

Purpose

To provide guidance on the provision of financial hardship exemptions for members required to make financial contributions as outlined in the Candidate Contract.

Scope

This policy applies to all members of the Liberal Democrats group who are elected councillors (Town Council or any higher tier) and are required to make monthly financial contributions.

Out Of Scope

This policy does not cover possible sanctions against a Councillor who is in arrears with their tithes as this should be covered by the Group(s) standing orders.

Hardship relief is NOT to be considered as putting the Councillor in arrears.

Policy Statement

The Liberal Democrats group recognises that unforeseen financial hardship may impact a member's ability to contribute financially as required. This policy outlines the criteria and process for granting financial hardship exemptions.

Financial Contribution Requirement

1. All elected councillors are required to pay a monthly tithe as a condition of their selection.
2. The rate for all councillors on any particular council, regardless of their income level, wealth, or employment status, is based on the GROSS earnings from the payments the councillor receive from being an elected councillor to the local party. This includes but is not limited to allowances, special responsibility allowances and payments from outside bodies like the fire authority.

Exemption Criteria

Exemptions from financial contributions may be granted under the following circumstances:

1. ****Reduction in Other Income****: The councillor's other income is reduced by an amount **equivalent to or greater than** the councillor allowances received. This may include reductions due to state benefits being withdrawn in proportion to earned income, including councillor allowances subject to PAYE.
2. ****Temporary Financial Hardship****: Councillors experiencing temporary financial hardship due to loss of employment or redundancy may request a temporary exemption. **Being at risk of redundancy does not qualify for hardship relief.**
3. ****Prolonged Financial Hardship****: Cases of prolonged financial hardship, such as long-term unemployment or retirement, will be assessed on a case-by-case basis.

Application Process

1. Councillors seeking an exemption must submit a written request to the Local Party Treasurer, detailing the nature and duration of the financial hardship.
2. The Local Party Treasurer, in consultation with the **group leader(s)**, will review the request and determine eligibility based on the criteria outlined in this policy.
3. Decisions on exemptions will be communicated to the applicant in writing. The Councillor should continue to pay tithes until they are informed of the outcome of their application.

Temporary Exemptions

1. Temporary exemptions may be granted for a specified period, during which the councillor is not required to make financial contributions.
2. Councillors granted temporary exemptions are encouraged to make backdated payments to cover the gap once their financial situation improves, although this is not mandatory.

Review and Approval

1. The Local Party Treasurer, in consultation with the group leader(s) & Chair, will review and approve or reject exemption requests.
2. In cases of prolonged financial hardship, the Executive Committee will make the final determination, taking into consideration current guidance from party HQ and/or ALDC.
3. Prolonged is understood to mean over 3 months. After 3 months, the Treasurer, Group Leader and Chair will review the arrangements with the Councillor. For longer term hardship, if appropriate, the review can be extended to every 6 months.

Documentation and Record-Keeping

All requests, decisions, and communications related to financial hardship exemptions will be documented and retained by the Local Party Treasurer.

Annual Review of Policy

This policy will be reviewed annually by the Executive Committee to ensure its effectiveness and alignment with current party guidance and practices.

Effective Date

This policy is effective from [Insert Date] and applies to all councillors elected from this date forward.