



TONYREFAIL & DISTRICT COMMUNITY COUNCIL

Protocol for the Payment of Councillor Allowances

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1. Introduction

Under the Local Government (Wales) Measure 2011 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 (IRPW).

This protocol outlines the procedure for the payment of allowances to councillors in accordance with the IRPW's guidance. The council year runs from May to May.

The payment of all non-mandatory (*NM*) allowances will be decided at the Annual Meeting of the Council in May.

2. Types of Allowances

Basic Allowance

Paid to all councillors as a standard rate. This is made up of a fixed rate for reimbursement for extra costs of working from home and a further element to cover the cost of consumables.

Senior Roles Allowance (*NM*)

Paid to councillors who hold a special responsibility (e.g., chair, committee chair).

Travel and Subsistence Allowance (*NM*)

Reimbursed for eligible expenses incurred during official duties, as per the council's policy.

Caring Responsibilities

Reimbursement for costs of care is available to those with personal support needs or caring responsibilities for dependents, enabling them to carry out their duties. Payment shall only be made on production of receipts from the carer.

Financial Loss Allowance (*NM*)

Councils may also pay a financial loss allowance if a councillor incurs a loss due to serving on the council.

3. Payment Process

Frequency

Councillor allowances will be paid on a biannual basis (or at another agreed interval) via bank transfer. Payments will be made in November and April.

Payments in respect of the following allowances will be payable when the activity they relate to has taken place:

- Travel and Subsistence,
- Caring Responsibilities, and
- Financial Loss.

Payment Dates

Payments will be processed on or around the last working day of each respective month.

Method:

Payments will be made directly to councillors' designated bank accounts.

Processing through Payroll

In Wales, councillor allowances are treated as taxable income and ordinarily subject to both income tax and National Insurance contributions. However, under Section 316A Income Tax (Earnings and Pensions) Act 2003, no liability to income tax arises in respect of the basic (home working) allowance.

Councillor allowance will be processed through the Council's payroll system but no PAYE will be deducted. This is subject to HMRC policy changes.

4. Pro-Rata Payments

Eligibility

Councillors who join or leave the council during the council year will receive allowances pro-rata based on the number of months served within that period.

Special Responsibility Allowance (SRA)

If a councillor takes on a special responsibility role partway through the year, the SRA will be paid on a pro-rata basis for the remainder of the year (based on the number of months served).

Calculation

The pro-rata allowance will be calculated by determining the proportion of the year the councillor serves, rounded to the nearest month.

5. Submission of Claims (for Travel & Subsistence)

Councillors must submit their claims for travel and subsistence expenses within one month of incurring the expense.

Claims should be accompanied by relevant receipts or proof of expenses.

Payments for claims will be processed in the next available payroll cycle.

6. Adjustments for Changes in Allowance Levels

Should the Independent Remuneration Panel for Wales revise the allowance rates during the council year, the updated allowances will be paid from the date of the change.

Adjustments will be reflected in the next payment following the change.

7. Opting Out

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 Clerk of the council by October.

8. Review and Reporting

An annual review of councillor allowances will be conducted to ensure compliance with the guidance of the Independent Remuneration Panel for Wales.

A report on allowances paid will be presented to the council in May of each year for transparency and auditing purposes.

There is a requirement on the Council 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 no later than 30 September following the end of the previous financial year.

Annexure A: Councillor Opt-Out form

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Members' Allowances

Opt-out Form

Please complete using BLOCK CAPITALS, sign, date and return this form to the Clerk if you **DO NOT** wish to claim all or part of your Member's Allowances.

(1). I opt to forgo part of my entitlement and wish to claim back:-

(2). I opt to forgo all entitlement to all of the member allowances:

Full Name: Title: (Mr, Mrs, Miss, Ms, Other);

Date of Birth: ____/____/____

Home Address:

Postcode:

Email address:

Signed:

Date: