

Chairman Allowance

Policy Document - Version 1.0



Thurcroft Parish Council

CHAIRMANS ALLOWANCE POLICY

Background

The Chairman is elected by members of the Council at the commencement of the Annual Meeting of the Parish Council in accordance with the Local Government Act 1972 section 15 (1) (2). The Chairman is an elected figure head of the Council and the civic representative of the village.

Section 15 (5) of the Local Government Act 1972 provides for town and Parish Councils to pay the chairman 'for the purposes of enabling him to meet the expenses of his office such allowance as the Council think reasonable'.

Each May, the Parish Council elects the Chairman for the coming year. This position entails increased responsibility as the Chairman represents the Council at various events throughout the Parish. As a result, there is increased expenditure and to defray those extra costs a budget is allocated.

General Principles

Neither the Chairman personally nor their family, friends or close associates (or any organisations with which they are connected) may benefit from use of the Chairman's allowance. The annual allowance is determined through the annual budget setting and may vary each year.

Permitted Expenditure

The Local Government Act 1972 does not stipulate the type or category of expenditure for which the Chairman may use the Chairman's allowance. However, it is commonly described as recompense for the expenses of maintaining dignity of office. General items include:

- Mileage to and from events outside of the village
- Tickets for events
- Hospitality
- Providing support to Chairman/ Civic events (e.g., raffle prizes)
- Donations at events
- Donations to charities



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- Reasonable clothing allowance for Civic events

Provisions made for the Chairman's allowance in the Local Government Act 1972 do not extend to the Vice-Chairman, who is treated the same in law as all other Parish Councillors. However, it is acknowledged that the Vice-Chairman is likely to incur costs associated with officially representing the Chairman in his/her absence. As such, the Vice-Chairman can be reimbursed any legitimate out of pocket expenses incurred whilst deputising for the Chairman, out of the allowance.

Payment of Allowance

Payments made for items such as tickets, purchase of prizes, or purchase of food and drinks for hospitality etc will be made directly to the Chairman in lieu of receipts. Where it is not possible to provide receipts, signed written details must be provided by the Chairman to substantiate the expenditure. All claims must be made promptly to the Clerk (within one month).

At the Chairman's discretion, it is possible to pay the allowance as a round sum annually following the election of the Chairman each May, however, it will be subject to the usual tax and national insurance deductions, this is because a basic allowance paid to any Councillor is not a salary, but it treated by HM Revenue and Customs (HMRC) as taxable income. The payment of the allowance will be made through the Council's payroll system ensuring that any deductions and contributions due to HMRC are collected through PAYE.

If the allowance is paid as a round sum annually, the Chairman is still required to provide receipts to the total of the allowance to the Clerk, and this should be done quarterly.

The Chairman may wish to donate the remaining balance from his allowance to a nominated charity.