

## 13. Payments to Members of Community and Town Councils

- 13.1 The Panel recognises a wide variation in geography, scope and scale across the 735 community and town councils in Wales, from small community councils with relatively minimal expenditure and few meetings to large town councils with significant assets and responsibilities.
- 13.2 Since producing its last report, the Panel has so far met with 154 Councillors and Clerks representing 175 community and town councils in 7 meetings it held across Wales. The Panel also gave evidence to the Welsh Government's review of Community and Town Councils. The discussions re-confirmed the widely held view that the roles individual councils undertake varied significantly and that in accordance with this wide variation, the responsibilities and accountabilities of councillors must also vary. Councillors managing income or expenditure of £1m and those delivering significant services, including some that might have been delegated from principal councils, are operating in a much more complex environment than a council with an annual budget of less than £30,000.
- 13.3 In its last Annual Report the Panel formed 3 groups of community and town councils to reflect these differences based on the level of income or expenditure, whichever is the highest, in the previous financial year. These remain unchanged as set out in Table 8.

**Table 8: Community and Town Council Groupings**

<b>Community and Town Council Group</b>	<b>Income or Expenditure in 2018-19 of:</b>
A	£200,000 and above
B	£30,000 - £199,999
C	Below £30,000

- 13.4 The discussions held with community and town councils during 2018 raised a number of queries in respect of which the following paragraphs provide further clarification.
- 13.5 In order to act and carry out duties as a member of a community or town council all persons are required to make a formal declaration of acceptance of office. Following this declaration, members of community or town councils are then holders of elected office and occupy a role that is part of the Welsh local government structure. It is important to note that a person who follows this path is in a different position to those in other forms of activity, for example such as volunteering or charitable work, typically governed by the Charity Commission for England and Wales.
- 13.6 Under the Local Government (Wales) Measure 2011, community and town councils are relevant authorities for the purpose of remuneration.

- 13.7 Consequently, individuals who have accepted office as a member of a community or town council are entitled to receive payments as determined by the Independent Remuneration Panel for Wales. It is the duty of the proper officer of a council (usually the Council Clerk) to make arrangements for correct payments to be made to all individuals entitled to receive them.
- 13.8 Members should receive monies to which they are properly entitled as a matter of course. There must be no requirement for individuals to 'opt in' to receive payments.
- 13.9 An individual may decline to receive part, or all, of the payments if they so wish. This must be done in writing and is an individual matter. A community or town council member wishing to decline payments must themselves write to their proper officer to do so to thereby prevent payments being made to themselves alone.
- 13.10 The Panel wants any member who has personal costs, support needs or caring responsibilities to be able to fulfil their role. To reflect this, the Panel is mandating payment of a contribution to costs and expenses for members of all community and town councils as set out in Determination 37. The Panel is also mandating reimbursement of cost of care for all members of community and town councils as set out in Determination 43.
- 13.11 In each community and town council the proper officer should ensure there is ready access to proper reimbursements of costs of care to enable those eligible for reimbursement to participate in the democratic process. It is inappropriate for councils or councillors to create a climate, or otherwise pressurise others, in order to prevent persons accessing any monies to which they are entitled that may support them to participate in local democracy.
- 13.12 Members in receipt of a Band 1 or Band 2 senior salary from a principal council cannot receive any payment from any community or town council, other than travel and subsistence expenses and reimbursement of costs of care. However, this does not preclude them from holding a senior role.
- 13.13 Table 9 sets out the actions that community and town councils must take annually in respect of each determination that follows.

### **Payments towards costs and expenses**

- 13.14 The Panel is mandating a payment of £150 as a contribution to costs and expenses for members of all community and town councils. Previously this was not mandated for all groups, but feedback expressed disappointment in this and the Panel felt that any member who wanted to receive this payment should be entitled to do so.

- 13.15 For the avoidance of doubt this determination now includes councils in Group C as well as Groups A and B. Receipts are not required for these payments.

**Determination 37: All community and town councils must make available a payment to each of their members of £150 per year as a contribution to costs and expenses.**

### **Senior roles**

- 13.16 The Panel recognises that specific member roles especially within the larger community and town councils, for example a committee chair, will involve greater responsibility. It is also likely that larger councils will have a greater number of committees, reflecting its level of activity. The Panel has therefore determined that councils in Group A must make available a payment for a minimum of one senior role and a maximum of five senior roles. Councils in Groups B and C can pay up to five responsibility payments for specified roles. A Councillor can only have one payment of £500 regardless of how many senior roles they hold within their Council.

