

SOMERSET COUNCIL

RECOMMENDATIONS OF THE SOMERSET COUNCIL'S PARISH, TOWN AND CITY INDEPENDENT REMUNERATION PANEL FOR BRIDGWATER TOWN COUNCIL

JANUARY 2024

1 - This report has been prepared for Bridgwater Town Council by the Somerset Council's Parish, Town and City Independent Remuneration Panel (the Panel) comprising four individuals drawn from the community, all of whom have significant previous experience in the work of local authorities. For ease, when "parish council" is referred to in this report, it shall mean "parish, town and city councils".

The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) (the Regulations) provide all parish, town and city councils with the discretion to introduce allowances schemes whereby a parish basic allowance and travelling and subsistence allowances can be paid to their elected members whether or not that election was contested. Travelling and subsistence allowances, but not a parish basic allowance, can be paid to co-opted members of those councils.

The setting of the levels of the allowances is open to parish councils to determine after first considering the recommendations of the Parish Remuneration Panel. This is in line with the Government's view that the allowances system provides for clear and transparent local accountability as parish councils, like other local authorities, will be both accountable and answerable to their local communities in terms of the allowance payments made to their members.

The Panel meets Somerset Council's obligations under Regulation 5 of the Local Authorities (Members' Allowances) (England) Regulations 2003.

The current membership of the Panel is as follows:

David Lamb – Panel Chair

Owner of a number of businesses in the Bridgwater area employing around 300 employees. Previously served as the Chair of the Sedgemoor District Council Independent Remuneration Panel.

Bryony Houlden – Panel Member

Chief Executive of South West Councils which is a membership organisation of all 29 local authorities in the South West (from April 2023). Currently sits on a number of other Independent Remuneration Panels, including Devon County, Cornwall, Plymouth, Torbay, Bristol and Bath & North East Somerset Council's, previously a member of the Joint Somerset Independent Remuneration Panel.

Mel Hillman – Panel Member

Former Corporate Services Manager at Yeovil Hospital before retiring. Also worked as a School Clerk on a local school Board of Governors in Somerset and Dorset.

Dr Paull Robathan – Panel Member

Deputy Lead Governor of the Somerset NHS Foundation Trust and a former District Councillor. Also worked for Government agency conducting independent peer reviews.

2 - The Panel is established to make recommendations on the scheme of allowances for parish, town and city councils for which Somerset Council is the establishing authority. The Panel has been appointed under Regulation 27 of the Regulations which states that an independent parish remuneration panel may be established by a responsible authority, which in this case is Somerset Council.

3 - When convened, the parish remuneration panel will produce a report making recommendations including:

- the amount of basic allowance payable to elected members.
- the amount of the chair's allowance payable (if different to the basic allowance).
- the amount of travel and subsistence allowance payable.

4 - The Regulations provides that Bridgwater Town Council may pay an allowance for each year (basic allowance) to (a) its chair only; or (b) to each of its members, and the amount of that allowance payable to its chair may differ from that payable to each other member of Bridgwater Town Council.

5 - If Bridgwater Town Council proposes to pay a basic allowance, whether to its chair only or to each of its members, it must have regard in setting the level or levels of such allowances, to the recommendations which have been made in respect of it by the independent remuneration panel.

6 – Bridgwater Town Council can choose to pay travel and subsistence allowances. The regulations allows payment of travel and subsistence allowances (Regulation 26).

7 - Regulation 29 requires that the Panel must express any recommendation for a basic allowance for town councils as a monetary sum and as a percentage of the Somerset Council's basic allowance. This is shown in paragraph 13 below.

Summary of the Panel's Review

8 - The Panel recognises the differences in both size and scale of activity of individual parish councils. This presents the Panel with some difficulty in recommending a scheme of allowances that will apply to all councils.

9 - Somerset Council has provided the Panel with benchmarking information from Chippenham Town Council, Borough Council of King's Lynn & West Norfolk Parish and Town Councils and also a countywide scheme developed by Dorset Council.

10 - The Panel recognises that it may be an historic issue that most parish councils in Somerset do not operate a scheme of allowances for their councillors.

