitoring of Attendance at Meetings

The scheme includes a review process to monitor Members attendance at meetings. The Brigade Manager, Deputy Chief Officer, Corporate Services is responsible for providing the Authority's Standards Committee with advice on Member attendance at meetings.

The Committee will receive a half yearly report covering, primarily, Member attendance at meetings of the Fire Authority, Policy, Performance and Overview and Standards Committees, but will also consider attendance in the role as "Lead Members", and will take any necessary action at that time.

Members will be invited to explain in writing the reasons for their poor attendance. The Standards Committee will determine an appropriate cause of action This may require the Member to repay such proportion of their allowance as the Standards Committee determines or even a request to consider their position on the Authority.

### 3 THE PROCEDURE FOR CLAIMS AND PAYMENTS

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### 3 THE PROCEDURE FOR CLAIMS AND PAYMENTS

#### 3.1 How Do I Make a Claim?

A supply of Members Claim Forms is held at Fire Service HQ. Each month, on and around the first day, you will be sent a blank Claim Form and pre-paid envelope for completion and return in respect of the following month's activities.

#### 3.2 How and When Should the Claim Form Be Submitted?

You will probably find it helpful to fill in the Claim Form after each approved duty is carried out. The completed Form should then be submitted as soon as possible after each calendar month end. This will assist in the assessment of liability or personal entitlement to/income tax, national insurance, and other appropriate DSS benefits. (Further advice regarding these liabilities/entitlements is provided in Section 4 of this Guide).

#### 3.3 How Do I Complete The Form?

The following provides some general advice on how the Form should be used to claim the appropriate Allowances:-

Column 1	Insert the date and times on which the approved duty was carried out.
Column 2	Location and description/purpose of meeting attended. The name of the body will suffice but otherwise a fuller description is needed.  Political Group business is not claimable
Column 3 & 4	Insert from where and when you departed for the meeting and to where and when you subsequently returned. This information is particularly important when you are claiming for more than one activity during the course of a single day.
Column 5	Insert mode and class of travel eg. Car , Bus, Rail.
Column 6/7	Insert total number of journey miles and, by reference to the current Rate of Allowances, insert the rate per mile.
Column 8	Insert the cost of taxi, rail or bus fare incurred plus any other approved out-of-pocket expenses eg car parking, tolls etc.  Where the fare was prepaid indicate as such in space headed 'other details'.
Column 9	Taxable Subsistence for meetings and duties held at Fire Service HQ.
Column 10	Claim here for any meals and accommodation charges which you have paid direct attaching receipts and noting the current Rate of Allowances; and also non-taxable

subsistence for meetings and duties held away from Fire Service HQ.

Subsistence Allowance should be claimed on a rolling 24 hour basis with a further claim for any remaining period of absence after the end of the last 24 hour period. For example, an absence from 10.00 am on Monday to 5.00 pm on Friday would qualify for four periods of Overnight Subsistence to 10.00 am on Friday, with the remainder covered by Lunch Allowance.

If the conference or meeting is held outside the United Kingdom, the prescribed limits on Travelling and Subsistence Allowance do not apply. The amounts claimed must nevertheless be reasonable.

Summary Details      You should total each column and then transfer these amounts to the summary details. These summary details must be completed prior to submitting the form.

Any disallowed or major error in your claim will be drawn to your notice appropriately.

**You are reminded that you are personally responsible for the correctness of your claims, including the calculations.**

### 3.4 When and How Will I Be Paid?

After you have completed and certified the Claim Form it can either be posted or handed to Fire Service HQ.

Each calendar month's claim will be processed and paid into a bank or building society account of your choice on the 18<sup>th</sup> day of the following month. An advisory statement is issued at the same time as the payment is being credited to your account giving a detailed breakdown of the payment.

An Income Tax Form P60 will be sent to you by the Head of Finance and Governance at the end of the financial year summarising all taxable payments and deductions made during the previous 12 months.

## 4 STATUTORY DEDUCTIONS AND BENEFITS

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## 4 STATUTORY DEDUCTIONS AND BENEFITS

### 4.1 Introduction

This section provides only general guidance on the liability for income tax and national insurance contributions on payments made in respect of Allowances. Further detailed advice, taking into account individual personal circumstances, can be obtained from HM Inspector of Taxes, Bootle Mersey View, Taxpayer Service Office, The Triad, Stanley Road, BOOTLE L75 2YY (quoting reference 083/CFA) - Tel 0151 300 0000 - or a local officer of the Department of Social Security in cases of query regarding national insurance contribution and/or State Benefits. Members are deemed to be 'office holders' under PAYE legislation and as such are liable to tax under Schedule E.

### 4.2 What Is Deductible?

All entitlements to the Basic and Special Responsibility Allowances are subject to deductions for income tax and national insurance.

