



## **Whitland Town Council – Mayoral Allowance Policy**

Whitland Town Council provide annually to the Mayor an allowance in order to facilitate the execution of the Mayoral role irrespective of personal economic circumstances. The allowance shall cover expenditure that is wholly and necessarily incurred for the purpose of the mayoral role.

The most recent Independent Remuneration Panel for Wales report stated that there should be an allowance made available to a civic head, if the Council wishes, to undertake the functions of that office. They gave a maximum sum of £1500.00 annually. This is allowed for under LGA 1972 s 15(5).

This is considered a 'round sum allowance' by HMRC and is taxable. Therefore any general payment of this nature would have to be made through normal payroll mechanisms, with tax and NI contributions deducted before it is received by the Mayor.

Where the Mayor is reimbursed for actual expenses incurred and these do not give rise to any remuneration no tax consequences arise. This is most transparent when actual receipts are presented to the Clerk prior to the reimbursement, although it is accepted that receipts cannot always be provided. For instance a donation in lieu of entry price to an event, or raffle donations.

Each Town Mayor is provided with guidance as to what expenses may be required to be covered by their allowance – a copy of this is included at Appendix 1. This includes items which are clearly wholly, exclusively and necessarily incurred in the performance of their civic duties. It is important that there is delineation between those expenses and ones which could be considered to provide remuneration - payment for work or service done.

The Town Council would be liable for financial penalties if it fails to record, collect, inform, and pay over Income tax on remunerations or benefits in kind for any of its employees or Councillors.

The method chosen by Whitland Town Council to manage the payment of such expenses is to pay for them from the Town Council's bank account, upon receipt of receipts whenever possible, from a specific Mayoral Allowance budget heading.

Where expenditure is incurred by the Town Mayor receipts should be retained (excluding donations and categories of expenditure specifically authorised). Following the acceptance and authorisation of an expenses statement of expenditure from the Town Mayor of the sums spent, a cheque will be issued

Mayoral Allowance adopted November 2018

from the Council's account to cover the amount of the receipts and allowable expenditure included.

Any assets (excluding clothing) purchased by the Mayor using the Mayoral Allowance with a useful life and face value beyond the mayoral term will be returned to the Town Council for use by the subsequent Mayor.

The Mayor will be personally responsible for any tax liabilities incurred following receipt of monies from the Mayoral Allowance.

**TOWN MAYOR'S ALLOWANCE**

Town Mayor 2018/19

£1500.00

**1) Civic duties for Whitland Town Council**

Attendance at charity events and other events.

Tickets and direct donations. No donation or cumulative donations to a single cause in any one year shall exceed 10% of the Mayoral Allowance.

It is usual for the Town Mayor to make a donation to the charitable events he/she attends. This would cover the cost of participation in the event. For example if the Town Mayor and consort are given complimentary tickets to an event, the donation should at least cover the cost of the tickets.

Travel - public transport and mileage costs (outside the area) are met by the Town Council budget, if the Mayor has been invited to an event and this has been agreed by Town Council in advance. This sum to be taken from the Mayoral Allowance of £1500.00.

**2) Administrative costs at home** (incurred specifically as part of the civic duties - should be detailed on 'monthly expenses' sheet)

- (a) Telephone calls
- (b) Internet charges
- (c) Printing, paper etc.

**3) Donations**

(a) Donations to charities/organisations without attending events. No donation or cumulative donations to a single cause in any one year shall exceed 10% of the Mayoral Allowance.

**To comply with Accounts and Audit Regulations, detailed accounts will be required at the end of the Mayoral year. These are to be presented to Council and form part of the accounts submitted for audit each year.**