

Dunstable Town Council
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DUNSTABLE
TOWN COUNCIL

David Ashlee Town Clerk and Chief Executive

Your Ref

Our Ref: DA/RGS/C2

Date: 7 September 2018

Dear Councillor

Could you please note that a meeting of the Finance and General Purposes Committee will be held on **Monday 17 September 2018 at 7.00 pm**, at the Council Chamber, Grove House, 76 High Street North, Dunstable, when the following business will be transacted.

AGENDA

1. Apologies for Absence.
2. To approve the Minutes of the Meetings of Finance and General Purposes Committee held on 18 June 2018 (copy previously circulated).
3. Specific Declarations of Interest.
4. Accounts – to receive the Minutes of the meetings of Accounts Sub-Committee held on 20 June, 20 July and 22 August 2018 (see page 1). (The full schedule of accounts approved at these meetings will be on the table for inspection by Members.)
5. Financial Monitoring Report — to follow.
6. Minutes of Personnel Sub-Committee held on 12 July 2018 – see page 8.
7. Members Allowances – see page 9.

Cont/d ...

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8. Representatives on Outside Organisations - to receive reports from representatives on the following outside organisations:

CAB Management Committee – Councillor Meakins
Dunstable International Town Twinning Association – Councillors Martin and Warren
Hospice at Home Management Committee – Councillor Jones
Ashton Schools Foundation – Councillors Sparrow
Ashton Almshouses Charity – Councillors Russell and Staples
Chews Foundation – Councillor Chatterley

NB: Those Members who are not members of this Committee but are representatives of organisations reporting thereto are reminded to provide a report in time for the meeting.

It is recommended that the following items be considered after a resolution has been passed excluding the press and public.

PART 2 – MEMBERS ONLY

1. Staffing matters – page 23 for Members only.
2. Property issues – page 33 for Members only.
3. Minutes of Appeals and Appointments Committee held on 20 June 2018 – (page 41 for Members only)

Yours faithfully

David Ashlee
Town Clerk and Chief Executive

To: All Members of Finance and General Purposes Committee:
Councillors John Kane (Town Mayor), Nigel Warren (Deputy Town Mayor), Peter Hollick (Chairman), John Chatterley (Vice-Chairman), Sid Abbott, Terry Colbourne, Philip Crawley, Eugene Ghent, Liz Jones, Gloria Martin, Claire Meakins, Mike Mullany, Patricia Russell, Ann Sparrow and Pat Staples and other Members of the Council for information.

DUNSTABLE TOWN COUNCIL

MINUTES OF ACCOUNTS SUB-COMMITTEE

HELD AT GROVE HOUSE, 76 HIGH STREET NORTH, DUNSTABLE

ON WEDNESDAY 20 JUNE 2018

Present: Councillors Mike Mullany (Chairman) and Peter Hollick (Vice-Chairman) with Rosemary O'Sullivan (Head of Finance and Support Services)

Apologies Councillor Nigel Warren

1. PAYMENT OF ACCOUNTS

The Head of Finance and Support Services presented the supporting documentation for consideration in approving the schedule of accounts for payment. This included the detailed Purchase Ledger Daybook of invoices received in the relevant period, the detailed schedule of Purchase Ledger Cheque, Direct Debit and BACS payments, a spreadsheet reconciling invoices received as per the Purchase Ledger and payments made against them.

Detail of all payroll costs for the previous month, including net salaries paid directly by BACS and payments to HMRC, Bedfordshire Pension Fund and Unions were included with a separate audit trail.

The Head of Finance and Support Services provided further information regarding particular invoices queried by the Sub-Committee.

RESOLVED: i) that the schedule of accounts processed for payment for the period 23 May to 19 June 2018 be approved (see Appendix 1)

ii) that Councillors' action in authorising prior payments by BACS and Bankline as detailed on the schedule be confirmed

iii) that Councillors' action in authorising payment on cheque numbers 26485 and 26486 be confirmed.

2. BANK RECONCILIATIONS

In accordance with Financial Regulations, the Sub-Committee verified the bank reconciliations for all accounts as at 31 May 2018 and the Chairman signed the bank statements accordingly.

Members noted the balance held on the Business Reserve Account and it was agreed that funds would be invested through the Council's bankers and the Public Sector Deposit Fund on short term deposit accounts to achieve a better rate of return.

3. INCOME AND EXPENDITURE

The Sub-Committee received the Income and Expenditure report as at 31 May 2018 which had also been circulated to all members of the Council.

4. ROLE OF ACCOUNTS SUB-COMMITTEE

Members recalled that at the meeting of Finance and General Purposes Committee held in March, Members had given consideration to the purpose of the Accounts Sub-Committee and discussed whether alternative arrangements could be made. Whilst it was acknowledged that the two member signature on cheques or other orders for payment was no longer a statutory requirement, the additional responsibility for budget monitoring and acting as the Council's Audit Committee was also part of the Sub-Committee remit and therefore it was agreed that the meetings would continue in the current manner.

The current Chairman and Vice-Chairman of Accounts Sub-Committee have again raised the question of the role of the Accounts Sub-Committee and suggest that alternative arrangements could be put in place for the release of payments, whilst still ensuring that safe and efficient arrangements are in place to maintain robust controls, having regard to the extant control measures and processes.

