

Legal & Democratic Services

Head of Service: Grainne O'Rourke, Solicitor

To: The Clerks to all Parish and Town
Councils in New Forest District

My Ref: AR/JB
Your Ref:

14 June 2013

Dear Parish/Town Clerk

PAYMENT OF ALLOWANCES TO PARISH/TOWN COUNCILLORS

You will be aware that under the Local Authorities (Members' Allowances) (England) Regulations 2003, there is provision for the payment of basic and travelling and subsistence allowances to parish and town councillors. An allowance may also be paid to the chairman of the council under Section 15(5) of the Local Government Act 1972 – "A parish council may pay the chairman for the purpose of enabling him to meet the expenses of his office such allowance as the council think reasonable".

The following local councils in New Forest District pay basic allowances to their members:

Milford on Sea
Lymington & Pennington
New Milton
Ringwood
Totton & Eling

Enclosed please find a copy of an extract from the Local Authorities (Members' Allowances) (England) Regulations 2003, that deals with the payment of allowances to parish and town councillors. Parish councils, like district councils, may pay allowances to their councillors only following receipt of recommendations from an independent remuneration panel. The panel must be the same as that appointed by the District Council to make recommendations on allowances for district councillors. **(Note: There is no requirement for the panel to make a recommendation for an allowance paid under Section 15(5) to the Local Government Act 1972 to the chairman of the council.)**

The District Council's Independent Remuneration Panel will be meeting in the autumn to review the District Council's members' allowances scheme.

The purpose of this letter is to enquire whether your council wishes to start paying, or to make changes to existing, allowances to its councillors, and therefore whether the District Council's Panel will need to be convened as a Parish Remuneration Panel to make appropriate recommendations.

(1) Parish/Town Councils already paying basic allowances to their members:

You will know that, on the recommendation of the independent remuneration panel, these allowances are based on a percentage of the district councillor's basic allowances, as follows:



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Milford on Sea	7.5%
Lymington & Pennington	12.5%
Ringwood	12.5%
New Milton	15%
Totton & Eling	15%

If your council is content with the percentage applicable to your council, there is no need for the Panel to consider your allowances on this occasion. If, however, you consider that the percentages should be adjusted, it will be necessary for the Panel to make a fresh recommendation. In this case the Panel will need evidence as to the workloads/time input by your members.

(2) Parish/Town Councils not already paying basic allowances but who wish to do so: You will have to receive a recommendation from the Independent Remuneration Panel. The Panel will require evidence as to the workloads/time input by your members.

Costs of the panel meeting as a Parish Remuneration Panel have to be shared between the parish/town councils for which recommendations are made. It is difficult to give an estimate of the likely costs to each parish/town as this will obviously depend on the number of councils wishing to receive recommendations, but as a guide, the cost of the Panel will be approximately £150 per hour, inclusive of preparation and report-writing time.

With regard to **travel and subsistence allowances**, the Panel will be reviewing the rates paid to district councillors. When the Panel last met, it made a recommendation that travel and subsistence allowances to parish and town councillors be the same as those payable to district councillors (these are set at the Inland Revenue's approved mileage annual payment, which is currently 45p per mile). We expect that the Panel will make a similar recommendation on this occasion. There is unlikely to be a charge to the parish councils for this.

It is important to note that, if a parish council decides to pay either the parish basic allowance or travel and subsistence allowances, there are legal requirements relating to publication of the panel's recommendations. These are set out clearly in the regulations but we shall remind councils that decide to pay allowances of these requirements in due course. Once allowances are paid, there is also a requirement for the amounts paid to each member to be published at the end of each year.

I would be grateful if you would let me know as soon as possible, but before the end of September, whether or not your council wishes to start paying basic allowances to your councillors, or, for those already paying allowances, to adjust the allowances already being paid. If so, appropriate arrangements will be made for the Parish Remuneration Panel to be convened.

Please contact me if you have any questions.

Yours sincerely



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Enc.

SI 2003/1021 LOC. AUTHS (MEMBERS' ALLOWANCES) (ENG.)

