DRAFT 2 - Chairperson's Civic Allowance and Councillor Expenses Policy

1. Introduction

It is the policy of the Council that Councillors should neither be financially advantaged nor disadvantaged because of genuine Council business expenses incurred whilst undertaking approved duties on behalf of the Council.

This policy applies to:

- all elected Councillors;
- the Chairperson and Deputy Chairperson;
- co-opted members;
- and any non-councillor members of a committee or sub-committee of the Council.

This policy should be read alongside the Council's:

- Financial Regulations;
- Procurement Procedures;
- Members' Code of Conduct;
- and Asset Register Policy.

---

2. Councillor Allowances

The Local Authorities (Members' Allowances) (England) Regulations 2003 apply to parish and town councils which choose to operate a Members' Allowance Scheme.

The Council does not currently operate a Members' Allowance Scheme and makes no provision for attendance allowances, basic allowances, or special responsibility allowances.

The Council may, however, reimburse approved expenses incurred wholly, necessarily and exclusively in connection with authorised Council business in accordance with this policy.

Draft 2

3. Chairperson's Civic Allowance

Section 15(5) of the Local Government Act 1972 provides for parish and town councils to pay the Chairperson:

"for the purposes of enabling them to meet the expenses of office such allowance as the Council thinks reasonable."

The Council may set an annual budget for the Chairperson's Civic Allowance during the budget-setting process.

The allowance shall represent the maximum reimbursement available during the civic year and shall not constitute an automatic entitlement.

Unused balances shall not:

- be carried forward;
- transferred;
- or paid as cash at year end.

The allowance shall operate strictly on a reimbursement basis.

No advance payments, lump sum payments, standing payments, or automatic transfers shall be made to the Chairperson.

If the Council ever resolves to pay a lump sum allowance, such payments shall be subject to all applicable HMRC tax and national insurance requirements.

---

4. Permitted Use of the Chairperson's Civic Allowance

Subject to budget availability and proper authorisation, the allowance may be used for reasonable expenditure incurred in connection with authorised and official civic duties including:

- reimbursement of travel and subsistence expenses associated with official civic engagements;
- attendance at events where the Chairperson has received an official invitation through the Council office;
- modest refreshments connected with official Council representation;
- small civic gifts, tokens of appreciation, and charitable donations where considered to benefit the local community;

Draft 2

- ceremonial items such as remembrance wreaths;
- telephone, stationery, postage and printing associated with civic duties;
- official hospitality authorised by the Council;
- conference or event attendance fees;
- and other expenditure considered reasonable and proportionate by the Council.

All expenditure must demonstrate:

- clear Council purpose;
- public benefit;
- propriety;
- and value for money.

---

5. Deputy Chairperson Acting on Behalf of the Chairperson

Where the Deputy Chairperson formally undertakes civic duties or official engagements on behalf of the Chairperson or the Council, the provisions of this policy shall apply equally to the Deputy Chairperson for that occasion.

Any reimbursement:

- shall relate solely to the approved civic duty undertaken;
- shall comply fully with this policy and the Council's Financial Regulations;
- and shall be charged against the Chairperson's Civic Allowance budget.

The Chairperson's Civic Allowance budget shall remain a single annual budget and shall not create separate individual allowances for the Chairperson and Deputy Chairperson.

---

6. Councillor Expenses

Councillors authorised by the Council to attend:

- training courses;
- conferences;
- meetings;

Draft 2

- civic engagements;
- or other events on behalf of the Council

may claim reimbursement of reasonable expenses incurred wholly, necessarily and exclusively in connection with Council business.

Such expenses must:

- be approved by the Council or Proper Officer where delegated authority exists;
- comply with this policy and Financial Regulations;
- and represent reasonable and proportionate expenditure.

In exceptional circumstances, where there is a compelling Council business reason, Councillors may be reimbursed for purchases made on behalf of the Council provided:

- prior approval has been obtained where practicable;
- orders are placed in the name of the Council;
- and appropriate VAT invoices are obtained.

