

Cockermouth Town Council

Mayor's Allowance Policy

Introduction

The Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021) regulates the allowances and expenses that may be paid to members of the council. The 2004 amendments to these regulations mean that all members of parish councils are eligible for travelling and subsistence allowance and not just elected members.

Part 5 of the Regulations relates to Parish Councils

To comply with the regulations any Parish Council wishing to pay allowances or travel and subsistence to its councillors must have in place an agreed and publicised Scheme of Allowances. This document is effectively Cockermouth Town Council's Scheme. Throughout this document the term Parish and Parish Council are used to refer to the same and to all local councils including Town Councils.

Purpose

The purpose of this policy is to ensure that:

- The Town Council has a policy which complies with the 2003 regulations and the 2004 amendment.
- There is a clear auditable trail of payment allowances.
- The mayor's allowance is not treated as part of their personal income and expenditure.
- There is transparency and publicity of the mayor's allowances which the public can easily access.

Basic Parish Allowance

The allowances that a Parish Council may pay are Parish Basic Allowance (with or without an enhanced Chair's allowance) and Parish Travel and Subsistence.

Regulation 25 permits the payment of a basic parish allowance. Cockermouth Town Council does not pay

- A basic parish allowance to councillors.
- Travelling or subsistence allowances to councillors

It does, however, pay an enhanced Chair's allowance.

Chairperson's (Chair's) or Mayor's Allowance

A parish council may pay an allowance to its Chair or Town Mayor under s 15(5) of the Local Government Act 1972, "to cover the expenses of the office".

Chair's Allowance paid under section 15(5) Local Government Act 1972 will be taxable if it is paid as a round sum allowance but not if it reimburses actual deductible expenditure.

The Chair's Allowance will not be paid in conjunction with any other allowance for the same expenditure.

As stated above, the allowance is not a delegated sum, otherwise it may incur a tax liability. All Mayoral spending will be limited to the agreed budget over the course of the financial year. This budget will be reported in the usual way and will be included in the quarterly projected outturn that goes to Council. Professional accounting good practice will apply in the closedown of accounts and should there be any surplus at the end of the year this will not automatically be carried forward.

Expenditure that is allowed:

The current delegated budget falls under two headings: 'Establishment – Mayor's Allowance', and 'Establishment – Mayor's Entertainment Fund'

The **Mayoral Allowance** budget is to defray reasonable costs in order that the office holder is not out of pocket for fulfilling the role of Mayor. It should not be used for their personal expenditure. This budget may also be used by other members of the council, including the Deputy Mayor, where they are formally representing the council in place, or in support of, the mayor.

Where practicable purchase orders should be raised and approved in advance of committing to expenditure. Purchase orders will be raised consistent with financial regulations in the normal manner and will be authorised by the RFO, consistent with all other items of expenditure.

Where the use of purchase orders is not practicable (e.g., mileage, charity donations, raffle tickets), the expense process should be used after the expense has been incurred.

Submitted expense forms should be authorised by the RFO. A copy of the expense form is attached as Appendix A.

Expense claims should be supported with receipts where practicable, but it is recognised that some cash expenditure will not be receipted.

Acceptable claims include, but are not limited to:

- Mileage to and from events
- Tickets for events
- Raffle and draw tickets
- Donations to charities (up to £25)
- Small gifts (e.g. flowers up to £30) as a token of appreciation from the Council.
- Reasonable clothing allowance for Civic events (Mayor only)
- Mayor's regalia

The NJC (National Joint Council) mileage rates are the same as the prevailing HMRC mileage rates, available on the main HMRC website.

The mayor's **Entertainment Fund** is to be used only for formal council events or those which are directly related to council business. It should not be used for personal events or private parties.

Expenditure which is not allowed:

The Mayor Expenses Budget must not be used to pay for:

- Gifts of monies or goods (including flowers) other than to charities or as a token of appreciation.
- Parking fines or parking charge notices
- Social events internal to the Council unless agreed by both the Mayor and Deputy Mayor.
- Costs associated with the use of home as office, personal telephone bills, etc.
- Printing fliers/leaflets/posters etc. other than for civic events covered above.
- Events of a political nature, e.g., supporting or organised by a political party.

Mayor's Charities

If the mayor has designated charities and there is associated expenditure in relation to setting up of charitable events, claims for re-imburement should be submitted through the established purchase order system. The monies distributed to charities will be net of any related non-staff costs and should not be topped up from any separate underspent Council budgets.

Elections to Forgo Parish Allowances (Regulation 32)

The council mayor may decide to forgo all of his or her allowance entitlements. The mayor must do this by notice in writing to the proper officer of the council.

Records of Parish/Mayor's Allowances (Regulation 31)

The parish council will keep records of all allowance payments and, at the end of each financial year

- post a notice in a conspicuous place, and on its website for a period of at least fourteen days.
- set out the total sum paid over the year under the relevant budget headings of Mayor's Allowance and Mayor's Entertainment Fund.

Appendix A - Draft Expenses Claim Form

Expenses

Item	Date	Expense	Description	VAT Applicable?	Cost (£)	Ex Vat (£)	Vat (£)
1							
2							
3							
4							
5							
			Total				

Claimant Signature:

Date:

Authorisation Signature:

Date: