

PARISH INDEPENDENT REMUNERATION PANEL

REVIEW JANUARY 2023

(confirmed 31 March 2023)

**RECOMMENDATIONS FOR THE PAYMENT
OF ALLOWANCES BY PARISH AND TOWN COUNCILS
WITHIN THE DISTRICT OF TENDRING FOR
MUNICIPAL YEAR 2023/2024**

By The Independent Remuneration Panel

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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 Independent Remuneration Panel [IRP] for Tendring District Council's also acts as the PIRP for the District.

The 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 either Special Responsibility Allowance or Carers' Allowances.

Throughout this report the term Parish and Parish Council are used to refer to the same and to all local councils including Town Councils. There are no parishes in the District where the alternative names of Village, Community or Neighbourhood permitted under the Local Government and Public Involvement in Health Act 2007 are used. However, if such alternative names were used the term Parish and Parish Council would still apply to those legally defined areas and the legal entities that are the Councils of those areas.

2. PARISH INDEPENDENT REMUNERATION PANEL MEMBERS

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

▽ **Jane Watts (Chair)**

Jane has worked in education for 35 years: 25 years as a maths teacher and 10 years as an education consultant, specialising in mathematics, assessment & progress and data analysis. Since 2020 she has also been a trustee of Future Academy, a UK-registered charity that provides an English school and football academy for refugee children in Beirut. Her main responsibilities are finance and fundraising, but she also contributes to curriculum development.

▽ **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 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.

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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 crops advisor) originally for Unilever but latterly for Agri and based in East Anglia. Over the best part of 40 years, has been respected in his industry to become an examiner for the professional standards organisation (BASIS), training and maintaining the agronomic standards of new entrants. As the Coordinator of Bury in Bloom, he was responsible for winning the large town category of Anglia in Bloom and Gold award in Britain in Bloom. He is a Christian with a keen interest in public life in Bury St Edmunds where he lives.

▽ **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 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 District of Tendring 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 Council 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 TENDRING DISTRICT COUNCIL RECOMMENDED BASIC ALLOWANCE

The Panel has concluded that the continued simple pro-rata using the PIRP's recommended District Council Basic Allowance remains the most appropriate formula for recommending Parish Councillor Allowances.

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The Panel has made recommendations to the District Council which incorporate a Basic Allowance at £6,532 for 2023/24. The figures included below are calculated using that figure.

No increases are recommended 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 PIRP, provided it advertises the reasons for its variations and the rates it proposes to set.

5. BANDING

Recommended allowances remain split into three bands. The Parishes/Parish Councils in each band are as follows (based on their electorates at 1 December 2022 (shown in brackets)):

Band 1 Parish Councils (Electorate 3,001 and above)	Band 2 Parish Councils (Electorate 1,501-3,000)	Band 3 Parish Councils (Electorate up to 1,500)
Brightlingsea, (6,871)	Alresford, (2,121)	Beaumont, (260)
Frinton & Walton, (16,541)	Ardleigh, (2,113)	Bradfield, (1,018)
Harwich, (13,842)	Elmstead, (1,742)	Frating, (547)
Lawford, (3,769)	Great Bentley, (2,094)	Great Bromley, (922)
St Osyth, (4,148)	Little Clacton, (2,512)	Great Oakley, (849)
	Mistley, (2,490)	Little Bentley, (232)
	Ramsey & Parkeston, (1,760)	Little Bromley, (216)
	Thorpe-le-Soken, (1,860)	Little Oakley, (934)
	Weeley, (1,904)	Manningtree, (745)
		Tendring, (563)
		Thorrington, (1,138)
		Wix, (679)
		Wrabness, (307)

6. MAXIMUM ALLOWANCE LEVELS

Having regard for the budgetary ability of individual Parish Councils to pay allowances to their Parish Councillors, 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 Council so minded may still set individual allowances at higher levels, but will need to record the 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:

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- Parish Basic Allowance;
- Parish Travel and Subsistence Allowances.

