



Document No: FCTOR290622



# FINANCE COMMITTEE TERMS OF REFERENCE

Signature:.....

The Chair of Finance Committee

Date:.....

Signature:.....

The Chair of Stantonbury Parish Council

Date:.....

#### Document History

<b>Created by Chairman of Full Council</b>	<b>05/02/2021</b>
<b>Revised by Chairman and Vice Chairman</b>	<b>09/02/2021</b>
<b>Adopted at Main Meeting by Full Council</b>	<b>17/02/2021</b>
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## **Finance Committee Terms of Reference**

The Finance Committee is a standing committee of the Parish Council.

The Finance Committee will comprise 4 members.

The quorum of the committee shall be 3 members. A Councillor could act as a back-up with voting rights on behalf of another councillor if the quoracy of the meeting was threatened.

The primary objectives of the committee are to:

- Assist the Parish Council and the Responsible Financial Officer in overseeing the proper financial management, financial risks, management strategy, internal and external audit, policy and treasury transactional matters.
- Take the role of Data Controller for finance under the General Data Protection Regulations.

To fulfil this objective the committee shall undertake the following roles:

1. To review annually and update the Financial Regulations and Standing Orders and ensure they are observed.
2. To review the annual budget prepared by the Responsible Financial Officer and make a recommendation to the Parish Council on the annual precept request.
3. To review annually and update the Financial Risk Assessment and make recommendations on any changes in policies or procedures to the Parish Council that have a financial impact.
4. To consider the need for any changes in policies or procedures as a result of recommendations made by the internal or external auditors.
5. To review annually the inventory of Parish Council land and assets.
6. To make recommendations to the Parish Council on the need to provide earmarked reserves.
7. To make recommendation for the procurement, sale, upgrade, or replacement of assets offered or belonging to the Parish Council.
8. To ensure the financial requirements of the Parish Council 4-year plan is complied with.

9. To review annually the insurance arrangements and ensure they are adequate.
10. To review the actual spend against budget and consider the need for any variations.
11. To review the Parish approved subcontractor list at least annually and make recommendations for additions, renewals or deletions.
12. For 1 member of the Finance Committee to be present at the opening of all Tenders, as well as the Proper Officer and 1 further Councillor from the Full Council.
13. To make recommendations with respect to the annual grants allocation and review a quarterly summary of grants issued.
14. An Internal Scrutineer will complete an inspection once a quarter.





Document No: FCTOR120723



# FINANCE COMMITTEE TERMS OF REFERENCE

Signature:.....

The Chair of Finance Committee

Date:.....

Signature:.....

The Chair of Stantonbury Parish Council

Date:.....

## Document History

Created by Chair of Full Council	05/02/2021
Revised by Chair and Vice Chair	09/02/2021
Adopted at Main Meeting by Full Council	17/02/2021
Reviewed for recommendation by committee	30/07/2021
Reviewed and agreed by finance committee	29/06/2022
Reviewed and adopted at main meeting	20/07/2022
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Reviewed and signed by the Committee	12/07/2023
Agreed and signed at the Main Meeting	19/07/2023

## **Finance Committee Terms of Reference**

**Purpose:** Assist the Parish Council and the Responsible Financial Officer in overseeing the proper financial management, financial risks, management strategy, internal and external audit, policy, and treasury transactional matters.

**Quorum:**

5 Parish Councillors to be appointed annually at the Annual Council Meeting. The quoracy of the Committee shall be no less than 3 members. A Councillor could act as a back-up with voting rights on behalf of another councillor if the quoracy of the meeting was threatened.

**Chair:**

The Chair is to be elected annually by the Finance Committee at their first Meeting following the Annual Council Meeting.

**Meetings:**

At least 4 meetings a year at the Parish Council Office on a weekday on dates to be agreed by the Committee or as requested as per the Chair of the Committee.

**Duties:**

- To review annually and update the Financial Regulations and Standing Orders and ensure they are observed.
- To review the draft annual budget prepared by the Responsible Financial Officer and make a recommendation to the Parish Council on the annual precept request.
- To review risk policy statements and consequential risk management arrangements at least annually.
- To review and make recommendations on any changes in policies or procedures to the Full Council excluding those that are reviewed by Human Resources Committee.
- To review all risk assessments as and when produced.
- To consider the need for any changes in policies or procedures as a result of recommendations made by the internal or external auditors.
- To review annually the inventory of Parish Council land and assets.
- To annually review Councils Reserves Policy.
- To make recommendation for the procurement, sale, upgrade, or replacement of assets offered or belonging to the Parish Council.
- To ensure the financial requirements of the Parish Council 4-year plan is complied with.
- To review annually the insurance arrangements and ensure they are adequate.
- To review the actual spend against budget and consider the need for any virements.
- For 1 member of the Finance Committee to be present at the opening of all Tenders, as well as the Clerk or RFO.
- To make recommendations with respect to the annual grants allocation and review a quarterly summary of grants issued.
- To appoint Internal Scrutineer that will complete an inspection once a quarter and at each financial year end.
- The Committee will review all fees and charges at least annually.
- The committee will review Direct Debits.
- To ensure the Council complies with relevant General Data Protection Regulation.
- To review Bank mandate to make recommendation to Full Council.

**Delegated Authority:**

- The internal auditor shall be appointed by Finance Committee and shall carry out the work in relation to internal controls required by the council in accordance with proper practices.
- Committee shall review the three-year forecast of revenue and capital receipts and payments.

**Membership Requirements:**

- a) All members of the Committee are to take relevant training.

Councillors wishing to resign from a committee must do so by notifying the Clerk.

Council Name:  
Date of application:  
Award level applied for:

### **Local Council Award Scheme application form**

This document is a resource for Local Councils taking part in the Local Council Award Scheme

*My council has not registered to take part in the scheme* – this document is a useful tool to map where you do meet the criteria, and to help you see what work would need to take place before you apply

*My council has the relevant criteria in place and has already registered with NALC* – you can complete this document and submit it to your local accreditation panel. This will help them find the necessary information and make sure they don't miss any details by mistake.

Tip – proving a web link to the exact page or document needed is important as it will reduce the risk of the panel missing any necessary information. So instead of

<http://www.nalc.gov.uk> use <http://www.nalc.gov.uk/our-work/improvement-and-development/local-council-award-scheme>

Tip – some information and documents are not required to be published online. To keep things simple email these to the panel coordinator at the same time as providing this document. That way they have all the information in one place.

Tip – Don't forget to read the full criteria in the Local Council Award Scheme guide. This form just has the summary, but there is further essential information in the guide which can be downloaded from <http://www.nalc.gov.uk/our-work/improvement-and-development/local-council-award-scheme>

*What criteria do I need to meet for each award level?*

If you are applying for Foundation – just the Foundation criteria

If you are applying for Quality – both Foundation and Quality criteria

If you are applying for Quality Gold – Foundation, Quality and Quality Gold criteria

If you are unsure what criteria you are required to submit please check with your County Association.

Council Name:  
 Date of application:  
 Award level applied for:



The Council confirms by resolution that all documentation and information is in place for a specified award	Does the council meet this requirement?	Hyperlink to council resolution:
Criteria	Do you meet these criteria?	Where are these published online?
1 Its standing orders		
2 Its financial regulations		
3 Its Code of Conduct and a link to councillors' registers of interests		
4 Its publication scheme		
5 Its last annual return		
6 Transparent information about council payments		
7 A calendar of all meetings including the annual meeting of electors		
8 Minutes for at least one year of full council meetings and (if relevant) all committee and sub-committee meetings		
9 Current agendas		
10 The budget and precept information for the current or next financial year		
11 Its complaints procedure		
12 Its accessibility statement		
13 Its privacy notice		
14 Council contact details and councillor information in line with the Transparency Code		
15 Its action plan for the current year		
16 Evidence of consulting the community		
17 Publicity advertising council activities		
18 Evidence of participating in town and country planning		

Council Name:

Date of application:

Award level applied for:

<b>The Council confirms by resolution that all documentation and information is in place for a specified award</b>	Does the council meet this requirement?	Hyperlink to council resolution:
<b>Criteria</b>	Do you meet these criteria?	Where are these published? Can they be provided electronically?
19 A risk management scheme		
20 A register of assets		
21 Contracts for all members of staff		
22 up-to-date insurance policies that mitigate risks to public money		
23 Disciplinary and grievance procedures		
24 A policy for training and training and development of and councillors		
25 A record of all training undertaken by staff and councillors in the last year		
26 A clerk who has achieved 12 CPD points in the last year		

Council Name:  
 Date of application:  
 Award level applied for:



