



# **Local Government Circular 04/2015**

## **Councillors' Allowances Guidance for District Councils in Northern Ireland**

**Department of the Environment  
February 2015**

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## **1. Introduction**

This guidance relates to allowances applicable from 1 April 2015. This follows the review of allowances carried out by an independent Councillors' Allowances Remuneration Panel which was appointed in May 2013. The panel reviewed allowances for councillors serving on the 11 new councils from 1 April 2015 and during the shadow period in 2014/2015. The Panel submitted their recommendations to the Minister of the Environment on the 1 November 2013. Subsequently, the Minister advised the Assembly in a written statement of the new levels of allowances on 19 March 2014.

## **2. Details of Allowances Payable to Councillors**

Allowances are payable by councils to councillors and committee members under Part 3 of the Local Government Finance Act (Northern Ireland) 2011, 'the Finance Act'; and The Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012, 'the 2012 Regulations', which came into operation on 1 April 2012. 'Approved duty' and 'committee member' are as that defined in those Regulations and 'Department' means the Department of the Environment.

The main allowances which may be payable to a councillor are:

- Basic Allowance;
- Special Responsibility Allowance (SRA);
- Dependants' Carers' Allowance (standard/specialised care rates);
- Travel and Subsistence Allowance (also payable to committee members); and
- Chairperson/Vice Chairperson Allowance.

**3. Scheme of Allowances**

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulation 3 &amp; 11 of the 2012 Regulations</li></ul>
<ul style="list-style-type: none"><li>• Each council must have a scheme for the payment of all allowances it makes to councillors each year; travel &amp; subsistence rates also apply to committee members</li></ul>
<ul style="list-style-type: none"><li>• Scheme must be agreed and commenced prior to payment of any allowances</li></ul>
<ul style="list-style-type: none"><li>• The Scheme must be published as soon as practicable on the council’s website</li></ul>

- i. The 2012 Regulations provide that each council must have in place a scheme for the payment of any allowance it intends to make to its councillors or committee members in respect of each year.
- ii. Before a scheme becomes effective, a council must approve the contents and the commencement date. Payments to councillors should not be made in advance of the scheme approval and commencement date. A scheme can be amended or revoked at any time but there must be no intervening period of time between one scheme ending and a further scheme commencing.
- iii. The council should as soon as practicable publish the approved scheme on the council’s website, and make any other arrangements for publishing the scheme it considers appropriate.
- iv. For councils ease a generic scheme template is attached at Annex A, although it is not compulsory to use this layout.

#### **4. Basic Allowance**

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Regulation 4 of the 2012 Regulations</li></ul>
<ul style="list-style-type: none"><li>• Basic allowance should be the same for each councillor and is intended to also cover incidental costs incurred by councillors</li></ul>

- Legislation – Regulation 4 of the 2012 Regulations
  - Basic allowance should be the same for each councillor and is intended to also cover incidental costs incurred by councillors
- i. The 2012 Regulations provide that a council must make provision in its scheme of allowances for a basic allowance, with the same rate applicable to each councillor, on a pro-rata basis.
  - ii. Each council must determine the amount of basic allowance it will pay, which must be within the maximum rate set by the Department.
  - iii. No council may pay more than one basic allowance to a councillor.
  - iv. Basic allowance is intended to recognise the full time commitment of councillors, including such inevitable calls on their time as meetings with officers and constituents.
  - v. The basic allowance is intended to cover incidental costs incurred by councillors in their official capacity, such as the use of their homes, office consumables and cost of mobile phone calls. See Point 9 for details on Councillor Support Services.
  - vi. It is for the council to decide at what intervals payment of basic allowance should be made. The Department suggests payment on a monthly or quarterly basis, but under no circumstances should payment be made in advance.

## 5. Special Responsibility Allowance (SRA)

<b>At a glance - Key information</b>
• Legislation – Regulation 5 of the 2012 Regulations
• Subject to a total maximum rate determined by size of council population
• Subject to maximum individual SRA councillor payment of $\frac{1}{5}$ <sup>th</sup> of council maximum SRA amount
• Restricted to 50% of councillors in council
• Restricted to one SRA per councillor