7. RECOMMENDED PARISH BASIC ALLOWANCE

The banding of Parish Councils should remain as set out in section 5 above. The maximum recommended amount of Parish Basic Allowance for each Parish Council in the

referenced Bands by reference to the recommended District Council Basic Allowance is not proposed to change from **15%, 10% and 7.5% for bands 1, 2 and 3** respectively (rounded to the nearest pound).

As Parish Council activity often falls more heavily on the Parish Council Chairman the Panel continues to hold the view that a **maximum additional 25%** (rounded to the nearest pound) should be payable to the Chairman where authorities consider it appropriate.

Parish Basic Allowance 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 Recommended Maximum Allowances For Parish Councils

	Band 1 Parish Councils	Band 2 Parish Councils	Band 3 Parish Councils
Parish Basic Allowance - Maximum	£980	£653	£490
Chairman's enhanced Parish Basic Allowance - Maximum	£1,305	£816	£613

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

RECOMMENDED - Each Parish should consider whether to adopt or amend its existing scheme of allowances and make a determination according to its own needs / wishes within the maximum Parish Basic Allowance (and enhanced Chairman's Allowance) set out.

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8. TRAVEL AND SUBSISTENCE

The current approved HMRC mileage rates for travel expenses are set out below. They are set by HMRC at a level it considers does not include an element that is taxable. In view of this it is considered appropriate to use the prevailing rate for payments in recompense of costs incurred by Councillors in travel to attend formal meetings and for approved official business of the Council.

Vehicle	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Passenger payments - cars and vans - 5p per passenger per business mile for carrying another Councillor/officer in a car or van on journeys which are also official business journeys for them.

RECOMMENDED - The prevailing HMRC non-profit rates should be the maximum travel rates for Parish Council purposes (for those Parish Councils with a Scheme for Allowances).

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.

The PIRP recommend that the prevailing HMRC subsistence rates (and qualifying conditions) be adopted by Parish Councils that provide for a Scheme of Allowances and that the Scheme covers subsistence rates. The current rates and conditions are as follows (and apply to authorised conferences/events/meetings/visits only):-

Minimum journey time	Maximum amount of meal allowance
5 hours	£5
10 hours	£10
15 hours (and ongoing at 8pm)	£25

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Where a scale rate of £5 or £10 is paid and the qualifying journey in respect of which it is paid lasts beyond 8pm a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late.

A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Where employees are required to start early or finish late on a regular basis, the over 5 hour and 10 hour rate, whichever is applicable, can be paid provided that all the other qualifying conditions are satisfied.

Qualifying conditions - Benchmark scale rates must only be used where all the qualifying conditions are met. The qualifying conditions are:

- the travel must be in the performance of a members' duties or to a temporary place of work, on a journey that is not substantially ordinary commuting.
- the member should be absent from his normal place of work or home for a continuous period in excess of five hours or ten hours.
- the member should have incurred a cost on a meal (food and drink) after starting the journey and retained appropriate evidence of their expenditure.

A Member can only be reimbursed for a meal once. If the cost of an evening meal or breakfast is reimbursed on an actual basis, because it is included in the cost of an overnight stay, the member would not also be entitled to a benchmark rate in respect of those meals.

RECOMMENDED - For subsistence allowances, the payment should be on the basis of reimbursement of actual costs incurred on production of receipts, subject to the prevailing HMRC subsistence rates (and qualifying conditions) for those Parish Councils with a Scheme for Allowances.

9. FUTURE REVIEW/ADJUSTMENTS TO THE SCHEME

The Panel does not plan to further review the Parish Allowances Scheme until early late 2027 on the basis that the review will seek to apply to Allowances for the period immediately following the scheduled elections to Parish Councils to be held in 2028. For the period until then:

RECOMMENDED – That (for those Parish Councils with a Scheme for Allowances) the maximum recommended Parish Basic Allowance (and enhanced Chairman's Allowance) be the same as the index linked to the office of National Statistics estimated public sector regular average weekly earnings growth rate (before tax and after deductions from pay) each December and applied to the scheme from the following April.

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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 2020/2021 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.

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

Parish Councils 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.