11 - The Panel recognises that the size of a council’s electorate is a significant indicator of the complexity of the role of its members. Therefore, as part of the review, councils with similar sized electorates were grouped together in ‘Levels’. However, the Panel also concluded that it might be possible to accommodate special circumstances pertaining to a council by characterising it at a different level. The Panel categorised parish councils as follows. The number of authorities at each level is also indicated.

	<u>Electorate</u>	<u>Characterisation</u>
Level 1	Up to 2,499 (246)	Small, mainly rural parishes
Level 2	2,500-4,999 (14)	Large rural parishes small towns
Level 3	5,000-9,999 (11)	Small market towns
Level 4	10,000-19,999 (x4)	Larger market towns/local centres
Level 5	20,000-35,000 (2)	Significant towns
Level 6	35,001 and above (2)	Major population centres

12 - The Panel wishes to highlight that Bridgwater Town Council would need to consider this proposed framework scheme prior to agreeing to adopt their own Scheme of Allowances and it would be responsible for the payment of allowances to their councillors.

Recommendations

13 - The Panel therefore **recommends** that the basic allowance available to members of parish councils should be a percentage of Somerset Council basic allowance.

Somerset Council’s basic allowance for 2023/2024 is £15,500. Therefore, the proposal for Bridgwater Town Council is as follows:

	<u>Electorate</u>	Percentage of Basic Allowance paid to Somerset Council Councillors	2023/24 Basic allowance available per City/Town/Parish Councillor
Level 5	20,000-35,000	8%	£1,240

The Panel **recommends** that under any scheme adopted, the basic allowance available to Bridgwater Town councillors may increase in line with an adjustment to the Somerset Council basic allowance in the same financial year.

14 - The Panel **recommends** that if Bridgwater Town council pays an enhanced basic allowance to its chair, then such chair’s basic allowance shall not exceed twice that basic allowance payable to other members of the town council. Each council is legally responsible to determine the basic and chair’s allowances under any scheme adopted by it. The Panel recognises that an authority may take into account factors in addition to electorate size. The Panel are of the view that such factors as budget size, number and complexity of operations and breadth of commercial activity are relevant.

15 – Bridgwater Town Council is in the best position to make a judgement, based on individual circumstances, whether it is appropriate to pay:

- all or part of the basic allowance to reflect any incidental costs and time commitment.
- a basic allowance to all members or just the chair; or
- a higher amount to the chair if all members are entitled to receive an allowance, subject to this not exceeding twice the maximum basic allowance set out above.

16 - Where any scheme for the payment of vehicular travel allowances exceeds the allowances specified by HM Revenue and Customs Mileage Allowance Payments (**MAPs**) the excess is a taxable benefit to the claimant.

MAPs are currently:

1. Car – 45p per mile up to 10,000 and 25p per mile thereafter;
2. Passenger payments – up to 5p per mile per passenger (up to a maximum of four) to be claimed only for passengers who would otherwise be eligible for a travel allowance.
3. Motorcycle – 24p per mile; and
4. Bicycle – 20p per mile.

The Panel **recommends** that:

1. vehicular travel allowances be equal to MAPs;
2. travel by public transport (including rail and bus) - reimbursement of the standard fare or actual fare paid; and
3. parking fees – actual amount paid.

The Panel **recommends** that any subsistence allowances should be based on reimbursement of receipted expenditure within the maximum limits as set out in the Somerset Council's Scheme of Members' Allowances as set out below.

- Breakfast allowance (more than 4 hours away from the normal place of residence before 11 am) – up to a maximum of £9.01;
- Lunch allowance (more than 4 hours away from normal place of residence, including the lunchtime period between 12 noon and 2 pm) – up to a maximum of £12.40;
- Tea allowance (more than 4 hours away from normal place of residence, including the period 3 pm to 6 pm) – up to a maximum of £4.82;
- Evening meal allowance (more than 4 hours away from the normal place of residence, ending after 7 pm) – up to a maximum of £15.36.
- Overnight absence (i.e. hotel accommodation) - maximum £ 144.45 or £162.91 (within London)

These payments only apply to duties undertaken outside of Somerset. Subsistence cannot be claimed for duties undertaken in Somerset.