The Council confirms by resolution that all documentation and information is in place for a specified award	Does the council meet this requirement?	Hyperlink to council resolution:
Criteria	Do you meet these criteria?	Where are these published online?
1 Draft minutes of all council and committee meetings within four weeks of the last meeting		
2 A Health and Safety policy		
3 Its policy on equality		
4 Councillor profiles		
5 A community engagement policy involving two-way communication between council and community		
6 A grant awarding policy		
7 Evidence showing how electors contribute to the Annual Parish or Town Meeting		
8 An action plan and related budget responding to community engagement and setting out a timetable for action and review		
9 Evidence of community engagement, council activities and the promotion of democratic processes in an annual report, online material and regular news bulletins		
10 Evidence of helping the community plan for its future		



Council Name:

Date of application:

Award level applied for:

<b>The Council confirms by resolution that all documentation and information is in place for a specified award</b>	<b>Does the council meet this requirement?</b>	<b>Hyperlink to council resolution:</b>
<b>Criteria</b>	<b>Do you meet these criteria?</b>	<b>Where are these published? Can they be provided electronically?</b>
11 a scheme of delegation (where relevant)		
12 at least two-thirds of its councillors who stood for election		
13 an annual report that is actively shared with the community		
14 Evidence of a customer service in how the council handles correspondence with the public		
15 a qualified clerk		
16 a formal appraisal process for all staff		
17 a training policy and record for all staff and councillors		

Council Name:  
 Date of application:  
 Award level applied for:



The Council confirms by resolution that all documentation and information is in place for a specified award	Does the council meet this requirement?	Hyperlink to council resolution:
Criteria	Do you meet these criteria?	Where are these published online?
1 A business plan covering a financial forecast for at least three years linked to revenue and capital plans for the council and its community		
2 An annual report, online material, news bulletins and other council communications with evidence of		
a engaging with diverse groups in the community using a variety of methods		
b community engagement influencing council activity and priorities		
c A wide range of council activities, including innovative projects, that produce positive outcomes for the community		
d co-operating constructively with other organisations		

Council Name:

Date of application:

Award level applied for:

<b>The Council confirms by resolution that all documentation and information is in place for a specified award</b>	Does the council meet this requirement?	Hyperlink to council resolution:
<b>Criteria</b>	Do you meet these criteria?	Have you provided these to the accreditation panel?
3 Ensures that the council delivers value for money		
4 Provides leadership in planning for the future of the community		
5 Engages with the community on issues related to the environment and climate change		
6 Manages the performance of the council as a corporate body		
7 Manages the performance of each individual staff member to achieve its business plan		





# A guide to the Local Council Award Scheme



## THE LOCAL COUNCIL AWARD SCHEME EXISTS TO CELEBRATE THE SUCCESSES OF THE VERY BEST LOCAL COUNCILS, AND TO PROVIDE A FRAMEWORK TO SUPPORT ALL LOCAL COUNCILS TO MEET THEIR FULL POTENTIAL.

All local councils want to serve their local communities and make a real difference to the lives of the people that live there. This scheme offers councils the opportunity to show that they meet the standards set by the sector, assessed by their peers, and to put in place the conditions for continued improvement.

The Local Council Award Scheme has been designed to both provide the tools and encouragement to those councils at the beginning of their improvement journeys, as well as promoting and recognising councils that are at the cutting edge of the sector. It is only through the sector working together to share best practice, drive up standards and supporting those who are committed to improving their offer to their communities that individual councils and the sector as a whole will reach its full potential.

The scheme was created in 2014 and is managed on behalf of local councils by the Improvement and Development Board (IDB). Councils can apply for an award at one of three levels:

**The Foundation Award** demonstrates that a council meets the requirements for operating lawfully and according to standard practice.

**The Quality Award** demonstrates that a council achieves good practice in governance, community engagement and council improvement.

**The Quality Gold Award** demonstrates that a council is at the forefront of best practice and achieves excellence in governance, community leadership and council development.

The scheme sets out criteria to meet at each level covering selected aspects of the council's work. Councils can seek to progress through the tiers over time thereby raising standards. Councils of any size can aspire to an award appropriate for their budget and level of activity.

To support transparency, every award level has a requirement for certain information to be published online (plus some information that does not need to be published). In all instances the council confirms that the required documents, information and conditions are in place (whether published or not) by resolution in public at a full council meeting. For Quality Gold, councils also provide statements for submission to the panel demonstrating excellence in their activities. The panel may ask for additional information to check the accuracy of claims.

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### 06 AWARD CRITERIA

This section sets out in brief what is required for each award and then explains in more detail the evidence that the accreditation panel is looking for. Councils should find this additional guidance helpful in identifying what is required.

### 18 ACCREDITATION PROCESS

The Local Council Award Scheme is a form of peer review. Councils are reviewed by experienced peers through the work of an accreditation panel.

This section outlines guidance for County Associations (CALCs) managing the process for accreditation. These are not strict rules, and CALCs can tailor this to local need in consultation with NALC.

### 21 FEES

There are two fees:

- A registration fee paid to NALC
- An accreditation fee paid to the organisation responsible for administering the local or regional accreditation process.

### 22 EVALUATION AND IMPROVEMENT

The aim of the evaluation and improvement process is to allow the sector to feel ownership of the Local Council Award Scheme, and to see the scheme changing to meet the feedback and needs expressed by the sector. This section outlines the evaluation and improvement process that will allow the scheme to be dynamic and respond over time to changes in the sector, national policy and other relevant issues.

A COUNCIL CAN REGISTER TO TAKE PART IN THE  
LOCAL COUNCIL AWARD SCHEME BY VISITING  
[WWW.NALC.GOV.UK/LOCALCOUNCILAWARDScheme](http://WWW.NALC.GOV.UK/LOCALCOUNCILAWARDScheme)

THE STEP BY STEP PROCESS FOR APPLYING TO  
THE AWARD SCHEME CAN BE FOUND IN THE  
ACCREDITATION PROCESS SECTION ON PAGE 18.

THE CRITERIA IN THIS BOOKLET APPLY TO COUNCILS  
SUBMITTING THEIR APPLICATIONS TO THEIR LOCAL  
ACCREDITATION PANEL. THE CRITERIA FOR THE LOCAL  
COUNCIL AWARD SCHEME ARE REVIEWED ANNUALLY.



TO ACHIEVE A FOUNDATION AWARD A COUNCIL DEMONSTRATES THAT IT HAS THE DOCUMENTATION AND INFORMATION IN PLACE FOR OPERATING LAWFULLY AND ACCORDING TO STANDARD PRACTICE. THE COUNCIL ALSO HAS POLICIES FOR TRAINING COUNCILLORS AND OFFICERS AND IS BUILDING A FOUNDATION FOR IMPROVEMENT AND DEVELOPMENT.

The council confirms by resolution at a full council meeting that all documentation and information is in place for the Foundation award and where applicable, is published on its website. The council also needs to evidence it has:

GOVERNANCE	COMMUNITY	DEVELOPMENT
Criteria demonstrating good governance in managing the business and finances of a council	Criteria representing a council's role in the community and how it engages with the community	Criteria representing council improvement through the management and development of staff and councillors
Its standing orders	Council contact details and councillor information in line with the Transparency Code	
Its financial regulations	Its action plan for the current year	
Its Code of Conduct and a link to councillors' registers of interests	Evidence of consulting the community	
Its publication scheme	Publicity advertising council activities	
Its last annual return	Evidence of participating in town and country planning	
Transparent information about council payments		
A calendar of all meetings including the annual meeting of electors		
Minutes for at least one year of full council meetings and (if relevant) all committee and sub-committee meetings		
Current agendas		
The budget and precept information for the current or next financial year		
Its complaints procedure		
Its accessibility statement		
Its privacy notice		

GOVERNANCE	COMMUNITY	DEVELOPMENT
Criteria demonstrating good governance in managing the business and finances of a council	Criteria representing a council's role in the community and how it engages with the community	Criteria representing council improvement through the management and development of staff and councillors
A risk management policy		Disciplinary and grievance procedures
A register of assets		A policy for training and development of staff and councillors
Staff contracts		A record of all training undertaken by staff and councillors in the last year
Up-to-date insurance policies that mitigate risks to public money		A clerk who has achieved 12 Continuing Professional Development (CPD) points in the last year

The council notifies the accreditation panel co-ordinator when the resolution has been agreed and provides a completed application form, including webpage addresses to where the information can be found online.



## WHAT IS THE ACCREDITATION PANEL LOOKING FOR?

The panel seeks assurance that a council acts lawfully and according to standard practice. Unless it is a matter of law, the panel is not making a judgement on the quality of the evidence at this level; it simply confirms that the documentation and information is in place, up-to-date and complies with the guidance below. For those documents that are not posted up online, the panel may ask to see the evidence if it is considered necessary.

