

Witham Town Members Allowance Policy

1. Introduction

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.

An annual allowance shall be made to the Chair of the Council, whether an elected or co-opted member, in accordance with the Local Government Act 1972.

An annual basic allowance shall be made to elected members of the Parish Council, other than the Chair of Council, in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003 and the amount of such an allowance shall be the same for such members.

This scheme does not provide for any special responsibility allowances, dependants' carers' allowances, travelling and subsistence allowances or co-optees' allowances.

2. Forms of allowance

These regulations permit 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 vary from that of other members but otherwise the sum shall be the same for each member.

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.

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.

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

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.

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

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

4. Procedure and payment

Payment of participation allowances (basic parish allowance and chairman's allowance) will be made with a deadline of November for eligible members. Travel and subsistence allowances are treated as expenses, and reclaimed via expenses claim form.

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.

At the end of the financial year, the council must publish a notice in a visible place for a period of at least 14 days stating the total amount that it has paid for all Member allowances.

Members wishing to receive their allowance are required each year to sign an agreement stipulating that, should they resign from their position as a Town Councillor, they shall repay the allowance on a pro-rata basis.

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 realistic fee can be charged.

Agreed: Policy and Resources 03.10.2022

Reviewed: 8th July 2024

To be reviewed: July 2026

Policy WTC/53