It was felt that the Accounts Sub-Committee should focus on expenditure against budget and have the time to consider the income and expenditure reports in detail, together with evidence of bank reconciliations and current balances, commitments, etc.

The Head of Finance and Support Services was asked to prepare a report for approval by Accounts Sub-Committee setting out possible alternative arrangements and specific duties of the Accounts Sub-Committee, for consideration at a future meeting of Finance and General Purposes Committee.

ACCOUNTS SCHEDULED FOR PAYMENT 23RD MAY TO 19TH JUNE 2018

| | | |
|--|------------------|---------------------------|
| Invoices received as per Purchase Ledger Daybooks (Pages 2510 - 2532) | £142,204.18 | |
| Includes Credit Note for Immediasite - Invoice received/paid in prior year (-£168.00) | | <u>£142,204.18</u> |
| CHEQUE PAYMENTS | | |
| Cheque payments against invoices (Pages 5900 - 5901) | £3,540.68 | |
| Cheque Nos. 26487 - 26499 | | <u>£3,540.68</u> |
| 30.05.18 Confirmation Cheque No. 26485 - C Sandlin (p/of Page 5892) | £610.00 | |
| 30.05.18 Confirmation Cheque No. 26486 - W Westmoreland (p/of Page (5892) | £610.00 | |
| | | <u>£1,220.00</u> |
| BANKLINE PAYMENTS | | |
| Bankline payments against invoices - Suppliers A-D (Pages 5902 - 5906 & p/of 5907) | £32,715.11 | |
| Bankline payments against invoices - Suppliers E-H (Pages 5907 - 5909) | £12,657.39 | |
| Bankline payments against invoices - Suppliers I-L (Pages 5910 - 5911) | £10,467.42 | |
| Bankline payment against invoice - Payroll 'Wider Plan Ltd' (Page 5912) | £512.24 | |
| Bankline payments against invoices - Suppliers M-P (Pages 5913 - 5915) | £19,778.43 | |
| Bankline payments against invoices - Suppliers Q-T (Pages 5916 - 5918) | £12,021.34 | |
| Bankline payments against invoices - Suppliers U-Z (Pages 5919 - 5920) | £3,841.22 | |
| Bankline payment against invoice - Satellite Agency Ltd (Page 5921) | £2,500.00 | |
| | | <u>£94,493.15</u> |
| 25.05.18 Confirmation Bankline Payment - Central Bedfordshire Council (Page 5887) | *£1,882.38 | |
| (*not included in totals as included on April Schedule to be paid by Direct Debit - not taken) | | |
| 04.06.18 Confirmation Bankline Payment - BNP Paribas Leasing (P/of Page 5897) | £13,426.64 | |
| 08.06.18 Confirmation Bankline Payment - Scott Jordan Entertainment (P/of Page 5897) | £400.00 | |
| | | <u>£13,826.64</u> |
| 12.06.18 Credit Note - Immediasite - invoice paid in previous year; refund due (p/of Page 2521) | -£168.00 | |
| | | <u>-£168.00</u> |
| DIRECT DEBIT PAYMENTS | | |
| Payments due by Direct Debit (P/of Page 2512, Page 2517 & 2523 - 2524 & 2532) | £27,373.27 | |
| Payments entered in current month now paid (P/of Page 5893, p/of 5895 & Page 5899) | £3,527.64 | |
| Direct Credits Received - Central Beds Council - Market rates (Page 5898) | -£1,609.20 | |
| Pages 5888 - 5891 & p/of 5893, 5894 & 5896 relate to previous months direct debits/credits due now paid/received | | <u>£29,291.71</u> |
| | | |
| | SUB TOTAL | <u>£142,204.18</u> |
| CASHBOOK PAYMENTS | | |
| 25.05.18 Confirmation BACS Payment - May Payroll | £81,033.24 | |
| 08.06.18 Confirmation Bankline Payments - May Payroll Costs | £51,271.49 | |
| | | <u>£132,304.73</u> |
| CASH CHEQUE PAYMENT | | |
| Cash Cheque - Grove Corner - Wheelie Fantastic Project | £150.00 | |
| Cash Cheque - OPDCS Petty Cash Reimbursement | £30.00 | |
| Cash Cheque - CPCFC Petty Cash Reimbursement | £49.39 | |
| Cash Cheque - Splashside Petty Cash Reimbursement | £48.07 | |
| Cash Cheque - Grove House Petty Cash Reimbursement | £79.58 | |
| Cash Cheque - Events Petty Cash - Party In The Park | £200.00 | |
| 20.06.18 Cash Cheque No. 26500 for the above | | <u>£557.04</u> |
| | | |
| TOTAL PAYMENTS FOR PERIOD 23RD MAY TO 19TH JUNE 2018 | | <u>£275,065.95</u> |

DUNSTABLE TOWN COUNCIL

MINUTES OF ACCOUNTS SUB-COMMITTEE

HELD AT GROVE HOUSE, 76 HIGH STREET NORTH, DUNSTABLE

ON WEDNESDAY 20 JULY 2018

Present: Councillors Mike Mullany (Chairman), Peter Hollick (Vice-Chairman)
Nigel Warren and Johnson Tamara with Lisa Scheder (Finance Officer)

1. PAYMENT OF ACCOUNTS

The Finance Officer presented the supporting documentation for consideration in approving the schedule of accounts for payment. This included the detailed Purchase Ledger Daybook of invoices received in the relevant period, the detailed schedule of Purchase Ledger Cheque, Direct Debit and BACS payments, a spreadsheet reconciling invoices received as per the Purchase Ledger and payments made against them.