- All policies should comply with current legislation and guidance and note the date of the next review.
- Standing orders, financial regulations, the Code of Conduct, publication scheme, accessibility statement, privacy statement and complaints procedure are public documents tailored to the specific council. Standing orders or financial regulations explain procedures for contracts and internal controls. There should be evidence of an open media policy which does not restrict engagement with the press. For councils with an annual turnover of less than £25,000 they also demonstrate compliance with the Transparency Code for Smaller Authorities.
- The council does not need to publish the councillors' registers of interests on their own website provided that there is a working link to the complete register of all councillors' interests on the principal authority's website.
- The council's website should include the name of the clerk and contact details (address, phone, email) for the council as a corporate body.
- It should also publish the names of councillors and councillors' responsibilities in compliance with the Local Government Transparency Code.

■ The council posts up a scanned copy of the last annual return. The panel checks that the council has a limited assurance (unqualified) opinion from the external auditor; the opinion may contain recommendations for consideration as long as a qualified opinion is not given. The panel checks the arrangements for internal audit and internal controls. From 2017, councils with an annual turnover of less than £25,000 will not be required to submit their annual return for audit. Panels check that these councils comply with the Transparency Code for Smaller Authorities.

■ Information on all payments must be transparent and in accordance with financial regulations and statutory proper practices.

■ The calendar (in any format) includes the Annual Meeting of the Council and the Annual Parish/Town Meeting and both meetings must be held during the correct statutory period. The calendar also shows that the council has at least four full council meetings a year.

■ Similarly, the minutes for full council meetings over the last year include the Annual Meeting of the Council. If relevant, the council also posts up the minutes of its Finance Committee to demonstrate transparency according to statutory regulations and of its Planning Committee showing that procedures for reviewing planning applications are correct. The panel checks that minutes and agendas demonstrate the lawful convening of meetings and decision-making and that all meetings allow the public to make representations to the council.

■ The council can post up the current or next year's budget (or both). Budget documents would normally show columns comparing the year in question with the two previous years; they include information on income and expenditure (or receipts and payments) and show how the precept was calculated.

■ The council must publish an action plan; as a minimum this is a one-page document listing the council's objectives for the current year. It is not a parish plan which is a plan for the future of the community; the council can extract objectives for action from the parish plan depending on its areas of responsibility.

■ The panel seeks at least one piece of evidence from council publicity that it consults and actively serves its community. Publicity might include an annual report, web material or news bulletins. The information gives a flavour of any council activity such as lobbying principal authorities, giving grants to community groups, the provision of a service or helping with community events. For guidance, councils can refer to The Code of Recommended Practice on Local Authority Publicity. Similarly any form of consultation is suitable, including surveys, online polls, focus groups or public meetings.

■ Council documents demonstrate that the council participates in the planning system by, for example, commenting on planning applications or working on a neighbourhood plan. Decisions on planning matters must be made in properly convened meetings and, if required, by delegation to a committee. Some decisions may be delegated to an officer.

■ The panel may wish to check that insurance policies have been reviewed and are up-to-date and that the council recognises insurance as a way of mitigating risks to public money. The panel does not seek to judge the appropriateness of the insurance policies themselves.

■ Contracts, disciplinary/grievance procedures, a risk management policy and register of assets can be based on a model but tailored to the specific council. They are not published. The contract(s) for staff can be provided in redacted format, or if there are reasons why the contract cannot be shared then the council provides a statement from a full council meeting confirming that all staff are employed under an appropriate contract. The risk management policy shows the council has considered health and safety of staff, councillors and others as appropriate.

■ A training and development policy for staff and councillors can be a short statement of intent while a training record gives dates, titles and providers of development activities undertaken by named individuals in the last year, including, for example, events, online courses, learning on the job and qualifications. Councillors undertake a range of development activities such as attending conferences, undertaking training, or reading about developments in the sector. The clerk's training record includes evidence of CPD such as training, conference attendance, mentoring and studying for qualifications. CPD points are allocated according to a system published by the IDB.

TO ACHIEVE THE QUALITY AWARD A COUNCIL DEMONSTRATES THAT IT MEETS ALL REQUIREMENTS OF THE FOUNDATION AWARD AND HAS ADDITIONAL DOCUMENTATION AND INFORMATION IN PLACE FOR GOOD GOVERNANCE, EFFECTIVE COMMUNITY ENGAGEMENT AND COUNCIL IMPROVEMENT. THE QUALITY AWARD CRITERIA INCLUDE THE ELIGIBILITY CRITERIA FOR THE GENERAL POWER OF COMPETENCE.

The council confirms by resolution at a full council meeting that it meets all requirements for the Foundation award and all documentation and information is in place for the Quality award and where applicable, is published.

GOVERNANCE	COMMUNITY	DEVELOPMENT
Criteria demonstrating good governance in managing the business and finances of a council	Criteria representing a council's role in the community and how it engages with the community	Criteria representing council improvement through the management and development of staff and councillors
Draft minutes of all council and committee meetings within four weeks of the last meeting	A community engagement policy involving two-way communication between council and community	
A Health and Safety policy	Councillor profiles	
Its policy on equality	A grant awarding policy	
	Evidence showing how electors contribute to the Annual Parish or Town Meeting	
	An action plan and related budget responding to community engagement and setting out a timetable for action and review	
	Evidence of community engagement, council activities and the promotion of democratic processes in an annual report, online material and regular news bulletins	
	Evidence of helping the community plan for its future	

The council also needs to evidence it has:

GOVERNANCE	COMMUNITY	DEVELOPMENT
Criteria demonstrating good governance in managing the business and finances of a council	Criteria representing a council's role in the community and how it engages with the community	Criteria representing council improvement through the management and development of staff and councillors
A scheme of delegation (where relevant)	At least two-thirds of its councillors who stood for election	A qualified clerk
	An annual report that is actively shared with the community	A formal appraisal process for all staff
	Evidence of a customer service in how the council handles correspondence with the public	A training policy and record for all staff and councillors

The council notifies the accreditation panel's co-ordinator when the resolution has been agreed and provides a completed application form, including webpage addresses to where the information can be found online.



## WHAT IS THE ACCREDITATION PANEL LOOKING FOR?

The accreditation panel first checks that the criteria for the Foundation Award are in place if the award was granted more than one year ago. The exception to this is if the council received the Foundation award less than a year ago. Then the panel does not check the Foundation criteria again, but the council still confirms in a public meeting that it meets these criteria.

It then considers the additional criteria for the Quality Award.

The panel assesses the quality of documents and information with a light touch, seeking reassurance that the council is acting lawfully and according to good (rather than best) practice. The panel confirms that the documentation and information is in place and up-to-date and complies with the guidance below. For those documents that are not posted on the website, the panel may ask to see the evidence if it is considered necessary.

- All council policies should comply with current legislation and guidance and note the date of the next review.
- Draft minutes (marked Draft) of all council and committee meetings should be posted up as soon as possible after the meeting and within at least four weeks. The minutes will show that the council monitors its actions, internal controls and performance against the budget at least every three months.
- A community engagement policy demonstrates the council's commitment to hearing what people in the community think and communicating its own actions and decisions. The council also gives grants to community organisations and publishes a grant awarding policy.
- Councillor profiles normally contain a photo and reference to the ward represented (if relevant) but personal contact details are not required.

■ The panel seeks evidence that the council has in place light touch policies for managing Health and Safety, including its duty of care to staff and promoting equality in compliance with legislation. For example, evidence might include employment documents or statements on agendas.

■ Evidence that electors can contribute to the Annual Parish or Town Meeting can come in any form; for example, it could be an invitation to attend and participate in discussions or a record of how community groups spoke about their use of grant funding over the last year.

■ The action plan (or similar forward plan) summarises findings from community engagement and sets out aims and objectives that respond to community views. The action plan includes a timetable for actions to be completed with dates for reviewing the plan.

The council's budget shows how the action plan is put into practice and manages risks to public money.

■ The council is expected to produce an annual report, online material and regular news bulletins throughout the year. The annual report and news bulletins must be online even if they were also distributed in hard copy such as in printed newsletters or village magazines. If the council uses social media such as Facebook or Twitter, this will be evident from the council's website. The accreditation panel will read the materials looking for evidence of community engagement, council activities and promoting democratic processes. The panel expects to see that the council consults the community in at least three different ways (such as surveys, focus groups, online or street polls and community workshops) and engages with other organisations, including community groups and the principal authority(ies). It will look for at least three positive actions for the community in the last year.

■ The annual report should be actively communicated and shared with the community. It might be produced digitally and/or in hard copy. It is accepted that it cannot always be distributed to all households, but digital versions could be distributed by email and social media. Hard copies could be left at prime locations in a community, including a library, doctors' surgeries, schools, pubs, shops or residential homes.