- i. A council may make provision in its scheme for the payments of SRAs. A SRA is in addition to the basic allowance.
- ii. A councillor can only receive one SRA.
- iii. As elected representatives, councillors are expected to undertake responsibilities in the course of their duties which may include representation on a number of external bodies. SRA should only be paid to those councillors who have significant additional responsibilities, over and above the generally accepted duties of a councillor.
- iv. Payment of SRA is limited to 50% of a council's councillors; based on the total number of seats on a council. Where this results in a fraction the figure may be rounded up to the next whole number.
- v. In exceptional circumstances a council can apply to the Department for flexibility in this 50% restriction. This will not affect the maximum amount of SRA available to a council, only its distribution among the councillors of that council. In order for the Department to make a decision the council would need to submit all relevant information which should include:

- reasons for wishing to distribute SRA allocation to more than half the council;
  - the period involved;
  - details of the additional number of councillors to receive SRA; and
  - the resulting percentage of councillors to receive SRA.
- vi. Payment of SRA to an individual councillor is limited to  $\frac{1}{5}$ <sup>th</sup> of the SRA maximum rate applicable for that council.
- vii. It is a matter for each council to decide which significant additional responsibilities attract SRA. The special responsibility and associated SRA rate payable must be clearly stated in the scheme.
- viii. Councils should consider, very carefully, the additional roles of councillors and the significance of those roles, both in terms of responsibility and time commitment, before deciding which will warrant the payment of an SRA.
- ix. To achieve consistency in SRA levels, where councillors from different councils will be part of a body for which a SRA is considered applicable, the councils involved may wish to discuss the appropriate remuneration level, e.g. involvement with individual local government organisations or joint committees. In certain circumstances the body concerned may wish to provide a steer.
- x. The amount a council may spend on SRA is subject to a maximum rate as determined by the Department, banded by the size of the council population. Each council's population figures are updated

each year by the Northern Ireland Statistics and Research Agency and it is the duty of each council to operate within the total maximum rate appropriate to its population band. The population bands and applicable maximum rates, operational from 1 April 2015, are contained in Local Government Circular 05/2015.

- xi. It is for each council to decide the SRA payment intervals. The Department would suggest payment on a monthly or quarterly basis, but under no circumstances should payment be made in advance.
- xii. A council may wish to retain a portion of its SRA allocation to allocate later in the year; as unpredicted responsibilities may arise during the year.
- xiii. Where applicable a SRA should be paid on a pro-rata basis.

**6. Chairperson/Vice Chairperson Allowances**

<b>At a glance - Key information</b>
<ul style="list-style-type: none"><li>• Legislation – Section 32 of the Finance Act<ul style="list-style-type: none"><li>○ Chairperson/Vice Chairperson Allowances are completely separate from Special Responsibility Allowance (SRA) arrangements</li></ul></li></ul>

- i. Section 32 of the Finance Act provides that a council may pay to the chairperson and vice chairperson of the council such allowances as it considers reasonable to meet the expenses of those offices.
- ii. Where the district of a council has been designated as a borough, the chairperson and the vice chairperson are known as the mayor and deputy mayor of the borough.
- iii. The Department advises that any Chairperson/Vice Chairperson Allowance should be considered totally separate from SRA arrangements. Further, these allowances should not be taken into account when considering SRA limits. This follows the policy intent of the primary legislation in Section 32.
- iv. The Department advises that any Travel & Subsistence expenses for these offices/roles should be viewed and treated as normal Section 31 expenses.
- v. Streamlining of this allows for transparency of the allowances being paid by each council to councillors in these positions.
- vi. The councillor allowances statistical return will be revised to record and show the Chairperson/Vice Chairperson Allowance separate from SRA.

- vii. Section 6 and Part 3 of Schedule 1 of the Local Government (Northern Ireland) 2014 Act means that it is only in exceptional circumstances that a councillor receiving a Chairperson/Vice Chairperson Allowance would also be in receipt of a SRA.

## **7. Dependants' Carers' Allowance**

<b>At a glance - Key information</b>
• Legislation – Regulation 6 of the 2012 Regulations
• Open to all councillors who are the main carer of a dependant
• Subject to a maximum rate per hour of care
• Subject to a maximum amount payable per month
• Claims must be made within 3 months

- i. Each council may make provision in its scheme of allowances for the payment of a Dependants' Carers' Allowance ("DCA"). This is an allowance open to all councillors who are the main carers of a dependant where care is required to enable the councillor to perform an approved duty.
- ii. The allowance may be paid for a dependant who requires full-time care and who resides with the councillor as part of that household.
- iii. A dependant is defined as:
  - a child under 16 years old;
  - a child 16 years old or more, where there is medical or social work evidence that full-time care is required;
  - an adult with a recognised physical or mental disability where there is medical or social work evidence that full-time care is required; or
  - an elderly relative requiring full-time care.
- iv. For the purposes of this allowance, a carer is defined as a responsible person over 16 years old who does not normally live with the councillor as part of that household and is not a member of the immediate family.

