

**REPORT TO:** East Lothian Council

**MEETING DATE:** 23 May 2017

**BY:** Depute Chief Executive (Resources and People Services)

**SUBJECT:** Councillors' Remuneration and Expenses

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## **1 PURPOSE**

- 1.1 To assist the Council in setting Councillors remuneration and advising upon expenses allowances.

## **2 RECOMMENDATIONS**

The Council is recommended to:

- 2.1 Approve the remuneration 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 remuneration and expenses monthly in arrears.
- 2.3 Note that all remuneration 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 Amended Regulations 2017 set the pay of Councillors. The Regulations provide arrangements for the remuneration 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 remuneration;
- Expenses incurred by Councillors in performing approved duties are reimbursed on the basis of submitted receipts.

3.2 The level of remuneration depends on the role of the Councillor. The National Guidance sets out the number of Councillors and roles within the Council, and any areas where 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
- 11 Councillors (variable but assumes 9 Senior Councillors)

3.3 The level of remuneration for each of these roles is set out below:

Leader of the Council (fixed)	£28,213
Civic Head/Provost (fixed)	£21,160
Senior Councillors (max 75% of Leaders salary)	£21,160
Councillors (fixed)	£16,927

3.4 The Regulations place each Council into one of four Bands, based on various factors including the size of the Council budget. The Bands determine the remuneration of the Leader and Civic Head, and East Lothian Council is specified as falling into Band A, which is the smallest of the four Bands. The Regulations determine the maximum number of Senior Councillors it can hold (for East Lothian this is 9), however the Council has the flexibility to determine how much remuneration they are paid, with the maximum amount no more than 75% of the Leaders remuneration and the minimum is the basic remuneration of a councillor. Senior Councillors are those that hold a position of significant responsibility in the Councils political management structure. Posts such as Cabinet portfolio holders and Opposition Leader would all be classified as Senior Councillors. The basic remuneration for a Councillor is set out within the Regulations.

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 £171,390 per year, and
- 2) No one individual is remunerated greater than 75% of the leader – this has been calculated as £21,160.

- 3.6 Remuneration is paid monthly in arrears and is subject to tax and national insurance. All of the remuneration, expense and tax rates are based on current information and are subject to change when indicated by the relevant national organisation.
- 3.7 The Regulations allow Councillors access to a Councillors Pension Scheme. In line with requirements, Councillors will be auto-enrolled into the Pension Scheme, administered by Lothian Pension Fund, but have the right to opt out.

### **Expenses and Allowances**

- 3.8 Detailed national guidance applies to the payment of expenses, and this has now been provided to each Councillor to guide their future claims.
- 3.9 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.

### **Travel Rates**

- 3.10 The following allowances are to be paid for travel costs incurred on approved duties; however, Councillors are encouraged to use public transport where possible.
- 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**

- 3.11 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**

- 3.12 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**

- 3.13 Receipted costs of meals when they 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**

- 3.14 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**

- 3.15 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**

- 3.16 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**

- 3.17 All expenses and allowances have to be claimed on the standardised national expense form in line with national guidance. This means that all expenses are paid in arrears as part of monthly remuneration. Expense claims can be provided from the Payroll department.

### **Publication of Expense Information**

- 3.18 Each year the council must publish the amount of remuneration and expenses paid to each Councillor. The format of the information is specified in the national guidance.
- 3.19 This information is a summarisation of all 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 this report.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report has been considered and given there is no change in policy direction, there is no requirement to undertake any further impact assessment.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – as described above
- 6.2 Personnel - none
- 6.3 Other – none

## **7 BACKGROUND PAPERS**

- 7.1 Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2017

<b>Author's Name</b>	<b>Jim Lamond</b>
<b>DESIGNATION</b>	<b>Head of Council Resources</b>
<b>CONTACT INFO</b>	<b>jlamond@eastlothian.gov.uk</b>
<b>DATE</b>	<b>16 May 2017</b>

**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	Leader of the Council	28,213		28,213	✓
Provost (Cabinet Spokesperson for Economic Development & Tourism)	Civic Head		21,160	21,160	✓
Cabinet Spokesperson for Health and Social Care	Senior Councillor		21,160	21,160	✓
Cabinet Spokesperson for Education and Children's Services	Senior Councillor		21,160	21,160	✓
Cabinet Spokesperson for Environment	Senior Councillor		21,160	21,160	✓
Cabinet Spokesperson for Housing and Community Well-Being	Senior Councillor		21,160	21,160	✓
Opposition Leader	Senior Councillor		21,160	21,160	✓
Depute Provost	Councillor	16,927		16,927	✓
Councillor	Councillor	16,927		16,927	✓
Councillor	Councillor	16,927		16,927	✓
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Councillor	Councillor	16,927		16,927	✓
Councillor	Councillor	16,927		16,927	✓
		265,191	126,959	392,150	

Total expenditure on Senior Councillors

105,799

The number of Senior Councillors is 9 or less?

✓

No Senior Councillor is paid more than 75% of Leader of Council?

✓

The total salary cost for Senior Councillors is not more than the regulatory limit of £171,390

✓