

ARUN DISTRICT COUNCIL

REPORT OF ARUN DISTRICT PARISH REMUNERATION PANEL

MARCH 2010

1.0 INTRODUCTION

1.1 This is the report of the Parish Independent Remuneration Panel established by Arun District Council under the Local Authorities (Members' Allowances) (England) Regulations 2003 and the Local Government (Members' Allowances) (England) (Amendment) Regulations 2003, for the Town and Parish Councils in its area.

1.2 In accordance with the Regulations, the Parish Independent Remuneration Panel (PIRP) is set up by the relevant District or County Council. It comprises the same membership as the Independent Panel which meets to review the allowances for Arun District Council.

1.3 Guidance issued on the Regulations in respect of Allowances for Members of Town and Parish Councils states that:

- Parish Councils may 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 Independent Remuneration Panel set up to make recommendations to parishes in its area
- A Parish Council may make an allowance payable to its Chair only, or to each of its Members
- Where a Parish Council decides that all Members should receive the Parish Basic Allowance, the amount paid to each Member must be the same, and it is the only amount payable to the Chair that may be different
- There is no obligation on Parish Councils to pay such allowances – it is a discretionary allowance and may be paid in a lump sum or at intervals throughout the year
- A Town/Parish may choose to pay its members travel and subsistence allowances – again consulting the Parish Independent Remuneration Panel for their recommendation on allowance levels

1.3 The remit of the Panel was therefore to produce a report in relation to the Members of the 25 Town and Parish Councils in the Arun District, making recommendations in accordance with the provisions of the Regulations as to 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 (PIRP) comprises three members representing the public, business and voluntary sectors of the District, namely:

- Mrs Sandy Pascoe (CAB Volunteer and Arun Wavelength Panel Member)
- Ms June Munro (Retired Business Manager)
- Mrs Alison Tuck (Retired Local Government Officer – Democratic Services)

2.2 As mentioned above, 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 recently concluded its sixth review of the District Council's Members' Allowances Scheme which was considered at the Council Meeting held on 2nd September 2009 where a new scheme was adopted, subject to some amendments being made by Arun's Members. At that time, the Panel agreed that, as the last Parish review (undertaken in July 2007) had formed part of the District Council Review of the Members Allowances Scheme, more focus should be put into undertaking a separate Parish Review and especially as the Council had received a formal request from Littlehampton Town Council to revisit the issue of Parish Allowances.

3.2 On this basis, the Panel was convened at the start of October to commence its deliberations. As the provision of comparative data had been so vital to the Panel in undertaking previous reviews, it was provided with a wide range of comparative data on parish allowances paid within the East and West Sussex area and the Chartered Institute of Public Finance Accountants (CIPFA) 'Arun District family' group.

4.0 SCOPE OF THE REVIEW

4.1 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.

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

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

5.0 WORK OF THE PIRP

5.1 In October 2009, the Panel sent out a letter to all Town and Parish Clerks asking whether they wished to make representations to the Panel. The letter attached a short questionnaire which sought information as to:

- existing Allowances payable to Members
- whether a separate allowance was paid to the Chairman or Mayor
- whether all Members claimed the Basic Allowance
- what they felt would be a reasonable level of Parish Basic Allowance; and
- requesting further information with regard to the size and activity of the Council.

5.2 Eleven Parish Councils that responded by the deadline set by the Panel - Aldwick, Barnham, Bersted, Clapham, East Preston, Felpham, Kingston, Middleton-on-Sea, Paghham, Slindon and Yapton. An example of the letter sent and the questionnaire responses received can be found at Appendix 1 to this report.

5.3 The Panel then met on 14th December 2009 to discuss the results received and noted the fact that many of the Parish Councils who had responded chose not to pay allowances at all to their Councillors. Those that did, expressed very much the same view that the level of basic parish allowance currently set (10% of the District basic allowance) should remain the same for all Councils in the District regardless of size and activity.

5.4 The Panel then decided to arrange a series of interviews for the end of January and beginning of February 2010 to which the Clerk and the Chairman or Mayor of each Town and Parish Council were invited to attend. This further letter was sent on 11th January 2010 to which 11 responses were received. Eight Parish Councils declined the offer of an interview on the grounds that their Councillors did not, and did not intend to, receive an allowance. Three Parish Councils accepted the invitation and the Panel held interviews to hear representations from Rustington, East Preston and Felpham Parish Councils.

5.5 A table illustrating the responses received is attached at Appendix 2 together with the letter that was sent to the Town and Parish Councils.

5.6 On 28th January 2010, further contact was made with the three Town Councils in the District - Arundel, Bognor Regis and Littlehampton as no response had been received from them and the Panel was keen to

obtain their views so that it could make further comparisons. A response was received from Arundel Town Council on 1st February 2010 who returned the original questionnaire and confirmed an appointment with the Panel on 4th February 2010, though 'regrettably' its representative did not turn up for this appointment. The response received from Arundel Town Council can be seen as Appendix 3. A response was also received from Bognor Regis Town Council on 1st February 2010 and its representation can be found at Appendix 4. The Panel was disappointed that it had not received any form of response from Littlehampton Town Council especially as it had previously made a formal approach to the Council and had stated that it would be prepared to address the Panel or supply paperwork that might assist the Panel with its deliberations.