Detail of all payroll costs for the previous month, including net salaries paid directly by BACS and payments to HMRC, Bedfordshire Pension Fund and Unions were included with a separate audit trail.

The Finance Officer provided further information regarding particular invoices queried by the Sub-Committee.

RESOLVED: i) that the schedule of accounts processed for payment for the period 20 June to 17 July 2018 be approved (see Appendix 1)

ii) that Councillors' action in authorising prior payments by BACS and Bankline as detailed on the schedule be confirmed

2. BANK RECONCILIATIONS

In accordance with Financial Regulations, the Sub-Committee verified the bank reconciliations for all accounts as at 30 June 2018 and the Chairman signed the bank statements accordingly.

It was noted that arrangements were in hand to open an additional Public Sector Deposit Fund account with CCLA and a Treasury Reserve Account with NatWest.

3. INCOME AND EXPENDITURE

The Sub-Committee received the Income and Expenditure report as at 30 June 2018, which had also been circulated to all members of the Council.

Members noted variances against budget for the period and the explanations therefor.

ACCOUNTS SCHEDULED FOR PAYMENT 20TH JUNE TO 17TH JULY 2018

| | | |
|---|-------------|--------------------|
| Invoices received as per Purchase Ledger Daybooks (Pages 2533 - 2553) | £125,333.36 | £125,333.36 |
|---|-------------|--------------------|

CHEQUE PAYMENTS

| | | |
|--|-----------|-----------|
| Cheque payments against invoices (Pages 5958 - 5960) | £4,915.80 | |
| Cheque Nos. 26501 - 26517 | | £4,915.80 |

BANKLINE PAYMENTS

| | | |
|---|------------|-------------------|
| Bankline payments against invoices - Suppliers A-D (Pages 5937 - 5941) | £25,003.38 | |
| Bankline payments against invoices - Suppliers E-H (Pages 5942 - 5944) | £19,671.64 | |
| Bankline payments against invoices - Suppliers I-L (Pages 5945 - 5946) | £16,857.60 | |
| Bankline payment against invoice - Payroll 'Wider Plan Ltd' (Page 5947) | £445.83 | |
| Bankline payments against invoices - Suppliers M-P (Pages 5948 - 5950) | £4,000.19 | |
| Bankline payments against invoices - Suppliers Q-T (Pages 5951 - 5953) | £14,693.71 | |
| Bankline payments against invoices - Suppliers U-Z (Pages 5954 - 5955) | £3,258.61 | |
| Bankline payment against invoice - Satellite Agency Ltd (Page 5956) | £244.50 | |
| Bankline payment against invoice - South East Donkeys (Page 5957) | £350.00 | |
| | | £85,125.66 |

| | | |
|--|------------|-------------------|
| 27.06.18 Confirmation Bankline Payment - Cheeky Munkey Ltd (Page 5928) | £17,063.14 | |
| 13.07.18 Confirmation Bankline Payment - BNP Paribas Leasing (Page 5936) | £2,888.04 | |
| | | £19,951.18 |

DIRECT DEBIT PAYMENTS

| | | |
|--|------------|-------------------|
| Payments due by Direct Debit (P/of Pages 2539 - 2540 & 2548 - 2450) | £16,567.08 | |
| Payments entered in current month now paid (Page 5930 & p/of 5933 - 5935) | £1,156.50 | |
| Direct Credit received - BNP Paribas (P/of Page 5931) | -£2,382.36 | |
| Pages 5922 - 5927 & p/of 5931 - 5935 relate to previous months direct debits/credits due now paid/received (Page 5929 = Credit Note entered last month - Direct Credit refund received) | | £15,341.22 |

SUB TOTAL £125,333.86

CASHBOOK PAYMENTS

| | | |
|--|------------|--------------------|
| 27.06.18 Confirmation BACS Payment - June Payroll | £83,851.89 | |
| 09.07.18 Confirmation Bankline Payments - June Payroll Costs | £51,847.47 | |
| | | £135,699.36 |

CASH CHEQUE PAYMENT

| | | |
|--|---------|----------------|
| Cash Cheque - OPDCS - Summer Parties & Crafts Petty Cash | £180.00 | |
| Cash Cheque - CPCFC Petty Cash Reimbursement | £121.62 | |
| Cash Cheque - Splashside Petty Cash Reimbursement | £89.83 | |
| Cash Cheque - Priory House Petty Cash Reimbursement | £204.98 | |
| Cash Cheque - Grove House Petty Cash Reimbursement | £82.17 | |
| Cash Cheque - Events Petty Cash | £200.00 | |
| 18.07.18 Cash Cheque No. 26518 for the above | | £878.60 |

TOTAL PAYMENTS FOR PERIOD 20TH JUNE TO 17TH JULY 2018 £261,911.82

DUNSTABLE TOWN COUNCIL

MINUTES OF ACCOUNTS SUB-COMMITTEE

HELD AT GROVE HOUSE, 76 HIGH STREET NORTH, DUNSTABLE

ON WEDNESDAY 22 AUGUST 2018

Present: Councillors Nigel Warren (in the Chair), Johnson Tamara and Liz Jones with Lisa Scheder (Finance Officer)

Apologies Councillors Mike Mullany (for whom Liz Jones substituted) and Peter Hollick

1. PAYMENT OF ACCOUNTS

The Finance Officer presented the supporting documentation for consideration in approving the schedule of accounts for payment. This included the detailed Purchase Ledger Daybook of invoices received in the relevant period, the detailed schedule of Purchase Ledger Cheque, Direct Debit and BACS payments, a spreadsheet reconciling invoices received as per the Purchase Ledger and payments made against them.