■ The panel seeks evidence from council documents and online information that it supports the community in planning for its future. This can include at least one contribution to creating, implementing or reviewing a parish or town plan, a design statement or a neighbourhood plan, holding community planning events, facilitating debate in the community about planning applications or registering community assets. The panel seeks evidence that the council has considered environmental matters as part of how it plans for the future of the community. This may be through the planning system such as considering environmental impact in neighbourhood plans, or through engagement with the community. The council might also undertake activities to engage with the community on the environment outside of the planning system, this might include tree planting, litter picking, reducing carbon and addressing climate change.

■ The panel also seeks evidence of promoting elections and the value of the democratic process; this might include explaining how the system works, advising people of election dates and promoting the value of being a councillor.

■ At the time of making the resolution, at least two-thirds of the seats on the council must be filled by councillors who stood for election at either the last ordinary elections or a by-election. This shows that the council represents the community through democratic processes. Councillors who stood for election, even if elected unopposed, do count, while councillors who were co-opted or appointed cannot count. If two thirds is not a whole number, then it must be rounded up to the next whole number using the table below.

Total council seats

5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

4 4 5 6 7 8 9 10 10 11 12 12 13 14

Two thirds

■ The panel may wish to check that a council properly operates the delegation of decision-making to committees, sub-committees and officers (where relevant). Arrangements for delegation may be set out in standing orders or in a separate scheme of delegation.

■ The panel seeks evidence of how the council handles correspondence with the public and takes a customer service approach. Evidence shows how the council plans for and manages correspondence with the public, this might include examples of the council has addressed complaints, queries and other communications in the past year. It might also include any policies or training for staff that illustrates the council's commitment to customer service.

■ A qualified clerk is defined in Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012. The clerk (and deputy clerk) should be properly remunerated with a contract in accordance with terms and conditions set out in the national agreement or in a local government scheme.

■ The panel may ask to see the document setting out the formal appraisal process that must be in place for all staff. It checks that the council has a training budget and may ask to see a general training policy for staff and councillors with a detailed record of all training undertaken by staff and councillors in the last year. The panel seeks assurance that a training culture is embedded in the council. The clerk is expected to achieve at least 12 Continuous Professional Development Points every year. The CPD guidance on how points are allocated can be downloaded from NALC's or SLCC's websites.

TO ACHIEVE A QUALITY GOLD AWARD A COUNCIL DEMONSTRATES THAT IT MEETS ALL REQUIREMENTS OF THE FOUNDATION AND QUALITY AWARDS, AND IS AT THE FOREFRONT OF BEST PRACTICE BY ACHIEVING AN EXCELLENT STANDARD IN COMMUNITY GOVERNANCE, COMMUNITY LEADERSHIP AND PERFORMANCE MANAGEMENT.

The council needs to evidence all criteria in the first section and also provide statements (of no more than one page each) showing the accreditation panel how it:

GOVERNANCE	COMMUNITY	DEVELOPMENT
Criteria demonstrating good governance in managing the business and finances of a council	Criteria representing a council's role in the community and how it engages with the community	Criteria representing council improvement through the management and development of staff and councillors
Ensures that the council delivers value for money	Provides leadership in planning for the future of the community	Manages the performance of the council as a corporate body
	Engages with the community on issues related to the environment and climate change	Manages the performance of each individual staff member to achieve its business plan

The council notifies the accreditation panel when the resolution has been agreed and provides a completed application form, including webpage addresses to where the information can be found online, and the prepared statements.

The council confirms by resolution at a full council meeting that it meets all requirements for the Foundation/Quality awards and that all documentation and information is in place for the Quality Gold award and if applicable, is published.

GOVERNANCE	COMMUNITY	DEVELOPMENT
Criteria demonstrating good governance in managing the business and finances of a council	Criteria representing a council's role in the community and how it engages with the community	Criteria representing council improvement through the management and development of staff and councillors
A business plan covering a financial forecast for at least three years linked to revenue and capital plans for the council and its community	An annual report, online material, news bulletins and other council communications with evidence of: <ul style="list-style-type: none"> <li>Engaging with diverse groups in the community using a variety of methods</li> <li>Community engagement influencing council activity and priorities</li> <li>A wide range of council activities, including innovative projects, that produce positive outcomes for the community</li> <li>Co-operating constructively with other organisations</li> </ul>	

## WHAT IS THE ACCREDITATION PANEL LOOKING FOR?

The accreditation panel first checks that criteria for the Foundation and Quality Awards are in place if an award was assessed more than one year ago. It then considers the additional criteria for Quality Gold. The exception to this is if the council received a Foundation or Quality award less than a year ago. Then the panel does not check the criteria for that award again, but the council still confirms in a public meeting that it meets these criteria. The panel assesses the quality of documents and information in some depth. It seeks reassurance that the council is acting lawfully and aspires to excellence. The panel also seeks evidence of councillors and officers working together as a corporate body to achieve the criteria at Quality Gold level. Complying with the guidance below, the panel confirms that up-to-date documentation and information for Quality Gold is in place. The panel may ask for further information or talk to councillors and staff. The panel will be interested to note whether the council already has a reputation for being at the forefront of best practice. Councils seeking the Quality Gold Award should be aware that the panel is a peer group applying their own standards of excellence to the criteria explained below.

- In identifying excellence, the panel confirms that the council operates within the law as explained in standard works of reference, demonstrates transparent, efficient and effective decision-making and governance and exercises sound financial management.
- The panel also seeks reassurance that the council is not experiencing destructive internal conflict or that nothing has occurred to bring the council into disrepute.
- The council works to a forward plan (or business plan) created for at least three years even if this takes the council beyond the next election. This plan explicitly responds to community engagement. It sets out the council's aims and objectives for both the council and the community and shows how they will be achieved including financial forecasts for both revenue and capital for the duration of the plan.
- The annual report, web material and news bulletins publicise the work and achievements of the council and contain substantial evidence that the council takes the lead in actively representing and serving all parts of its local community. The council therefore addresses the diversity of its community, including, for example, different age groups, service users, physical locations, housing types, language, employment status and skills.
- These sources of information also show that the council seeks out and responds to views and ideas expressed by its community. The council uses a variety of ways (at least four) of consulting and involving local people to understand their views. There should be evidence that the council identifies local needs and views through community engagement that are then addressed in constructive council action. These sources also show that the council promotes local democracy.

- The panel seeks evidence that community engagement is at the heart of determining council priorities. Evidence shows this engagement leads to actions and projects within the council that deliver positive outcomes for the community. The council is innovative; this is the case if the council undertakes actions that are still relatively new or unusual for that council. There is evidence that the council embraces new ideas and trying new projects. The panel also checks that the council is co-operating with other organisations, including community groups, its principal authority(ies) and other agencies to provide an effective service to the community. Co-operation includes but is not limited to partnerships.

- The statement on ensuring value for money explains how the council reviews the quality and costs of its activities to confirm that the costs are appropriate. This could include, for example, the cost of the clerk's role in serving the council, the purchase of computer equipment or a grass cutting contract. It may also include reference to criteria from the other award levels as a number of these criteria do provide evidence that the council offers value for money.

- The panel seeks evidence that the council has considered climate change and other environmental issues and has engaged with the community on these issues. The council will have considered how it can support or facilitate the community to take actions that could have a positive environmental impact for the local area, or more widely.

- The statement on leadership in planning for the future shows how the council engages with a range of activities that influence the planning system and facilitate community-led planning. Activities may include, for example, identifying and representing community views on planning applications and local plans, working on parish or town plans, or holding community-led planning activities such as Planning for Real® or community conferences. The statement should include the council's approach to neighbourhood planning.

- Finally, the statements on performance management explain the processes by which the performance of the council as a corporate body is constantly improved and shows how the performance, skills and knowledge of each individual in the council is managed to help the council achieve its objectives on behalf of the community. The statements also include confirming that each member of staff has their own professional development plan and that the majority of councillors participate in a member development programme that is specific to their roles and the needs of the council. It is important to show evidence that the council is a good employer.

## A GUIDE TO THE ACCREDITATION PROCESS

The Local Council Award Scheme is a form of peer review. Councils are reviewed by experienced peers through the work of a local accreditation panel.

The aim of this accreditation process is to be as simple, efficient and flexible as possible. It also seeks to ensure that every council that wishes to take part in the scheme is able to, and is assessed in a reasonably consistent way.

### REGISTRATION

1. The council registers its intention to apply for a specified award online at [www.nalc.gov.uk/localcouncilawardscheme](http://www.nalc.gov.uk/localcouncilawardscheme)
2. Contact NALC at [leas@nalc.gov.uk](mailto:leas@nalc.gov.uk) or on 020 7637 1865.
3. The council pays a registration fee to NALC to cover the costs of managing the national scheme, including: administration, national online resources, quality assurance and review processes.
4. NALC provides the applicant with a template application form and the contact details of the co-ordinator of the appropriate accreditation panel.
5. NALC provides the panel co-ordinator with information of the council's application.
6. When a council is ready to make its application to the accreditation panel, its clerk notifies the panel co-ordinator that the council has passed a resolution confirming that all the documentation and information is in place for a specified award and submits a completed application form with any additional documentation required.
7. The council pays the accreditation fee which covers the costs administering the local service.
8. The local panel co-ordinator keeps a record of all applications and monitors their progress.
9. When the accreditation panel makes its decision it informs the council. It also completes an online form to allow NALC to update national records.

