

**3. MEMBERS' ALLOWANCES SCHEME –TRAVEL & SUBSISTENCE CHANGES (A.117/2/EWJ)**

**Purpose of the report**

1. This report proposes changes to the amount paid to Members for travel and subsistence for carrying out approved duties under the Members' Allowances Scheme. The need for changes has arisen out of recent changes to the travel and subsistence rates paid to employees.

**Recommendations**

2. **That the rates for travel and subsistence paid under the Peak District National Park Authority Members' Allowances Scheme, as set out in Appendix 1 of the report, be effective from 1 April 2010.**

**How does this contribute to our policies and legal obligations?**

3. Contributes to Corporate Objective 11.1 to 'Ensure continuous improvement, value for money, sustainability and high standards of corporate governance'.

**Background**

4. The Members' Allowances Scheme is a statutory scheme agreed by the Authority under the Local Authorities (Members' Allowances) (England) Regulations 2003.
5. Under the Scheme a Member may be reimbursed in respect of travelling and subsistence for carrying out approved duties for the Authority.
6. The Scheme provides that the rates at which Members can be reimbursed for travel and subsistence will be the same as those applicable to employees of the Authority.

Travel Allowances:

7. The Services Committee on 12 March 2010 agreed to proposals to amend the mileage rates paid to employees. The car mileage rate for all employees becomes 40p per mile, in line with the Inland Revenue non taxable rate, for up to 5,000 miles per annum and 25p per mile thereafter, from 1 April 2010. As the car mileage rate of 40p per mile will not now be taxable the payment of travel and subsistence to employees will now be administered by the Authority's finance service. This will achieve additional savings in payroll service charges.
8. The Members' scheme car mileage rates need to be changed in line with the changes to the 40p rate agreed for the employee's allowances. At that rate the car mileage payments will not now be taxable. Over time there has been other adjustments to the other staff travel rates which need incorporating into the Members' Scheme to make it compatible with the current rates paid to employees. These are shown in Appendix 1.

Subsistence Allowances

9. The Members' scheme also needs to be amended to reflect the current rates of subsistence allowances paid to employees which have been revised over the last two years. These changes which as shown in Appendix 1 are not significant. All subsistence claims must be supported by a receipt.

10. At the moment travel and subsistence allowances for Members will continue to be paid through the payroll under the current service level agreement with Derbyshire County Council. Consideration will be given to payments being administered by the Authority's finance service in order to make additional savings when this agreement is reviewed in 2011.
11. At the end of financial year the total amounts of all expenses paid to Members, including the Basic and Special Responsibility Allowances and travel and subsistence payments, are published on the Authority's web site.

### **Proposals**

12. That the rates for travel and subsistence payable under the Members' allowances scheme be amended to be compatible with the current rates payable to employees as set out in Appendix 1.

### **Are there any corporate implications members should be concerned about?**

#### **Financial:**

13. The reduction in the mileage rate to 40p will achieve savings of around 11% on this element of the Members' allowances budget. In the current financial year up to the end of February the amount paid in mileage claims so far is £9595. In a full year the savings should therefore be around £1,200. As tax will no longer be payable on a proportion of the mileage payment the net impact on an individual Member will be a reduction of about 9%.
14. The changes to the rates of subsistence allowances will have little impact on savings. In the current financial year up to the end of February the amount paid in subsistence claims so far is only £207. On the few occasions when overnight accommodation is required this is usually booked in advance and paid for by the Authority and not reclaimed by a Member under the Scheme.

#### **Consultation:**

15. As an informal consultation Members who had served for a full year up to 31<sup>st</sup> March 2009, were given an illustration of how the reduction in the mileage rate from 45p to 40p would have affected the net amount they received in travel allowances over that year if they had been paid at the proposed new rate. 15 members out of the 16 who commented supported the proposed reduction. The results of the consultation were discussed with members of Strategic Advisory Group on 5 February who asked that staff were informed that Members supported the principle of harmonisation between the two schemes

#### **Risk Management:**

16. Accepting the proposed changes will mitigate the risk that the travel and subsistence allowances are not compatible with the allowances paid to employees which will be contrary to the requirements of the statutory scheme.

17. **Background papers** (not previously published)

None

### **Appendices**

Appendix 1: Proposed changes to Members' Travel and Subsistence Scheme

### **Report Author, Job Title and Publication Date**

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