1.0 INTRODUCTION

1.1 The Local Authorities (Members’ Allowances) (England) Regulations 2003 brought in new arrangements for the payment of allowances for members of Parish Councils. These substantially change the system that previously existed. The Regulations allow Parish Councils to:

- Choose to pay their members an allowance, known as the ‘parish basic allowance’ to recognise the time and effort they put into their parish duties – if this is to be paid, they should have regard to a recommendation from the Parish Remuneration Panel
- Choose to pay its members travel and subsistence allowances – again consulting the Parish Remuneration Panel for their recommendation on allowance levels

1.2 Both allowances are discretionary.

1.3 In accordance with the Regulations, the Parish Remuneration Panel is set up by the relevant District or County Council. Panels may be set up jointly. The membership of the Parish Remuneration Panel will be the same as the Independent Remuneration Panel of the responsible authority or authorities.

1.4 Any current systems in place can run until 31 December 2003 but after this new date, the new arrangements must apply.

1.5 This report therefore makes recommendations to the Town and Parish Councils within the Arun District on the payment of a parish basic allowance to Chairman and Town/Parish Council members; and the payment of parish travelling and subsistence allowances.

2.0 THE PANEL

2.1 The Parish Remuneration Panel comprises three members representing the public, business and voluntary sectors of the District, namely:

- Mr. Michael Bevis (Solicitor and Non Executive Director, Western Sussex Primary Care NHS Trust)
- Mrs. Hilary Spencer (Director, Council for Voluntary Service – Arunwide)
- Mr. John Thompson (Bursar, Dorset House School, Bury)
2.2 The Panel also acts as the Independent Remuneration Panel for Members of Arun District Council.

3.0 BACKGROUND TO THE REVIEW

3.1 The Panel had been made aware of the changes to the payment of parish allowances introduced by the 2003 Regulations when it undertook its third review of the allowances payable to Members of Arun District Council. However, following discussions between the Chief Executive and Head of Democratic Services, the view had been taken to await a formal request from a Town or Parish Council within the District before the Panel was set up to carry out this task.

3.2 Although some of the Parishes had contacted the Head of Democratic Services to establish what approach was being taken to the new Regulations and given this advice, no formal approach was received until early October, when two requests were received. On this basis, the Panel was convened to start its deliberations. Further requests have since been received and the Clerks to the Town and Parish Councils were advised of the current position.

3.3 When the Panel had first been made aware of the new Regulations, it had been clear that one of the difficulties of undertaking a review, would be the lack of comparative data available. This type of information had been vital in undertaking the review of District Councillor allowances when explaining why an allowance had been set at a particular level.

3.4 Since these earlier discussions, the Democratic Services Team was invited to a meeting arranged by the Sussex Association of Local Councils with representatives from all the West Sussex authorities to share information which would help to provide this comparative data. At this meeting, information had also been provided on allowances being recommended within the East Sussex area.

4.0 SCOPE OF THE REVIEW

4.1 In view of the timescale that the Panel needed to work to, it was recognised that it would only be possible to carry out limited research before coming up with recommendations. However, the Panel had some knowledge of the workload of a Town/Parish Councillor from their own experience in the community, as well as their discussions with Arun District Councillors, some of whom were elected both as a District Councillor and Town/Parish Councillor.

4.2 The Panel agreed to adopt three of the Terms of Reference applied to their review of the District Council's Members Allowances Scheme, namely that their review needed to take account of:
• The nature and type of role and responsibility of Town/Parish Councillors and the level of commitment involved.
• The need to ensure the Scheme is straightforward and economic to operate.
• The need to ensure the Scheme may be justified in terms of affordability and in the public’s perception.

4.3 Based on the formal approaches received, the Panel would be making recommendations on:

• The basic allowances payable for the Chairman and members of Parish/Town Councils
• The payment of travelling and subsistence allowances for Parish/Town Councils

4.4 To assist in their deliberations, members of the Panel held two meetings with representatives of Town and Parish Councils on 28 and 30 October 2003. These representatives were drawn from those Town/Parish Councils who had made a formal approach to Arun District Council as well as one Council who had not. Representatives attended from Rustington, Pagham, Angmering, Felpham and Aldingbourne Parish Councils and Littlehampton Town Council. Invitations were also extended to Kingston and Bersted Parish Councils but they were, unfortunately, unable to send a representative.

4.5 The Panel took into account the statutory guidance set out in ‘New Council Constitutions – Guidance on Consolidated Regulations for Local Authority Allowances’ jointly issued by the Office of the Deputy Prime Minister and the Inland Revenue (July 2003). They also had sight of the report produced by the Horsham District Parish Remuneration Panel and a note of the meeting of West Sussex officers and the Sussex Association of Local Councils held on 16 October 2003.

4.6 Whilst undertaking their review, further information was provided by South East Employers which highlighted the results of a mini survey undertaken in the South East Region on a number of allowances issues, including the levels of basic allowance payable for parish councillors, which the Panel used as a background paper.

4.7 In undertaking their review, the Panel was asked to give particular attention to a proposal from discussions held at a liaison meeting between Arun District Council and Littlehampton Town Council that the allowances for Town Councillors should be set at a higher level to those of Parish Councillors in view of the activity and workload of these Councils within the District.
5.0 **TOWN/PARISH BASIC ALLOWANCE**

5.1 From the Panel's understanding of the role of Town and Parish Councillors within the District, the Panel recognised the high level of commitment that they gave to their role. Town and Parish Councils are seen by many to be the 'grass roots' of local government. This means that a Parish or Town Councillor is often heavily involved with the activities or their town or parish, spending a number of hours per month undertaking duties, such as attendance at meetings (not just of their council but often the District Council and local residents associations); correspondence; talking to local residents; and getting involved with activities undertaken in their parish or town.

