

Part 10 - Councillors Allowance Scheme

1. Introduction

- 1.1 This Scheme is governed by the Local Government & Housing Act 1989 as amended and the Local Authorities (Members' Allowances) (England) Regulations 2003. The Regulations require local authorities:
- (a) to review their Councillors' Allowances Schemes every four years as a minimum; and
 - (b) to have regard to the recommendations of an independent remuneration panel when making or amending their allowance scheme.
- 1.2 The Council carries out a full review of its Councillors' Allowances Scheme, having regard to the London Councils' Independent Panel report, at the start of each 4-year electoral term, and confirms it annually. The Council agreed on 3 March 2016 that Basic, Special Responsibility and Co-Optee Allowances will increase annually in line with the NJC pay award for employees with effect from the beginning of the 2015/16 financial year. The current rates of allowances were agreed by the Council in February 2026 and are set out in Appendix A.
- 1.3 No councillor shall claim or receive any allowance from more than one authority of which (s)he is a Member in respect of the same duties.
- 1.4 In this Scheme, unless otherwise provided:
- 1.4.1 "Councillor" or "Member" means an elected Council member of the London Borough of Waltham Forest
 - 1.4.2 "Year" means 12 months to 31 March.
 - 1.4.3 "Monitoring Officer" means the officer designated in Article 12 of the Council's Constitution to undertake specified functions.
- 1.5 Any disputes which cannot be resolved by the Monitoring Officer or abuses will be referred for adjudication to, and be determined by the Audit & Governance Committee.

2. Basic Allowance

- 2.1 A Basic Annual Allowance will be paid to each councillor in monthly instalments at a standard rate per month.
- 2.2 If the Basic Allowance is varied, the old or new rates will be paid for the proportions of the year they apply, calculated on a daily basis.
- 2.3 If a councillor's term of office begins or ends other than at the beginning or end of a year, s/he will receive a pro rata entitlement to Basic Allowance based on the actual number of days of membership.

3. Special Responsibility Allowances

- 3.1 The Council will pay Special Responsibility Allowances to the councillors undertaking the roles set out in the table at paragraph 2.1 of Appendix A and at the rates set out in that table. Payments will be made in monthly instalments at a standard rate per month.
- 3.2 Councillors holding more than one of the above posts, will only receive the Special Responsibility Allowance with the greater value.

4. Dependent's Carer's Allowance

Babysitting allowance

- 4.1 Councillors are entitled to the re-imbursement of the actual costs on proof of receipts for babysitting (up to a maximum rate) where:
- 4.1.1 the costs are necessarily incurred in the supervision of their own children under 15, and
 - 4.1.2 the supervision is not undertaken by a member of their family or household resident at the same address as the councillor, and
 - 4.1.3 the councillor is undertaking a duty listed at Appendix B.

Carer's allowance

- 4.2 Councillors are entitled to the re-imbursement of the actual costs on proof of receipts for caring for dependents 15 and over in their personal care (up to a maximum rate), or in respect of other dependents where medical or social work care is required and where the costs are necessarily incurred:
- 4.2.1 while undertaking one of the duties listed at Appendix B and
 - 4.2.2 the care is not undertaken by a member of their family or household resident at the same address as the councillor.

5. Travelling and Subsistence Allowances

- 5.1 Subject to the provisions below, councillors may claim travelling and subsistence allowances where expenditure is undertaken in connection with or relates to any of the duties listed in Appendix B.
- 5.2 Travelling and subsistence allowances are only payable for travel and subsistence costs incurred in relation to duties outside the borough (except for Co-opted Members who cannot claim co-optees' allowances under paragraph 6.1 of this Scheme or where travel by taxi is allowed in accordance with 5.11 below).
- 5.3 No allowance is payable for travel outside of the UK except with Council approval.
- 5.4 If a Member performs a duty in Appendix B on behalf of more than one body, expenses will only be reimbursed up to the maximum allowable for

one of those bodies. Any claim for travel or subsistence expenses must be reduced by any sums reimbursed by an authority or body in respect of the same duties.