Detail of all payroll costs for the previous month, including net salaries paid directly by BACS and payments to HMRC, Bedfordshire Pension Fund and Unions were included with a separate audit trail.

RESOLVED: i) that the schedule of accounts processed for payment for the period 18 July to 21 August 2018 be approved (see Appendix 1)

ii) that Councillors' action in authorising prior payments by BACS and Bankline as detailed on the schedule be confirmed

iii) that cheque number 26513 be confirmed as cancelled

2. BANK RECONCILIATIONS

In accordance with Financial Regulations, the Sub-Committee verified the bank reconciliations for all accounts as at 31 July 2018 and the Chairman signed the bank statements accordingly.

The Sub-Committee noted the two new short term deposit accounts now opened as follows:

| Bank | Investment | Interest Rate % p.a. | Term |
|---------------------------------|------------|----------------------|--|
| CCLA Public Sector Deposit Fund | £500,000 | 0.52% (approx.) | Instant Access |
| NatWest Treasury Reserve | £1,000,000 | 0.71% | 6 months fixed (Interest due for term is £3,598) |

3. INCOME AND EXPENDITURE

The Sub-Committee received the Income and Expenditure report as at 31 July 2018, which had also been circulated to all members of the Council.

ACCOUNTS SCHEDULED FOR PAYMENT 18TH JULY TO 21ST AUGUST 2018

| | | |
|---|-------------|------------------------------|
| Invoices received as per Purchase Ledger Daybooks (Pages 2554 - 2586) (Page 2584 = correction page) | £149,975.84 | £149,975.84 |
| CHEQUE PAYMENTS | | |
| Cheque payments against invoices (Pages 6003 - 6005) Cheque Nos. 26519 - 26533 | £3,275.89 | £3,275.89 |
| 24.07.18 Cancelled Cheque No. 26513- Tonys Reptile Show Ltd (Page 5969) | -£150.00 | -£150.00 |
| BANKLINE PAYMENTS | | |
| Bankline payments against invoices - Suppliers A-D (Pages 5980 - 5986) | £59,395.72 | |
| Bankline payments against invoices - Suppliers E-H (Pages 5987 - 5990) | £23,944.17 | |
| Bankline payments against invoices - Suppliers I-L (Pages 5991 - 5992) | £4,058.92 | |
| Bankline payment against invoice - Payroll 'Wider Plan Ltd' (Page 5993) | £256.11 | |
| Bankline payments against invoices - Suppliers M-P (Pages 5994 - 5996) | £11,273.98 | |
| Bankline payments against invoices - Suppliers Q-T (Pages 5997 - 5999) | £12,532.10 | |
| Bankline payments against invoices - Suppliers U-Z (Pages 6000 - 6001) | £5,980.13 | |
| Bankline payment against invoice - TeamSport (Page 6002) | £960.00 | |
| Bankline payment against invoice - Pippa Gearing (Page 6006) | £300.00 | |
| | | £118,701.13 |
| 24.07.18 Confirmation Bankline Payment - Magic Dave (Page 5970) | £300.00 | |
| 10.08.18 Confirmation Bankline Payment - Barnard & Westwood (Page 5974) | £334.34 | |
| 13.08.18 Cancelled Bankline Payments- Helloprint- Payments made by credit card (Page 5975) | -£154.44 | |
| | | £679.90 |
| DIRECT DEBIT PAYMENTS | | |
| Payments due by Direct Debit (P/of Pages 2562 - 2563, 2566 - 2567, 2575 - 2578 & 2583) | £20,708.03 | |
| Payments entered in current month now paid (P/of Pages 5961 - 5963, 5971 & 5972 & p/of 5976 - 5978) | £7,262.42 | |
| Direct Credits Received (Pages 5973 & 5979) | -£504.53 | |
| P/of Pages 5961 - 5967, p/of 5971, 5972, 5976 - 5978 relate to previous months direct debits/credits due now paid/received (Page 5968 = clearing page) | | £27,468.92 |
| | | SUB TOTAL £149,975.84 |
| CASHBOOK PAYMENTS | | |
| 27.07.18 Confirmation BACS Payment - July Payroll | £87,621.40 | |
| 08.08.18 Confirmation Bankline Payments - July Payroll Costs | £54,499.59 | |
| | | £142,120.99 |
| CASH CHEQUE PAYMENT | | |
| Cash Cheque - Grove Corner Petty Cash Reimbursement | £39.45 | |
| Cash Cheque - OPDCS Petty Cash Reimbursement | £30.00 | |
| Cash Cheque - CPCFC Petty Cash Reimbursement | £126.53 | |
| Cash Cheque - Splashside Petty Cash Reimbursement | £87.86 | |
| Cash Cheque - Grove House Petty Cash Reimbursement | £96.26 | |
| 22.08.18 Cash Cheque No. 26534 for the above | | £380.10 |
| | | £380.10 |
| TOTAL PAYMENTS FOR PERIOD 18TH JULY TO 21ST AUGUST 2018 | | £292,476.93 |