**Determination 38: Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.**

**Determination 39: Community and town councils in Groups B or C can make an annual payment of £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.**

Where a person is a member of more than one town or community council, they are eligible to receive the £150 and, if appropriate, £500 from each council of which they are a member.

### **Reimbursement of travel costs and subsistence costs**

- 13.17 The Panel recognises there can be significant travel and subsistence costs associated with the work of community and town council members, especially where the council area is geographically large and/or when engaging in duties outside this area. Each council has an option to pay travel and subsistence costs and where it does the following determinations apply.

**Determination 40: Community and town councils can make payments to each of their members in respect of travel costs for attending approved duties.<sup>8</sup> Such payments must be the actual costs of travel by public transport or the HMRC mileage allowances as below:**

- 45p per mile up to 10,000 miles in the year.
- 25p per mile over 10,000 miles.
- 5p per mile per passenger carried on authority business.
- 24p per mile for private motor cycles.
- 20p per mile for bicycles.

**Determination 41: If a community or town council resolves that a particular duty requires an overnight stay, it can authorise reimbursement of subsistence expenses to its members at the maximum rates set out below on the basis of receipted claims:**

- £28 per 24-hour period allowance for meals, including breakfast where not provided.
- £200 – London overnight.
- £95 – elsewhere overnight.
- £30 – staying with friends and/or family overnight.

### **Compensation for financial loss**

13.18 The Panel has retained the facility which councils may pay as compensation to their members where they suffer financial loss when attending approved duties. This figure had not been adjusted for a number of years and therefore the Panel has updated it in line with the most recent *Office for National Statistics Annual Survey of Hours and Earnings - median salary for full time employees in Wales and Average Actual Weekly Hours of Work for full-time workers (seasonally adjusted)*. Members must be able to demonstrate that the financial loss has actually been incurred. Each council has an option to pay compensation for financial loss and where it does the following determination applies.

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<sup>8</sup> Where a member who is on official business is driven by a third party (not a member or officer of that authority), the member can claim mileage at the prescribed rates plus any parking or toll fees provided the authority is satisfied that the member has incurred these costs.

**Determination 42: Community and town councils can pay financial loss compensation to each of their members, where such loss has actually occurred, for attending approved duties as follows:**

- Up to £54.00 for each period not exceeding 4 hours
- Up to £108.00 for each period exceeding 4 hours but not exceeding 24 hours

### **Reimbursement of the costs of care**

13.19 The purpose of this is to enable people who have personal support needs and or caring responsibilities to carry out their duties effectively as a member of an authority. The Panel believes that the additional costs of care required to carry out approved duties should not deter people from becoming and remaining a member of an authority or limit their ability to carry out the role.

13.20 The Panel recognises the issues relating to the publication of this legitimate expense. This is reflected in the options for publication as set out in Annex 4. To support current members and to encourage diversity the Panel urges authorities to promote and encourage greater take-up of the reimbursement of costs of care.

**Determination 43: All community and town councils must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a maximum of £403 per month. Reimbursement must be for the additional costs incurred by members in order for them to carry out their approved duties. Reimbursement shall only be made on production of receipts from the carer.**

### **Civic Head / Deputy Civic Head**

13.21 Civic heads are senior posts within community and town councils. In addition to chairing major meetings the civic head is the 'ambassador' representing the council to a variety of institutions and organisations. The Panel requires that members should not have to pay for the cost of the support that is needed to carry out these duties. This requirement also applies in respect of deputy civic heads.

13.22 For the avoidance of doubt, support in respect of, for example, transport (physical transport or mileage costs), secretarial support, charitable giving (purchasing tickets, making donations or buying raffle tickets) and clothing are not matters of personal remuneration for the individual holding the senior post.

13.23 These support costs relate to the tasks and duties of the roles and individual councils will make funding decisions in relation to such support, as they deem

appropriate for the levels of civic leadership they have in place.

- 13.24 Recognising that some mayors and chairs of community and town councils and their deputies are very active during their year of office, the Panel has determined that community and town councils can make a payment to the individuals holding these roles.
- 13.25 This payment is to be used or retained at the individual's discretion and does not relate to the support costs set out above.
- 13.26 The Panel has determined that the maximum amount that can be paid to a chair/mayor of a community or town council is £1,500. The maximum amount that can be paid to a deputy mayor/chair is £500.