- 5.5 The Council does not provide any travel insurance cover under this Scheme. Members must arrange their own insurance, including Business Use cover for vehicles where applicable.

Public transport (including rail travel)

- 5.6 The amount payable for travel by public transport may not exceed the standard class or any available cheaper fare, except that a first-class rail fare may be claimed when no standard class seats are available.
- 5.7 The above rate may be increased by supplementary allowances not exceeding expenditure actually incurred:
- 5.7.1 In the reservation of seats and the deposit or portage of luggage; and
- 5.7.2 on sleeping accommodation engaged for an overnight journey, subject to reduction by one-third of any subsistence allowance payable to the councillor for that night.

Private motor vehicles

- 5.8 Councillors may claim mileage allowance for the use of a motor vehicle in connection with or relating to the duties in Appendix B.
- 5.9 The mileage allowance rates are set out in Appendix A.
- 5.10 Where a councillor travels to a conference by motor vehicle, any travelling allowance payable will be increased by the appropriate supplementary rate per mile set out in Appendix A for each official delegate carried.

Taxi cabs

- 5.11 The actual fare may be claimed where:
- 5.11.1 a councillor has a disability or mobility difficulties that make use of public transport difficult, or
- 5.11.2 after a formal evening meeting or approved duty in the borough where the councillor concerned considers it appropriate having regard to their safety, the lateness of the hour or some relevant factor.

Hired motor vehicles

- 5.12 The rate of travel allowance payable for the hire of a motor vehicle, other than taxi cabs, shall not exceed the mileage allowance payable under paragraphs 5.8 to 5.10 above.

Air travel

- 5.13 Except where provided for in paragraph 5.14 below, an allowance for air travel is only payable where there is no reasonable alternative form of transport available and/or the councillor can show that it is cheaper than other forms of public transport allowed under this Scheme for the same journey.
- 5.14 Where the travel by plane for a particular journey would result in a substantial time saving justifying the payment of air travel, the Monitoring Officer may further approve the payment of an allowance of either:
- 5.14.1 the ordinary fare or other available cheap fare for travel by regular air service; or
 - 5.14.2 where no such service is available, or in case of urgency, the actual fare paid by the councillor.
- 5.15 With the exception of the circumstances in paragraph 5.14, all allowances will be paid either:
- 5.15.1 at the rate applicable by appropriate alternative means of transport payable under this scheme or
 - 5.15.2 if cheaper, the actual cost of travel.

Bicycles and non-motorised transport

- 5.16 Councillors who travel by bicycle or other non-motorised forms of transport for the duties listed in Appendix B, may claim an allowance at the rate set out in Appendix A.

Subsistence Allowance

Daytime Absence

- 5.17 A subsistence allowance may be claimed for all absence from home for the duties listed in Appendix B. For all current rates, please see Appendix A.

Overnight Absence

- 5.19 Any overnight absence (i.e. a continuous absence of 24 hours) is paid up to a maximum set out in Appendix A.
- 5.20 Where the absence is overnight in London and the Member is unable to get home, or during attendance at an annual conference of the Local Government Association or other associations of authorities of which the Council is a member, the rate shall be increased by up to the higher maximum rate in Appendix A. London means the City of London and boroughs whose officers receive an Inner London Weighting Allowance.

6. Co-optees' Allowance

- 6.1 An annual allowance is payable in equal monthly instalments to the independent members appointed to the Council to serve on the Audit & Governance Committee. Persons who have been co-opted by the Council to serve on Scrutiny Committees or panels appointed by those committees including the statutory Education co-optees may claim Dependants Carer's Allowance and Travelling and Subsistence Allowances (including for intra-borough travel) in respect of their attendance at meetings of the body concerned.