- v. A specialist carer is defined as a qualified person who is needed where it is essential to have professional assistance. In these circumstances a receipt must be attached to the claim.
- vi. The Department determines maximum hourly rates of DCA for both standard care and specialised care. The rate for standard care is based on the hourly national minimum wage for age 21 or over, and the rate for specialised care is double the rate for standard care. In addition the Department sets maximum monthly amounts for standard care and specialised care, capped at the equivalent of 52 hours per month.
- vii. It is not intended that DCA will reflect the actual costs that may be incurred by a councillor, but will provide a reasonable amount towards the care of dependants.
- viii. Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/ dependants being cared for.
- ix. Councils should ensure that they have a robust system in place for councillors to claim the relevant DCA applicable to their circumstances. Councillors wishing to claim DCA should be asked to complete a claim form and sign a declaration. Annex B provides suggested template forms for claiming DCA standard / specialised care.
- x. The process should include flexibility to allow for care for the period of essential travel time, councillors may claim for a period starting

up to a maximum of one hour before the approved duty starts and ending up to one hour after it finishes. In exceptional cases, with the prior approval of the council, a greater travel time may be considered.

- xi. Councillors must disclose any financial support provided under DCA when applying for other care services offered by another public body.
- xii. Councils are encouraged to provide councillors with information as to where they might access advice on caring facilities and services. Councils should also review whether their family-friendly policies and practices cater for the needs of councillors, as well as staff.
- xiii. Councils must ensure they have a robust system in place for DCA claims which must be submitted within three months. In exceptional circumstances a council has discretion to consider claims outside this period.

**8. Travel And Subsistence Allowances; Expenses for Official and Courtesy Visits etc; Expenses Incurred in Attending Conferences and Meetings**

<b>At a glance - Key information</b>
<ul style="list-style-type: none"> <li>• Legislation – Regulation 7 the 2012 Regulations; Sections 33 &amp; 34 of the Finance Act</li> </ul>
<ul style="list-style-type: none"> <li>• Travel and subsistence rates are determined by the council</li> </ul>
<ul style="list-style-type: none"> <li>• Claims must be made within 3 months</li> </ul>

- i. Each council may make provision in its scheme of allowances for the payment of travel allowance and subsistence allowance; within the maximum rate determined by the Department. These are open to all councillors and committee members who incur expenditure for travel and subsistence in relation to any approved duties.
- ii. The maximum rates of travel and subsistence are determined by the Department following consultation with the Northern Ireland Joint Council for Local Government Services.
- iii. Councils must ensure they have a robust system in place for any travel allowance or subsistence allowance claims, including appropriate receipts for travel, such as tolls/car parking, other than mileage-based claims, all of which must be submitted within three months. In exceptional circumstances a council has discretion to consider claims outside this period.
- iv. The amount claimed must not exceed the actual amount paid.
- v. The rates paid for travel by car must not exceed the amount that would result from using an alternative mode of transport; e.g. public transport or air fare, unless previously agreed by the council.

- vi. In submitting the claim the person is declaring that no other body will be covering, part or all, of the costs claimed.
- vii. The consolidated circular 05/2015 states the maximum rates of subsistence, which are those set in 2006. However, there is flexibility for councils to increase these rates where necessary by applying a suitable price inflation measure.
- viii. Where the mode of transport limits availability of meal options, such as via airplane or train, the reasonable cost of a meal taken, including VAT, may be reimbursed in full. This is in place of the relevant meal allowance.
- ix. It is at the discretion of the council to cover expenditure incurred by councillors in making or receiving official/ courtesy visits or attending conferences, on behalf of the council, which are outside of the standard travel and subsistence arrangements. This type of expenditure may arise due to hosting guests to the council, or representing the council at an event or attending a conference. Where applicable the rates and rules for general travel and subsistence should be followed.
- x. For travel and subsistence outside the British Isles, it is recommended that councils adopt the Overseas Subsistence Rates produced by the Foreign and Commonwealth Office.

## **9. Councillors' Support Services**

- i. The Basic Allowance has been increased, in part, to cover office consumables or incidental costs incurred by councillors in their official capacity including the cost of mobile telephone calls.
- ii. It is for each council to decide if it needs to provide councillors with any IT or mobile hardware, such as laptops or printers.
- iii. It is for each council to decide on the level of support services that it provides such as general secretarial services.

