

Pilning & Severn Beach Parish Council

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Parish Councillors' Allowance Policy

Members' Allowances (England)

The Local Authorities (Members' Allowances) (England) Regulations 2003 provide that in setting the amount of allowances for its members a parish council must have regard to the recommendations of the Parish Remuneration Panel. In practice this panel will be the Independent Remuneration Panel which undertakes a similar role for the District Council.

The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021)

Note that a parish or town council may pay an allowance to its Chairman or Town Mayor under s 15(5) of the Local Government Act 1972, "to cover the expenses of the office". That section 15(5) allowance need not be referred to the Remuneration Panel, but it would certainly be wrong to use both systems at once if the outcome were two 'chairman's allowances' for one chairman.

Parish Basic Allowance (Regulation 25)

1. This allowance can be paid to the parish chairman only or to each elected member (Reg 25(1), (10)). The allowance can be set at a higher rate for the chairman, but otherwise the payment must be the same for all members.
2. In setting the amount of the allowance a parish council must have regard to the recommendations of the Parish Remuneration Panel (see below).
3. The entitlement to payment must be calculated on a daily basis over a given year.
4. Details of the level(s) of a parish council's basic allowance must be posted in the parish as soon as practicable after it/they have been agreed and the notice must be maintained over a fourteen-day period.

Parish Travelling and Subsistence Allowance (Regulation 26)

This allowance, payable to members of a parish council (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.

Parish Remuneration Panels (Regulations 27, 28 and 29)

1. A Parish Remuneration Panel may be established by a district or unitary council and it must make recommendations in respect of the authorities which come under it for these purposes. A PRP may also be established jointly by any "responsible authorities".
2. The expenses incurred by the Parish Remuneration Panel in carrying out its work are met equally by all those parish councils who wish to pay allowances and for which a report has been prepared (Regulation 27).

3. The report must set out:

- a) the recommended amount of the parish basic allowance payable to all elected members of the parish council.
 - b) the recommended amount of travelling and subsistence allowance payable to all elected members of the parish council.
 - c) whether the parish basic allowance is payable to the chairman only or to all elected members of the parish council.
 - d) whether, if the parish basic allowance is to be paid to the chairman and to all elected members of the parish council, the payment to the chairman is to be set at a higher level and, if so, the amount of that payment (Regulation 28);
 - e) the responsibilities or duties in respect of which members should receive parish travelling and subsistence allowance.
4. The Parish Remuneration Panel, in making its recommendations, can apply the levels of the basic allowance and travelling and subsistence allowance to all the authorities for which it has been asked to report or make different recommendations for each authority. The levels of the parish basic allowance have to be expressed both as a percentage of the district council's basic allowance and as an amount (Regulation 29).

Publicity for Parish Remuneration Panel Reports (Regulation 30)

Once a parish council has received a Parish Remuneration Panel report, it must ensure that, as soon as reasonably practicable, copies are made available for public inspection, and that for a period of at least fourteen days a notice is posted in the parish which states that recommendations have been received, describes the main features of those recommendations and specifies the recommended amounts of each of the allowances mentioned in the report, and states that copies of the report are available for inspection on reasonable notice and how this

notice should be given. Copies of the report must be made available for purchase at a reasonable fee determined by the parish council.

Records of Parish Allowances (Regulation 31)

A parish council must keep records of all allowance payments and, at the end of each financial year, post a notice in the parish for a period of at least fourteen days setting out the total sum paid over the year and the amounts paid to each individual member in respect of the parish basic allowance and parish travelling and subsistence allowance. Copies of the records must be made available for purchase at a reasonable fee determined by the parish council.

Elections to Forgo Parish Allowances (Regulation 32)

Any member of a parish council may decide to forgo all or part of his or her allowance entitlements. The member must do this by notice in writing to the proper officer of the council (in most cases this will be the clerk).

Further Information

For the full text of the Regulations, go to www.legislation.gov.uk.

Appendix A: Tax Treatment of Parish Councillors' Allowances

1. Parish Basic Allowance paid to councillors counts as earnings of an office and is therefore taxable (and subject to Class 1 National Insurance contributions although the level of allowances is unlikely to be high enough to give rise to a liability).
2. A parish councillor in receipt of parish basic allowance will need to be added to the council's PAYE scheme, given a tax code and reported as a starter under Real Time Information.
3. Chairman's Allowance paid under section 15(5) Local Government Act 1972 will also be taxable if it is paid as a round sum allowance but not if it reimburses actual deductible expenditure.
4. Parish councillors can claim a tax deduction for expenditure incurred 'wholly, exclusively and necessarily' in the performance of their duties as councillors. This would include stationery, postage and the cost of phone calls (but not any part of line rental) but not expenditure related to their personal circumstances such as childcare costs.
5. Parish Travelling and Subsistence Allowance will not be taxable provided that mileage payments for use of private motor vehicle do not exceed 45p per mile. 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.
6. Further guidance can be found in the Advice Note 'Tax and NIC Treatment of Clerks' Expenses and Benefits' which applies equally to allowances paid to councillors.

Amounts per item

Travel (train/ bus/ taxi)

Max. per claim £50

Max. per year £200

Conditions

- 1) Only by prior approval by a quorum of Council at a Parish Council meeting
- 2) Payment will only be made on submission of a completed Expenses Form with receipts attached

Mileage (45p per mile outside Parish boundary)

Max. per claim £25

Max. per year £100

Conditions

- 1) Only by prior approval by a quorum of Council at a Parish Council meeting
- 2) Payment will only be made on submission of a completed Expenses Form

Dependants' Carers' Allowance

Max. per claim £30

£120

Conditions

- 1) Only by prior approval by a quorum of Council at a Parish Council meeting
- 2) Payment will only be made on submission of a completed Expenses Form with receipts attached
- 3) Payments will not be payable to a member of the claimant's own household

Stationary/ consumables

Max. per claim £30

Max. per year £30

Conditions

Payment will only be made on submission of a completed Expenses Form with receipts attached