

LOCAL AUTHORITIES (MEMBERS' ALLOWANCES) (ENGLAND) REGULATIONS 2003 (STATUTORY INSTRUMENT NO 1021-2003)

The existing powers to pay members allowances are to be repealed from 31 December 2003 and replaced with a new system involving the Independent Remuneration Panel appointed for the District.

Under the new system a council itself determines the level of allowances payable, but in doing so must have regard to the advice received from the Independent Remuneration Panel appointed, and must publish a notice in a conspicuous place for at least 14 days displaying the advice it has received from the Remuneration Panel and the allowances it has actually decided to pay having regard to the advice received.

Attached as **Appendix xa** is correspondence received from Lichfield District Council seeking the views of the Council to submit to the Remuneration Panel.

Also attached, as **Appendix xb**, is a copy of Legal Topic Note No 24, produced by the National Association of Local Councils, which sets out the legal framework and requirements of the new system. This is a very detailed document, as the new procedures have the effect of making a previously simple and nationally uniform system, into a much more complex and variable locally-determined scheme.

Under the new system the allowances are:

a. A basic **participation allowance** which can be paid to the chairman only or to all members. In the latter case the allowance has to be the same for all members, except the chairman only, who may receive a higher level of allowance. (However, the existing power under the LGA section 15(5) to pay the Chairman an allowance to meet the expenses of the office is not repealed, so the existing allowance which this Council pays to the Mayor is not affected by the new system).

The ability to pay a participation allowance at parish level is new, and the principle behind it brings parishes in line with principal councils. To date, however very few parish councils appear to be seeking to exercise their new powers, preferring to retain the existing practice whereby parish councillors are 'unpaid'.

It is suggested that no request be submitted to the Remuneration Panel to pay a 'participation allowance in respect of the City Council.

b. A parish **travel and subsistence allowance**. Under the new system travel and subsistence allowances can be paid to members undertaking various categories of duties within the parish as well as outside - previously only duties outside the parish were eligible. The new system also introduces a power to pay allowances for travel by cycle or other non-motorised form of transport.

The existing powers to pay travel and subsistence allowances [LGA 1972 section 173], and the power to pay for attending conferences and meetings [LGA 1972 section 175], and the power to pay expenses incurred in members attending official or courtesy visits (e.g. twinning) inside or outside the United Kingdom [LGA 1972 sections 176(1) (a) and 176(2)] are repealed from 31 December 2003. They will all be replaced by the new travel and subsistence allowance.

The Council will therefore need to agree under the new system the level at which it will pay such allowances, if such payments are to continue. (However, the power to pay expenses

incurred in *hosting* courtesy visits [LGA 1972 section 176(1)(b)] is *not* repealed, so this element can continue unchanged).

The Council has regularly paid allowances to meet the expenses of members attending conferences etc. outside the parish, so it is suggested that a request be made to the Remuneration Panel to advise on the level of travel and subsistence allowances for the City Council. As the costs of these activities will be the same for parish councillors as for district councillors, it is suggested that the views on this matter to be submitted to the Remuneration Panel are that parish council allowances for travel and subsistence be identical to those set for district councillors, and be the same for all parishes within the District. It is therefore:

RECOMMENDED:

- 1. That the Council does not request the Remuneration Panel to advise on a level of participation allowance for the City Council, as the Council does not wish to pay such an allowance to members.***

- 2. That the Council requests the Remuneration Panel to advise on the level of travel and subsistence allowances for the City Councillors, and submits views to the Remuneration Panel that it considers the level of such allowances should be identical to those advised for District councillors and that the Panel should advise that the same level of such allowances should apply for all parishes throughout the District.***