

**REPORT OF THE INDEPENDENT
REMUNERATION PANEL
ON
TOWN AND PARISH COUNCIL
ALLOWANCES 2017**

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1. INTRODUCTION

- 1.1 This is the 14th report of the Independent Remuneration Panel on allowances for Parish and Town Councils situated within the Borough of Knowsley. The Panel was established in 2000 to make recommendations to Knowsley Metropolitan Borough Council on the Scheme of Members' Allowances. In 2003, the Government introduced the Local Authorities (Members' Allowances) (England) Regulations which extended the remit of the Panel to include making recommendations to Town and Parish Councils on levels and type of allowances to be paid to its Councillors.
- 1.2 The Local Authorities (Members' Allowances) (England) Regulations make provision for Town and Parish Councils to make payments to their Members. Should a Town or Parish Council choose to pay allowances, they should have regard to the recommendations of the Independent Remuneration Panel. The Panel's recommendations as to the allowances of the Towns and Parishes can be a single recommendation applying to all Town and Parishes within the area or make individual recommendations for each Parish.
- 1.3 The current membership of the Independent Remuneration Panel is:-
- Chairman – Alan Hill (former Executive Director of Resources at Halton Borough Council and now Consultant),
 - Tim Dugdill (Private Sector Business Advisor)
 - Canon John Stanley (Vicar, St Michaels Vicarage).
- 1.4 Sections 2, 3, 4 and 5 of this report outline the way the Panel has come to its earlier conclusions in order to put the recommendations for 2017/2018 into context and these are set out in section 6 of this report.

2. PROCESS OF THE REVIEW

- 2.1 The Panel's Terms of Reference are to make recommendations to Parish and Town Councils on:
- Whether a Parish basic allowance should be paid to Town and Parish Council Members and if so the levels of such allowances;
 - Whether an enhanced level of allowance should be paid to the Chairman and if so the level of that allowance;
 - The levels of travel and subsistence, which should be paid and the duties to which these payments should relate.

- 2.2 The Panel first met in April 2004 to consider and make recommendations on a scheme of allowances for the Parish and Town Councils which are situated within the Borough of Knowsley. Since that time an annual review has been undertaken. As part of the review process, the Panel was briefed on the roles and responsibilities of the Town and Parish Councils, examined information on the levels of precept and electorate of each of the Town and Parish Councils and gave consideration to statutory Regulations and available Government guidance on Parish Members' allowances.
- 2.3 Each of the five Parish and Town Councils within the Borough of Knowsley are invited each year to submit their views and information on their remuneration schemes. Responses are considered by the Panel.

3. PARISH BASIC ALLOWANCE & CHAIRMAN'S ALLOWANCE

- 3.1 The Panel noted that Town and Parish Councils may choose to pay their Members an allowance, known as 'Parish basic allowance', to recognise the time and effort they put into their Parish duties. There is no obligation on Town and Parish Councils to pay such allowances. Each Town and Parish Council may make an allowance available to its Chair only, or to each of its Members. Where all Members receive an allowance, the amount payable to the Chair may be different to that paid to other Members, but otherwise the amount paid to each Member must be the same. The payment of a Town and Parish basic allowance is a discretionary allowance. If a Town or Parish Council wishes to pay a basic allowance, it should have regard to a recommendation from the remuneration panel as to whom basic allowance should be paid.
- 3.2 The Panel have noted that views on the payment of a basic or Chairman's allowance differed between the five Parish and Town Councils. The majority were not in favour of paying allowances to their Members and some expressed the view that Parish and Town Councillors had volunteered to undertake the work for the community and as such did not wish to pay a basic allowance. Currently only one Town Council, Knowsley, had decided to pay an allowance to its Chairman and Councillors.
- 3.3 The Panel were aware that the payment of a Town and Parish basic allowance is intended to recognise the time commitment of Parish and Town Councillors and to cover incidental costs such as telephone calls, etc. However, the Panel noted that the information available to them as to the time commitment, roles and levels of responsibility and the costs which a Parish or Town Councillor may incur in fulfilling his/her role was limited.

- 3.4 The Panel acknowledged that the power under Section 15 of the Local Government Act 1972 to pay its Chairman an amount for such expenses as it sees fit remains unchanged. Therefore, notwithstanding the Panel's recommendations in relation to a Town and Parish basic allowance, Parish and Town Councils may, if deemed appropriate, pay a Chairman's allowance under these existing Regulations.