### ONLINE CONNECTIVITY

The Award Scheme requires councils to publish certain information and documents online. In exceptional circumstances a council may not be able to put documents online because of poor digital connectivity in the local area. In this case, the council applies to the panel co-ordinator for permission to submit evidence for an award in an alternative format. The co-ordinator must be confident that poor digital connectivity is the problem rather than an unwillingness to use an online service for publishing council documents.

### THE ACCREDITATION PANEL

The accreditation panel is set up by a County Association or a regional group of County Associations. The aim of any panel arrangement is to facilitate training, promote consistency and help manage the workload. Where an individual County Association is unable to support the scheme, a council will be able to submit their application

to an appropriate neighbouring or regional panel.

County Association's may adapt the accreditation process to fit local need. They are able to discuss this with the Improvement and Development Manager at NALC, for support and guidance.

The panel co-ordinator manages a pool of up to ten potential panel members, in the expectation that between three and five members are required to review each application. The panel includes experienced councillors and clerks as well as someone independent of the sector with an understanding of local government.

Panel membership should be reviewed by

the panel co-ordinator every two years.

At the beginning of the accreditation process a panel is drawn together from the pool of potential members. The panel could choose a lead panellist or chair if needed to facilitate decision making.

All panel members are expected to use email or an online service to read a council's documents and also act in the spirit of a Code of Conduct; for example, they do not assess an award for their own or a neighbouring council.

The accreditation panel determines

how often an accreditation process occurs,

or an appropriate trigger for this to take place. For example, a panel may decide to convene every two months or may wait until the receipt of ten applications (as long as this is no later than two months after an application has been received). Panels should note that all costs of administering the panels must be met from application fees.

So, to minimise costs, the panel can convene and conduct its business remotely rather than face-to-face. The resources provided by NALC will support this way of working.

The local panels have discretion

over the detail of how they organise the accreditation process.

In consultation with the panel co-ordinators, NALC will provide regularly updated guidance and support for accreditation panels.

### THE ACCREDITATION PROCESS

The emphasis of the scheme is on encouraging and supporting the improvement of councils. The aim of the panel is therefore to help councils to achieve awards and panels are urged to be constructive.

The panel checks that the criteria for the relevant award have been met in published and/or requested information. Most documents and information will be posted on a website. Where it is not appropriate for a document or information to be on a website, the panel is permitted to ask to see electronic versions.

As all information and documents are available online or in electronic format, the panel's work can be done without meeting. Each member of the panel completes a form showing their responses to the co-ordinator.

The co-ordinator reviews the completed forms from the panel which decides whether additional information or documents are required.

Panel members do not need to examine every document in detail but are advised to carry out spot-checks enabling them to make recommendations.



For Quality Gold, the panel may wish to discuss the council's activities with councillors, or staff or visit the parish but the cost of doing so must be covered by the fee.

#### THE OUTCOME

When the panel is satisfied that it has seen sufficient information, the findings are presented in a report agreed by the panel. The panel makes one of three recommendations to the council:

- The Award is achieved.
  - The Award is achieved but the council is advised to make some small changes.
  - The Award is not achieved until specified improvements have been made.
- If a council has applied for a higher award but has not achieved all the criteria, the panel can award a lower award if appropriate.

The aim of the scheme is to be supportive and help councils achieve the status they have applied for and so it is expected that achieving a lower (or no) award would be an exceptional circumstance. The panel should let the council know as soon as possible if it appears that they have omitted necessary evidence or it appears likely that they will not achieve the award, and the council should be given some time to respond to that feedback.

The co-ordinator informs the council of the outcome within two months of being notified of the application. They also inform NALC of the outcome and successful councils are included in a published list. NALC issues a certificate and provides resources to help the council celebrate and promote their achievement which is sent to the council and panel co-ordinator.

Councils and accreditation panels will be contacted by NALC for feedback on the process and the benefits of receiving the awards.

A council may appeal to the IDB (with an additional fee) if it feels that the panel's decision is unjustified. The IDB will appoint two representatives to review the appeal and the IDB's decision is final.

#### UPGRADING ACCREDITATION, RE-ACCREDITATION AND REMOVAL OF ACCREDITATION

Accreditation lasts for four years.

**Applying for a higher award:**

- If a council wishes to apply for a higher award, it makes a fresh registration and application.
- A council can make a fresh application for a higher award at any time. If this is within one year of the previously successful accreditation, the panel does not need to revisit evidence that was previously approved.

**Re-accreditation:**

- The council may seek re-accreditation at the same level after four years. If it does not achieve a new accreditation or re-accreditation before four-year end-date, it loses its award.

#### Removal of accreditation:

- The council is expected to maintain its reputation by meeting the criteria throughout the four years.
- Although some circumstances may change, the council will not lose its award unless a significant event such as an audit, employment tribunal, court case or police investigation demonstrates the council's poor performance. In this case, a panel co-ordinator asks the IDB to appoint two representatives to review the situation. The IDB assesses the severity of the case before deciding whether to impose a sanction which may include the removal of all awards or returning the council to a lower award.
- The council can appeal to the IDB if the decision to remove an award is taken in which case two different IDB representatives review the case and their decision is final.

#### FEES

There are two fees:

- A registration fee paid to the National Association of Local Councils
- An accreditation fee paid to the organisation responsible for administering the local or regional accreditation process.

The registration fee paid to NALC is £50 paid by all councils for each level regardless of size.<sup>1</sup>

The accreditation fee<sup>2</sup> varies according to:

- The award applied for
- The income of the council
- The council's accreditation history.

<sup>1</sup> All figures quoted are excluding VAT.

<sup>2</sup> The figures quoted are the discounted rates for members of NALC. Both the registration fee and accreditation fee are reduced by 50% for member councils. Non-member councils must pay the full fee to double the figures quoted in this grid.

	ANNUAL INCOME		ANNUAL INCOME OVER £25,000
	UNDER £25,000		
Foundation Standard	£50	£80	£80
Quality Standard	£80	£100	£100
Quality Gold	£100	£200	£200

The accreditation fee covers the cost of the accreditation panel decision making process only. County Associations may charge additional costs for advice, training or support of applications. Those services and fees will be determined locally.

The IDB will review fee levels annually.

The fee is reduced by 20% if the council sought accreditation at a lower level within the previous 12 months as the checking process covering criteria for the previous award requires less work.



## EVALUATION AND IMPROVEMENT

The aim of the evaluation and improvement process is to allow councils to feel ownership of the scheme, and to see the scheme changing to meet the feedback and needs expressed by the sector. It should also allow the scheme to be dynamic and able to respond over time to changes in the sector, national policy and other relevant issues.

### QUALITY ASSURANCE

Twice a year, representatives of the IDB will check at random a small sample of awards by carrying out spot checks of documents and information posted on a council's website.

The findings will not affect a council's award but will be used to improve the training for accreditation panels and to inform regular reviews of the scheme.

### EVALUATION

At the end of each accreditation process the council and the panel will be sent a short evaluation questionnaire. This will aim to gather feedback on the process, the criteria, the resources provided by NALC and how they could be improved.

One year after accreditation the council will be contacted again. The council will be encouraged to apply for the next level of award, to make use of the fee discount. The council will also be asked to describe the benefits they have felt from being accredited by the scheme and their feedback on the scheme as a whole.

### IMPROVEMENT

The feedback collected will be used to inform improvements to the scheme. The whole scheme, including the content and accreditation process, will be reviewed every Year.

These reviews will alternate between:

- A light touch approach only making urgent required changes where these are considered critical to the scheme.
- A wider ranging review aiming to best address collected feedback from all parties.
- The IDB will oversee all changes to the scheme.



## Foundation Award

The Foundation award is for councils who want to show they meet a set of minimum standards to deliver effectively for their communities. To meet this award the council demonstrates that it has the required documentation and information in place for operating lawfully and according to standard practice. The council also has policies for training for its councillors and officers and so has the foundations for improvement and development in place.

The Foundation award allows you to benchmark your performance as well as challenge you to consider your council's continuing development and improvement.



## Quality Award

The Quality Award demonstrates that a council achieves good practices in governance, community engagement and council improvement. Quality councils go above and beyond their legal obligations, leading their communities and continuously seeking opportunities to improve and develop even further.

