

Appendix 4

PARISH REMUNERATION PANEL

THIRD REPORT ON PARISH REMUNERATION ARRANGEMENTS FOR CERTAIN PARISH AND TOWN COUNCILS IN THE EPPING FOREST DISTRICT

March 2004

Introduction

1. This is the third report of the Parish Remuneration Panel which has been established by Epping Forest District Council pursuant to the Local Authorities (Members' Allowances) (England) Regulations 2003.
2. Under those Regulations the Panel is charged with the responsibility of making recommendations in accordance with Regulation 29 as to:
 - (a) the amount of parish basic allowance payable to members of Parish and Town Councils;
 - (b) the amount of travelling and subsistence allowance payable to members of such Councils;
 - (c) whether parish basic allowance should be payable only to the Chairman of any such authority or to all of its members;
 - (d) whether, if parish basic allowance should be payable to both the Chairman and the members of such Councils, the allowance payable to the Chairman should be set at a higher level than that paid to other members and the higher amount so payable; and
 - (e) the responsibilities or duties in respect of which members should receive parish, travelling and subsistence allowance.

Applications by Parish and Town Councils

3. Epping Forest District Council wrote to Parish and Town Councils in the District on 1 July 2003, 31 July 2003 and 22 October 2003 concerning the 2003 Regulations and the arrangements which had to be put in place if Parish and Town Councils wished to pay allowances or expenses to their members after 31 December 2003.
4. This report deals with proposals from Chigwell Parish Council in respect of the payment of a Parish Basic Allowance and Parish Travelling Allowance.

Response to Parish and Town Council Proposals

5. The Panel is entitled, in making recommendations, to consider whether to apply the same levels of parish basic allowance and travel and subsistence allowances to all Parish and Town Councils or whether to make different recommendations for different Councils.
6. The Panel is required to express its recommendations as to the level of parish basic allowance as a percentage of the sum that an Independent Remuneration Panel has recommended as the level of basic allowance for Epping Forest District Council but may not recommend a percentage of more than 100% of the District Council's recommended level.
7. The Panel is also required to express its recommendation as to the level of Parish Basic Allowance as a monetary sum equivalent to the percentage mentioned above.

Parish Basic Allowance

8. Chigwell Parish Council requested consideration of proposals for parish basic allowance. This related to a Parish Basic Allowance to the Chairman of that Council of £500 p.a. and of further Parish Basic Allowance to the other members of the Council of £50 per annum.
9. In determining how to approach the question of parish basic allowance we examined the District Council's own remuneration scheme which, when fully implemented, would provide an annual basic allowance per member of £3,150. The regulations require us to recommend that a parish basic allowance must be set as a percentage of the District Council figure as well as a cash sum. We also noted that the percentage may be 100%. In our view, this effectively sets an upper limit on the parish basic allowance at £3,150 per parish member.
10. We also looked at the percentage of total expenditure on allowances (assuming the District Council's scheme is fully implemented) compared to that Council's annual precept for Council Tax purposes. The total estimated expenditure (excluding the civic allowance paid to the Chairman and Vice-Chairman of the District Council) is £301,297.50. This represents 4.68% of the total precept of £6,433,292. We are conscious that the District Council has not yet fully implemented its remuneration scheme. However we feel that there is no alternative to using the total cost of allowances for the calculation.
11. This approach provided us with two parameters on which to advise parish and town councils. We feel that the precept percentage applied to allowances at District level should form the upper limit for parish allowances. Thus, we feel that any parish or town council should not provide a parish basic allowance which costs more than 4.68% of their total precept. Alongside this guideline, parish and town councils must bear in mind that they are only able to provide the parish basic allowance up to 100% of the figure provided at district level (£3,150).
12. Chigwell Parish Council is therefore recommended to set a scheme for parish basic allowance on this basis. The proposals of the Parish Council for a two tier Parish Basic Allowance can be accommodated within this framework.

Parish Travelling and Subsistence Allowances

13. Chigwell Parish Council wish to include these payments in their Remuneration Scheme.
14. We have looked at the arrangements operated by Epping Forest District Council. We have noted that the District Council still uses the rates for reimbursement of travel and subsistence expenses prescribed by the Government in former years. The Government no longer prescribes these maxima and now leaves it each authority to decide on their mileage rates and subsistence. Our view is that parish allowances should not exceed the rates paid by the District Council. The District Council rates have not been uprated for inflation for several years now and when this was last reviewed no changes were made. Appendix 3 shows the rates paid by the District Council.

15. We therefore recommend that Chigwell Parish Council sets its own rates for mileage and subsistence subject to those rates not exceeding the District Council's rates.
16. It also falls to this Panel to specify the duties to which these expenses may be reimbursed. We have included in our outline remuneration schemes references to Council, Committee and other meetings, opening of tenders, attendance at relevant associations and any other purpose approved by the parish or town council. The latter category is for the Parish Council to determine and they have not asked us to consider any specific proposals. It is important that any such duties are agreed in advance of the duty, whether as part of a remuneration scheme or on an ad hoc basis.

Other Conditions for Payment of Allowances

- ... 17. A model scheme has been prepared to assist parish and town councils (See Appendix 1). This provides for a number of ancillary matters relating to allowances.
18. Firstly, there is the option of linking these to an index of some kind: possibly the overall increase in a Council's budget from year to year or the rate of inflation. It should be emphasised that this can only be done for four years, after which further advice must be sought from the Parish Remuneration Panel.
19. Secondly, there are provisions for recovering payments made to councillors who are subsequently suspended as a result of action by the Standards Board for England or for withholding such payments during a period of suspension.
20. Thirdly, there are also provisions regarding a time limit for making claims in respect of travel and subsistence allowance, pro rata calculations for new councillors who join during a Council year and recovery of allowances in respect of councillors who leave part way through a year.
21. Fourthly, the model scheme also includes the statutory renunciation clause whereby a member of a parish council can in writing indicate that he or she does not wish to receive allowances.

Publicity

22. Once this report has been issued, it is a requirement of the regulations that copies of our report are available for inspection by members of the public. A Notice must also be displayed in a conspicuous place or places in the area of the Parish Council for a period of at least 14 days setting out our recommendations. Copies of our report must also be available to any member of the public who requests one at such reasonable copying fee as the Parish Council concerned may determine.
- ... 23. Appendix 2 is a draft public notice. When our report has been considered and a scheme adopted by Parish or Town Councils these should then be completed and displayed.

Recommendations

(a) Parish Basic Allowance – Chigwell Parish Council

(1) That the percentage of the District Council's expenditure on allowances as recommended by Remuneration Panel compared to the total precept for 2003/4 (4.68%) be applied to all parish and town councils in the District on the basis that their total expenditure on parish basic allowance should not exceed that percentage of their precept.

(2) That parish basic allowance should not exceed the figure set for the Epping Forest District Council namely a sum per member of £3,150.

(b) Conditions for Payment

(3) That parish and town councils be encouraged to use the model scheme attached as Appendix 1 to this model, modified as required.

(c) Parish Travelling Allowance – Chigwell Parish Council

(4) That the schedule of travelling and subsistence rates attached as the Appendix 3 to this report in so far as they are applicable to parish and town councils be recommended as the maximum rates for travel and subsistence allowances and that parish and town councils set their own rates not exceeding the maximum rates.

(5) That Chigwell Parish Council specify in its scheme that travel allowances are applicable only to travel outside the parish.

Members of the Parish Remuneration Panel:

Mike Donn, David Jackman, Stephen Lye

Date: 4 March 2004