

PARISH INDEPENDENT REMUNERATION PANEL

REVIEW MARCH 2019

**RECOMMENDATIONS FOR THE PAYMENT
OF ALLOWANCES BY PARISH AND TOWN COUNCILS**

WITHIN THE TENDRING DISTRICT FOR

MUNICIPAL YEAR 2019/2020

By The Independent Remuneration Panel

1. PURPOSE OF THE PARISH REVIEW / REPORT

In accordance with the Local Government (Members' Allowances) (England) Regulations 2003 and the Local Government (Members' Allowances) (England) (Amendment) Regulations 2003, any Parish Council wishing to pay allowances or travel and subsistence to its councillors will need to have in place an agreed and publicised Scheme of Allowances, and in making or amending such a scheme will need to demonstrate that it has considered recommendations from a Parish Independent Remuneration Panel [PIRP].

For the purposes of making recommendations in respect of Parish allowances under the above Regulations, the District Council's Independent Remuneration Panel [IRP] acts as the PIRP.

The only allowances that a Parish Council may pay are Parish Basic Allowance (with or without an enhanced Chairman's allowance) and Parish Travel and Subsistence. There is NO PROVISION within the current Regulations to permit the payment of Special Responsibility Allowance, or Carers' Allowances.

2. PARISH INDEPENDENT REMUNERATION PANEL MEMBERS

At Council on 27th November 2018 the following were appointed to the Independent Remuneration Panel:-

▽ **Jane Watts (Chair)**

She has worked in education for 30 years; within independent, mainstream and special education schools. Her last post was as head of mathematics and data analysis at a teaching school in Surrey. Presently, she is a self-employed educational consultant involved with projects for both schools and the Autism Education Trust. Previously, she has also been a parent governor and secretary of a school fundraising committee.

▽ **Sue Gallone**

A qualified accountant and auditor who worked in the public sector for most of her career to 2016. She sits on conduct committees; the General Osteopathic Council and the Association of Chartered Certified Accountants. She is also a Board member for Breast Cancer Now and the Health and Care Professions Council, and is an independent member of the Audit and Risk Assurance Committee at the Office of the Immigration Services Commissioner. Since moving to Clacton in 2003 she has been involved with local organisations and charities on a voluntary basis

▽ **David Irvine**

A retired agronomist (specialist arable crops advisor) of UNILEVER, he has, over the best part of 40 years, been respected in his industry to become an examiner for the professional standards organisation (BASIS), training and maintaining the agronomic standards of new entrants. He is active within the Anglican Church becoming a Lay Elder and a Bishops Officer and Churchwarden of a church in Bury St Edmunds, where he lives. He has established a community project that assists struggling start-up businesses with cheap office accommodation. He has a keen interest in public life.

▽ **Clarissa Gosling**

She has served as an independent Member, Conciliator, Chair, and Adviser; dealing with complaints, service quality and discrimination for the last 25 years for various public bodies- NHS, Police, and the Office for National Statistics. As a Non-Executive Director of Suffolk

Health NHS Trust, she sat on the on the Audit and Service Committees among others, and until recently served as a Board Member on the Orwell Housing Association. She was also an independent chair of the Standards Committee of Ipswich Borough Council and is an Associate Member of the Ombudsman's Society.

3. VARIATION BETWEEN TOWN AND PARISH COUNCILS

The Panel has acknowledged the significant variations in size, population, property profiles and financial situation of the various Parish and Town Councils within the Tendring district and has recommended the continuation of a banding system to reflect this.

The Panel are not aware of any change in circumstances that requires them to deviate from this approach. Councils that wish to pay or continue to pay allowances can thus develop or amend Schemes of Allowances to match changing local requirements, preferences, circumstances and financial means.

An individual parish remains free to set whatever allowance levels it considers appropriate to its own circumstances provided that decision complies with the Regulations, is taken at a meeting of its Full Council and the subsequent decision is duly advertised.

4. LINKAGE TO DISTRICT COUNCIL BASIC ALLOWANCE

The Panel has concluded that the continued simple pro-rata using the District Council Basic Allowance remains the most appropriate formula for determining parish allowances.

