

# WEST DUNBARTONSHIRE COUNCIL

## Report by Head of Personnel Services

Joint Consultative Forum – 9<sup>th</sup> March 2006

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**Subject: Payroll Giving**

### **1. Purpose**

- 1.1** To update JCF members on the Council agreement to promote 3 specific good causes through Payroll Giving.

### **2. Background**

- 2.1** A Payroll Giving Scheme was launched by the Council in October 2002, enabling employees to make a tax efficient donation to their chosen charity direct from their pay. The scheme did not attract a significant number of participants.
- 2.2** There are two main methods which can be used to enable employees to donate to a recognised Charity or a good cause. These are, **Payroll Giving**, (which must be administered using an organisation approved by the Inland Revenue), or a **Voluntary Donation Scheme**. The method depends on whether the good cause is a UK registered charity. Good causes which can benefit from Payroll Giving must be registered charities.
- 2.3** On 22<sup>nd</sup> February 2006 Council agreed to relaunch payroll giving and to focus on 3 specific good causes. This does not restrict an individual from giving to a charity of their own choice.

### **3. Main Issues**

- 3.1** Council have agreed to focus promotion of payroll giving on two local, and one international good cause. Macmillan Cancer Care and St. Margaret's Hospice are the local causes, with Sierra Leone being the international good cause.
- 3.2** Macmillan Cancer Care and St Margaret's Hospice are valued partners in supporting terminally ill citizens and citizens coping with Cancer, and they would be promoted through Payroll Giving. The employee completes a mandate authorising an agreed amount to be deducted from their gross salary and the donation will be administered by the Charity Aid Foundation who will ensure the donation is forwarded to the appropriate charity. The employee will benefit from tax relief on their donation.
- 3.3** The Council has previously agreed to support links with Sierra Leone, with specific reference to the support needed for the emerging local government services and Sierra Leone is the agreed international cause. As there is no

established charity for this purpose, donations will be through a Voluntary Donation Scheme, and arrangements will be made to establish a decision making body which would oversee the distribution of funds for Sierra Leone. An auditor to audit the fund on an annual basis will be assigned. Donations made through the Voluntary Donation Scheme will not attract tax relief for the employee.

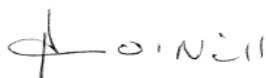
- 3.4** There is also an administration fee of 4% (with a minimum fee of 25p per deduction) payable to the Charity Aid Foundation, which is the Inland Revenue approved agency used by the Council. The Council agreed to cover administration fees to a maximum of £4,000 which will be reviewed at the end of the first year operation.

#### **4. Promoting the Good Causes**

- 4.1** The 3 agreed good causes will be promoted to employees through Personnel Circular, the Westlife Council magazine and intranet information.

#### **5. Recommendations**

- 5.1** Forum members are asked to note the contents of this report.



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**Background Papers:** Council Meeting – 22/02/06 – Report on Payroll Giving.

**Wards Affected:** All Wards are affected.