To achieve the Quality Award a council demonstrates that it meets all requirements of the Foundation Award and has additional evidence of good governance, effective community engagement and council improvement. Due to the level of this achievement, a council with a Quality Award can also be eligible to use the general power of competence.



## Quality Gold Award

The Quality Gold Award demonstrates that a council is at the forefront of best practice and achieves excellence in governance, community leadership and council development. Quality Gold councils provide leadership for their communities, bring people together, have excellent business planning processes, ensuring value for money as well as constantly seek new innovations and opportunities to improve. They highlight the very best we, as a sector, can achieve for our communities.





AUGUST 2019

## **LTN 33 | COUNCILLORS' ALLOWANCES**

### **Introduction**

1. This Note will consider the payment of allowances to local council chairmen and the different types of allowances that can be paid to councillors generally. The relevant law for England is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 ("the 2003 Regulations") and for Wales in the Local Government (Wales) Measure 2011 ("the 2011 Measure"). Unless otherwise stated statutory references are to the 2003 Regulations.

### **The Parish Basic Allowance**

2. A local council is able to pay a parish basic allowance ("PBA") 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 but otherwise the sum shall be the same for each member.
3. The PBA is not a salary. It is a figure, which is calculated to cover the expenses that are normally associated with the basic duties of being a local councillor. The purpose is also not to reimburse individual councillors for specific expenses. Travelling and subsistence allowances are treated separately (see paragraph 7 below). There is no set figure and amounts may differ according to local factors.
4. Regulation 25 (6) provides that as soon as reasonably practical after setting the levels at which the PBA 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 PBA made by the parish remuneration panel (see below);
  - b. the level or levels at which the authority has decided to pay PBA 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.

5. The council must keep a copy of the information referred to in the notice available for public inspection on reasonable notice (Regulation 25 (7)).
6. The 2003 Regulations also require a notice to be published when the report of the parish remuneration panel is made to the council (Regulation 30). 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.

### **Parish Travelling and Subsistence Allowance**

7. Regulation 26 permits a local council to pay to both elected and co-opted members allowances in respect of travelling and subsistence. This includes 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**

8. Regulation 25 (2) and Regulation 28 provide that where a local council proposes to pay the PBA, it must have regard to the recommendations which have been made in respect of it by the parish remuneration panel in setting the level of that allowance. The same requirement is not specified within Regulation 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 in NALC's view it would be

appropriate for councils to also take the view of the parish remuneration panel into account.

### **Parish Remuneration Panel**

9. Regulation 27 states that a parish remuneration panel may be established by a responsible authority (which is defined as a district or unitary county council). In some areas panels will not be set up as there is no duty to do so. The implication is that the panel is established when a request to do so is made by an appropriate local council. The process of making such a request is not specified within the 2003 Regulations and how this is achieved in practice will differ around the country.
10. The expenses of the parish panel are to be met equally by those local councils in respect of which recommendations are made (Regulation 27(4)). Although the 2003 Regulations are not specific, it may be assumed that the cost is spread between those local councils that actually make a request.
11. Regulation 28 provides that when convened, a parish remuneration panel will produce a report making recommendations as to -
  - a) the amount of PBA payable to members of the local council (the council must take this into account in setting the agreed level);
  - b) the amount of travelling and subsistence allowance payable (see above comments on taking this into account) ;
  - c) whether the PBA should be payable only to the chairman of the council or to all of the elected members;
  - d) if the PBA is 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.
12. A copy of this report is sent to each council about which recommendations have been made.

### **Levels of Allowances**

13. Regulation 29 enables the parish remuneration panel in making its recommendations, to apply the same level to all the local councils for

which it was established or else recommend different levels for different councils.

14. The parish remuneration panel shall express its recommendations as to the level of PBA both as a percentage of the sum that an independent remuneration panel has recommended for principal authorities (this figure can be 100%) and as a monetary figure.

#### **What to do after receiving the recommendation?**

15. Regulations 30 and 31 provide that 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:
    1. states that it has received the recommendation
    2. describes the main recommendations and specifies the recommended amounts of each allowance and
    3. 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.
16. A reasonable fee can be charged for the provision of a copy of the report.
17. 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 without payment of a fee upon giving reasonable notice. Copies must be provided if so requested and a reasonable fee can be charged.
18. 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 in the year to each councillor in respect of the PBA and for the parish travelling and subsistence allowance.

### **Election to Forgo an Allowance**

19. Regulation 32 enables a member to elect in writing to the proper officer that he or she wishes to forgo all or any part of their entitlement to the above allowances.

### **Recovery of Payments Made**

20. Regulation 25 (8) provides for the recovery of allowances already paid to a member. An authority may require that where payment of PBA has already been made in respect of any period during which the member concerned ceases to be a member of the authority or is in any other way not entitled to receive the allowance in respect of that period,

### **Chairman's Allowance**

21. S.15 (5) of the Local Government Act 1972 (s.34 (5) for Wales) remain in force. This enables a local council to pay its chairman for the purpose of enabling him/ her to meet the expenses of his/ her office such allowance as the council thinks reasonable. This means that councils can make this payment without the need to refer to the parish remuneration panel.

### **Dependants' Carer's Allowance**

22. In England local councillors are not entitled to claim this allowance under the 2003 Regulations.

### **Tax Implications**

23. When paying parish basic allowances to elected members, local councils are obliged to deduct income tax. HM Revenue & Customs ("HMRC") treats all councillors equally so local councillors will be subject to tax provisions in the same way as principal authority councillors. There may also be similar considerations with regard to travel and subsistence allowance in certain circumstances. Councils are advised to consult HMRC for guidance on the tax treatment of allowances. Also advice can be requested from NALC's Accounts and Audit Advisor.

### **Councillors' allowances in Wales**

24. Under the 2011 Measure, the Independent Remuneration Panel for Wales prescribes the maximums for community and town councillors' allowances in Wales. Details are published in the Panel's annual reports



and can be found on the Panel's website: <https://gov.wales/independent-remuneration-panel-wales>. Each community/ town council must formally decide to apply the determinations if they decide to pay allowances. If a council does adopt the determinations, members are currently entitled to:

- £150 a year to cover telephone, IT and other costs.
- Up to £1500 for additional duties if mayor, £500 if deputy-mayor or for other roles.
- Reimbursement of travel and subsistence costs when on official business
- A financial loss allowance
- Reimbursement of the costs of care for a dependent child or adult of up to £403 a month (including formal and informal carers, e.g. babysitters for council meetings when no one else is available to care for a councillor's child(ren).

Councils should consult HMRC for taxation questions.

**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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# PUBLIC NOTICE



Dated: 20th April 2023

## COUNCILLOR ALLOWANCES AND TRAVEL EXPENSES

for the period 1st April 2022 to 31st March 2023

As set out in The Local Authorities (Members' Allowances) (England) Regulations 2003, PART 5, Regulation 31, as soon as reasonably practicable after the end of a year, an authority shall arrange for the publication, for a period of at least 14 days, of a notice in a conspicuous place or places in the area of the authority stating the total sum paid by it in the year to each member in respect of each of the following—(a) parish basic allowance; and (b) parish travelling and subsistence allowance.

COUNCILLOR NAME	COUNCILLOR ALLOWANCE	CHAIR ALLOWANCE	TRAVEL EXPENSES	TOTAL
Muhammad Abid Anwar	£ 829.75			£ 829.75
Sara Agintas	£ 829.75			£ 829.75
Graham Davison	£ 704.75	£ 250.00		£ 954.75
Sandra Kennedy	£ 829.75		£ 214.90	£ 1,044.65
Peter Kirkham	£ 829.75			£ 829.75
Judy Kite*	£ 62.50			£ 62.50
Paul McGahan*	£ -			£ -
Linda Morgan	£ 829.75	£ 1,472.00	£ 1,172.82	£ 3,474.57
Carol Northwood	£ 829.75			£ 829.75
Derek Northwood*	£ -			£ -
Ann Ronaldson	£ 829.75			£ 829.75
Edward Seaborne*	£ 62.50			£ 62.50
John Warren*	£ -			£ -

\*co-opted councillor

Parish Councillors are volunteers and they do not get paid. The payment of Councillors' Allowances is subject to a statutory process which involves a local independent remuneration panel set up by Milton Keynes Council, whose role is to make recommendations as to the level of the various allowances that a Parish Council can pay. The allowance although it is not a salary is treated by HMRC as taxable income and is processed on the Parish Councils payroll software. It is a figure which is calculated to cover the expenses which are normally associated with the basic duties of being a Councillor.

Document No: CAESPC170523



# Councillor Allowances and Expenses Policy

Signed: .....L Morgan.....  
The Chair-Stantonbury Parish Council

Date: ...17/05/2023.....

