

COMMITTEE: ADMINISTRATION

DATE: 22ND OCTOBER, 2003

SUBJECT: REQUESTS FOR LOANS OR SALARY ADVANCES
FROM EMPLOYEES

REPORT BY: EXCHEQUER SERVICES MANAGER

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IMPLICATIONS:

LEGAL		COMMUNITY SAFETY
EQUALITIES		ENVIRONMENT
FINANCIAL	✓	CONSULTATIONS
STAFFING	✓	OTHER

WARDS AFFECTED: NONE DIRECTLY

PURPOSE

1. To outline and agree the Council's position on giving loans and salary advances to employees

RECOMMENDATION(S)

2. Administration Committee is recommended to agree that in exceptional circumstances, a Corporate Director or Head of Service may authorise a request for an advance of up to one month's salary on behalf of a member of his or her staff, where that Director or Head of Service is satisfied that the advance is required to meet the costs of a genuine emergency.

REPORT

3. The Council cannot make loans to staff except in accordance with specific schemes approved by the Executive or Administration Committee as staff benefits – the season ticket, car loan, study or window loan schemes are examples. The Council will not make loans outside such schemes under any circumstances. Staff requiring loans for any purposes not in accordance with the

rules of an existing scheme must approach their bank or other financial institution.

4. Occasionally, in exceptional circumstances, requests are received from an employee for a salary advance usually to assist with a family or domestic emergency. If the employee's Corporate Director or Head of Service supports this request, an advance is given with the advance recovered from the employee's following month's salary. This report seeks to formalise this arrangement. Approximately 20 to 30 requests are received annually.

PROPOSAL/OPTION

5. In the most exceptional of circumstances, a Corporate Director or Head of Service may authorise and request a salary advance on behalf of a member of his or her staff where that Director /Head of Service is satisfied that the advance is required to meet the costs of a genuine emergency. The amount of the advance will be deducted from the next payment of salary due. An advance can only be authorised by the relevant Corporate Director or Head of Service.

FINANCIAL IMPLICATIONS

6. If an advance is given to an employee who subsequently is unable to repay the loan, for example through leaving the Council's service, this may mean that loan cannot be repaid. However, this is considered to be very unlikely.

LIST OF BACKGROUND PAPERS **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

There are no background papers relating to this report.