EXECUTIVE NOTE

THE LOCAL GOVERNMENT (ALLOWANCES AND EXPENSES) (SCOTLAND) AMENDMENT REGULATIONS 2011
SS1 2011/304

The above instrument was made in exercise of the powers conferred by section 50 of the Local Government (Scotland) Act 1973, sections 11 and 16 of the Local Governance (Scotland) Act 2004 and is subject to negative procedure.

Legislative Background

The above provisions enable Scottish Ministers to make regulations in relation to the payment of allowances and reimbursement of receipted expenses by each local authority to its members. The Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2011 amend the Local Government (Allowances and Expenses) (Scotland) Regulations 2007 (SSI 2007/108).

Policy Objectives

The Regulations revise the rate for mileage allowances where the local authority member travels by car or van when undertaking council business. The mileage allowance rate is increased to 45 pence per mile (up from 40 pence per mile) in line with the increase in the taxable allowance rate applied by HM Revenue and Customs (HMRC) from 6 April 2011. The new rate will apply from the date these Regulations come into force. Guidance issued to local authorities on reimbursement of allowances and expenses will also be amended to reflect the change.

Consultation

We consulted with the Scottish Local Authorities Remuneration Committee (the independent body that makes recommendations to Scottish Ministers on the allowances and expenses for local authority councillors) and the Convention of Scottish Local Authorities. Both bodies support an increase in the mileage allowance rates. The National Association of Councillors independently indicated their support for an increase in the mileage rates.

Impact Assessments

There will be a financial impact on local authorities as the increase in the mileage rates will have to be met from existing budgets. We believe, based on mileage rates published by councils for 2010-11, that for the majority of councils the impact will be limited. Island councils will see a higher impact by nature of the distance travelled by councillors, potentially in the region of £25,000 per annum per authority.

There is no equality impact as the increase in mileage rates applies to all local authority members.

Local Government and Third Sector Directorate
8 August 2011