## Document History

Reviewed by RFO	02/02/2022
Reviewed at MM February 2022	16/02/2022
Updated by RFO – Expense Claims	10/03/2022
Updated by RFO – Expense Claims	23/04/2022
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Adopted at Main Meeting	04/05/2022
Reviewed & Updated by RFO	30/03/2023
Adopted and signed at the Annual Meeting	17/05/2023

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## Policy Statement

This Policy is made under the terms of the Local Authorities (Members Allowances) (England) Regulations 2003.

This Policy takes into consideration the recommendations made by the Independent Parish Remuneration Panel appointed by the principal Authority (Milton Keynes Council) who meet and report every 4 years. Their most recent report was issued in December 2021.

Whilst Stantonbury Parish Council recognises the recommendation of the Independent Parish Remuneration Panel it chooses to expand and clarify elements of the recommendation as set out in Appendix A

### 1. Background

Parish councillors are volunteers, they do not get paid. The allowance although it is not a salary is treated by HMRC as taxable income and is processed on the Parish Councils payroll software. It is a figure which is calculated to cover the expenses which are normally associated with the basic duties of being a councillor.

The amount paid to the Chair may differ from that of other Councillors (i.e. a higher sum may be paid in light of the extra duties and responsibilities that are required of the Chair) but otherwise the sum shall be the same for each Councillor.

The payment of Councillors' allowances is subject to a statutory process which involves a local remuneration (independent of the local council) panel, whose role is to make recommendations as to the level of the various allowances that a council can pay.

The Parish Remuneration Panel was convened by Milton Keynes Council as the 'Responsible Authority' so required by the 2003 Regulations:

- The Local Authorities (Members Allowances) (England) Regulations 2003
- Statutory Instrument 2003 No. 1021 and the amendment – Statutory Instrument 2003 No. 1692

The Guidance issued on these regulations for Members of a Parish Council is:

*"91. Parish councils may choose to pay their members an allowance, known as 'parish basic allowance', to recognise the time and effort they put into their parish duties. There is no obligation on parish councils to pay such allowances. Each parish council may make an allowance available to its chair only, or to each of its members. Where all members receive an allowance, the amount payable to the chair may be different to that paid to other members, but otherwise the amount paid to each member must be the same. Parish basic allowance is a discretionary allowance. It may be paid in a lump sum, or at intervals throughout the year.*

*92. If a parish council wishes to pay a basic allowance, it should have regard to a recommendation from its parish remuneration panel. This is a panel set up to make recommendations to parishes in its area. The membership of a parish remuneration panel will be the same as the independent remuneration panel of the district or county council within whose area the parish is situated. The panel will make a recommendation as to whom basic allowance should be paid, and the level of the allowance."*

*(New Council Constitutions: Guidance on Regulation for Local Authority Allowances, DCLG, 2003)*

Stantonbury Parish Council does not have the Quality Award as set by [NALC](#).

## 2. Basic Allowance (as of May 2023)

The Local Authorities (Members Allowances) (England) Regulations 2003 Statutory Instrument 2003 No. 1021 state the basic allowance recommended by a Parish Independent Remuneration Panel can be for any amount up to 100 per cent of the basic allowance paid by Milton Keynes Council.

The Panel therefore recommends that those parishes who feel that a basic allowance would be appropriate should be able to pay an amount up to 10% of the Basic Allowance for Milton Keynes Council for Quality approved Parish Councils.

For those Councils that are **not Quality approved they should be able to pay an amount up to 7.5% of the Basic Allowance for Milton Keynes Council.**

The recommended Basic Allowance for Milton Keynes Council is £11,688;  
10% of this is £1,169  
**7.5% of this is £877.**

This should **only** be paid to Members who are elected not those co-opted.

## 3. Chairs Allowance (as of May 2023)

The Chair's allowance that can be recommended by the Independent Remuneration Panel can be for any amount up to 100 percent of the Basic Allowance paid by Milton Keynes Council. The Panel is of the view that any decision regarding the payment of a Chair's Allowance and the level of that allowance should be left entirely to the discretion of individual parish and town councils, considering individual local circumstances, whilst adhering to the recommended maximum allowance.

The Panel therefore recommends the Chair's Allowance for Quality approved Parish and Town Councils should be up to 20% of Milton Keynes Council's recommended Basic Allowance.

The recommended Basic Allowance is £11,688; 20% of this is £2,338.

The Panel further recommends that the Chair's Allowance for those Councils **not Quality** approved should be up to 15% of Milton Keynes Council's recommended Basic Allowance.

The recommended Basic Allowance is £11,688; **15% of this is £1,754.**

The Chair's allowance can be in addition to the Basic Allowance, or not, if no Basic Allowance is paid.

## 4. Indexation of Allowances

The indexation of the allowances paid to Members of the Council should be in line with the indexation applied to Members Allowances at Milton Keynes Council, namely linked to staff salary increases of Council employees.

## 5. Foregoing Allowances

A Councillor may choose not to receive all or part of any allowance to which they would otherwise be entitled. To do so they must give written notice to the proper officer.

## 6. Expense Claims

**Travel and Subsistence** - Regulation 26 permits both elected and co-opted members allowances in respect of travelling and subsistence. Travel and subsistence is for approved councillor duties only incurred in connection with the performance of any duty within one or more of the following categories—

- a) the attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority 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 authority is a member;
- c) the performance of any duty in pursuance of any standing order made under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;
- d) the performance of any duty 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; and
- e) the carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

The Panel recommends that the Parish Councils should pay a mileage allowance of 45p per mile (for a car) and 45p per mile for an electric car which are in line with the HMRC recommendations. Subsistence rates should be paid in line with Milton Keynes Councillors.

For the purposes of calculating claims, a councillor's normal place of residence (his/her home) is regarded as his or her normal place of work, so expenses associated with travel from home to the council office, and other locations to conduct council business, may be claimed back. Where a councillor travels on council business from his or her employment or business (which is not council related) he or she may be reimbursed for the cost of the journey. However, if the cost of making this journey would have been lower had it started from the councillor's home, then that lower cost is the maximum amount which should be reimbursed. For example if the distance from a councillor's home to council offices is 5 miles and from a councillor's business to council offices is 10 miles, a maximum of 5 miles may be reimbursed.

### **Travel by Private Transport**

In addition to the mileage allowance covered above, Councillors can also claim the costs associated with travelling by private car, motorcycle or bicycle:

- Parking charges - receipted costs of expenses incurred
- Road and bridge tolls (if appropriate) - costs of expenses incurred
- Road pricing/congestion charging - receipted costs of expenses incurred

Parking fines will **not** be reimbursed.

### **Travel by Public Transport**

The following expenses may be claimed back by councillors who use public transport to carry out their duties:

- Buses and trams - expenses incurred, including season ticket/passes where this is considered more cost effective

- Taxis, trains, air travel, ferry travel - receipted cost of fare

It is expected that councillors should travel by standard/economy class for their journeys. Councillors and local authorities should consider cost effectiveness and value for money when choosing the mode and class of transport for a journey on council business.

**Other Expenses** - Any expense incurred at the direction of the council shall be reimbursed.

Incidental costs such as broadband, stationery, use of home, telephone, and printing costs are compensated for by the allowance scheme.

Expense claims should be submitted to the Responsible Financial Officer within three months of being incurred using the appropriate Stantonbury Parish Council expense claim form together with any relevant supporting documentation.

Council may offer to pay for the travel, by taxi or season tickets where they consider it more cost effective to do so. Any such costs should be recorded as a cost to the relevant councillor and published annually on the Council's website.

## 7. IT Equipment

Councillors will be provided with a laptop and printer (if required) which will remain the property of the Stantonbury Parish Council.

## 8. Publicity

Regarding the allowances, the Panel recommends that the Parish Councils act in accordance with the following guidance (Section 5, Paragraph 30 of the Regulations (SI2003 No. 1021):

*“Parish councils are required to publicise their allowances in a notice or notices conspicuous in their area. These notices must remain in place for at least 14 days. In addition, they must make a record of the allowances they have paid available for inspection at reasonable notice. They must provide copies of this record on request and may charge a reasonable fee for this. Parishes must also publish details of the parish remuneration panel reports. Again, these are minimum requirements, and parish councils may wish to go further in making local people aware of their allowances scheme and payment levels. For example, they may wish to circulate details of their allowances in the parish newsletter, if they have one, place them on a website, or publish them in one or more newspapers”.*

**The Panel recommends that the Parish Clerk should publicise the allowances scheme to all Parish and Town Councillors and the public. Each Parish and Town Council is required to formally adopt the recommendations in the Independent Panel report.**

## 9. Appendix A – Clarification of Travel Expenses

Stantonbury Parish Council choose to provide a Taxi Account managed by the RFO for the following Councillor situations.

