



## MEETING PAPER

Subject: Councillor Allowances  
Meeting: Full Council  
Date: 26 November 2024  
Officer: Shona Bendix

### NOT CONFIDENTIAL

#### 1. Introduction

1.1 Lowestoft Town Council (LTC) may provide a basic allowance to elected councillors. Historically, LTC has expressed an interest in providing councillors with an allowance. There is now an opportunity to provide views on this matter to East Suffolk Council's (ESC) Independent Remuneration Panel (IRP).

1.2 The consultation is:

*East Suffolk Council's Independent Remuneration Panel (IRP) is in the process of reviewing ESC's Members Allowance Scheme with a view to making recommendations to ESC's Full Council at its meeting on 22 January 2025.*

*As part of their review this year, the IRP has been asked to make general recommendations for all Parish/Town Councils with regards to:*

- If a Town or Parish Council is considering paying its members a basic allowance, could the IRP recommend what percentage of the district council's basic allowance a Town / Parish Council could have regard to in setting their basic allowance?*
- Whether a Town or Parish Council basic allowance should vary with population size of town or parish, and if so what variations would be fair?*

*My understanding is that Beccles Town Council is currently the only Town, or Parish, Council in East Suffolk to pay allowances to its members.*

*Felixstowe Town Council has this week provided information to the IRP to consider in making their recommendations.*

*If any other Town, or Parish, Councils wish to provide the IRP with information that could assist the IRP in making their recommendations (eg. on the role/responsibilities of a Parish/Town councillor, time commitment involved, what the level of any allowance should be, comparator allowances data from other Town/Parish Councils etc) they are most welcome. As you know, the Panel can only make recommendations, the recommendations are only relevant if the Parish/Town Council is considering introducing allowances, and the Regulations only require any Town/Parish Council considering paying allowances to have regard to the IRP's recommendations. They do not have to be followed/implemented by the Town/Parish Council.*

*I fully appreciate the option of paying allowances may not be an issue which is being raised at your Council. Therefore, please do not feel compelled to respond to this email. I just want to raise awareness*

to make sure any Parish/Town Councils which want to participate in the process this time round have the opportunity to do so.

If your Council does wish to submit any information to inform the Panel's recommendations, please can I ask that you do so by **4pm on 2 December 2024**.

### 1.3 Some important points:

- Responding to the consultation will not give rise to any obligation to pay or not pay an allowance; this (and determining any amount payable) would require a separate LTC decision.
- The recommendations of the IRP must be considered but do not have to be followed.
- The consultation only covers the question of an annual parish basic allowance. However, the IRP make other recommendations e.g. on travel and subsistence.
- The basic parish allowance does not cover co-opted councillors (unless and until they are elected at a subsequent election). Elected councillors include those elected without a poll.
- The Chair (Mayor) is the only councillor who councils may, if they so choose, single out for a greater basic allowance; all other councillors (regardless of workload and commitment) receive the same.
- Councillors will be subject to tax provisions for parish basic allowance income and LTC will be obliged by law to make any deductions.
- Councillors may refuse to take any parish basic allowance that may be set by their council.
- Information about allowances must be published.
- It is not clear when the IRP recommendations will come to parish councils but we know they will go to East Suffolk Council on 22 January 2025.

## 2. Details

2.1 Councils hold office unpaid; a parish councillor annual basic allowance is not a salary but a figure calculated to cover the expenses normally associated with the basic duties of being a parish councillor. The amount recommended by IRPs for parish councils is often very considerably less than for principal authorities (although it does not have to be). It is set as a monetary amount and as a percentage of a principal authority's basic allowance and this percentage may be different for different sizes of parish council. For example, Mid Devon Parish IRP in 2017 recommended as follows:

The Panel set out the following as a guide to Town and Parish Councils should they determine to introduce a scheme of basic allowances. The recommended levels are made in response to submissions made (mainly by Town Councils) to better reflect the workload, responsibilities and budgets of these Councils. All or part of the basic allowance may reflect any incidental costs and time commitment of members.

<b>Electorate</b>	<b>% of District Basic</b>	<b>Amount per Councillor p.a. £ (up to) *</b>
0 – 5000	1%	£49
5001 – 10,000	2%	£97
10,001 – 15,000	3%	£146
15,001 and above	4%	£195

**\* Calculated on a District Basic Allowance for 2017/18 of £4,865 p.a.**

2.2 The payment of councillor allowances is prevalent among principal councils e.g. district, county and unitary councils, with amounts for basic allowances varying considerably. In 2023-24, Suffolk County Council basic councillor allowance was set at £12,235.38. East Suffolk Council set theirs at £8,766.44. Special responsibility and other allowances also apply to some councillors in both principal authorities. There are differences in the legal framework for allowances for principal and parish councils e.g. dependants' carer's allowance is not available to parish councillors.

2.3 Although there is no detailed information available nationally, parish basic allowance payments are relatively rare and, if they are used, it tends to be for the larger and more active town councils where councillors are more likely to have significant workloads.

2.4 The Local Authorities (Members' Allowances)(England) Regulations 2003 Regulation 25, state that parish councils may pay a 'parish basic allowance' to its Chair only or to all its councillors. The amount paid to the Chair may be different but, if an amount is agreed for councillors, it must be the same for all councillors. There is no compulsion on any individual councillors to accept that allowance. If there is an IRP recommendation on parish basic allowances then parish councils must have regard to this recommendation but do not have to follow the recommendation and can agree different amounts.