The Panel is making recommendations to the District Council which incorporate a Basic Allowance at £5,556 for 2019/2020. The figures included below are calculated using that figure.

No increases are proposed for district councillors in respect of travelling and subsistence rates at the present time.

A Parish Council may set alternative rates to those recommended by the IRP, provided it advertises the reasons for its variations and the rates it proposes to set.

5. BANDING

Recommended allowances remain split into three bands.

Band 1	Brightlingsea, Frinton & Walton, Harwich, Lawford, Little Clacton, Mistley, St Osyth
Band 2	Alresford, Ardleigh, Elmstead, Great Bentley, Ramsey & Parkeston, Thorpe-le-Soken, Weeley
Band 3	Beaumont, Bradfield, Frating, Great Bromley, Great Oakley, Little Bentley, Little Bromley, Little Oakley, Manningtree, Tendring, Thorrington, Wix, Wrabness

6. RECOMMENDATION OF MAXIMUM ALLOWANCE LEVELS

Having regard for individual parishes' budgetary ability to pay allowances, the Panel has concluded that its recommendations should be for **maximum levels** thus **allowing each Parish to consider the recommendations and determine a Scheme of Allowances, appropriate to its own circumstances, up to the maximum levels recommended.**

Any parish so minded may still set individual allowances at higher levels, but will need to minute reasons for such decisions that require publication in accordance with the Regulations.

In accordance with the Regulations the Panel makes recommendations in respect of the following:

- Parish Basic Allowance (PBA);
- Parish Travel and Subsistence Allowances.

7. RECOMMENDED PARISH BASIC ALLOWANCE

The **factors recommended** remain unchanged at **15%, 10% and 7.5% for bands 1, 2 and 3** respectively

As Parish activity is often driven by an active Chairman the Panel continues to hold the view that a **maximum additional 25%** should be payable to the Chairman where authorities consider it appropriate. The recommended allowances below are rounded to allow for equal division by 12 to enable equal monthly amounts to be paid.

PBA may be paid to the Chairman or to each of the members and the amount paid to the Chairman may differ from that payable to other members, **but otherwise the amount shall be the same for all members.**

RESULTING MAXIMUM RECOMMENDED ALLOWANCES

Maximum Band 1 Parish Basic Allowance – Members	£840
Maximum Band 1 Parish Basic Allowance – Chairman	£1,044
Maximum Band 2 Parish Basic Allowance – Members	£552
Maximum Band 2 Parish Basic Allowance – Chairman	£696
Maximum Band 3 Parish Basic Allowance – Members	£420
Maximum Band 3 Parish Basic Allowance – Chairman	£516

It remains the decision of each individual Parish as to whether it wishes to pay allowances to all or any of its members and / or an enhanced PBA rate to its Chairman.

RECOMMENDED Each Parish should consider these issues and make a determination according to its own needs / wishes.

8. TRAVEL AND SUBSISTENCE

It is Panel's view that the HMRC non-profit rates should continue to be recommended as **maximum** rates for parish purposes as follows:-

Recommended A maximum of 45p per mile for the first 10,000 miles (25p per mile thereafter), 24p per mile for motor cycles and 20p per mile for travel by cycle.

The rate per mile is payable regardless of vehicle engine size.

In respect of Subsistence Allowances, the Panel concluded that the existing arrangement should continue whereby all subsistence payments should be made on the basis of reimbursement of **actual costs incurred** on production of receipts, subject to maximum levels (as set out below) for

various meal allowances. It is recommending **no increase** to existing levels for 2019/2020 as follows:-

That **maximum** rates of subsistence should continue to not exceed: -

1. (a) Breakfast allowance (more than 4 hours away from normal place of residence or where the authority permits, a lesser period, before 11 a.m.) **£6.00**;
- (b) Lunch allowance (more than 4 hours away from normal place of residence or where the authority permits, a lesser period, including the lunchtime between 12 noon and 2 p.m.) **£7.50**;
- (c) Evening meal allowance (more than 4 hours away from the normal place of residence or where the authority permits, a lesser period, ending after 7 p.m.) **£12.00**.