7. Pension Scheme

- 7.1 Following Council's decision to make budgetary provision, Cabinet agreed on 8 November 2017 to the provision of a Defined Contribution Pension Scheme for Members with the option to pay in at 3 per cent or 6 per cent.

8. Maternity, Paternity and Sickness Absence

- 8.1 Council on 19 April 2018 adopted a protocol Maternity, Paternity and Sickness Absence for Councillors. While not forming part of the Scheme, it is attached as Appendix D to this document.

9. Foregoing Expenses

- 9.1 Any councillor or co-opted member entitled to allowances under this scheme may elect to forego any or all of their entitlement to allowances under this Scheme by notice in writing to the Director of Governance; this will have effect from the date that written notice is received. Councillors should note that foregoing allowances may have tax and other financial implications. They are recommended to seek advice from the Director of Finance or the relevant government agency before foregoing their allowances.

10. Claiming Allowances/Payments

Basic, special responsibility and co-optees' allowances

- 10.1 Basic, Special Responsibility and Co-optees' Allowances will be paid automatically through the payroll. Payments will be made by direct credit into bank accounts.

Other allowances

- 10.2 Claims under this scheme must be submitted no later than six months after the date of the duty to which the expenses relate. Claims submitted after this time will not be paid.
- 10.3 Councillors must submit a claim each month for any travelling, subsistence, babysitting or carer's allowances to which they are entitled on the forms provided together with receipts for expenditure.

- 10.4 Councillors can only claim one payment each week in respect of babysitting or carer's allowance except in special circumstances to be judged by the Audit & Governance Committee.
- 10.5 Councillors must submit allowance claims by the first Friday of each month to receive payment on 21st of the same month.
- 10.6 After completion, the form should be returned to the Councillor Services Team Leader.
- 10.7 When satisfied that a claim, other than the basic and special responsibility allowances, falls within the Scheme, Business Support will arrange payment through the payroll system.
- 10.8 Payment will be through Bank Automatic Clearing System (BACS) direct to a bank account.
- 10.9 Please see Appendix C for information relating to income tax and other deductions.

11. Recovery of Overpayments

- 11.1 A councillor or co-opted member must repay any payment received under this Scheme where, in the opinion of the Monitoring Officer s/he has received a payment in respect of any period when s/he either:
 - 11.1.1 Has ceased to be a councillor or a co-optee, or
 - 11.1.2 Is in any other way not entitled to receive the allowance in respect of any period.
- 11.2 Repayments must be made within 28 days of the date of any demand for payment and may, where possible, be deducted from future lawful payments of allowances under this Scheme.

Appendix A – Rate of Allowances

All provisions relating to councillors' entitlement to allowances are set out in the main body of the Scheme. The following rates were agreed at the Budget Council Meeting in February 2024 and are the current rate of allowance:

The following rates will apply:

1. Basic Allowance

- 1.1 The Basic Allowance is £13,085.81 per annum.

2. Special Responsibility (SRAs) and Co-optee Allowances

- 2.1 Special Responsibility and Co-Optee Allowances will be paid for the duties indicated as follows -

SRA	SRA £ pa
Council Leader	58,051.26
Deputy Leader(s)	37,153.02
Cabinet Member(s)s	29,025.63
Leader(s) of the Largest Opposition*	20,528.76
Chief Whip Chair: Scrutiny Coordinating Committee	17,712.45
Mayor Chair: Audit and Governance Committee Chair: Pension Fund Committee Chair: Regulatory Committee (Planning and Licensing) Chair: Scrutiny Committee Chair	11,610.26
Largest Opposition Chief Whip(s)* Vice Chair: Regulatory Committee (Planning and Licensing)	6,102.19
Co-optee: Audit and Governance Committee	1,109.49
Independent Person appointed under Section 28 of the Localism Act 2011 (Standards)	1,109.49

- 2.2 Any opposition group shall qualify for a post if the membership of that group comprises at least one-tenth of the membership of the authority, up to a maximum of two opposition groups.

