

MEMBERS' ALLOWANCES POLICY

1. Introduction

1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 came into force on 1 May 2003. The regulations apply to local authorities in England only and substantially change the system that previously existed.

2. Types of allowance

2.1 These regulations allow Town and Parish Councils to pay a **basic parish allowance** (Regulation 25) to its chairman only or to each of its elected members. Co-opted members do not qualify for the basic parish allowance. The amount payable to the chairman may differ from that of other members (i.e. a higher sum could be paid because of extra duties that may be required of the chairman) but otherwise the sum shall be the same for each member.

2.2 The regulations also allow payment of a **parish travelling and subsistence allowance** (Regulation 26). Travel and subsistence allowance can be paid to elected and co-opted members. Parish and Town Council members are not entitled to claim a dependants' carer's allowance.

2.3 The Local Government Act 1972 s.15 (5) states a local council may pay a **chairman's allowance** for the purpose of enabling him to meet the expenses of his or her office. A co-opted member elected as the chairman is entitled to the chairman's allowance, but not the basic parish allowance.

2.4 The basic parish allowance and chairman's allowance are not salaries. They are figures calculated to cover expenses which are normally associated with the duties of being a local councillor. Travelling and subsistence allowances are used to reimburse members for specific expenses incurred while attending meetings, training course or events on behalf of the council.

3. Setting levels of allowances

3.1 Regulation 27 of The Local Authorities (Members' Allowances) (England) Regulations 2003 states that a parish remuneration panel may be established by a responsible authority, which is defined as a district or unitary authority.

3.2 When convened, a parish remuneration panel will produce a report making recommendations including:

- The amount of basic parish allowance payable to elected members
- The amount of chairman's allowance payable (if different to the basic parish allowance)
- The amount of travelling and subsistence allowance payable

3.3 Parish and Town Councils must take into account these recommendations when setting their levels for allowances.

4. Procedure and payment

- 4.1 Payment of the basic parish allowance will be made quarterly in arrears to eligible members. Payment of the chairman's allowance will be made in accordance with the Mayor's Handbook arrangements. Travel and subsistence allowances are treated as expenses, and reclaimed via an expenses claim form.
- 4.2 When paying participation allowances to elected members, local councils are obliged by law to deduct income tax, where appropriate, under the PAYE system. It is unlikely National Insurance Contributions will need to be considered as the allowances are likely to be below the lower earnings limit.
- 4.3 At the end of the financial year, the council must publish a notice in a conspicuous place for a period of at least 14 days stating the total amount that it has paid for all Member allowances.
- 4.4 A member is able to elect in writing to the Town Clerk that he or she wishes to forgo all or part of their entitlement to the allowances.
- 4.5 The council is required to maintain records of payments made in respect of the allowances specifying the name of the recipient and the nature of the allowance. These records can be inspected by any local government elector for the parish or town without payment of a fee upon giving reasonable notice. Copies must be provided if so requested, for which a reasonable fee can be charged.

5. Agreed allowances for Peacehaven Town Council

- 5.1 Peacehaven Town Council pays allowances under the applicable legislation as below:
- A basic parish allowance to all eligible members - Local Authorities (Members' Allowances) (England) Regulations 2003
 - A chairman's allowance - Local Government Act 1972 s.15 (5)
 - A parish travelling and subsistence allowance to all members - Local Authorities (Members' Allowances) (England) Regulations 2003
- 5.2 The level of allowances will be set annually at the May meeting. The council will take into account the recommendations of the parish remuneration panel when setting their levels for allowances.