

## **Report to the Somerset Independent Remuneration Panel – 12 September 2023**

### **Parish Council Scheme of Allowances**

#### **1. Purpose of Report**

- 1.1 To consider requests from Frome Town Council, Street Parish Council and Taunton Town Council for the introduction of a Parish Council Scheme of Allowances.

#### **2. Background Information**

- 2.1 The Local Authority (Members' Allowances) (England) Regulations 2003 came into force on 1 May 2003. The regulations apply to local authorities in England only.
- 2.2 The Local Authorities (Members' Allowances) (England) Regulations 2003 provides that an Authority may pay an allowance for each year (parish basic allowance) to (a) its chairman(1) only; or (b) to each of its members and the amount of that allowance payable to its chairman may differ from that payable to each other member of the authority, but otherwise that amount shall be the same for each such member.
- 2.3 Where an authority proposes to pay parish basic allowance, whether to its chairman only or to each of its members, it must have regard, in setting the level or levels of such allowances, to the recommendations which have been made in respect of it by a parish remuneration panel.
- 2.4 Where an authority proposes to pay parish basic allowance in any year to its members and the term of office of any member begins or ends otherwise than at the beginning or end of a year, that member's entitlement shall be to payment of such part of the parish basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.
- 2.5 These regulations allow City, Town and Parish Councils to pay a basic parish allowance (Regulation 25) to its chairman only or to each of its elected members. Co-opted members do not qualify for the basic parish allowance. The amount payable to the chairman may differ from that of other members (i.e. a higher sum could be paid because of extra duties that may be required of the chairman) but otherwise the sum shall be the same for each member.
- 2.6 The regulations also allow payment of a parish travelling and subsistence allowance (Regulation 26). Travel and subsistence allowances can be paid to elected and co-opted members. City, Town and Parish Council members are not entitled to claim a dependents' carer's allowance.
- 2.7 The Local Government Act 1972 s.15 (5) states a local council may pay a chairman's allowance for the purpose of enabling him to meet the expenses of his or her office. A co-opted member elected as the chairman is entitled to the chairman's allowance, but not the basic parish allowance.

- 2.8 The basic parish allowance and chairman's allowance are not salaries. They are figures calculated to cover expenses which are normally associated with the duties of being a local councillor. Travelling and subsistence allowances are used to reimburse members for specific expenses incurred while attending meetings, training course or events on behalf of the council.
- 2.9 Regulation 27 of the Local Authority (Members' Allowances) (England) Regulations 2003 states that a parish remuneration panel may be established by a responsible authority, which is defined as a unitary authority.
- 2.10 When convened, a parish remuneration panel will produce a report making recommendations including:
- the amount of basic parish allowance payable to elected members
  - the amount of chairman's allowance payable (if different to the basic parish allowance)
  - the amount of travelling and subsistence allowance payable
- 2.11 City, Town and Parish Councils must take into account these recommendations when setting their levels for allowance.

### **Procedure and Payment**

- 2.12 Payment of participation allowances (basic parish allowance and chairman's allowance) will be made quarterly to eligible members. Travel and subsistence are treated as expenses, and reclaimed via an expenses claim form.
- 2.13 When paying participation allowances to elected members, local councils are obliged by law to deduct income tax, where appropriate, under the PAYE system. It is unlikely National Insurance Contributions will need to be considered as the allowances are likely to be below the lower earning limits.
- 2.14 At the end of the financial year, the council must publish a notice in a conspicuous place for a period of at least 14 day stating that the total amount that it has paid for all Member allowances.
- 2.15 The council is required to maintain records of payments made in respect of the allowances specifying the name of the recipient and the nature of the allowance. These records can be inspected by any local government elector for the city, town or parish without payment of a fee upon giving reasonable notice. Copies must be provided if so requested, for which a reasonable fee can be charged.
- 2.16 Regulation 29 requires that the Panel must express any recommendation for a basic allowance for city, town and parish councils as a monetary sum and as a percentage of the Somerset Council's basic allowance. The level of parish basic allowance will be expressed as a percentage of the amount recommended by the independent remuneration panel of the responsible authority for the allowances of that

responsible authority. The percentage may be any figure up to and including 100%. For illustration Appendix A sets out the amount of allowances based on percentage levels up to 10%.

2.17 Currently there are no parish scheme of allowances in place across Somerset.

### Recommendation

- 1. The Somerset IRP is requested to consider whether a Parish Scheme of Allowances should be introduced for city, town and parish councils in Somerset. Further recommendations to be considered:**
  - a) the amount of a basic allowance, and whether this should be payable to all members or only the chairman.
  - b) whether, if the basic allowance is payable to both the chairman and all members, the allowance payable to the chairman should be set at a higher level and if so, what that higher amount should be.
  - c) the amount of travelling and subsistence allowances payable and the responsibilities or duties for which any such allowance is payable.
- 2. The Somerset IRP is requested to identify any further information it requires if they support the introduction of a Parish Scheme of Allowances in Somerset.**

### Appendix A

Parish Scheme of Allowances based upon a % of the current Somerset Council Basic Allowance of £15,500, figures below indicate the level of basic allowance.

%	Basic Allowance	
1	155	
2	310	
3	465	
4	620	
5	775	
6	930	
7	1,085	
8	1,240	
9	1,395	
10	1,550	