Conference Subsistence Expenses

The Panel is also recommending that **MAXIMUM** conference expenses remain unchanged in 2019/2020.

MAXIMUM Daily Hotel Costs In the case of absence overnight from the usual place of residence **Outside London** **£120**

MAXIMUM Daily Hotel Costs In the case of absence overnight from the usual place of residence **Within London** **£140**

Reimbursement of hotel and subsistence expenses will be based on **actual cost incurred up to the MAXIMUM (based on an absence exceeding 24 hours)** – maximum amounts should only be paid based on proof of expenditure in excess of that level.

Each Parish is free to consider / set its own rate based on local need etc.

9. FUTURE REVIEWS

The Panel will continue to review Parish Council allowances on an annual basis as part of its review of District Council allowances.

10. SUMMARY OF REQUIRED ACTIONS

- 1 Publicise receipt of the PIRP's report, making copies available if demanded, in accordance with the regulations set out below;
- 2 Each Parish Council will then formally consider and determine whether it wishes to make **any** payment during 2019/2020 municipal year (**a formal scheme is required even to pay travel and subsistence**);
- 3 If allowances are to be paid, determine amounts and publicise the decision taken. If **any** agreed payment rates are different from the PIRP's recommendations, then the reasons for the variation must also be publicised.

11. REGULATION EXTRACTS / COMMENTS

Two stages of publicity are required by the 2003 Regulations, initially on receipt of a report from a Parish Independent Remuneration Panel, and then following the formal decision of Council regarding allowance levels to be adopted

The following are extracted from the regulations for information.

Publicity in respect of reports of Parish Remuneration Panels

- 30 – (1) Once an authority receives a copy of a report made to it by a Parish Remuneration Panel in accordance with regulation 28, it shall, as soon as reasonably practicable
- (a) ensure that copies of that report are available for inspection by members of the public on reasonable notice; and
 - (b) arrange for the publication in a conspicuous place or places in the area of the authority, for a period of at least 14 days, of a notice which -
 - (i) states that it has received recommendations from a Parish Remuneration Panel in respect of allowances
 - (ii) describes the main features of that Panel's recommendations and specifies the recommended amounts of each allowance mentioned in the report in respect of that authority; and
 - (iii) states that copies of the Panel's report are available for inspection on reasonable notice and gives details of the manner in which notice should be given of an intention to inspect the report.
- (2) An authority shall supply a copy of a report made by a Parish Remuneration Panel in accordance with regulation 28 to any person who requests a copy and who pays to the authority such reasonable fee as the authority may determine.

There is also a responsibility to maintain records of Parish allowance payments as set out in paragraph 31 (below) and publish details of payments made at year-end.

Records of Parish allowances

- 31 - (1) An authority shall keep a record of the payments made by it in respect of -
- (a) Parish Basic Allowance; and
 - (b) Parish Travelling and Subsistence Allowance.
- (2) Such a record shall -
- (a) specify the name of the recipient and the amount and nature of each payment;
 - (b) be available for inspection on reasonable notice and at no charge, by any local government elector for the area of that authority; and
 - (c) be supplied in copy to any person who is entitled to inspect a record under paragraph (b) and who requests a copy and pays to the authority such reasonable fee as it may determine.
- (3) As soon as reasonably practicable after the end of a year, an authority shall arrange for the publication, for a period of at least 14 days, of a notice in a conspicuous place or places in the area of the authority stating the total sum paid by it in the year to each member in respect of each of the following -
- (a) Parish Basic Allowance; and
 - (b) Parish Travelling and Subsistence Allowance.

12.H.M. REVENUE & CUSTOMS – INDIVIDUAL TAX IMPLICATIONS

For taxation purposes HMRC considers councillors to have the same status as employees. For district councils and other larger authorities that already run payrolls or have payroll arrangements in place, it causes little additional work to add councillors to the payroll and treat them as employees for the purposes of tax and National Insurance matters.

At Parish level, depending on their individual personal circumstances, some councillors who receive Basic Parish Allowance may, depending on their personal circumstances, incur a tax liability.

Parishes are therefore advised to consult the HMRC Help Service for guidance as to how they should deal with the issue of individual tax deduction and associated returns.