PART 5

PARISH COUNCILS

Application of this Part

24. Any reference in this Part—

4-2729

- (a) to an authority is, unless otherwise specified, a reference to a parish council;
- [(b) to a member is, unless otherwise specified or the context otherwise requires, a reference to a member of a parish council, whether or not elected to such office;]
- (c) to a responsible authority is, in relation to a parish council, a reference to the district council or unitary county council—
 - (i) where the parish council is the council for one parish, in whose area the parish council is situated; or
 - (ii) where the parish council is the council for a group of parishes¹, in whose area all the parishes in the group are situated or, where that is not the case, in whose area the greatest number of local government electors for the parishes in the group is situated; and
- (d) to an establishing authority is, in relation to a parish remuneration panel, a reference to the responsible authority that established that parish remuneration panel.

AMENDMENT

Paragraph (b) was substituted by the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004 (SI 2004/2596), reg.3, with effect from November 3, 2004.

Parish basic allowance

25.—(1) An authority may pay an allowance for each year ("parish basic allowance")—

4-2730

- (a) to its chairman² 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) 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 in accordance with regulation 28.

(3) Subject to paragraph (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

¹ See section 11 of the Local Government Act 1972 for the procedure by which parish councils may be grouped.

² See section 15(1) of the Local Government Act 1972 for the duty to elect a chairman from among the councillors of a parish council.

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during which his term of office subsists bears to the number of days in that year.

(4) Where an authority proposes to pay parish basic allowance in any year—

(a) to its chairman only; or

(b) to all its members but at a higher level to the chairman,

and the term of office of the chairman as chairman begins or ends otherwise than at the beginning or end of a year, his entitlement for the period during which he holds the office of chairman shall be to payment of such part of the parish basic allowance to which he is entitled as chairman as bears to the whole the same proportion as the number of days during which his term of office as chairman subsists bears to the number of days in that year.

(5) Where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, the part of the parish basic allowance payable to him in respect of the period for which he is suspended or partially suspended may be withheld by the authority.

(6) An authority shall, as soon as reasonably practical after setting the levels at which any parish basic allowance is to be paid and to whom, 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 or notices containing the following information—

(a) any recommendation in respect of parish basic allowance made by the parish remuneration panel;

(b) the level or levels at which the authority has decided to pay parish basic allowance and to which members it is to be paid; and

(c) a statement that in reaching the decision on the matters referred to in sub-paragraph (b) the authority has had regard to the recommendation of the parish remuneration panel.

(7) An authority shall ensure that it keeps a copy of the information referred to in paragraph (6) available for inspection by members of the public on reasonable notice.

(8) An authority may require that where payment of parish basic allowance has already been made in respect of any period during which the member concerned is—

(a) suspended or partially suspended from his responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part;

(b) ceases to be a member of the authority; or

(c) is in any other way not entitled to receive the allowance in respect of that period,

such part of the allowance as relates to any such period shall be repaid to the authority.

(9) An authority may not make any payment, and a member is not entitled to receive any payment, under the provisions of this regulation in respect of any period prior to [31st December] 2003 if payment is made, in respect of any duties carried out by the member during that same period, under any of the provisions referred to in regulation 34(1).

SI 2003/1021 LOC. AUTHS (MEMBERS' ALLOWANCES) (ENG.)

[(10) For the purposes of this Regulation any reference to a member is a reference to an elected member of a parish council.]

AMENDMENTS

The words in square brackets were substituted by the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003 (SI 2003/1692), reg.5.

Regulation 25(10) was inserted by the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004 (SI 2004/2596), reg.4, with effect from November 3, 2004.

Parish travelling and subsistence allowance

26.—(1) An authority may pay to its members allowances in respect of travelling and subsistence (“parish travelling and subsistence allowance”), including an allowance in respect of travel by bicycle or by any other non-motorised form of transport, undertaken or incurred in connection with the performance of any duty within one or more of the following categories—

- (a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
- (b) the attendance at a meeting of any association of authorities of which the authority is a member;
- (c) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- (d) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises; and
- (e) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

(2) Where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, any parish travelling and subsistence allowance payable to him in respect of the responsibilities or duties from which he is suspended or partially suspended may be withheld by the authority.

(3) An authority may require that where payment of travelling and subsistence allowance has already been made in respect of any period during which the member concerned is—

- (a) suspended or partially suspended from his responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part;
- (b) ceases to be a member of the authority; or
- (c) is in any other way not entitled to receive the allowance in respect of that period,

such part of the allowance as relates to any such period shall be repaid to the authority.

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(4) An authority may not make any payment, and a member is not entitled to receive any payment, under the provisions of this regulation in respect of any period prior to [31st December] 2003 if payment is made, in respect of any travelling and subsistence expenses incurred by the member during that same period, under any of the provisions referred to in regulation 34(1).

