

**Parish/Town Council Allowances**

**A Report by the Parish Remuneration Panel**

**13 July 2022**

**1. Reason for the Report**

- 1.1 This report sets out the recommendations of the Parish Remuneration Panel on members' allowances for parish and town councils within the Borough of High Peak.

**2. Recommendations**

- 2.1 That those parishes/town councils within the High Peak who wish to do so may pay a basic allowance of up to £300 per annum (10% of the basic allowance paid to High Peak Borough Councillors) to all councillors.
- 2.2 That no specific differential allowance be payable to Chairmen of parish/town councils but this is without prejudice to payment of the Chairmen's statutory allowance under Section 15 of the Local Government Act 1972.
- 2.3 That the basic allowance may be increased annually in line with a methodology referred to in paragraph 3.9 of this report for up to four years.
- 2.4 That those parishes/town councils within the High Peak who wish to do so may reimburse travel and subsistence costs to councillors based on the scheme used by High Peak Borough Council.

**3. Detail**

- 3.1 Arrangements for parish council allowances are contained in Part 5 of the Local Authorities (Members' Allowances) (England) Regulations 2003. These state that where an authority proposes to pay a parish basic allowance, whether to its chairman only or to each of its members (elected or non-elected), it must have regard, in setting the level or levels of such allowances, to the recommendations made by a parish remuneration panel which may be established by a responsible authority (the Borough Council).
- 3.2 In addition to the above legislation a parish council also has the ability to pay their Chairman in accordance with Section 15(5) of the Local Government Act 1972 which states that "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."

- 3.3 The 2003 regulations enable a parish council to pay an annual “parish basic allowance” to its chairman only, or to each of its members and the amount payable to the chairman may differ from that payable to the other members, but otherwise the amount must be the same.
- 3.4 The Panel has to express the recommended parish basic allowance as a monetary amount and as a percentage (which may be 100%) of the basic allowance paid to members of High Peak Borough, currently £3,002 per annum.
- 3.5 The Council has received notification from Chapel-en-le-Frith Parish Council that it intends to increase the allowance that it currently pays to its members from £120.00 per annum to £199.64 per annum and has formally requested that the Council establish a Parish Remuneration Panel to consider this matter further.
- 3.6 The Council established a Parish Remuneration Panel which met on 13 June 2022. The Panel comprised:
- Mr Peter Matthews – Independent person to the Council’s Standards Committee
  - Mr Philip Carnall – Independent person to the Council’s Standards Committee
  - Mr John Scampion – Independent representative to the Council’s Audit and Regulatory Committee

### **Levels of Allowance**

- 3.7 There is no national data available regarding the level of allowances paid by parish councils. However, it is understood that, with the exception of Chapel-en-le-Frith Parish Council, none of the other parish or town councils in the High Peak pay an allowance to their councillors. Some councils pay an allowance to their Chairmen of up to £300 per annum.
- 3.8 In making their deliberations the Panel considered that any allowance should not be seen as a remuneration but as a means to ensure that no individual is excluded from being able to serve their community because of financial considerations. The Panel also considered reports issued by other parish remuneration panels where they were available. These included the following aspects:
- The average time spent on parish council duties – research had shown that parish councillors spend approximately 10 hours per month on parish council work.
  - The voluntary element – parish councillors do not stand for office for any financial reward. However, an allowance can actively support someone in the councillor role and it is essential to attract parish councillors from a wide range of backgrounds. Councillors should also not be out of pocket for undertaking the role (e.g. telephone and IT costs such as broadband, software and printer).

- That 90% of a parish councillor's role should be voluntary and that to reflect this the basic allowance calculation should be reduced by 90%.
- The option to apply a fixed upper limit to a parish allowance.

### **Annual Adjustment of Allowances**

3.9 Regulations allow for an annual adjustment (for up to four years) to be made to allowances by reference to an index as may be specified by an authority. This may be linked to:

- The consumer prices index
- The overall increase in a council's budget from year to year
- The annual Local Government pay settlement which has the advantage of treating councillors and council staff equitably and is also linked to what a local council can afford to pay.

### **Travelling and Subsistence Allowance**

3.10 A parish/town council may also pay allowances to its members in respect of travelling and subsistence, undertaken or incurred in connection with the responsibilities and duties set out in the regulations having had regard to the recommendations of the Panel. When considering this aspect the Panel believed that it was appropriate for parish/town councils to use the same scheme as used by High Peak Borough Council members.

### **Forgoing Allowances**

3.11 A parish/town councillor may choose not to receive all or part of any allowance to which they would otherwise be entitled. To do so they must give written notice to the proper officer of their council.

### **Publicity and Records**

3.12 Regarding the allowances, the Panel recommends that the Parish Councils act in accordance with Section 5, Paragraphs 30 and 31 of the Regulations. These require councils to publicise their allowances in a notice or notices conspicuous in their area. These notices must remain in place for at least 14 days. In addition, they must make a record of the allowances they have paid available for inspection at reasonable notice. They must provide copies of this record on request and may charge a reasonable fee for this. Parishes must also publish details of the parish remuneration panel reports.

3.13 These are minimum requirements and councils may wish to go further in making local people aware of their allowances scheme and payment levels. For example, they may wish to circulate details of their allowances in a parish newsletter, if they have one, or place them on their website.

## Conclusions

- 3.14 The Panel believed that it was reasonable for Chapel-en-le-Frith Parish Council to seek an increase in the allowance paid to their councillors and that any amount set by the Panel should be available to be used by other parish/town councils in the Borough when considering the level of basic allowance and that this should apply to all councillors including the Council Chairman.
- 3.15 Taking into account the evidence available with regards to time spent on council business and the voluntary element the consensus of the Panel is to recommend a basic allowance of up to £300 per annum (10% of the basic allowance paid to High Peak Borough Councillors) and that councils could apply an annual adjustment as referred to in section 3.9 of this report for up to four years.
- 3.16 With regards to travel and subsistence the Panel agreed that should parishes/town councils within the High Peak wish to do so they may reimburse travel and subsistence costs to councillors, whilst on agreed town/parish business, based on the scheme used by High Peak Borough Council.