DUNSTABLE TOWN COUNCIL

MINUTES OF THE MEETING OF PERSONNEL SUB-COMMITTEE

**HELD AT THE COUNCIL CHAMBER, GROVE HOUSE, HIGH STREET NORTH,
DUNSTABLE**

ON THURSDAY 12 JULY 2018

Present: Councillors Peter Hollick (Chairman), Liz Jones, Pat Staples

In Attendance: David Ashlee (Town Clerk and Chief Executive)

Apologies for Absence: Councillor Claire Meakins, John Kane and Nigel Warren

1. NOMINATION OF CHAIRMAN AND VICE-CHAIRMAN

RESOLVED: that Councillor's Peter Hollick and Liz Jones be appointed as Chairman and Vice-Chairman respectively for the ensuing municipal year.

2. SPECIFIC DECLARATIONS OF INTEREST

There were no specific declarations of interest.

3. QUARTERLY STAFF AWARD SCHEME

The Sub-Committee considered the nominations for the 1st quarter staff awards for 2018/19.

Arrangements would be made for the Town Mayor to present the award to the successful nominee.

RESOLVED: that the 1st quarter staff award be made to Catherine Cull-Simmonds, Priory House Waiting and Kitchen Assistant

4. INVESTORS IN PEOPLE REGISTRATION

Members considered a report outlining recent changes to the Investors in People (IIP) accreditation scheme. They recognised that the schemes qualifying criteria had now changed, removing the categories of bronze, silver gold and platinum. This meant that the Council's Corporate Plan aspiration of trying to reach silver standard was no longer going to be possible. In light of this, the Committee agreed that it be:

RECOMMENDED: that the Finance and General Purposes Committee note the recent changes to the IIP accreditation scheme and agree that the Council continues to commit to IIP accreditation at whatever level can be reasonably achieved within the resources currently available to the Council's Senior Management team.

DUNSTABLE TOWN COUNCIL

FINANCE AND GENERAL PURPOSES COMMITTEE

MONDAY 17 SEPTEMBER 2018

MEMBERS ALLOWANCES

Purpose of Report: This report is presented at the request of the Chairman of the Council and the Chairman of Finance and General Purposes Committee – The report advises members on a members allowance scheme in order for the Committee to determine whether to enter the process to establish a scheme for Dunstable Town Council.

1. ACTION RECOMMENDED

- 1.1 For members to determine whether or not to establish a members allowance scheme for Dunstable Town Council.

2. INTRODUCTION

- 2.1 Both the Chairman of the Council and the Chairman of this Committee have requested this report.
- 2.2 Legislation allows councils to adopt a member's allowance scheme aimed at remunerating elected representatives. Schemes are governed by The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI.2003/1021).
- 2.3 Attached at appendix 1 of this report is a Legal Topic Note from the National Association of Local Council's (NALC) that explains fully the issue of councillors allowances.
- 2.4 Members should pay particular attention to paragraphs 7, 11, 20 and 29 that deal with the issue of remuneration panels, publicising allowance schemes, recommendations from the panel and tax implications respectively.

3. ESTABLISHING AN ALLOWANCE SCHEME

- 3.1 In order to establish an allowance scheme, the Council first has to set up an independent remuneration panel that will make recommendations that the Council has to consider. Such a panel already exists in Central Bedfordshire and the Town Clerk and Chief Executive has already made contact with the Chairman of the Panel who is happy to consider recommendations for Dunstable Town Council at their next meeting planned for 30 October.
- 3.2 In preparation for this meeting, the panel has requested information relating to structures, workload and responsibilities for members and it is likely that the Town Clerk and Chief Executive will be asked to attend the panel.
- 3.3 Should members wish to go ahead with establishing an allowance scheme the recommendations of the panel will be reported to the Finance and General Purposes Committee on 19 November.

- 3.4 Members may wish to note that the vast majority of town and parish councils do not have allowance schemes, however, some of the larger town councils, similar in size to Dunstable do and their schemes are shown below for information:

| | |
|---------------------------------|------------------------------------|
| Sutton Coldfield Town Council - | up to £715 per member, per annum |
| Shrewsbury Town Council - | up to £1,000 per member, per annum |
| Salisbury Town Council - | up to £750 per member, per annum |
| Seven Oaks Town Council - | up to £280 per member, per annum |
| Chippenham Town Council - | up to £1,342 per member, per annum |

- 3.5 Members should also note that at each of the Council's above, no additional allowance is given to committee chairmen (other than the Chairman of the Council/Town Mayor). Unlike Central Bedfordshire Council, no members of the Council have any individual executive decision-making power or authorisation.

4. FINANCIAL IMPLICATIONS

- 4.1 If a scheme were agreed, it would be implemented immediately. At the moment, it would be payable to 20 elected representatives and regardless of what any payment may be there is no budget allocation for this expenditure. It would have to be funded through any corporate revenue savings in the first instance and if this is not possible then through use of the General Reserve for 2018/19.
- 4.2 The 2019/20 revenue budget setting process would have to accommodate the scheme on an ongoing basis and as a result, this would be a revenue growth item.
- 4.3 Financial implications will be more fully reported if and when the Council considers the recommendations of the remuneration panel.