Reimbursements made in respect of Travelling Allowance over certain thresholds (see 4.4 below) have recently been determined as having a liability for income tax and national insurance. The income tax and national insurance due is deducted from pay each month as and when payment is made.

Subsistence claimed for duties undertaken at Fire Service HQ are taxable.

All other reimbursements of expenses actually and necessarily incurred including those in respect of fares, accommodation and subsistence have no liability for either tax or national insurance.

### 4.3 On What Basis Is Tax and N.I. Deducted?

PAYE tax will be deducted at the basic rate (currently 22p in £) on tax code BR unless a tax code can be provided/assessed via Form P45/P46 or the tax office send a Form P6. In these cases deductions will be made in accordance with the tax code issued.

Flat rate Class 1 National Insurance contributions (Category A) will be deducted on pay when earnings above the Earnings Threshold is exceeded (currently £385 per month) unless you produce a valid exemption certificate available from your local DSS office. (See also 4.5 below)

### 4.4 Taxation of Car Mileage Expenses

Tax is only payable on the profit element (as determined by the Inland Revenue) of car allowances. The Inland Revenue have agreed a concession whereby income tax is not payable by a Member who does not exceed 5500 miles of travel during the financial year.

If, however, a Member does travel more than 5500 miles during the year income tax becomes payable on the profit element of all miles travelled (i.e. including the 5500 miles already covered). This means that there is a “catching up” retrospective process on the first payment of expenses after the 5500 limit has been exceeded. This is a “one-off” process. Subsequent payments of mileage allowances during the tax year will be assessed for profit on the miles claimed in that month only.

Each year the Inland Revenue determines the level at which the ‘tax free allowances’ per mile are set and advise employers accordingly. **The tax free allowance for the 2007/08 year is 40 pence per mile.** Anything paid over this amount is deemed to be profit and is subject to a deduction of tax and National Insurance. Conversely, anything paid below this can be claimed as tax relief but only on motoring costs reimbursed, not on normal earnings.

#### 4.5 What Can Be Offset Against Tax?

Items which you may wish HM Inspector of Taxes to consider as allowable for tax relief may be:-

- costs of postage, business telephone calls, stationery and office equipment and business accommodation provided that these are borne wholly and exclusively in the performance of duties associated with the Fire Authority. In these cases a written statement of expenses not claimed and reimbursed by the Fire Authority should be submitted at the same time as completing your annual return to HM Inspector of Taxes.

#### 4.6 Points To Be Borne In Mind Regarding National Insurance.

- If you are self employed or have full time employment with another employer, you may separately pay more national insurance than is needed. If so a refund will be initiated by the DSS after the year-end and when the total overpayment can be accurately assessed. You are recommended to obtain leaflet NP 18 which sets out in detail the contribution liability of persons with more than one job/employer.
- If you are over retirement age (65 years for a man, 60 years for a woman) you need pay no contributions, regardless of whether you are receiving a pension. However you must obtain a certificate of non-liability or a certificate of age exemption.
- If you or your spouse are in receipt of Invalidity Benefit you should note that all Allowances count as earnings whether or not they are actually being claimed and paid. Consequently, it is left to you to declare your 'earnings' to the DSS in cases where a state benefit is also being received.

#### 4.7 What Happens If I Go Absent Due To Sickness?

There may be an entitlement to Statutory Sick Pay (SSP) if

- you have made regular monthly claims for Allowances
- national insurance contributions have been deducted from these Allowances

- the absence is four consecutive calendar days or more
- the sickness is notified to Fire Service HQ (Tel: 868804) on the first day when illness prevents attendance (notification may be given by a third party)
- you sign a self certification form for the first seven days of illness
- where the absence extends beyond a week's duration, a doctor's note is submitted to the Payroll Office.

The Payroll Office will inform you as to whether you are entitled to SSP.

The Payroll Officer will make an assessment of SSP and pay this at the same time as making payment for any actual attendances. SSP is regarded as earnings and is therefore eligible for deductions.

Although entitlement to Basic Allowance and, where applicable, Special Responsibility Allowance continues during periods of sickness absence you cannot receive SSP in addition to those payments.

If you are entitled to SSP, this will be compared with the total amount of Basic (plus Special Responsibility Allowance where applicable) and you will receive whichever is the greater.

#### 4.8 Unemployment Benefit

If you are in receipt of Unemployment Benefit you should contact the DSS to inform them of the allowances you are in receipt of from the Fire Authority. The DSS Office will be able to advise you on how this affects your entitlement to unemployment benefit.

If you have any queries regarding Social Security payments please contact the DSS directly.