**Determination 44: Community and town councils can provide a Civic Head payment to the mayor/chair of the council up to a maximum of £1,500. This is in addition to the £150 payment for costs and expenses and the £500 senior salary if these are claimed.**

**Determination 45: Community and town councils can provide a Deputy Civic Head payment to the deputy mayor/deputy chair of the council up to a maximum of £500. This is in addition to the £150 payment for costs and expenses and the £500 senior salary if these are claimed.**

## Making Payments to members

- 13.27 Table 9 sets out each of the above Determinations and if a decision is required by the council in respect of each one.
- 13.28 In respect of the mandated payments where no decision is required by a council, members should receive monies to which they are properly entitled as a matter of course.
- 13.29 Where a decision is required by the council, this should be done at the first meeting following receipt of the Annual Report.
- 13.30 A council can adopt any, or all, of the non-mandated determinations but if it does make such a decision, it must apply to all its members.
- 13.31 When payments take effect from is set out in paragraphs 13.33 to 13.36 below.
- 13.32 On receipt of the draft Annual Report the previous autumn, councils should consider the determinations for the next financial year and use this to inform budget plans.

**Table 9**

<b>Determination Number</b>	<b>Is a decision required by council?</b>
<b>37</b> - All community and town councils must make available a payment to each of their members of £150 per year for costs incurred in respect of telephone usage, information technology, consumables etc.	No - the payment of £150 is mandated for every member unless they advise the appropriate officer that they do not want to take it in writing
<b>38</b> - Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses	Yes – a council must decide how many payments of £500 it will make – to between 1 and 5 members unless they advise the appropriate officer in writing that they do not want to take it
<b>39</b> - Community and town councils in Groups B or C can make an annual payment of £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses	Yes – the payment of £500 is optional for up to 5 members
<b>40</b> - Community and town councils can make payments to each of their	Yes – the payment of travel costs is optional

members in respect of travel costs for attending approved duties	
<b>41</b> – If a community or town council resolves that a particular duty requires an overnight stay, it can authorise reimbursement of subsistence expenses to its members	Yes – the payment of overnight subsistence expenses is optional
<b>42</b> – Community and town councils can pay financial loss compensation to each of their members, where such loss has actually occurred, for attending approved duties	Yes – the payment of financial loss allowance is optional
<b>43</b> – All community and town councils must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a maximum of £403 per month	No - the payment is mandated for every member if they are eligible to claim, and wish to do so
<b>44</b> – Community and town councils can provide a Civic Head payment to the mayor/chair of the council up to a maximum of £1,500	Yes – the payment to a Civic Head is optional
<b>45</b> – Community and town councils can provide a Deputy Civic Head payment to the deputy mayor/deputy chair of the council up to a maximum amount of £500	Yes – the payment to a Deputy Civic Head is optional

- 13.33 All members should be paid the £150 as set out in Determination 37 from the start of the municipal year (unless they are elected later in the municipal year).
- 13.34 Other amounts payable to members in recognition of specific responsibilities or as a civic head or deputy civic head as set out in Determinations 38,39, 44 and 45 are payable from the date when the member takes up the role during the municipal year.
- 13.35 When the payment is actually made to the member, how many payments the total amount payable is broken down into, and whether and how to recover any payments made to a member who leaves their role during the municipal year, is a matter for each council to decide.
- 13.36 Payments in respect of Determinations 40, 41, 42 and 43 are payable when the activity they relate to has taken place.



13.37 Members in receipt of a Band 1 or Band 2 senior salary from a principal council (that is Leader, Deputy Leader or Executive Member) cannot receive any payment from any community or town council, other than travel and subsistence expenses and reimbursement of costs of care. However, this does not preclude them from holding a senior role.

13.38 As stated in paragraph 13.9, any individual member may make a personal decision to elect to forgo part or all of the entitlement to any of these payments by giving notice in writing to the proper officer of the council.

### **Publicity requirements**

13.39 There is a requirement on community and town councils to publish details of all payments made to individual members in an annual Statement of Payments for each financial year. This information must be published on council noticeboards and/or websites (with easy access) and provided to the Panel by email or by post no later than 30 September following the end of the previous financial year. The Panel draws attention to the requirements stipulated at Annex 4. The Panel is concerned that a significant number of councils are in breach of this requirement.