17 - The Panel **recommends** that Bridgwater Town Council agrees a list of approved duties for the payment of travel and subsistence allowances, similar to that set out in the Somerset Council's Scheme of Members' Allowances, and this be kept under regular review by Bridgwater Town Council. The Panel wishes to emphasise that it does not suggest that it is necessary or appropriate for Bridgwater Town Council to pay allowances. It will determine its

own scheme (if any) having had regard to the recommendations made in this report.

18 - The Panel **recommends** that if Bridgwater Town Council adopts a scheme of allowances, the commencement of such scheme should be payable from the commencement of the next financial year.

19 – The Panel wishes to emphasise that it does not suggest that it is appropriate for all parish councils to pay allowances. The Panel’s recommended guideline is a maximum figure within which each council can determine its own scheme if this is felt justified.

20 - A draft Bridgwater Town Council Scheme of Allowances is shown in Appendix 1 for the Town Council to consider should it adopt a Scheme of Allowances.

APPENDIX 1 – BRIDGWATER TOWN COUNCIL DRAFT SCHEME OF ALLOWANCES (DECEMBER 2023)

The Panel **recommends** the maximum basic allowance payable to members of Parish, Town and City Councils be as follows calculated on a basic allowance for 2023/24 of £15,500 as set out in Somerset Council’s Scheme of Members’ Allowances:

	<u>Electorate</u> (The number of councils that fall within each grouping is shown in brackets)	Percentage of Basic Allowance paid to Somerset Council Councillors	2023/24 Basic allowance available per City/Town/Parish Councillor
Level 5	20,000-35,000	8%	£1,240

The Panel **recommends** that if a council pays an enhanced basic allowance to its chair, then such chair’s basic allowance shall not exceed twice that basic allowance payable to other members.

In view of the number and the differences in both size and scale of activity, the Panel **recommends** that, each city, town or parish council should determine the basic and chair’s allowances, subject to the maximum set out above. Each council is in the best position to make a judgement, based on individual circumstances, whether it is appropriate to pay:

- (i) all or part of the basic allowance to reflect any incidental costs and time commitment;
- (ii) a basic allowance to all members or just the chair; or
- (iii) a higher amount to the chair if all members are entitled to receive an allowance, subject to this not exceeding twice the maximum basic allowance set out above.

Where any scheme for the payment of vehicular travel allowances exceeds the allowances specified by HM Revenue and Customs Mileage Allowance Payments (MAPs), the excess is a taxable benefit to the claimant. The Panel further notes that to introduce taxable benefits into the travel allowances scheme would be a disproportionate bureaucratic burden on the council.

MAPs are currently:

- i) Car – 45p per mile up to 10,000 and 25p per mile thereafter;
- ii) Passenger payments – up to 5p per mile per passenger (up to a maximum of four) to be claimed only for passengers who would otherwise be eligible for travelling allowance;
- iii) Motorcycle – 24p per mile; and
- iv) Bicycle – 20p per mile.

The Panel **recommends** that:

- i) vehicular travel allowances be equal to MAPs;
- ii) travel by public transport (including rail and bus) reimbursement of the standard fare or actual fare paid; and
- iii) parking fees – actual amount paid.

The Panel **recommends** that any subsistence allowances should be based on reimbursement of receipted expenditure within the maximum limits as set out in Somerset Council's Scheme of Members' Allowances, as set out below.

- Breakfast allowance (more than 4 hours away from the normal place of residence before 11 am) - up to a maximum of £9.01;
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- Tea allowance (more than 4 hours away from the normal place of residence including the period 3 pm to 6 pm) – up to a maximum of £4.82;
- Evening meal allowance (more than 4 hours away from the normal place of residence, ending after 7 pm) – up to a maximum of £15.36.
- Overnight absence (i.e. hotel accommodation) - maximum £ 144.45 or £162.91 (within London)

These payments only apply to duties undertaken outside of Somerset. Subsistence cannot be claimed for duties undertaken in Somerset.

List of Approved Duties

Bridgwater Town Council is to define with reference to Somerset Council Scheme of Members' Allowances 2024/25.