2.22.3 The Chief Whip of each political group shall inform the Monitoring Officer in writing of all appointments relating to their party for which an SRA is payable.

2.4 Resignations from SRA posts shall take effect upon the receipt by the Monitoring Officer of a notice of resignation signed by the post holder.

2.32.5 Appointed members are only entitled to one special responsibility allowance. This remains the case where a member holds more than one special responsibility.

3. **Dependent's Carers' Allowance**

3.1 The Council will reimburse actual payments made by councillors at an hourly rate equivalent to the London Living Wage for adults. This allowance is capped at 6 hours maximum.

4. **Rates of Travelling Allowance**

Private motor vehicles

4.1 The rate for travel by private motor vehicle is 45 pence per mile for any qualifying car journey.

4.2 The above rate may be increased:

4.2.1 For each passenger by 3.3p per mile for the first passenger and 2.0p per mile for second to fourth passengers. Each passenger must themselves be entitled to claim a travelling allowance under this scheme for the journey.

4.2.2 For any expenditure incurred on tolls, ferries or parking fees, including overnight garaging, except where such expenditure is incurred under the Council's parking scheme for its premises in force at that time.

Motorcycle allowance

Motorcycle capacity	Per mile
Up to 50cc	10.0p
51 - 125cc	13.6p
126 - 250cc	16.7p
251 - 500cc	20.0p
501cc and over	23.3p

Bicycles and non-motorised transport

Councillors who use these forms of transport shall receive a rate of 40 pence per mile.

5. Subsistence Allowance

Day subsistence

- 5.1 **Breakfast allowance** (more than 4 hours away from normal place of residence before 11 am) up to £5.15;
- 5.2 **Lunch allowance** (more than 4 hours away from normal place of residence, including the lunchtime between 12 noon and 2 pm) up to £7.11;
- 5.3 **Tea allowance** (more than 4 hours away from normal place of residence, including the period 3 pm to 6 pm) up to £2.81;
- 5.4 **Evening meal allowance** (more than 4 hours away from normal place of residence, ending after 7 pm) up to £8.80.
- 5.5 If actual expenditure is below the maximum allowance, only this sum may be claimed. Subsistence allowance claims must identify the times of departure, return and duration of any meetings.

Overnight subsistence

- 5.6 Overnight absence under paragraph 5.18 of the scheme above - £83.80.
- 5.7 Overnight absence under paragraph 5.19 of the scheme above £95.63.

Appendix B – Approved Duties for Dependent's Carer's, Travel and Subsistence Allowances

Councillors may claim Dependants Carer's & Travel and Subsistence Allowances in respect of the following duties only:

- 1. Council meetings:** Attendance at any Council, committee & sub-committee meetings.
- 2. Executive Meetings:** the attendance at a meeting of the executive or a meeting of any of its committees.
- 3. Outside Appointments:** Attendance at Meetings of other bodies (and their sub-committees) to which the Council has formally appointed or nominated the councillor.
- 4. Other Authorised Meetings:** Attendance by a formally appointed Council representative at any other meeting authorised by the Council or a Council committee, sub-committee, or a Council joint committee with at least one other local authority or a sub-committee of such a joint committee, **but only**
 - 4.1 Where the Council is divided into two or more political groups, it is a meeting to which members of at least two such groups have been invited; or
 - 4.2 If the Council is not so divided, it is a meeting to which at least two Council members have been invited;
- 5. Local Authority Association Meetings:** The attendance at a meeting of any association of authorities of which the Council is a member, by a formally appointed representative;
- 6. Opening of Tenders:** The performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a councillor or councillors to be present while tender documents are opened;
- 7. Inspection of Premises:** The performance of any duty in connection with the discharge of any function of the Council conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises;
- 8. Attendance of Pupils at Non-Maintained Special Schools:** The performance of any duty in connection with arrangements made by the Council for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools);
- 9. Other Approved Duties:** The carrying out of any other duty approved by the Council, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the Council or any of its committees or sub-committees.

