

REPORT TO: East Lothian Council

MEETING DATE: 15 May 2012

BY: Executive Director of Support Services

SUBJECT: Councillors' Salaries and Expenses

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1 PURPOSE

- 1.1 To assist the Council in setting Councillors salaries and advising upon arrangements in place for the re-imbursment of Councillors expenses.

2 RECOMMENDATIONS

The Council is recommended to:

- 2.1 Approve the salary structure for Councillors as proposed within Appendix 1.
- 2.2 Note the continued use of a national expenses and allowances process including the use of a standardised claim form and the payment of salaries and expenses monthly in arrears.
- 2.3 Note that all salary and expense information forms part of the public record, a summary of which the Council must publish each year.

3 BACKGROUND

- 3.1 The Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 and the Local Government (Allowances and Expenses) (Scotland) Regulations 2007, provide arrangements for the payment of Councillors, the re-imbursment of Councillors expenses and the annual publication of information on Councillors expenses. Two fundamental principles to be applied nationally are that:

- Councillors should be paid a pensionable salary
- Expenses incurred by Councillors in performing approved duties are re-imbursed on the basis of submitted receipts.

Salaries

3.2 Each salary and the numbers of salaries depend on the role of the Councillor and the national guidance provides only limited scope upon which the Council can exercise discretion. Under this guidance East Lothian Council is allowed to have:

- 1 Leader of the Council
- 1 Civic Head or Provost
- Up to 9 Senior Councillors
- 12 Councillors (variable but assumes 9 Senior Councillors)

3.3 The level of pay for each of these roles is:

Leader of the Council (fixed)	£27,058
Civic Head/Provost (max)	£20,294
Senior Councillors (max)	£20,294
Councillors (fixed)	£16,234

The salary of the Leader of the Council and Councillors is specified in regulation (East Lothian Council is specified as falling into Band A, the smallest) and the Council may not vary these salaries. The Council has discretion as to how much to pay the Civic Head/Provost up to a maximum of 75% of the Leader. The Council also has some discretion on both how many Senior Councillors it has, and how much they are paid. Senior Councillors are those that hold a position of significant responsibility in the Councils political management structure. Posts such as a Depute Provost, Depute Leader, appointed Opposition Leaders and Cabinet portfolio holders would all be Senior Councillors.

The Council is not allowed to pay more than these sums and there are no extra allowances beyond specified travel and subsistence arrangements that supplement these figures e.g. there are no special responsibility allowances or meals allowances. However, Councillors do have the right to renounce all or part of their remuneration if they so choose.

3.4 Special arrangements exist to support the appointment of an East Lothian Councillor to the position of Convener or Vice-Convener of the Police and Fire Joint Boards. Although salary enhancements for these roles would be payable by the Council, any such appointment would not count against the regulatory limit on the number or cost of Senior Councillors for this Council.

3.5 As advised earlier in Section 3.2, up to 9 Senior Councillors can be paid an amount that matches their respective responsibilities provided that:

- 1) The total paid does not exceed a specified maximum total cost (calculated in accordance with the Regulations) of £164,073 per year, and
 - 2) No one individual is paid any more than 75% of the Leader – this has been calculated as £20,294.
- 3.6 Salaries are paid monthly in arrears and are subject to tax and national insurance. All of the salaries, expense and tax rates are based on current information and are subject to change when indicated by the relevant national organisation.

Expenses and Allowances

- 3.7 Detailed national guidance applies to the payment of expenses, which will be summarised and provided to each Councillor to guide their future claims.
- 3.8 Expenses can be claimed when they are incurred in performing approved duties. Approved duties are defined in Section 49 of the Local Government (Scotland) Act 1973 as:
- Attendance at a meeting of the local authority or any of its committees or sub-committees;
 - The carrying out of any other duty approved by the local authority, or anything of a class so approved for the purposes of, or in connection with, the discharge of functions of the local authority or any of its committees or sub-committees;
 - The performing of any duty as a member of any other body, prescribed by the Scottish Ministers for the purpose, to which the Councillor has been nominated or appointed by the local authority.

A more detailed list of approved duties will be provided within the detailed guidance given to each Councillor.