---

7. Mileage and Travel

Mileage for travel outside the parish boundary shall be reimbursed in accordance with HMRC approved mileage rates in force at the time of the claim.

The current approved rate for use of private vehicles is 45p per mile.

The Council may also reimburse:

- public transport costs;
- parking charges;
- tolls;
- and reasonable subsistence expenses

where these are necessarily incurred in connection with approved Council duties.

The Council reserves the right to refuse claims considered excessive, unreasonable, or unrelated to official Council business.

Draft 2

8. Prohibited Expenditure

The Chairperson's Civic Allowance and Councillor Expenses Scheme shall not be used for:

- personal expenditure;
- alcohol;
- parking fines;
- speeding fines or other traffic penalties;
- private entertainment;
- political activity or campaigning;
- election expenses;
- gifts for family members or friends;
- personal subscriptions;
- clothing for personal ownership unless specifically authorised by Council;
- Childcare;
- charitable donations made in a personal capacity;
- cash withdrawals;
- personal mileage unrelated to Council business;
- purchases without receipts;
- or any expenditure which could reasonably be regarded as providing personal gain or private benefit.

The allowance shall not be used to purchase personal assets intended to remain in private ownership after the end of office.

---

9. Mobile Phones, IT Equipment and Council Assets

Any mobile phone, tablet, laptop, printer, camera, or other equipment purchased using Council funds shall remain the property of the Council at all times.

Such items:

- must be authorised appropriately before purchase;
- may be recorded on the Council's asset register where applicable;
- and must be returned immediately upon the individual ceasing office or when requested by the Council.

Draft 2

The allowance shall not be used to purchase personal mobile phones, contracts, or other technology intended for private ownership or continued personal use after the civic term ends.

---

10. Submission and Approval of Claims

All expense claims:

- must be submitted using the Council's approved Expenses Claim Form;
- must be submitted promptly and within two months of expenditure being incurred;
- and MUST be accompanied by receipts or invoices.

VAT invoices shall be obtained where relevant.

The Responsible Financial Officer shall verify:

- budget availability;
- compliance with this policy;
- compliance with Financial Regulations;
- and accuracy of claims before payment is made.

Payment of expenses claims remains subject to approval under the Council's normal financial procedures.

No reimbursement shall be made without appropriate supporting evidence.

- All claims shall be subject to administrative verification by the Responsible Financial Officer and/or Proper Officer prior to payment.
- No councillor shall authorise or approve reimbursement of their own expenses
- Claims submitted by the Chairperson of the Council shall be independently reviewed and approved by the Chairperson of the Finance, Operations and Personnel Committee, or in their absence the Deputy Chairperson of the Finance, Operations or Personnel Committee
- The RFO will report the detailed expenditure against budget to FOPS on a quarterly basis, for Council to note and approve

Draft 2

11. Value Added Tax (VAT)

Although Councillors are elected members of the Council, they are treated as employees for VAT purposes when carrying out official duties.

VAT incurred in connection with official Council business may therefore be recoverable provided that:

- the Council accepts responsibility for the expenditure incurred;
- the expenditure is included within the Council's accounts;
- goods or services are ordered in the name of the Council;
- invoices are addressed to the Council;
- and adequate supporting documentation is retained.

VAT cannot be recovered where expenditure relates to:

- flat-rate allowances;
- cash allowances;
- or money placed freely at the disposal of an individual member.

12. Transparency and Audit

All expenditure reimbursed under this policy shall:

- be recorded within the Council's accounting records;
- remain subject to internal and external audit;
- and be available for inspection in accordance with transparency and accountability requirements.

The Council may publish details of expenses and civic allowance expenditure where appropriate.

13. Breach of Policy

Any expenditure found to fall outside this policy may:

- be rejected;
- require repayment to the Council;
- be referred to Internal Audit;

Draft 2

- or be subject to further action under the Council's governance procedures or Members' Code of Conduct.

---

14. Review

This policy shall be reviewed every two years or sooner where legislation, HMRC guidance, audit requirements, or Council procedures change.

Draft 2