## **10. Renunciations**

Councillors may, if they wish, renounce their entitlement to basic, chairperson, vice chairperson or special responsibility allowances. They can do this by writing to the Chief Executive. A councillor can subsequently withdraw the renunciation. They can also amend a renunciation (for example, to limit it to one kind of allowance only). The withdrawal or amendment cannot have retrospective effect.

## **11. Councillors' Pensions And Tax Implications**

It is for councils and councillors to satisfy themselves that their tax and insurance arrangements are in order; where necessary consulting with advisers as required. As at February 2015, the HM Revenue and Customs website contains useful information. The hyperlink below refers.

<http://www.hmrc.gov.uk/manuals/eimanual/eim65900.htm>

## 12. Publication of Allowances Paid to Councillors

<b>At a glance - Key information</b>
• Legislation – Regulation 11 the 2012 Regulations
• Generic scheme template for scheme
• Generic template for allowances paid

- i. As soon as possible after the end of a financial year, and before 30 June, a council must arrange for the amounts of basic allowance, special responsibility allowance, Chairperson/Vice Chairperson allowance, Official/Courtesy Visits expenses and dependants' carers' allowance it has paid to each councillor, and the amounts of travel and subsistence allowances paid to each councillor and committee member, to be published on its website.
- ii. A template for recording allowances, which must be adhered to, will be provided to councils shortly. This will then be appended to this guidance document at Annex C. This generic approach will aid transparency and allow for comparisons to be made between councils.
- iii. In the template Section 31 (Travel & Subsistence) and Section 34 (Attendance at Conferences/Meetings) of the Finance Act expenses/allowances will be grouped together.
- iv. Section 32 allowances (Chairperson/Vice Chairperson) will be recorded separately.
- v. Section 33 of the Finance Act expenses (Official/Courtesy Visits) will be recorded separately.

**13. Increases to Allowance Rates**

- i. The amount of the maximum basic allowance, SRAs and Chairperson/Vice Chairperson allowances will be updated in line with pay increases for council officers.
  
- ii. The amount of Dependants' Carer's Allowance will be updated in line with the national minimum wage for 21+.

**14. Amendments to Regulations**

A new version of the 2012 regulations is being drafted and will be issued for consultation shortly. Once made all references in this guidance to the 2012 regulations will be to the 2015 regulations.

[NAME OF COUNCIL]

[Council to complete/consider this colour font]

## SCHEME OF ALLOWANCES PAYABLE TO COUNCILLORS

This Scheme is made under the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012.

### **1. Definitions**

In this scheme 'approved duty' and committee member are as defined in the Local Government (Payments to Councillors) Regulations (Northern Ireland) 2012.

### **2. Commencement Date**

This scheme of allowances shall be operational from 1 April 2015.

### **3. Basic Allowance**

An annual basic allowance of (amount) shall be paid to each councillor. Where applicable this will be paid pro-rata.

### **4. Special Responsibility Allowance**

- 4.1. A special responsibility allowance shall be paid to those councillors who hold the special responsibilities specified in Schedule 1.
- 4.2. The amount of allowance shall be the amount specified against that special responsibility in the Schedule. The allowance is only payable whilst the councillor is carrying out that duty.

4.3. At any time, only one special responsibility allowance will be paid to a councillor.

## 5. Chairperson/Vice Chairperson Allowance

5.1. An allowance of (amount) will be payable to the Chairperson/Mayor of the council.

5.2. An allowance of (amount) will be payable to the Vice Chairperson/Mayor of the council.

## 6. Dependants' Carers' Allowance

6.1. Councillors are entitled to claim a dependants' carers' allowance towards reimbursement of actual reasonable costs necessarily incurred in providing care for an eligible dependant, while carrying out an approved duty.

6.2. A dependants' carers' allowance shall be payable based upon actual receipted costs or at the appropriate hourly rate, whichever is the lower; up to the monthly maximum.

6.3. The hourly rate of dependants' carers' allowance for standard care shall be (amount), and for specialised care (amount). The monthly maximum for standard care payable is (amount), and the monthly maximum for specialised care is (amount). Councillors may claim only one DCA in respect of each occurrence of approved duty. Only one DCA rate is payable even if there are 2 or more children/ dependants being cared for.

## 7. Travel and Subsistence Allowances

7.1. A councillor or committee member shall be entitled to claim travel and subsistence allowances where expenditure on travelling or subsistence has been necessarily incurred. The amount claimed should not exceed expense incurred.

7.2. The rates of travel allowance for travel by private vehicle shall be as shown in the table below. [Where council rates are set below maximum, or maximum increased, these figures should be amended.]