**CHESHIRE FIRE AUTHORITY  
SCHEME OF MEMBERS' ALLOWANCE 2007/08**

- 1 The Scheme is made under the provisions of S.18 of the Local Government and Housing Act 1989, S.173-178 of the Local Government Act 1972 and the Local Authorities (Members' Allowances) Regulations 2003 (and Amendments thereto). It covers the Elected Members of Cheshire County Council, Warrington Borough Council and Halton Borough Council forming the Cheshire Fire Authority (CFA). The total number of Members on the CFA is 21 plus 2 independent members who attend meetings of the Standards Committee, Performance and Overview Committee and the Member Training and Development Group. The Scheme shall operate for the period 1 April 2007 to 31 March 2008 unless otherwise stated.

**Basic Allowance**

- 2 Each Member of the Fire Authority shall receive a sum of £3600 per annum in the form of a Basic Allowance from 1 April 2006. Payment of this Allowance shall be monthly in arrears.

**Special Responsibility Allowance**

- 3 The following shall receive the amounts specified as Special Responsibility Allowance for the duties indicated:

<b>Office</b>	<b>Entitlement</b>
	<b>£</b>
Chairman of the CFA	<b>10,380</b>
Vice Chairmen of the CFA X 2	<b>4,152</b>
Chairman of Standards Committee	<b>1,038</b>
Chairman of Performance and Overview Group	<b>1,038</b>
Independent members x 2	<b>1,095</b>
North West Fire & Rescue Management Board	
Chairman	<b>1,669</b>
Members	<b>834</b>

**Travel and Subsistence Allowances**

**(a) Travel**

Members may claim travel expenses to and from meetings associated with the Fire Authority at the rate of **55.8 p** per mile. This rate is payable irrespective of car engine size.

Second class rail fare will be reimbursed for all journey's on production of a receipt, unless, exceptionally, prior approval is obtained to buy a first class rail ticket.

Taxi costs will be reimbursed on production of a receipt.

A cycle allowance of 7p per mile is payable.

### **(b) Subsistence**

As a general rule lunch and other refreshments for meetings held at Fire Service HQ and other Service establishments are provided free of charge and, therefore, no claim for any allowance or reimbursement can be made. This may also include meals/refreshments provided at conferences/seminars/meetings free of charge at other non CFA venues.

For meetings where refreshments are not provided and Members are required to pay for meals, **the actual expenditure will be reimbursed up to a maximum rate**. At present these rates are as follows:-

Breakfast Allowance for a duty of more than 4 hours concluding before 12 noon: **£7.00**

Lunch Allowance for a duty of more than 4 hours concluding after 12 noon : **£9.00**

Dinner Allowance for a duty of more than 4 hours concluding after 6 pm: **£15.00**  
London – **£20**

Overnight (Outside London) : **£100**

Overnight London: **£120**

When main meals (ie a full breakfast, lunch or dinner) are taken on trains during a period for which there is an entitlement to day subsistence, the reasonable cost of the meals (including VAT), may be reimbursed in full, **on production of a receipt**, within the limits specified above.

### **Independent Members of the Fire Authority**

Travel and subsistence expenses at the aforementioned rates can be claimed by the CFA's two independent members.

### **Notes**

- (a) In respect of all of these allowances, if the term of office of a Member, or entitlement to the allowances, begins (ie the date on which is made the Declaration of Acceptance of Office) or ends (ie the date on which the Member resigns or otherwise ceases to be a Member) during the year, the entitlement to payment shall be based on calendar days per month.
- (b) Where an amendment is made to an allowance part way through the year, the scheme provides payment of the amended allowance from the beginning of the year in which the amendment is made.
- (c) Where a Member of the Fire Authority to which this scheme applies is also a Member of another authority, that Member cannot receive allowances from more than one authority in respect of the same duties.

## **LIST OF BODIES THAT QUALIFY AS AN APPROVED DUTY**

- (1) Fire Authority
- (2) Staffing Sub-Committee
- (3) Standards Committee
- (4) Policy Committee
- (5) Appraisal Group
- (6) Performance and Overview Committee
- (7) Member Training and Development Group
- (8) Disputes Panel
- (9) Performance Management Group (PMG) and Performance Delivery Groups (PDG)
- (10) All task and finish groups (Lead member role)

### **Other Approved Duties**

- (11) All approved conferences eg LGA Fire, LGA Annual, LGA Urban and Rural Commissions, Standards Board conference and Fire Forum. Attendance at other conferences as approved by the Fire Authority on an individual basis.
- (12) North West Fire & Rescue Management Board and associated working groups.
- (13) Regional Control Company

In addition to the above, the Chairman, or his nominee, attend other functions eg medal ceremony, station visits, CLG briefing meetings, on behalf of the CFA and in these circumstances these are regarded as approved duties for expenses purposes..