4. TRAVEL AND SUBSISTENCE ALLOWANCES

- 4.1 The Panel noted that Town and Parish Councils may also pay its Members an allowance in respect of travel and subsistence. These are discretionary allowances. They may be paid in respect of travel and subsistence both inside and outside the boundary of the Town and Parish. Allowances for travel may include allowances for travel by non-motorised transport, such as a bicycle. If it wishes to pay travel and subsistence allowances, a Town and Parish Council must consult the Remuneration Panel.

- 4.2 The Panel acknowledges that some of the Parish/Town Council's currently pay travel and subsistence allowances to their Members and would wish to continue to do so.

- 4.3 The Regulations provide that travel and subsistence allowances may be paid in respect of:-

- a meeting of the authority
- a meeting of a committee or sub-committee of the authority
- a meeting of some other body (or a committee or sub-committee of a body) to which the authority make appointments or nominations
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened
- a meeting of a local authority association of which the authority is a member
- duties undertaken on behalf of the authority 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
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub committees.

- 4.4 In considering the issue of travel and subsistence, the Panel acknowledged that the majority of duties carried out by Parish and Town Councillors were within the local area.

5. PREVIOUS CONCLUSIONS AND RECOMMENDATIONS

- 5.1 On the basis of the information considered, the Panel came to the view in 2004, and has reiterated that view subsequently, that Members of Parish and Town Councils have volunteered to undertake this work on behalf of the community and the Panel were not convinced that the role and responsibility merited financial compensation.
- 5.2 The Panel were also conscious that the cost of any allowances would fall to the local council concerned and would consequently impact upon the Town/Parish precept and the local community.
- 5.3 The Panel noted that there are differences between the Parish and Town Councils in terms of their sizes, electorate and budgets, but the Panel did not consider it had sufficient information on which to base differentials.
- 5.4 Subject to the receipt of further information and evidence from the Parish and Town Councils, in view of the information considered and the conclusions set out in 5.1 to 5.3 above, the Panel has recommended in every year that no Parish basic allowance be payable by the Parish and Town Council's within the Borough of Knowsley.
- 5.5 The Panel recognised that Members of Town and Parish Councils should be able to claim travel and subsistence expenses incurred in respect of their duties as a Member of the Council. Accordingly the Panel has recommended in every year that reasonable out of pocket expenses for travel and subsistence be reimbursed in respect of the duties mentioned in paragraph 4.3 of this report.
- 5.6 In 2005 the Panel was asked to consider the possibility of paying an allowance to non-Borough Council Town and Parish Councillors in respect of the use of ICT equipment at home of £5 per month (Town and Parish Councillors who are also on the Borough Council) are already reimbursed by Knowsley Council). There is no provision within the legislation for the payment of such a Parish allowance however, the Panel was of the view that a Parish could achieve the same end by :-
- i) Paying a Town and Parish basic allowance of an equivalent sum (which would be taxable) but this would need to be paid to all Parish Councillors; OR
 - ii) Reimbursing the cost of consumable items etc by way of an expenses claim with supporting receipts (not taxable if purely for Parish Council business); OR
 - iii) The Parish Council providing consumables for the Parish Councillor (not taxable if purely for Parish Council business)

- 5.7 The Panel has stated its belief that any proposal to introduce a new Scheme of Allowances or to increase an existing scheme could be something which the Parish or Town Council may feel is appropriate for consultation with its electorate.
- 5.8 The Panel has always emphasised that it would welcome representations from Councils to inform future Scheme reviews.

6. THE YEAR 2017/18

6.1 The Panel met on the 27 March 2017 to consider its recommendations for 2017/18.

6.2 All Parish and Town Councils within the Borough were invited to submit any views which they wished the Panel to consider. Knowsley Town Council (asking that their submission from last year be re-submitted) outlined a number of points for the Panel to consider in support of a payment of a basic allowance to their Members, the main points of which are summarised below:

- (i) All travel expenses are met from the basic allowance. Knowsley Township covers three large areas where public transport is not always reliable and not every Member of the Town Council has access to a vehicle;
- (ii) Telephone costs are met from the basic allowance. Any increase in costs is borne by the Member and communication by email is not always possible as not every Member has access to a personal computer or email address;
- (iii) The costs of meals and refreshments whilst on council business are met from the basic allowance;
- (iv) The majority of Members of the Town Council are in full time work – not all employers pay for time off for public duties. The payment of a basic allowance helps ease the burden of the loss of earnings in this instance.

6.3 Following consideration of the submission and all relevant guidance, the Panel **recommends** that:-

- No parish basic allowance be payable during the financial year 2017/18; and
- Reasonable out of pocket expenses for travel and subsistence be reimbursed in respect of duties and meetings covered by the relevant regulations.

6.4 The Panel will always welcome representations on these issues to inform future consideration.

Alan Hill
Chairperson, Independent Remuneration Panel
May 2017