5. HUMAN RESOURCE AND HEALTH AND SAFETY IMPLICATIONS

- 5.1 None

6. POLICY AND CORPORATE PLAN IMPLICATIONS

- 6.1 None

7. LEGAL IMPLICATIONS

- 7.1 Member allowance schemes are governed by The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI.2003/1021).

8. APPENDICES

- 8.1 Appendix 1 - NALC Legal Topic Note 33, Councillor's Allowances

9. AUTHOR

- 9.1 David Ashlee – Town Clerk and Chief Executive
E-mail – david.ashlee@dunstable.gov.uk

November 2007

COUNCILLORS' ALLOWANCES

Introduction

1. The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI.2003/1021) came into force on 1st May 2003. The regulations apply to local authorities in England only and substantially change the system that previously existed.
2. When the regulations were first introduced they applied to elected members only and not to those who were co-opted onto committees. However, the regulations were amended in 2004 (by virtue of The Local Authorities (Members' Allowances) (England) (Amendments) Regulations 2004 (SI.2004/2596) so that some of the provisions relate to co-opted members. However, the only practical consequence of the amendments related to a period ending on the 2 November 2004 and, consequently, the amendments are not discussed further in this Note.

Background

3. Previously, sections 173 to 178 of the Local Government Act 1972 as amended, and the regulations made thereunder, set out the rules for the payment of allowances to members of parish and town councils. These broadly dealt with attendance allowance and financial loss allowance (s.173), travelling allowance and subsistence allowance (s.174), allowances for attending conferences and meetings (s.175), the payment of expenses of official and courtesy visits (s.176) and supplementary provisions (s.177 and s.178).
4. S.173 to s.175 and s.176(1)(a) and (2) ceased to apply on 31 December 2003 and hence the supplementary provisions relevant to those sections also fell. S.176(1)(b) remains in force. This provides for a council to defray any expenses incurred in the

reception and entertainment by way of official courtesy of distinguished persons visiting the area of the authority.

5. Under this system, allowances were paid to councillors for performing an approved duty outside the parish or town. No allowances were paid for attendance at a meeting of the council, its committees or sub committees or for any other approved duty within the parish or town. Travel and subsistence under the new regulations can be paid for travel and subsistence within the parish as well as outside of it.

The New System

6. The new regulations are split into 6 Parts. Part 5 deals specifically with parish (and town) councils. Part 4 deals with Independent Remuneration Panels and Part 6 with transitional provisions and it is these 3 Parts with which we are chiefly concerned and upon which this Legal Topic Note will concentrate.

Part 4 – Independent Remuneration Panels

7. An **independent remuneration panel** has to be established by each authority and for the purposes of Part 4, unless otherwise specified, an authority means a district council, a county council and a London borough council. The panel consists of at least 3 members, none of whom is also a member of an authority in respect of which it makes recommendations or a member of a committee or sub committee of such an authority or is disqualified from being or becoming a member of an authority.
8. The parish or town council has to make reference, as will be explained, to a **parish remuneration panel**. A parish remuneration panel will consist of those persons who are also members of the independent remuneration panel but cannot consist of parish or town councillors of councils in respect of which recommendations are to be made.

Part 5 – Parish Councils

Parish Basic Allowance – Regulation 25

9. A parish or town council is able to pay a parish basic allowance for each year to its chairman only or to each of its elected members (regulation 25). The amount payable to the chairman may differ from that of other members (i.e. a higher sum

could be paid because of the extra duties that may be required of the chairman) but otherwise the sum shall be the same for each member.

10. The allowance is not a salary. It is a figure, which is calculated to cover the expenses, which are normally associated with the basic duties of being a local councillor. Travelling and subsistence allowances are treated separately (see below). There is no set figure and no doubt the figures will differ from region to region for a variety of reasons. This is an entirely new approach to the first tier membership and will be a very new concept to many members, although it does bring first tier councillors into line with their colleagues in other authorities.

What to do after setting the level of parish basic allowance?

11. As soon as reasonably practical after setting the levels at which the allowance is to be paid and to whom, the council must arrange for the publication in a conspicuous place for a period of at least 14 days within the area of the council, a notice containing the following information -
 - a) any recommendation in respect of parish basic allowance made by the parish remuneration panel;
 - b) the level or levels at which the authority has decided to pay parish basic allowance and to which members it is to be paid; and
 - c) a statement that in reaching the decision, regard was had to the recommendation of the parish remuneration panel.
12. The regulations also require a notice to be published when the report of the parish remuneration panel is made to the council (see below). It may be possible for the two separate requirements to be satisfied by the publication of one notice with the proviso that it contains all of the required information and timescales allow it to be dealt with in this manner.
13. The council has to keep a copy of the information referred to in the notice available for public inspection on reasonable notice.

Parish Travelling and Subsistence Allowance – Regulation 26

14. The council may pay to both elected and co-opted members allowances in respect of travelling and subsistence, including an allowance in respect of travel by bicycle

or other non motorised form of transport, undertaken or incurred in connection with the performance of any duty within the following categories -

- a) the attendance at a meeting of the council or of any committee or sub committee of the council, or of any body to which the council makes appointments or nominations or of any committee or sub committee of such a body;
- b) the attendance at a meeting of any association of authorities of which the council is a member;
- c) the performance of duties in connection with a tender process;
- d) the performance of any duty which requires the inspection of any premises;
- e) the carrying out of any other duty approved by the council, or any duty of a class so approved, or in connection with, the discharge of the functions of the authority or of any of its committees or sub committees.