2.5 In the first few years after Lowestoft Town Council's creation, the subject of councillor allowances regularly arose. At one point there was agreement to pay the costs of the District Council calling an IRP (although this did not happen). There is now an opportunity to make its view known to this IRP. It is not clear when the IRP will make general recommendations for all parish councils. However, in preparation for recommendations to Full Council on 28 January, subject to any forthcoming IRP recommendation, Budget and Loan Working Group and Finance and Governance Committee might wish to provisionally and, in principle, consider:

- Whether a parish councillor allowance is appropriate and, if so, at what amount.
- Whether to pay a greater parish basic allowance to the Mayor. Note that there is also another route for payment of a mayoral allowance (s.15(5) Local Government Act 1972 which is available even if no parish basic allowance is recommended or agreed).
- Whether to pay travel and subsistence (which is payable to both elected and co-opted councillors).

2.6 The annual parish basic allowance for councillors is separate from the power to pay for parish travelling and subsistence (s.26 of the Regulations). According to Paul Clayden in Arnold-Baker on Local Council Administration (para 16.25), the value of the parish basic allowance could be set to include anticipated costs of travel and subsistence to remove the need to claim these separately. He states that local councils must take account of 'the district council's recommendation and practices' but also the 'cost of genuinely probably expenses' and concludes that 'The total will mostly be small'. There is no obligation on local councils to make an allowance payment or reimburse expenses and, therefore, they may pay nothing or less than the cost of any expenses occurred.

2.7 The pros and cons of paying an annual parish basic allowance to councillors include:

Pros	Cons
Taxpayer recognition of the work and costs connected with being a parish councillor. A modest allowance with adequate review safeguards is unlikely to raise significant objections. Individual councillors are entitled to refuse the allowance.	This work was undertaken without remuneration previously and is an extra cost to the taxpayer. Councillors can be hesitant to award themselves an allowance and are mindful of elections and elector reactions.
Helps diversity and is part of delivering the Equality Act 2010 obligations to have due regard to eliminating discrimination, advancing equality of opportunity and fostering good community relations.	While a payment might remove a cost barrier, there is no guarantee it would lead to greater diversity. Depending on the level of payment, it might make limited difference or attract more of the 'same sort' of person and/or people solely motivated by money.
Single-hatted parish councillors would receive a payment for their constituency work, whereas currently twin and triple hatted councillors might subsume their local council activity within the costs covered by their principal authority basic allowance (which covers engagement with parish councils).	Some single and triple hatters might say their parish council work is completely distinct and different from their principal authority constituency work.

Recognises that some parish councillors work as hard or harder than many principal authority councillors.	The basic parish allowance is paid regardless of workload and commitment. Regardless of the workload of individual councillors on any of the tiers, principal authority councillors could argue that they are part of a corporate entity with significantly higher statutory duties, liabilities, powers and budgets.
Depending on the level of allowance, parish councillors might be prepared to undertake a greater number of activities for parish councils.	A basic allowance payment creates no guarantee that there will be an equality or increase of activity among councillors. While one might not actively participate other than turning up at 6 meetings per year, another might work more than full-time on their local council activities.
In 2022 only 10% of council seats nationally were filled by contested elections. A payment might increase the number of people standing for election.	There is no guarantee of this and there has been no consultation with residents to 'market test' whether there would be an increased number of candidates.  There is inequality for any coopted or appointed councillors who are not entitled to an allowance of this type.
Might improve the reputation of councillors from Vicar of Dibley style 'volunteers' to persons holding what in Lowestoft is a significant paid office for a relatively large town council.	There might be reputational risk for councillors in taking an allowance at a cost for the taxpayer. The public might expect higher standards if regarded as paid duty-holders, rather than (erroneously) as volunteers.
Given that councillors are held to account for their conduct and expected to behave professionally, a modest allowance to recognise this role could be deemed appropriate, as it is with principal councils.	
Councillors have equality in their access to decision-making on local councils (no Cabinet or political weighting etc.,) and are treated equally in receiving the same councillor basic allowance.	The relatively inactive receive the same as the active councillors.
A transparent taxable payment of a basic allowance could avoid situations where some parish councils try and reward councillors in other ways and/or where councillors try and obtain some form of reward.	Where there is no covert 'reward' in operation, the allowance does not increase transparency but would increase the local precept and the administrative PAYE burden.  As they are taxable, relevant councillors might need to check whether they affect any means-tested benefits etc.

2.8 Amounts are often modest, especially when following an IRP recommendation. However, in January 2024, Peterlee Town Council published information that they pay each of their 22 councillors an annual basic allowance of £1206.84 (£1.6m precept, all seats contested at last ordinary election). At the same time, Chippenham Town Council stated that their payment was £1342.00 for all 24 councillors (£3.9m precept, 21 seats contested at last ordinary election). This compared to the principal council ward member basic allowance of £13,300 and £15,004.08 respectively. Another council reported a recommendation of about £700 but instead opted to adopt an allowance over £17000.

### **3. Recommendation**

#### **3.1 To respond to ESC:**

- Stating that LTC has and will consider whether to apply a basic parish allowance.
- Indicating the considerable workload, costs and time commitment incurred by some councillors.
- Stating that the IRP should consider the importance of democracy and councillor well-being, and the impact on equality and diversity and any other legal requirements.
- Suggesting a tiered approach, similar to that at para 2.1.
- Stating that LTC recognises the difficulty in making appropriate recommendations given the diversity of local councils and that it is important that councils, such as LTC, have due regard to the IRP recommendation and also take into account their own significantly higher electorate and workload compared to many smaller parish and town councils.

#### **3.2 To allow timely budgeting for 2025-26, request that Finance and Governance Committee (and its Budget and Loan Working Group) consider and make recommendations to Full Council, subject to consideration of any forthcoming IRP recommendation, on:**

- Whether a parish councillor allowance is appropriate and, if so, at what amount.
- Whether to pay a greater parish basic allowance (or s.15(5) Local Government Act 1972 allowance) to the Mayor.
- Whether and when to pay travel and subsistence.