Type of Vehicle	Rate per Mile
A pedal cycle	20.0p
A solo motor cycle of cylinder capacity not exceeding 149cc	11.4p
A solo motor cycle of cylinder capacity exceeding 149cc but not exceeding 499cc	16.5p
A solo motor cycle of cylinder capacity exceeding 499cc or a motor cycle with side car	22.0p
A motor car of cylinder capacity not exceeding 450cc	22.0p
A motor car of cylinder capacity exceeding 450cc but not exceeding 999cc	46.0p *13.7p
A motor car of cylinder capacity exceeding 999cc but not exceeding 1,199cc	52.2p *14.4p
A motor car of cylinder capacity exceeding 1,199cc	65.0p *16.4p
Passenger rate	5.0p

\*For mileage above 8,500 miles

7.3. The rates of subsistence shall be as shown in the table below.

[Where councils have increased the set rates due to insufficiency, or where the default set rates have increased, the council rates should be input]

PERIOD/MEAL	RATES	
	British Isles £	London £
<b>Overnight allowance</b> - An absence involving an overnight stay, away from the normal place of residence. This rate does not include any meal allowance.	100.70	122.45
<b>Breakfast allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period before 11 am)	11.50	
<b>Lunch allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period including the period between 12 noon and 2pm)	13.50	
<b>Tea allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period including the period between 3pm and 6pm)	4.70	
<b>Evening meal allowance</b> - (more than 4 hours away from the normal place of residence or, where approved by the council, a lesser period ending after 7pm)	20.95	

## **8. General**

- 8.1.** This scheme may be revoked or amended at any time.
- 8.2.** The amounts stated in paragraphs 3-5 will be subject to any indexing increase during the year. [Where councils do not wish this to automatically be the case this wording should be amended/removed].
- 8.3.** The amounts stated in paragraph 6 will be subject to any increase to the minimum wage for 21+. [Where councils do not wish this to automatically be the case this wording should be removed].

## **9. Claims and Payment**

- 9.1.** Payments regarding basic allowance and special responsibility allowance shall be made (insert frequency, for example monthly).
- 9.2.** Claims for dependants' carers' allowance, travelling allowance or subsistence allowance should be made in writing within three months, and should be accompanied by receipts, where appropriate.

**SCHEDULE 1 to the Scheme of Allowances**

The following table provides details of the council's duties which attract a Special Responsibility Allowance and the associated allowance amount.

Special Responsibility	Special Responsibility Allowance Rate (£)
Insert the role and details of the significant additional responsibility that is over and above the generally accepted duties of a councillor	Insert amount attached to this special responsibility

DEPENDANTS' CARERS' ALLOWANCE  
(SAMPLE) CLAIM FORM – STANDARD CARE

Date care provided: .....

Approved duty covered: .....

*(expand as necessary)* .....

.....

Time from ..... Time to .....

Total travel time within above hours .....

Total hours: .....

Cost per hour: £..... Total amount paid: £.....

Total amount claimed £.....

*(Claim amount is subject to agreed travel time, hourly and monthly rate limits)*

Name of dependant(s): .....

Relationship(s) to councillor: .....

Name of carer: .....

National Insurance Number of Carer .....

**Declaration:**

*I declare that the above named provided a childcare/carer service to me as detailed above, in order that I could perform the approved duty stated.*

Name of claimant: .....

Signature of claimant: .....

Date of claim: .....

*NB – A claim form should be completed and submitted for each relevant occurrence of approved duty -*

DEPENDANTS' CARERS' ALLOWANCE  
(SAMPLE) CLAIM FORM – SPECIALISED CARE

Date care provided: .....

Approved duty covered: .....

(expand as necessary) .....

.....

Time from ..... Time to .....

Total travel time within above hours .....

Total hours: .....

Cost per hour: £..... Total amount paid: £.....

Total amount claimed £.....

*(Claim amount is subject to agreed travel time, hourly and monthly rate limits)*

Name of dependant(s): .....

Relationship(s) to councillor: .....

Name of carer: .....

National Insurance Number of carer: .....

**Declaration:**

*I declare that the above named provided a childcare/carer service to me as detailed above, in order that I could perform the approved duty stated.*

Name of claimant: .....

Signature of claimant: .....

Date of claim: .....

***NB – A claim form should be completed and submitted for each relevant occurrence of approved duty. – an original invoice from the carer must be presented with this claim form***

**RECORD OF COUNCILLOR ALLOWANCES PAID**

**[ADD YEAR 2015/16]**

**[To be appended once available]**