

MAYORS' ALLOWANCE SCHEME



The scheme is detailed below and operates from 19th May 2014.

Background

For tax purposes council members and civic dignitaries are treated in the same way as any other individual who holds an office or who is an employee. Councillors should be aware that allowances payable in return for acting as Town Mayor are regarded as salary or wages for the purpose of Income Tax and will usually be deductible from such allowances, unless these allowances do no more than reimburse expenses **actually incurred** and which are deductible for tax purposes. *Please refer to HMRC EIM65970 Local Government Councillors and civic dignitaries: ODPM guidance part 2: taxation of members' allowances and expenses.*

This scheme has been set up to demonstrate commitment by Lydd Town Councils elected Mayors to increase transparency, openness and direct accountability and to ensure that those who participate do not suffer unreasonable financial disadvantage by doing so. This should encourage people from a wide range of backgrounds and with a wide range of skills to serve as Mayor of Lydd Town Council. This scheme is not intended to be a monitor of Mayoral activity and attendance at events.

This scheme is designed to avoid bureaucracy and to not be unduly time consuming of staff resources.

Policy

Whilst this scheme is operated and adopted by Lydd Town Council, Mayors may choose to opt out of the scheme by notifying the Town Clerk in writing upon their election and prior to any payments being made by the Town Council on their behalf. By opting out they will agree to provide their HMRC Notice of Tax Coding to the Town Clerk and will then be paid their allowance in two parts under the Town Council's PAYE system via HMRC RTI.

1. Mayoral Allowances are payable on behalf of the Mayor for attending functions and events as part of Mayoral duties and for the reimbursement of travel costs to the Mayor and Deputy Mayor (if the Deputy Mayor is attending functions at the request of the Mayor).
2. The Mayor's allowance for 2024-25 is £2,000 as agreed in budget set November 2023
3. The Allowances will be reviewed by the Personnel Committee annually prior to inclusion in budget setting and become payable from the following Annual Council meeting (Mayor Making).
4. The invitation to a function or event which the Mayor or their representative and guest or Town Sergeant has formally agreed to attend will be used as the invoice upon which a cheque is raised for payment and will be deducted from the budget header specifically for this purpose. Any additional expenditure made for items such as drinks, raffles, donations etc. will be deemed as personal expenditure and will not be reimbursed by the Town Council.
5. Payment arrangements will be the same as those for the other purchases made by the Town Council, but cheques can be raised by the Mayors' secretary for signing by 2 Members to pay for attendance at events with agreement by the Town Clerk.
6. A fuel allowance is payable for bona fide purposes, where the Mayor (Deputy Mayor or Town Sergeant) has used their car to travel to a function or event. A claim form should be submitted and matched to the invitation to the event by the Mayors' secretary. The rate for approved mileage is 45p per mile and an additional 5p per mile will be paid for additional passengers travelling in the same car to attend the approved duty. This is at the level of the Approved Mileage Allowance Payment (AMAPs) laid down by the Inland Revenue as a tax free "approved amount" and shall be amended in line with any changes made to these amounts as and when they occur. The cost of parking fees can also be claimed. Payments for travel will be made in arrears at the following Council meeting but must be submitted by the Mayor (Deputy Mayor or Town Sergeant) within three months of the event claimed for taking place. Claims made outside this period will only be considered in exceptional circumstances such as long term illness and will be considered by Council.

7. Expenditure on Mayoral Clothing is nil under this scheme, unless this is for civic regalia or the cleaning or repair of which will be included as a separate item in the Town Council's budget.
8. Should the Mayors expenditure exceed the annual allowance then Council may consider a virement from another budget head underspend by recommendation of the Personnel Committee to full Council for approval.
9. A Mayor may decide not to claim (in full or part) their Allowance or not to request additional sums should they overspend but should notify the Town Clerk in writing of their intention should this be the case.
10. All monies to be paid out to or on behalf of the Mayor must only be in accordance with the approved scheme of spending for the year.
11. All monies to be paid out are to be certified by the Town Clerk.
12. Financial Regulations to be amended to include the Mayors' Allowance Scheme.
13. To note that the above scheme does not include charitable donations by the Mayor which are paid from the Mayors Charity Fund which has its own bank account.

Summary

1	Attendance at official events and functions by Mayor and guests or their representative	Cheque payment to be raised by Town Council
2	Additional refreshments/raffles etc. not included in cost set out on invitation	To be expenditure of attendee
3	Fuel costs and parking to attend official function or event as above	To be paid by attendee, claim form completed and reimbursed out of Mayors allowance by Town Council
4	Mayoral Clothing and regalia	Not covered unless civic regalia paid for by Town Council upon approval and in accordance with budget and not from the Mayors allowance
5	Donations to charities	To be from the Mayors Charity Fund

This scheme has been seen and agreed by Lydd Town Council's Internal Auditor and will be updated annually in line with budget setting and HMRC guidelines.

Updated May 2024 in line with budget