

Wisbech St Mary Parish Council

Chairman – Councillor Mark Knight MBE DL

MEMBERS' ALLOWANCES & EXPENSES POLICY

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Sarah Bligh – Parish Clerk & RFO
16 Selwyn Cottages | High Road | Guyhirn | PE13 4EQ
01945 450184 | 07595 353424 | theclerk@wsmparishcouncil.org.uk
www.wsmparishcouncil.org.uk

Introduction

The Local Authorities (Members' Allowances) (England) Regulations 2003 came into force on 1 May 2003. The regulations apply to local authorities in England only and substantially change the system that previously existed.

Types of allowance

These regulations allow 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.

The regulations also allow payment of a parish travelling and subsistence allowance (Regulation 26). Travel and subsistence allowance can be paid to elected and co-opted members. Parish and Town Council members are not entitled to claim a dependents' carers allowance.

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.

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.

Such incidental expenses include: -

- a) the use of their homes.
- b) telephone calls from home landlines and mobile phones.
- c) stationary, printing and IT costs.
- d) use of car, motorcycle or bicycle.

Please note that this list is indicative and not meant to cover every circumstance in which incidental expenses may be incurred.

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.

Setting levels of allowances

Regulation 27 of The Local Authorities (Members' Allowances) (England) Regulations 2003 states that a parish remuneration panel may be established by a responsible authority, which is defined as a district or unitary authority.

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

Parish and Town Councils must take into account these recommendations when setting their levels for allowances.

The basic parish allowance, as set by Wisbech St Mary Parish Council at its May Annual Meeting can be paid to each elected Councillor.

In May 2021 THE INDEPENDENT REMUNERATION PANEL FOR FENLAND PARISH AND TOWN COUNCILS recommended that those parishes who feel that a basic allowance would be appropriate should be able to pay an amount up to 1% of the Basic Allowance for Fenland District Council.

The recommended and subsequently agreed Basic Allowance for Fenland District Council for 2021/22 is £4,957; 1% of this is £50. This should only be paid to Members who are elected not those co-opted.

In May 2021 THE INDEPENDENT REMUNERATION PANEL FOR FENLAND PARISH AND TOWN COUNCILS recommended the Chair's Allowance should be up to 2% of Fenland District Council's recommended Basic Allowance. The recommended Basic Allowance for 2021/22 is £4,957; 2% of this is £100. The Chair's allowance can be in addition to the Basic Allowance, or not, if no Basic Allowance is paid.

Travel & Subsistence Expenses

Regulation 26 permits the payment of travelling and subsistence allowance to councillors (whether elected or not), includes travel by motor vehicle or bicycle or other forms of non-motorised transport subject to performance of a duty within one or more of the following categories:

- a) for attending a meeting of the parish council or any of its committees or sub-committees or meetings of a body to which the parish council makes appointments or nominations or of meetings of committees or sub-committees of those bodies;
- b) for attending meetings of any association of authorities of which the parish council is a member;
- c) for performing any duty under the parish council's standing orders made under section 135 of the Local Government Act 1972 requiring a member or members to be present when tender documents are opened;
- d) for the performance of any duty in connection with the discharge of any function of the parish council conferred by or under any enactment and empowering or requiring the parish council to inspect or authorise the inspection of premises; and
- e) for carrying out any other approved duty of the parish council, or any duty of a class so approved, for the purpose of or in connection with the discharge of the functions of the parish council or any of its committees or sub-committees.

Councillors who receive only parish travelling and subsistence allowance (and not parish basic allowance) do not need to be added to the council's PAYE scheme

THE INDEPENDENT REMUNERATION PANEL FOR FENLAND PARISH AND TOWN COUNCILS recommended that travel and subsistence for Parish and Town Councils should be at the same rates paid to Fenland District Council Members. The Panel recommends that the Parish Councils should pay a mileage allowance of 45p per mile (for a car) which is in line with the HMRC recommendations. Subsistence rates should be paid in line with Fenland District Councillors.

Procedure and payment

Payment of participation allowances (basic parish allowance and chairman's allowance) will be made quarterly to eligible members. Travel and subsistence allowances are treated as expenses, and reclaimed via an expenses claim form.

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 earnings limit.

At the end of the financial year, the council must publish a notice in a conspicuous place for a period of at least 14 days stating the total amount that it has paid for all Member allowances.

A member is able to elect in writing to the Clerk that he or she wishes to forgo all or part of their entitlement to the allowances.

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 parish or town without payment of a fee upon giving reasonable notice. Copies must be provided if so requested, for which a reasonable fee can be charged.