



## CIVIC ALLOWANCE POLICY

### WRITTEN BY:

Mrs Sarah Haydon, Chief Officer

### CREATED:

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### APPROVAL DATE:

Finance Strategy & Management Committee – 26 July 2022

Town Council – 27 September 2022

### REVIEW DATE:

June 2024

## INTRODUCTION

- 1.1 The Town Council does not pay an allowance to councillors generally.
- 1.2 Civic Allowances are allocated to the Town Mayor, Deputy Mayor and Town Crier. Allowances are covered by the Local Government Act 1972, sections 15(5) and 35(5). There is no requirement for strict accounting for the spend, but a general report on activity suffices. The allowance is not exempt from income tax and therefore the way it is managed is important.

## OBJECTIVES OF THE POLICY

- 2.1 The purpose of this document is to set out a transparent approach to the distribution of funds to those in receipt of civic allowances. These are: The Town Mayor, Deputy Mayor and Town Crier ('recipient').
- 2.2 The Finance Strategy and Management Committee will review the implementation of this policy; claims for reimbursement of expenses will be approved by Town Council.

## PROVISIONS

3.1 At the commencement of the term in office, the postholder will be asked which payment option they would prefer. This will be dependent on their personal financial situations and the Chief Officer will not provide advice about this:

- i. Option 1 - the entire allowance is paid in one lump-sum via the PAYE payroll process.
- ii. Option 2 - expense claim forms will be submitted on a monthly basis, as appropriate and settled at the monthly Town Council meeting, according to the Town Council Financial Regulations.

3.2 All Civic and Mayoral spending will be limited to the agreed budgets over the course of the financial year (irrespective of the payment option above), therefore pre-planning of proposed events and larger commitments is essential. The Town Council's budget contains provision for certain civic events including Remembrance Sunday and receiving Civic visitors. These events are organised by the Town Council staff. All other events are organised at the discretion of the postholder, who can make decisions about guest lists, dining and drink options, floral arrangements, etc. It is important for the Mayor to plan the use of the allowance over the year. Once the budget level has been reached, no payments can be made or further orders placed by Council Officers.

3.3 During his or her period of office, recipients of a Civic Allowance represent the Council, support the community and often raise money for nominated charities. They are required to transport themselves to functions not only within the Town, but across the County (and neighbouring Counties). Limited support is available from the office.

3.4 Mayors traditionally hold events, to raise money for charity. If the Council decide it is appropriate, costs and income can be dealt with through a Mayors Charity part of the accounts. Any up-front expenses could then be taken from the Mayor's Allowance or Charity money already raised and reimbursed from income for the event as it comes in.

3.5 The Civic Allowance will be administered as follows:

- Direct payments can be made for items such as tickets, room hire and small tokens on authorisation from the recipient.
- The recipient may claim back expenses incurred on providing receipts where possible.

- The recipient may be reimbursed for travel expenses, with mileage claims at the appropriate rate (currently 45p/mile).
- Any remaining allowance at the end of the Mayoral Year, will be paid through PAYE or the recipient may authorise it to be donated to the Mayor's Charity Account.

3.6 Recipients of a Civic Allowance may consider seeking reimbursement for:

- Clothing
- Consort's clothing
- Donations to charities (up to £25)
- Collections
- Personal hospitality (including lunches and dinners)
- Mileage to and from events
- Telephone, stationery and printing costs
- One-off events held by the Mayor

It should be noted that the purchase of the above items would not necessarily qualify towards the allowance for tax-deductible purposes; it merely suggests that the items relate to maintaining the dignity of the office.

3.7 The Town Hall and Council Chamber may be reserved without charge (if available) for Mayoral events. The Mayor may not reserve these rooms for any other purpose than Mayoral events, or a charge will be levied. Additional staff and cleaning charges will be levied where this would be incurred by the Town Council.

3.8 Expenditure which is not allowed:

- Parking fines
- Social events internal to the Council unless agreed by the Chief Officer.
- The giving of gifts should be treated with caution. £30 paid for flowers to celebrate a 100<sup>th</sup> birthday would be acceptable. However, there are other instances where this may not be appropriate. Advice should be sought from the Chief Officer.