Recommendations

15. Where a parish or town council proposes to pay the parish basic allowance, in setting the level of that allowance, it must have regard to the recommendations which have been made in respect of it by the parish remuneration panel in accordance with reg.28. The same requirement is not specified within reg.26 and so on face value, it would appear that the council can set the level of travelling and subsistence allowance without reference to the panel. However, the implication must be that, and the regulations do later refer to, the view of the parish remuneration panel being taken into account.

Parish Remuneration Panel – Regulation 27

16. Regulation 27 states that a parish remuneration panel **may** be established by a responsible authority which is defined as a district or unitary authority. It is therefore feasible that in some areas parish panels will not be set up as there is no duty to do so, rather a power. Of course, the implication is that the panel is established when a request to do so is made by an appropriate parish or town council. The process of making such a request is not specified within the regulations and again, how this is achieved in practice will differ around the country.
17. The expenses of the parish panel are to be met equally by those parish and town councils in respect of which recommendations are made (reg. 27(4)). Although the

regulations are again less than specific on this, it may be assumed that the cost is spread between those local councils that actually make a request.

18. When convened, a parish remuneration panel will produce a report making recommendations as to -
 - a) the amount of parish basic allowance payable to members of the parish or town council (the council must take this into account in setting the agreed level);
 - b) the amount of travelling and subsistence allowance payable ;
 - c) whether the parish basic allowance should be payable only to the chairman of the council or to all of the members;
 - d) if to be paid to all members whether the level to be paid to the chairman should be higher and if so, what that higher figure should be;
 - e) the responsibilities or duties in respect of which members should receive the travelling and subsistence allowance.
19. A copy of this report is sent to each council about which recommendations have been made.

Levels of Allowances – Regulation 29

20. In making its recommendations, the parish remuneration panel can apply the same level to all the local councils for which it was established or else recommend different levels for different councils.
21. The parish panel shall express its recommendation as to the level of parish basic allowance both as a percentage of the sum that the independent remuneration panel has recommended for the tier above (this figure can be 100 per cent) and as a monetary figure.

What to do after receiving the recommendation? – Regulations 30 and 31

22. As soon as is reasonably practicable after receiving the report from the parish remuneration panel, the council must -
 - a) ensure that copies are available for public inspection on reasonable notice;
 - b) publish a notice in a conspicuous place for a period of at least 14 days which:

- i. states that it has received the recommendation
 - ii. describes the main recommendations and specifies the recommended amounts of each allowance and
 - iii. states that copies of the panel's report are available for inspection upon giving reasonable notice and give details of how a request to inspect should be given.
23. A reasonable fee can be charged for the provision of a copy of the report.
24. 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 and a reasonable fee can again be charged.
25. At the end of a year (which means any period of 12 months ending on 31 March in any year), the council must publish a notice in a conspicuous place for a period of at least 14 days stating the total amount that it has paid for the parish basic allowance and for the parish travelling and subsistence allowance.

Election to Forgo an Allowance – Regulation 32

26. A member is able to elect in writing to the clerk that he or she wishes to forgo all or any part of their entitlement to the above allowances.

Recovery of Payments Made – Regulation 25(8)

27. The regulations provide for the recovery of allowances already paid to a member where for example, that member has been disqualified for a period of time following a complaint being made to the Standards Board for England.

Chairman's Allowance (s.15(5) LGA 1972)

28. This section has not been repealed by the new regulations and can still be used to make the customary payment to meet the costs associated with the position of chairman. This may be particularly useful to councils who simply wish to continue with the practice of making the payment without the need to refer to the parish remuneration panel.

Dependants' Carer's Allowance

28. Parish and town councillors are not entitled to claim this allowance under the regulations and yet it is available under the new regulations, for example, to those district councillors with dependant children.

Tax Implications

29. When paying participation allowances to elected members, local councils are obliged by law to deduct income tax. The HM Revenue & Customs treats all councillors of all tiers equally and so local councillors will be subject to tax provisions in the same way as tiers above. There may also be similar considerations with regard to travel and subsistence allowance in certain circumstances. A guide to the Pay As You Earn (PAYE) implications is attached as an appendix to this Legal Topic Note and further training on this can be obtained through County Associations.

Other Legal Topic Notes (LTNs) relevant to this subject:

| LTN | Title | Relevance |
|-----|---------------------------------|--|
| 11 | Celebrations and Similar Events | Sets out how chairmen may use their allowance in respect of celebratory events |

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Appendix 1: Paying participation allowances to councillors: What to do about Pay As You Earn (PAYE)

When paying participation allowances to elected councillors local councils are obliged by law to deduct income tax, where appropriate, under the PAYE system. As a First Tier council you will not normally have to consider National Insurance Contributions, as the allowances are likely to be below the lower earnings limit of £102.00 per week. (This figure applies for 2011-12).

Opening a PAYE record

If your council has no PAYE record (sometimes referred to as a PAYE scheme) the first step is to contact the HM Revenue & Customs to arrange for a PAYE record to be opened. To do this telephone the **New Employers Helpline** on **0845 60 70 143** and say it is likely you will have to deduct tax.

The HM Revenue & Customs will open a PAYE record and within a short time you will receive separately through the post

- a 'New Employer's Starter Pack';
- a note advising you of;
 - your PAYE reference number
 - the name and address of your local HM Revenue & Customs office for most correspondence
 - the Accounts Office reference number for tax payments

The Starter Pack will include everything you need to make a start. (Some of the information will not apply to local councils. Simply put to one side anything that you think does not apply to you.)

