

**EPPING FOREST DISTRICT
PARISH REMUNERATION PANEL**

**ANNUAL REPORT
2007/8**

ANNUAL REPORT OF PARISH REMUNERATION PANEL

1. INTRODUCTION

- 1.1 This is the second annual report of the Parish Remuneration Panel for the Epping Forest District. The report summarises the Panels' work during the year.

2. LEGAL BACKGROUND

- 2.1 We were established under the Local Government Act 2000, which requires the Council to establish a Parish Remuneration Panel to advise on payment of allowances and expenses to local Councillors.
- 2.2 Remuneration Schemes agreed under these arrangements are subject to public notification and copies of remuneration schemes once agreed must be available to the public for scrutiny as must the payments actually made at the end of each financial year.
- 2.3 The membership of the Panel is set out in the report of the District Remuneration Panel. The membership of both Panels is the same.
- 2.4 The Local Authorities (Members Allowances) (England) Regulations 2003 include provisions for Remuneration Schemes in respect of Parish and Town Councils.
- 2.5 Regulations 25-31 are summarised below:

Regulation 25 (Parish Basic Allowance)

- 2.6 This permits a Parish Council to pay an allowance called the Parish Basic Allowance. This may be payable to its Chairman only or to each of its members. If the allowance is payable to each of the Parish Council membership it must be the same amount but there is provision for a higher payment to the Chairman of the Council. In setting a Parish Basic Allowance the Parish Council must have regard to recommendations of a Parish Remuneration Panel.
- 2.7 The regulation allows that where a member is suspended or partially suspended from his or her responsibilities or duties as a member of a Parish Council, provision may be made in a remuneration scheme to withhold the basic allowance during the period of suspension. The regulation also requires that a notice is published in the Parish of any recommendations made by the Remuneration Panel and the actual payments to be made.
- 2.8 A copy of the payment records for each Parish Councillor must be kept available for public inspection and at the end of each year a summary statement for each councillor for all the payments they have received must be publicised.

Regulation 26 (Parish Travelling and Subsistence Allowance)

- 2.9 This regulation allows an authority to pay to its members travelling and subsistence allowances in connection with a range of duties.
- 2.10 Provisions regarding suspended members also apply. Travelling allowances include allowances in respect of travel by bicycle or any other non-motorised form of transport.

Regulation 27 (Parish Remuneration Panels)

- 2.11 A Parish Remuneration Panel shall consist of those persons who are also members of the Independent Remuneration Panel which advises the District Council.
- 2.12 The Parish Remuneration Panel must not include any member who is also a member of a authority in respect of which it will be making recommendations. At present none of the two members of the Independent Remuneration Panel are members of Parish Councils.
- 2.13 The regulation also requires that the expenses of the Parish Remuneration Panel should be met by all authorities for whom they are considering remuneration schemes.

Regulation 28 (Recommendations of Parish Remuneration Panels)

- 2.14 Parish Remuneration Panels are required to produce a report making recommendations as to:
- (a) the amount of Parish Basic Allowance
 - (b) the amount of travelling and subsistence allowance payable
 - (c) whether the Parish Basic Allowance should be payable only to the Chairman of any such authority or to all its members.
 - (d) whether, if the Parish Basic Allowance is payable to both the Chairman and the other members, the Chairman's allowance is to be set at a higher level.
 - (e) the responsibilities or duties in respect of which member shall receive Parish Travelling and Subsistence Allowances.
- 2.15 It is a requirement of these regulations that a copy of the Remuneration Panel's report should be sent to each authority in respect of which recommendations have been made.

Regulation 29 (Levels of Allowances)

- 2.16 The Parish Remuneration Panel may make recommendations either:
- (a) to apply the recommended levels of Parish Basic Allowance and Travel and Subsistence Allowance to all authorities; or
 - (b) make different recommendations for different authorities.
- 2.17 The Remuneration Panel may express its recommendation as to Parish Basic Allowance as a percentage of the sum recommended in respect of the District Council and that percentage may be 100%.
- 2.18 The Remuneration Panel may also express its recommendations as to the level of Parish Basic Allowance as a monetary sum, being equivalent to the relevant percentage.

Regulation 30 (Publicity in Respect of Reports of Parish Remuneration Panels)

- 2.19 This regulation requires that once an authority has received a copy of the Remuneration Panel report it shall ensure that copies of the report are available for inspection by the public.

Regulation 31 (Records of Parish Allowances)

- 2.20 Parish and Town Councils are required to keep a record of payments made in respect of Parish Basic Allowance and Parish Travelling and Subsistence Allowance. This record must specify the name of the recipient and the amount and nature of each payment, must be available for inspection, and must be supplied to any person entitled to inspect a record.
- 2.21 The regulation also prescribes as soon as reasonably practicable at the end of the year, the Parish Council shall arrange for the publication for a period of at least 14 days.

3. 2007/8 REVIEW

- 3.1 This year, we conducted the first review of Parish & Town Council Remuneration schemes since 2004. We stipulated at that time that schemes could operate for 4 years but that this should be reviewed at the end of that period. The three year period ended on 31.3.2007. At our original meetings we issued the following general guidelines on Parish and Town Council Remuneration.

(a) **Parish Basic Allowance** - Parish Councils were advised that the percentage of the district council's precept allocated to member remuneration should be applied as a maximum for spending on their schemes (4.68% in 2003/4; 3.09% in 2007/8) and that no individual payment should exceed the rate for a District Councillor;

(b) **Parish Travelling & Subsistence Allowance** - Parish Councils were advised to set the District Council's rates as the maximum level for their schemes;

(c) **Form of Scheme/Public Notice** - the pro formas used by the District Council were recommended to Parish councils;

(d) **Currency of Schemes** - Parishes were advised that schemes should run for 4 years before further review unless significant changes were sought in the meantime; and

(e) **Civic Allowances** - at the last review, the Panel discussed the civic allowances paid to some Chairmen of Parish Councils for hospitality purposes. We deemed such allowances to be outside the scope of the remuneration scheme as they are paid under a separate legal authority.

- 3.2 We checked the 2003/4 percentage mentioned in (a) above and found this to be incorrect. The true figure was 2.04%. However none of the Parish Councils are currently spending at or near that level. We have drawn this to the attention of Parish and Town Councils and given advice on the new percentage for the current year.
- 3.3 In regard to travelling expenses these are the same as the rate applicable to Council Officers and have been increased for inflation on an annual basis. There is no longer any prescribed rate for Councillors. Some Parish Councils said to us that they have been following the guidance issued by the Essex Association of Local Councils but,

on checking, the rates for car mileage are the same. We have advised Parish and Town Councils accordingly.

3.4 We invited Parish and Town Councils to seek re-approval of their existing schemes (where no changes were sought), to amend their existing schemes or to put forward proposals for introducing a remuneration scheme if they were not operating one: 11 Parishes and Towns responded: 8 sought approval of their existing arrangements without changes. Three Councils proposed alterations, namely Epping Town, Loughton Town and Ongar Town Councils.

... 3.5 Details of these requests and our decisions are set out in Appendix 1 to this report.

3.6 We felt unable to deal with the proposal from Ongar Town Council as one member of the Panel declared a prejudicial interest because of a family connection with that Council. The Assistant to the Chief Executive was delegated the task of considering the application within the policy outlined in paragraph 3.1 above. A copy of his determination is attached at Appendix 2.

...

4. CONCLUSION

4.1 There are 24 Parish and Town Councils in the Epping Forest District Council and we are satisfied that those 11 Councils which are operating schemes are doing so within the framework of the Panel's advice and in accordance with legal requirements.