For the purposes of this Appendix, “Council” and “authority” mean an authority of any description specified in Regulation 3(1)(a) to (c) of the 2003 Regulations, which includes (but is not limited to) all London borough, district and county councils.

**NOTE: Travel and Subsistence allowances are payable for approved duties outside the Borough only, except, where otherwise provided in the scheme.*

Appendix C – Councillors' Liability to Tax and National Insurance for Allowances Under the Councillors' Allowances Scheme

(This Appendix is provided for councillors' information only and does not form part of the Constitution)

1. Liability for Tax

- 1.1 Councillors' Allowances are subject to taxation and are paid through the Council's payroll system. Every Councillor will have the option to choose between:
 - 1.1.1 Having tax deductions made under the PAYE system; or
 - 1.1.2 Having tax deducted at the basic rate from all allowance payments;
- 1.2 Under either option it may be possible for the Councillor to obtain the agreement of the Inspector of Taxes to expenses incurred by him/her and not otherwise reimbursed being offset against other allowances before it is taxed. In this connection, it should be remembered that travelling and subsistence expenses are paid by the Council. They cannot therefore be included as an expense for this purpose. Similarly, expenditure of a social or political nature does not qualify for relief.

2. Arrangements with the Inspector of Taxes

- 2.1 HMRC is notified of the names and addresses of all Members of the Council and will generally send a form P280 to them. This asks for details of:-
 - 2.1.1 The name of the Tax Office dealing with the councillor's personal tax affairs;
 - 2.1.2 Employment status;
 - 2.1.3 The name and address of the councillor's employer, where applicable;
 - 2.1.4 Details of any pension received;
 - 2.1.5 The nature of business in the case of a self-employed councillor.
- 2.2 When returning the form to the Inspector of Taxes, the councillor should indicate whether he/she wishes to opt for the PAYE system of tax deduction or have tax deducted at the basic rate. The Inspector of Taxes will then, in due course, notify the Council (Payroll Section) of the councillor's decision. In the case of councillors opting for PAYE deduction a tax code number will be provided, which reflects the amount of expenses agreed between the Inspector and the councillor for the purpose of paragraph 1.2 above.

- 2.3 For tax purposes Form P60 (certificate of allowances paid and deductions for each financial year) will be issued to all councillors shortly after the end of the tax year.

3. Social Security Contributions and Benefits

- 3.1 Councillors and the Council are each liable for Class 1 National Insurance contributions in respect of the payment of Councillors' Allowances where the total paid reaches the current lower earnings limit in any one month. Primary Class 1 contributions are then generally payable by the councillor at the current standard rate.
- 3.2 Some councillors are entitled to pay less than the standard rate in specific circumstances:-
- 3.2.1 Married Women and Widows under 60 who have exercised and retained their right not to pay the full rate will be liable for Class 1 contributions at the "reduced rate".
- 3.2.2 Councillors who have already attained, or on attaining, National Insurance retirement age are not liable to pay contributions.
- 3.2.3 Councillors who expect to pay the maximum National Insurance contributions for the current financial year in any other employment will be exempt from National Insurance contributions on production of form RD950, which is issued on request by the local DWP office. This procedure must be followed for each financial year.
- 3.3 A certificate of reduced liability or an earner's non-liability certificate will be issued by the local DWP office on application by the councillor.
- 3.4 The lower earnings limit and the rates of contributions are generally altered annually as part of the Chancellor of the Exchequer's Budget. Further information may be obtained from Payroll Section at the Town Hall, extension 4230.
- 3.5 Each "employment" is considered separately for National Insurance contribution purposes and there is separate liability for contributions on the pay from each "employment". The fact that a councillor may be employed or is the holder of an office under another employer, or is self-employed, does not affect the amount of the contributions payable on Councillors' Allowances.
- 3.6 Councillors' Allowances payments may affect entitlement to and receipt of benefits. If a councillor is claiming or receiving benefits, including unemployment or supplementary benefit, s/he should notify their local Social Security office of any allowance payments received. S/he should also notify separately, if claiming Housing or Council Tax Benefit.