- 5.7 As part of the review, 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 numerous reports made by other Panels in East and West of the County.

6.0 TOWN/PARISH BASIC ALLOWANCE

- 6.1 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 of 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.
- 6.2 In view of the limited amount of detail provided by the questionnaire returns coupled with the fact that very few Parish Councils expected or wanted to pay an allowance to their Members, due to the importance attached to the 'public services ethos' at parish level, the Panel could only conclude that many Town and Parish Councillors saw their role as voluntary and a community service. However, those interviewed were all keen to encourage others to stand as parish councillors and felt, as a point of principle, that no one should be out of pocket because of their involvement in public duties. Some had indicated that their phone bills had increased substantially as a result of becoming a councillor and there were increasing costs due to the need to have access to computers and IT software and that an allowance may counter the disincentive of the additional costs incurred due to being a councillor.
- 6.3 It is clear from the Panel's understanding of a Town/Parish Councillor's role that they may incur types of expenditure mentioned above on

behalf of the Town/Parish Council when carrying out their duties and that the payment of a basic allowance would help to fund these costs.

- 6.4 The Panel believes that public service is the key factor in serving on Town and Parish Councils and the recommendations that have been made reflect this. As some of the Councillors interviewed expressed concern that attracting new younger Councillors was difficult, particularly if they felt they would incur expenses such as childcare costs, the Panel agrees that Councillors should not be out of pocket and so the recommendations have been set at a level that will hopefully ensure that Councillors' expenses are met.
- 6.5 There was strong representation made from those Councils interviewed over the fact that there was no provision in the existing regulations for payment of allowances to co-opted members of Parish Councils. This was regarded as being unfair as some of the hardest working councillors were co-opted members who had joined the Council between elections. The Panel accepts that this is an area of contention for many Parishes and although this is something that it has no control over it will be pursuing this matter with the relevant Minister and the Sussex Association of Local Councils (SALC) and the National Association of Local Councils (NALC) and encourages Town and Parish Councils to do the same.
- 6.6 The Panel has based its recommendations on the information provided from the questionnaires returned; the interviews conducted; and on the experiences of other town and parish panels in the County. It therefore recommends that all Town/Parish Councillors should be entitled to receive a parish basic allowance which should not exceed £487 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%.
- 6.7 In view of the lack of comment to the contrary, it was difficult for the Panel to determine 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 recognises the significant activity of the Town Councils in the Arun District but also recognises that a few of the Parish Councils are now undertaking a wider number of activities and functions within their parish.
- 6.8 In preparing this latest report, the Panel has had to be mindful that under the current regulations there is no provision to permit the payment of Special Responsibility Allowances; Carers' Allowances; or IT Allowances. The Panel is therefore unable to make any recommendations regarding such allowances.

6.9 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.

6.10 The Panel proposes that this level of basic parish allowance should be used as the basis for the payment of such an allowance and that it will be index linked to staff pay increases thereafter and in line with the Panel's recommendation for the District Basic Allowance agreed in September 2009.

7.0 TRAVELLING AND SUBSISTENCE ALLOWANCES

7.1 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.

7.2 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. The Panel believes that this works well and that there is no reason to change current arrangements as there has been no increase in the Inland Revenue's approved mileage rates.

7.3 The Panel notes that each Town/Parish Council will agree on what constitutes "approved duties" before the implementation of any scheme of allowances.

8.0 WITHDRAWAL OF ALLOWANCES

8.1 The regulations and guidance also specify that a Parish Council may make provisions so that where a Member is suspended or partially suspended from their duties, all or part of any allowance can be withheld. They may also provide that any allowances already paid in respect of a period for which a member has been suspended must be repaid.

9.0 FOREGOING ALLOWANCES

9.1 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.

10.0 CONCLUSIONS

- 10.1 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 Independent Remuneration Panel has recommended (a) this course of action, and (b) the level of remuneration.
- 10.2 Based on their discussions with Parish Council representatives, the Panel would suggest that Town/Parish Councils adopt 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. There was a strongly expressed view that to not allow this right would disadvantage some people from becoming local councillors.

11.0 RECOMMENDATIONS

11.1 The Panel therefore recommend that:

- (1) all elected Town/Parish Councillors be entitled to receive a Basic Parish Allowance of not exceeding £487 per annum, 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 elected and co-opted 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; and
- (5) the Department of Communities and Local Government (DCLG) be requested to agree that co-opted councillors be eligible for the basic allowance.

12.0 THANKS

12.1 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.

Sandy Pascoe

Alison Tuck

June Munro

Dated March 2010