5.2 In view of the limited approaches to the District Council asking for the recommendations of their Parish Remuneration Panel, the Panel could only conclude that many Town and Parish Councillors held the view that they should not be paid seeing their role as voluntary and a community service. This view is supported by one Town Council who have formally advised that they would not wish their Town Councillors to take up the recommendations of the Panel at the current time. However, there could also be the view that no form of remuneration could preclude the disadvantaged, who might wish to become a Town/Parish Councillor and that a payment might promote wider representation.

5.3 It is clear from the Panel's understanding of a Town/Parish Councillor's role that they many incur expenditure on behalf of the Town/Parish Council when carrying out their duties, such as telephone costs, IT costs and photocopying and that the payment of a basic allowance would help to fund these costs.

5.4 The Panel therefore recommend that all Town/Parish Councillors should be entitled to receive a parish basic allowance which should not exceed £400 per annum. The Panel is required by Regulation 29(2) to express this figure as a percentage of the District Council's Members' Basic Allowance. This equates to 10%.

5.5 As referred to in paragraph 4.7, the Panel was asked to consider whether a higher level of parish basic allowance should be payable to Town Councillors to reflect the larger remit and workload of a Town Council's responsibility. The Panel's recommendation is that there should be no differential between Town and Parish Councils for the payment of the basic parish allowance. The Panel recognise the significant activity of the Town Councils in the Arun District but also recognise that a few of the Parish Councils are now undertaking a wider number of activities and functions within their parish. However, the Panel would suggest to Town and Parish Councils that when agreeing the level of basic parish allowance to be paid, that the larger
Councils may wish to pay to the maximum level set, i.e. £400 per annum, whilst the smaller Councils may wish to set a lower level. This accords with the approach recommended in the Horsham District.

5.6 The Panel do not suggest that Town/Parish Councils should pay their Chairmen a different allowance. It is open to Town/Parish Councils to pay to their Chairmen the statutory expense allowance under Section 15 of the Local Government Act 1972 but the setting of such an allowance, which may already be paid by some Town/Parish Councils, is outside the scope of this Panel’s remit.

5.7 The Panel propose that this level of basic parish allowance should be used as the basis for the payment of such an allowance for the next four years. However, as the level of the District Council’s Members’ Basic Allowance will be reviewed during this period, the Panel would recommend that the parish basic allowance is index linked to any review undertaken.

5.8 One further issue raised with the Panel during their discussions with the Town/Parish Council representatives was whether co-opted members would also be entitled to receive the parish basic allowance. The Panel took legal advice on this issue and were advised that co-opted members could not be paid an allowance, even if they had completed the Code of Conduct, as the Regulations did not extend the definition of ‘member’ to a co-opted member.

6.0 TRAVELLING AND SUBSISTENCE ALLOWANCES

6.1 Whilst it is recognised by the Panel that some Town/Parish Councillors may choose not to claim travelling and subsistence allowances when travelling within their parish, they may wish to when undertaking duties outside of the town/parish.

6.2 The Panel therefore recommend that Town/Parish Councillors should receive travelling and subsistence allowances for all journeys whilst on agreed town/parish business and that these should be based on the Travelling and Subsistence Allowances in place for Arun District Councillors, i.e. the Inland Revenue Scheme of 40p per mile for travel and subsistence rates based on actual costs, with receipts being provided wherever possible.

6.3 The Panel note that each Town/Parish Council will agree on what constitutes “approved duties” before the implementation of any scheme of allowances.
7.0 FOREGOING ALLOWANCES

7.1 A Town/Parish 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 the Town/Parish Council.

8.0 CONCLUSIONS

8.1 The Parish Remuneration Panel may not and does not set out to instruct Town/Parish Councils to pay their members. However, the 2003 Regulations are quite clear. A Town/Parish Council may only pay its members, should it so desire, if the Parish Remuneration Panel has recommended (a) this course of action, and (b) the level of remuneration.

8.2 Based on their discussions with Town/Parish Council representatives, the Panel would suggest that Town/Parish Councils do sign up to this Scheme and then either choose collectively to not implement the Scheme or individually to renounce their entitlement so as to allow all Town/Parish Councillors to be able to take advantage of the Scheme if they so desire within the 4 year period. There was a view that to not allow this right would disadvantage some people from becoming local councillors.

8.3 The Panel did find it difficult to undertake this review in view of the limited comparative information available. The Panel also recognised that there was limited interest from a number of Town/Parish Councils at this time. If a further review is undertaken in 4 years time, the Panel anticipate that there will be more information available to help them take a more informed view on what level of allowances should be paid and the likely take-up within the Arun District.

9.0 RECOMMENDATIONS

9.1 The Panel therefore recommend that:

(1) All Town/Parish Councillors be entitled to receive a Basic Parish Allowance of not exceeding £400 per annum for the next four years, with the maximum level being index linked to any review of the Arun District Council’s Members Allowances Scheme.

(2) There be no differential between Town and Parish Councils for the payment of the Basic Parish Allowance.
(3) No specific differential allowance be payable to Chairmen of Town/Parish Councils but this is without prejudice to payment of the Chairmen’s statutory allowance under Section 15 of the Local Government Act 1972.

(4) Each Town/Parish Councillor may receive an allowance in respect of travelling and subsistence for all journeys whilst on agreed town/parish duties on the basis of the Arun District Council Members Allowances Scheme of Travel and Subsistence Allowances.

10.0 THANKS

10.1 Members of the Panel wish to record their thanks to the Town/Parish Council representatives for their input into their deliberations and to Officers for their work in supporting the Panel.

Michael Bevis .................................................................

Hilary Spencer .................................................................

John Thompson .................................................................

Dated November 2003