Travel Rates

- 3.9 The following allowances are to be paid for travel costs incurred on approved duties:
- 45.0p per mile for travel by car or van
 - 24p per mile for travel by motorcycle
 - 20p per mile for travel by bicycle
 - 5p per passenger per mile when both the Councillor and passenger are carrying out approved duties

Accommodation Rates

- 3.10 Maximum overnight accommodation rates away from home and local authority premises (costs for bed and breakfast) are as follows:

- Within London £131.00
- Elsewhere £110.00

Overnight Accommodation Away from Home with Family & Friends

- 3.11 An elected member staying away from home with friends or family may in addition to travelling expenses be paid £25 per night if the Council determines that the expense is reasonably incurred for approved duties, otherwise no allowance is payable.

Cost of Meals

- 3.12 Receipted costs of meals when these are necessarily incurred as part of approved duties are reimbursed provided that the Councillor is outside their ward and not eating on Council premises. The maximum costs that will be reimbursed in these circumstances are:
- Lunch £12
 - Dinner £25
 - Breakfast £8 (only if overnight accommodation is not claimed)

Telephone Calls

- 3.13 The cost of business telephone calls and rental on private telephones are to be reimbursed subject to a maximum of 50% of the line rental costs of any phone that has shared personal and business use. Any reimbursement of shared rental cost is taxable.

Civic Head and Deputy

- 3.14 The Provost may claim up to £2,000 receipted expenditure per year for costs incurred in performing their duties, and this is a taxable allowance. A person deputising for the Provost may be reimbursed for any receipted expenditure. All such reimbursement is limited to this total amount for both the Provost and the Deputy.

2011 Amendment – Councillors on Outside Bodies Controlled by the Council

- 3.15 This amendment prevents the Council from allowing any body controlled solely by the Council from making payments to Councillors by way of remuneration.

Claim Forms

- 3.16 All expenses and allowances have to be claimed on the standardised national expense form included as annex E of the national guidance. This means that all expenses are paid in arrears as part of monthly salaries.

Publication of Expenses Information

3.17 Each year the Council must publish the amount of salaries and expenses paid to each Councillor. The format of the information is specified in annex F of the national guidance.

3.18 This information is a summarisation of all of the expense forms. All of the supporting information associated with the published figures is open to public inspection.

4 POLICY IMPLICATIONS

4.1 There are no direct policy implications associated with the report recommendations.

5 EQUALITIES

There are no direct equalities implications and an Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – the costs of the proposed salary and expenses arrangements are in accordance with the national regulations and can be accommodated within the approved 2012/13 revenue budget.

6.2 Personnel – Councillors are able to opt into a defined benefit pension scheme, details of which will be provided to each Councillor.

Councillors are not employees other than for the purposes of pensions, tax and National Insurance. There is no contract of employment and in the absence of such a contract there are no specified employment conditions with regard to sickness or other absence, holidays, working hours, disciplinary or grievance arrangements for example. National arrangements with respect to the Councillor's Code of Conduct continue to apply.

6.3 Other – none.

7 BACKGROUND PAPERS

7.1 Councillors' Remuneration: Remuneration, Allowances and Expenses – Guidance – (revised) April 2010

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DATE	11 May 2012

Proposed Councillors' Salary Structure

APPENDIX 1

Post	Regulatory Structure			Proposed Salary	Complies with Regulations?
	Role under Regulations	Salary Fixed by Regulation	Maximum Salary Allowed		
Council Leader (Cabinet Spokesperson for Housing and Community Planning)	Leader of the Council	27,058		27,058	✓
Provost	Civic Head		20,294	20,294	✓
Depute Leader (Cabinet Spokesperson for Transportation and Roads)	Senior Councillor		20,294	20,294	✓
Depute Provost	Senior Councillor		20,294	20,294	✓
Cabinet Spokesperson for Health and Social Care	Senior Councillor		20,294	20,294	✓
Cabinet Spokesperson for Education and Children's Services	Senior Councillor		20,294	20,294	✓
Cabinet Spokesperson for Economic Development & Tourism	Senior Councillor		20,294	20,294	✓
Cabinet Spokesperson for Environment	Senior Councillor		20,294	20,294	✓
Cabinet Spokesperson for Community Well-Being	Senior Councillor		20,294	20,294	✓
Opposition Leader	Senior Councillor		20,294	20,294	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
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Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
Councillor	Councillor	16,234		16,234	✓
		238,100	182,646	420,746	

Total expenditure on Senior Councillors 162,352

The number of Senior Councillors is 9 or less?

No Senior Councillor is paid more than the Civic Head?

The total salary cost for Senior Councillors is not more than the regulatory limit of £164376?

✓
✓
✓