

Councillor Allowances and Expenses Policy

Author: Louise Harrison, Town Clerk and RFO to Wimborne Minster Town Council, 19 February 2024.

Based on NALCs Legal Topic Note 33 and SLCCs document AN035 Member's Allowances in England.

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1. Introduction

- 1.1 Wimborne Minster Town Council (the Town Council) is committed to accountability and transparency regarding all expenditure, including any councillor allowance when applicable.
- 1.2 Whilst there is no provision in law enabling parish or town councils to pay individual councillors a wage commensurate with work done by that individual nevertheless the Town Council recognises the time commitment of councillors as well as the many incidental costs they incur in carrying out council business. Such incidental expenses include the use of their homes, telephone calls from home landlines and mobile phones, stationery, printing and IT costs, and use of car, motorcycle or bicycle. As a result the Town Council supply all councillors with individual laptops to negate some of these expenses.

2. Background and legal context

- 2.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003 a parish or town council is able to pay a basic parish allowance a year to its Chairman only or to each of its elected councillors. The amount payable to the chairman may differ from that of other councillors but otherwise the sum shall be the same for each councillor. Co-opted councillors are not eligible as the public have not elected a co-opted member and any allowance comes from public money. An allowance is not a salary - it is a figure calculated to cover the expenses, which are normally associated with the basic duties of being a councillor.
- 2.2 The Regulations also allow payment of a parish travelling and subsistence allowance for or in connection with the discharge of the Council's functions and can be paid to elected and co-opted members (for further information see point 2013 below). Councillors may also be reimbursed with the necessary costs incurred for the care of dependent children and adults (provided by informal and formal carers).
- 2.3 The Regulations provide that where a local council proposes to pay an allowance it must have regard to the recommendations made by the local remuneration panel in setting that allowance (see point 2.5 below)
- 2.4 The Local Government Act 1972 s.15 (5) allows a chairman's allowance to meet the costs associated with the position of chairman 'for the purposes of enabling them to meet the expenses of the office such allowance as the council think reasonable'

If a local council resolves to call itself a town council the chairman is entitled to be called the town mayor and vice-chairman deputy town mayor (page 25, Charles Arnold Baker). Section 15 (5) does not extend to the Deputy Town Mayor role.

Such costs include:

- travel (mileage) to and from events;
- tickets for events for the Town Mayor and escort;
- the purchase of any gifts presented on behalf of the Town Council including flowers;
- donations to charity (with or without attending events);
- costs incurred in the process of raising money for the Town Mayor's chosen charities including event costs and purchasing raffle prizes / tickets;

- funding for any formal and informal Civic events and costs associated with the role of the Town Mayor during the municipal year not currently budgeted for (e.g. hosting Twinning events, one-off fundraising events);
- costs associated with any events held or attended by the Deputy Town Mayor or councillors deputising in the Town Mayor's place in the course of their civic duties;
- reasonable clothing allowance for civic events (including clothing for the Town Mayor's escort), and
- legitimate expenditure for telephone, stationery, IT and printing costs reimbursed on presentation of a receipt.

2.5 The Dorset Parish Independent Remuneration Panel 2021 Review recommended parish and town councils were to determine the basic and chairman's allowances, subject to the maximum set out in their report, and the commencement should be payable from the commencement of the next municipal year.

The Panel recommended that if a council paid an enhanced basic allowance to its chairman, then such chairman's basic allowance should not exceed twice that basic allowance payable to other members of that authority – in the case of Wimborne Minster (level 3 – electorate number between 5,001 and 10,000) the basic allowance for councillors is 4% of the basic allowance paid to Dorset councillors (2021/22 £13,357.50, subject to the annual increase in line with any pay awards to staff).

The Town Council must take these recommendations into account when setting their allowances; however the Remuneration Panel noted each council will determine its own scheme (if any) having had regard to the recommendations as detailed above.

2.6 Since the introduction of the Local Authorities (Members' Allowances) (England) Regulations 2003 it has been customary for the Town Council to forego any paid councillor allowances except for the Town Mayor (as reflected in the annual budget setting process).

2.7 The Town Mayor's Allowance (the allowance) was agreed by the Town Council for the 2024/25 budget at £2,200 (this equates to approximately 18.5 % of the basic allowance paid to Dorset councillors on the 2021/22 figure).

The Town Mayor may elect to forego their allowance (or part of) and inform the Town Clerk in writing if this is the case.

When making payments to councillors under an allowance scheme, where appropriate, income tax should be deducted under PAYE. An allowance paid under section 15(5) of the LGA 1972 will be subject to the usual tax and national insurance deductions if it is paid as a round lump sum allowance to ensure HMRC regulations are adhered to. The Town Council resolved to pay the Town Mayor's Allowance in two six month instalments, paid on receipt of expense claim form directly into the Town Mayor's bank account and must not be used to pay for parking fines. The Town Council will also consult HMRC for guidance on the tax treatment of allowances.

If the Town Mayor ceases to be a councillor or is in any other way not entitled to receive an allowance in respect of that period the Town Mayor shall repay to the Town Council such part of their allowance.

Where entitlement to an allowance is based on a part of a year, allowances shall be paid on a pro-rata basis

Any residual allowance unspent at the end of the term will be returned to Council's General Reserves.

2.8 Travelling expenses are applicable for:

- a meeting of the executive;
- a meeting of a committee of the executive;

- a meeting of the authority;
- a meeting of a committee or sub-committee of the authority;
- a meeting of some other body to which the authority make appointments or nominations;
- a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations;
- a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority or a joint committee of the authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups);
- a meeting of a local authority association of which the authority is a member ;
- duties undertaken on behalf of the authority in pursuance of any standing order requiring a member or members to be present while tender documents are opened ;
- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises ;
- duties undertaken on behalf of the authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996, and
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

These expenses should be made monthly on the prescribed form supplied by the Finance Manager, signed by the claimant by no later than 7th April next following the end of a year and payments shall be made to each councillor by BACS in arrears:

- (i) Cars – 45p per mile up to 10,000 and 25p per mile thereafter;
- (ii) Motorcycles - 24p per mile;
- (iii) Bicycle – 20p per mile;
- (iv) Travel by public transport - reimbursement of standard fare / actual fare paid, and
- (iii) Parking fees – actual amount paid

In relation to subsistence allowances the Dorset Parish Independent Remuneration Panel recommended maximum limits are:

- minimum journey time of 5 hours, maximum amount claimable - £5.00;
- minimum journey time of 10 hours, maximum amount claimable - £10.00;
- minimum journey time of 15 hours, maximum amount claimable - £15.00;
- supplement where a journey ends after 8pm - £10;
- overnight room only - £90.05 or £118.13 for Greater / Inner London (including VAT)
- Breakfast (business journeys must start before 7am) - £5.11;
- Lunch (business journeys must entail working away from home between 12 and 2pm) - £6.99;
- Dinner (only claimed when required to work away from home after 8.30pm) - £12.36, and
- Overnight absence £85.92 (room only and including VAT) or £112.96 if in London.

2.9 The Council will publish any allowances and expenses paid as soon as practicable after the end of the financial year on the Town Council's web site for at least 14 days.

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