- Councillors with mobility issues preventing the use of public transport or private vehicle.
- Councillors where a direct route to the Parish Office(s) from the registered place of residence, is unavailable or unnecessarily arduous or time consuming. Arduous also includes consideration of night time travel by councillors who may be vulnerable.
- Notwithstanding the stated approved travel as set out in Statutory Instrument 2003 No. 1021 and the amendment – Statutory Instrument 2003 No. 1692 - Part 2 Councillor



Allowances 5. 1 Items a) to i) (2) items a) to (c) and (3). The Parish Council adopts the following as approved duties for the purpose of qualifying for expenses:-

1. Any staff request for a meeting with a Councillor
2. Committee, sub-committee, working party meetings.
3. Meetings with subcontractors in respect of asset or facilities management of the Council premises. Or at the sub-contractor's premises in respect of Parish Council matters
4. Meetings with Parishioners at any of the Council offices
5. Meetings with legal advisers either at the Parish Offices or the offices of the advisors.

Other travel expenses will be subject to prior approval of the Proper Officer and RFO.

This Policy will be reviewed annually.



**REPORT OF THE INDEPENDENT REMUNERATION PANEL  
FOR  
MILTON KEYNES PARISH AND TOWN COUNCILS**

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**DECEMBER 2021**

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## Report from the Parish and Town Councils Independent Remuneration Panel December 2021

### 1. Introduction

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The Parish Remuneration Panel was convened by Milton Keynes Council as the 'Responsible Authority' so required by the 2003 Regulations:

The Local Authorities (Members Allowances) (England) Regulations 2003  
Statutory Instrument 2003 No. 1021 and the amendment – Statutory Instrument 2003 No. 1692

The Guidance issued on these regulations for Parish Allowances/ or Members of Parish Council is:

*"91. Parish councils may choose to pay their members an allowance, known as 'parish basic allowance', to recognise the time and effort they put into their parish duties. There is no obligation on parish councils to pay such allowances. Each parish council may make an allowance available to its chair only, or to each of its members. Where all members receive an allowance, the amount payable to the chair may be different to that paid to other members, but otherwise the amount paid to each member must be the same. Parish basic allowance is a discretionary allowance. It may be paid in a lump sum, or at intervals throughout the year.*

*92. If a parish council wishes to pay a basic allowance, it should have regard to a recommendation from its parish remuneration panel. This is a panel set up to make recommendations to parishes in its area. The membership of a parish remuneration panel will be the same as the independent remuneration panel of the district or county council within whose area the parish is situated. The panel will make a recommendation as to whom basic allowance should be paid, and the level of the allowance."*

*(New Council Constitutions: Guidance on Regulation for Local Authority Allowances, DCLG, 2003)*

## 2. Terms of Reference

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The Panel was asked to consider and make recommendations to Parish Councils regarding:

- Basic Allowance
- Chair's Allowance
- Travel and Subsistence Allowance
- Indexation

### **The Parish Independent Remuneration Panel**

The Parish Independent Remuneration Panel comprised of the same membership as the Independent Remuneration Panel which met on 12<sup>th</sup>, 13<sup>th</sup> October and 18th November 2021 to review the allowances for Milton Keynes Council and the members of the panel are set out below:

The Panel comprised the following members:

- Stewart Bailey, Local Resident and Managing Director, Virtual Viewing
- Ruby Parmar, Local Resident and Former PWC Director
- Mark Palmer, Development Director, South East Employers, Chair
- Clive Parker, Local Resident and former Local Government Officer, provided administrative support to the Panel.

The Panel met virtually via MS Teams. The Panel meeting was held in private session.

## 3. Approach

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All Parish and Town Councils were invited to provide views through a questionnaire and the opportunity to speak to the Panel in respect of the Parish Basic Allowance, the Chair's Allowance, Travel and Subsistence and Indexation. Twelve Parish and Town Councils responded to the questionnaire, and one Parish and Town Councillor met the Panel as part of the review. Six Parish and Town Councils advised the Panel that they currently make some sort of payment to the Parish Chair's.

The Panel thanks the twelve Councils who responded to the questionnaire. The Panel further thanks Councillor Chris Williams, Chair, Shenley Brook End and Tattenhoe Parish Council who met the Panel as part of the interview process.

The Panel paid close attention to the Government Guidance when making its recommendations.

## 4. Arriving at the Recommendations

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The Panel was of the view that whilst parish councillors did not stand for office for any financial reward, an allowance could actively support someone in the councillor role and that it was essential to be able to attract parish councillors from a wide range of backgrounds. Councillors should also not be out of pocket for undertaking the role.

## 5. Recommendations

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### Basic Allowance

The Local Authorities (Members Allowances) (England) Regulations 2003 Statutory Instrument 2003 No. 1021 state the basic allowance recommended by a Parish Independent Remuneration Panel can be for any amount up to 100 per cent of the basic allowance paid by Milton Keynes Council.

**The Panel therefore recommends that those parishes who feel that a basic allowance would be appropriate should be able to pay an amount up to 10% of the Basic Allowance for Milton Keynes Council for Quality approved Parish Councils.**

**For those Councils that are not Quality approved they should be able to pay an amount up to 7.5% of the Basic Allowance for Milton Keynes Council.**

The recommended Basic Allowance for Milton Keynes Council is **£11,165**; 10% of this is **£1,117** and 7.5% of this is **£837**. This should **only** be paid to Members who are elected not those co-opted.

The questionnaire asked if Parish and Town Councils may wish to consider awarding a Basic Allowance, five of the twelve responding councils stated that they may be interested in the awarding of a Basic Allowance in the future.

### Chair's Allowance.

The Chair's allowance that can be recommended by the Independent Remuneration Panel can be for any amount up to 100 percent of the Basic Allowance paid by Milton Keynes Council. The Panel is of the view that any decision regarding the payment of a Chair's Allowance and the level of that allowance should be left entirely to the discretion of individual parish and town councils, considering individual local circumstances, whilst adhering to the recommended maximum allowance.

**The Panel therefore recommends the Chair's Allowance for Quality approved Parish and Town Councils should be up to 20% of Milton Keynes Council's recommended Basic Allowance. The recommended Basic Allowance is £11,165; 20% of this is £2,233.**

**The Panel further recommends that the Chair's Allowance for those Councils not Quality approved should be up to 15% of Milton Keynes Council's recommended Basic Allowance. The recommended Basic Allowance is £11,165; 15% of this is £1,675.**

**The Chair's allowance can be in addition to the Basic Allowance, or not, if no Basic Allowance is paid.**

The questionnaire asked if Parish and Town Councils may wish to consider awarding a Parish Chair's allowance. Five Parish and Town Councils of the twelve responding to the questionnaire stated that they may be interested in paying a Parish Chair's allowance. This was in addition to the six Councils that already made some payment to the Chairs.

## **Travel and Subsistence.**

The Panel recommended that travel and subsistence for Parish and Town Councils should be at the same rates paid to the Milton Keynes Council Members. **The Panel recommends that the Parish Councils should pay a mileage allowance of 45p per mile (for a car) and 45p per mile for an electric car which are line with the HMRC recommendations. Subsistence rates should be paid in line with Milton Keynes Councillors. Travel and subsistence is for approved councillor duties only.**

## **Indexation of Allowances**

The indexation of the allowances paid to Members of the parish and town councils should be in line with the indexation applied to Members Allowances at Milton Keynes Council, namely linked to staff salary increases of Council employees.

## **Withdrawal of Allowances**

The Panel recommends that where a member is suspended or partially suspended, all or part of their allowance should be withheld. This would also apply to Travel and Subsistence allowances.

## **Foregoing Allowances**

A parish/town councillor may choose not to receive all or part of any allowance to which they would otherwise be entitled. To do so they must give written notice to the proper officer of the parish/town council.

## **Publicity**

Regarding the allowances, the Panel recommends that the Parish Councils act in accordance with the following guidance (Section 5, Paragraph 30 of the Regulations (SI2003 No. 1021):

*“Parish councils are required to publicise their allowances in a notice or notices conspicuous in their area. These notices must remain in place for at least 14 days. In addition, they must make a record of the allowances they have paid available for inspection at reasonable notice. They must provide copies of this record on request and may charge a reasonable fee for this. Parishes must also publish details of the parish remuneration panel reports. Again, these are minimum requirements, and parish councils may wish to go further in making local people aware of their allowances scheme and payment levels. For example, they may wish to circulate details of their allowances in the parish newsletter, if they have one, place them on a website, or publish them in one or more local newspapers.”*

## **Publication**

**The Panel recommends that the Parish Clerk should publicise the allowances scheme to all Parish and Town Councillors and the public. Each Parish and Town Council is required to formally adopt the recommendations in this report.**

## **Implementation**

**The Panel recommends the Basic Allowance and Chair's Allowance should be implemented from May 2022.**

Mark Palmer  
Chair of the Independent Remuneration Panel  
December 2021