AMENDMENT

The words in square brackets were substituted by the Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2003 (SI 2003/1692), reg.6.

Reimbursement of expenses

4-2731.1

[26A.—(1) An authority may reimburse to a member any monies expended by that member in respect of travelling or subsistence expenses, including any expenses in respect of travel by bicycle or by any other non-motorised form of transport, incurred in connection with the performance by that member of any duty falling within one or more of the categories set out in regulation 26(1)(a) to (e) during the period beginning with 31st December 2003 and ending on 2nd November 2004.

(2) Any reference to a member in paragraph (1) of this Regulation is a reference to a member of a parish council other than an elected member.]

AMENDMENT

Regulation 26A was inserted by the Local Authorities (Members' Allowances) (England) Regulations 2004 (SI 2004/2596), reg.6, with effect from November 3, 2004.

Parish remuneration panels

4-2732

27.—(1) A parish remuneration panel may be established—

- (a) by a responsible authority and shall make recommendations in respect of the authorities for which the establishing authority is the responsible authority; or
- (b) jointly by any responsible authorities and shall make recommendations in respect of the authorities for which the establishing authorities are the responsible authorities.

(2) Subject to paragraph (3), a parish remuneration panel shall consist of those persons who are also members of the independent remuneration panel which exercises functions in respect of the establishing authority or authorities.

(3) A parish remuneration panel shall not include any member who is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority.

(4) The authorities in respect of which a parish remuneration panel established under paragraph (1) makes recommendations shall each pay to the parish remuneration panel an equal share of the amount of the expenses incurred by that panel in carrying out that panel's functions.

Recommendations of parish remuneration panels

4-2733

28.—(1) A parish remuneration panel shall produce a report in relation to the members of the authorities in respect of which it was established, making recommendations, in accordance with the provisions of regulation 29, as to—

- (a) the amount of parish basic allowance payable to members of such authorities;
- (b) the amount of travelling and subsistence allowance payable to members of such authorities;

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- (c) whether parish basic allowance should be payable only to the chairman of any such authority or to all of its members;
 - (d) whether, if parish basic allowance should be payable to both the chairman and the other members of any such authority, the allowance payable to the chairman should be set at a level higher than that payable to the other members and, if so, the higher amount so payable; and
 - (e) the responsibilities or duties in respect of which members should receive parish travelling and subsistence allowance.
- (2) A copy of a report made under paragraph (1) shall be sent to each authority in respect of which recommendations have been made.
- [(3) For the purposes of this Regulation any reference to a member in relation to payments of parish basic allowance is a reference to an elected member of a parish council.]

AMENDMENT

Regulation 28(3) was inserted by the Local Authorities (Members' Allowances) (England) Regulations 2004 (SI 2004/2596), reg.5, with effect from November 3, 2004.

Levels of allowances

29.—(1) A parish remuneration panel may, in making its recommendations 4-2734 in accordance with regulations 27 and 28, either—

- (a) apply the same recommended levels of parish basic allowance and parish travelling and subsistence allowance to all the authorities in respect of which it was established; or
- (b) make different recommendations for different authorities.

(2) A parish remuneration panel shall express its recommendation as to the level of parish basic allowance, in respect of a parish or parishes, as a percentage of the sum that an independent remuneration panel has recommended as the level of basic allowance for the establishing authority which is the responsible authority for that parish or parishes.

(3) The percentage referred to in paragraph (2) may be one hundred per cent.

(4) A parish remuneration panel shall also express its recommendation as to the level of parish basic allowance as a monetary sum being a monetary sum equivalent to the percentage expressed in accordance with paragraphs (2) and (3).

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— 4-2735

- (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 al-

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lowance 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.

Records of parish allowances

4-2736 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.

Elections to forgo parish allowances

4-2737 32. A member may, by notice in writing given to the proper officer of the authority, elect to forgo his entitlement or any part of his entitlement to allowances.

PART 6

TRANSITIONAL PROVISIONS, REVOCATION AND DISAPPLICATIONS

Revocation

4-2738 33.—(1) The following Regulations shall be revoked to the extent not already revoked—

- (a) the Local Authorities (Members' Allowances) Regulations 1991¹;

¹ As amended by SI 1995/553, SI 1996/469, SI 2000/622, SI 2000/623 and SI 2001/1280.