Guidance and Help

The Starter Pack contains guidance in plain English about what you have to do and how to do it. The pack also contains a CD-ROM www.hmrc.gov.uk if you prefer to see the guidance 'on screen'. You can also visit the Employers Website: go to and click on 'Employers'.

If you need to speak to someone for help ring the **New Employers Helpline** on **0845 60 70 143**.

If you need to see someone for help contact your County Association of Local Councils to see about attending one of the presentations given by representatives of the Inland Revenue's Business Support Teams (BSTs) on the operation of PAYE and NICs. These presentations are designed specifically for people who have to operate a payroll for the first time. If you cannot attend one of these presentations but would like the help of the BSTs, they can be contacted through the New Employers Helpline or via the website at www.hmrc.gov.uk/bst/index.htm. The services provided by the BSTs are free of charge. Depending on the demand, specific presentations may be provided at regional, sub-regional or County Area.

What to do before paying participation allowances to councillors

All the forms and guidance mentioned here are in the Starter Pack and are freely available through the Employers order line **0845 7646-646**.

To operate PAYE on allowances paid to councillors you will need a PAYE code number for each councillor. To obtain an initial code number you must ask each councillor to complete the first section of form P46 and then follow the guidance provided in booklet P49 'Paying someone for the first time'. There is also help in Employer's Help Book E13 'Day to day payroll'.

When completed send the form P46 to your local HM Revenue & Customs office. That office will correspond with the councillor and then notify you (and the councillor) of the correct PAYE code to be used. There is information on tax codes in booklet P49.

Paying participation allowances and operating PAYE

Booklet P49 gives guidance on using a tax code and the Deductions Working Sheet, form P11. Help Book E13 'Day to day payroll' also gives guidance. Don't forget that you can ring the New Employer's Helpline on 0845 60 70 143 if you get stuck.

Paying tax deducted to the HM Revenue & Customs

Booklet P49 tells you about paying deductions over to the HM Revenue & Customs. Employers who deduct less than £1,500 for each Income tax month can opt to pay quarterly. If you have nothing at all to pay for a particular period send a 'NIL' payslip to the HM Revenue & Customs Accounts office.

What about travelling and subsistence and other expenses?

The position depends upon whether these expenses payments are taxable. Generally speaking the HM Revenue & Customs would expect you to apply PAYE only if you pay any of your councillors a round sum allowance or reimburse their private expenditure.

So far as payments in respect of expenditure on council business are concerned, if the total amount of all allowances and expenses paid to an individual councillor comes to more than £8500 for the year, they must be reported on form P11D unless there is a dispensation in place. If they come to £8,500 or less, no report is needed.

More information about the tax treatment of allowances and expenses and about dispensations is set out in the attached annex.

At the end of the tax year

After the end of the tax year (5 April) you have to complete an Employer's Annual Return. This summarises the pay and tax details of each councillor where tax was deducted during the year. The Return will be sent to you automatically. Full guidance is available to help you with this.

Councillors who leave

If a councillor in receipt of participation allowances ceases to hold office, you must:

- complete form P45 (see help Book E13 "Day to day payroll")
- send Part 1 to your HM Revenue & Customs office
- give the remaining parts to the councillor

Forms order online

If you start to run out of forms you can easily order more from the Employer's order line by Internet, fax or phone. The Order form in the Starter Pack tells you what to do.

Appendix 2: Tax treatment of councillor's allowances and expenses

Participation Allowances

These allowances are treated as income arising from the councillor's office (the equivalent of a person's employment) and they are taxable under the PAYE system. The allowances are liable to National Insurance Contributions (NICs). However the NIC's earnings threshold (the equivalent of £139 per week for 2011-12) means it is unlikely any NICs will be due.

Travel and Subsistence Expenses

There are special tax rules for travel and subsistence allowances. They are not taxable if

- the expenses were *necessarily* incurred in the performance of the duties of the employment, or
- they relate to the employee's attendance at a place of work, and
- they are not expenses of private travel or ordinary commuting.

It is accepted that councillors normally have two places of work – at home and where the council usually holds its meetings. This means, for example, that travelling allowances are not taxable if they are paid for travel:

- between home and the council's office (provided the councillor does undertake duties on behalf of the council at home) or
- between the council's office and some other place on council business.

Travelling and subsistence payments will normally qualify for a dispensation (see below).

Incidental Expenses

There is no tax liability where an authority reimburses the costs of incidental expenses such as postage or telephone calls (but not telephone rentals) and these are incurred wholly,

exclusively and necessarily in the performance of the councillor's duties. Such payments will normally qualify for a dispensation (see below).

Dispensations for Expenses

All expenses payments **reimbursed** to a councillor have to be declared to the HM Revenue & Customs on form P11D if the participation allowance and other payments total £8,500 or more in a year.

Where the expenses are **qualifying** expenses and the amounts involved do not include an element of profit, the local HM Revenue & Customs office can give you a dispensation which frees you from the need to declare the amounts on form P11D. The councillor at the same time is relieved of the need to declare the expenses on his/her tax return.

If it looks like you may have to complete form P11D you should if possible obtain a dispensation from your local HM Revenue & Customs office.

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