- 3.7 National Insurance contributions paid by councillors in respect of Councillors' Allowances will generally count towards social security benefits, although entitlement will depend on the amount and rate of contributions paid.

4. Foregoing Allowances

- 4.1 All councillors and Co-opted Members should be aware that a decision to forego allowances may have tax and benefit implications. It is recommended that before making this decision they seek advice from the Strategic Director of Finance and Governance and/or the relevant government agency.

5. Further Advice and Clarification

- 5.1 Councillors are responsible for their tax and other liabilities in respect of their allowances. Further advice can be sought either from the Director of Financial Services or HMRC: see paragraph 2 above for details.

Appendix D – Protocol on Members' Sickness and Maternity/Paternity Leave

1. Employment protection

- 1.1 Councillors do not enjoy the same employment protection rights that are afforded to officers of the Council because councillors are not employees but are elected officials holding public office.

2. Sickness absence

- 2.1 If a councillor becomes incapacitated through illness or injury and has to take sick leave from undertaking all or part of their role as a councillor they are not entitled to sick pay in the way that an employee would receive sick pay
- 2.2 The Council shall ensure that in such circumstances the councillor will continue to receive their existing councillor allowances under the Members' Allowance Scheme notwithstanding they are unable to fulfil all or part of that role for a period of time due to incapacity.
- 2.3 The duties of the councillor, including any specific special responsibilities will need to be assigned within the relevant group by the whip. If the councillor represents a split ward then this may necessitate agreement between the relevant whips in relation to ward matters.
- 2.4 Arrangements to recompense members who take on such additional duties from a fellow councillor who is absent through illness or injury will be agreed by the Monitoring Officer in consultation with the relevant group Leader, or if the absence is being taken by a group leader, consultation with a councillor appointed by the relevant group, and must be in accordance with the Members Allowances Scheme.
- 2.5 If the illness is prolonged and likely to result in an absence of more than six months then consideration must be given to Council resolving to permit any absence over six months which otherwise would result in automatic disqualification of the councillor from holding office.

3. Maternity/Adoption and Paternity Leave

- 3.1 Should a female councillor need to take maternity or adoption leave the Council shall ensure that the councillor will be entitled to take a leave of absence from all or part of their official duties for up to 12 months subject to the councillor giving notice of their intended maternity leave start and end date.
- 3.2 Should a male councillor wish to take paternity or adoption leave the Council shall ensure that the councillor will be entitled to take a leave of absence from all or part of their official duties for up to 3months subject to the councillor giving notice of their intended paternity leave start and end date.

- 3.3 The Council shall ensure that in such circumstances the councillor will continue to receive their normal councillor allowances under the Members Allowance Scheme notwithstanding they are not undertaking all or part of their role as a councillor during this period of absence.
- 3.4 The duties of the councillor including any specific special responsibilities will need to be assigned within the relevant group by the whip. If the councillor represents a split ward then this may necessitate agreement between the relevant whips in relation to ward matters.
- 3.5 Arrangements to recompense members who take on such additional duties from a fellow councillor who is on maternity or paternity leave will be agreed by the Monitoring Officer in consultation with the relevant group Leader, and must be in accordance with the Members Allowances Scheme.
- 3.6 Since maternity, adoption and paternity leave may be prolonged and likely to result in an absence of more than six months then consideration must be given to Council resolving to permit any absence over six months which otherwise would result in automatic disqualification from holding office.
- 3.7 The criteria set out in the Council's Policies and Procedures for its employees regarding who qualifies for maternity, adoption or paternity will also apply to councillors.