



Council - 26 June 2019

Chairman's and Vice Chairman's Allowances

Purpose of report

To consider a request that the Council's Chairman and Vice Chairman allowances can be either managed directly by the Council as a budget, or paid directly to the office holder, with the choice being given at the start of each term of office.

1.0 Background

- 1.1 The Chairman and Vice Chairman of the Council currently receive an allowance of £5,100 and £850 respectively to support them in undertaking their additional duties. These allowances are separate to the Council's Members Allowances Scheme and are paid directly to the post holders at the beginning of each municipal year. These allowances are subject to tax.
- 1.2 From their allowances, the Chairman and Vice Chairman are expected to pay for any new clothing, tickets for events, raffle tickets or donations and all other costs associated with their roles.
- 1.3 Apart from the allowances, there is also a budget for civic expenses, managed by the Democratic Services Manager. This budget pays for civic events including the Annual Meeting and the Chairman's Civic Service, the official photographs, travel for certain civic events, and maintenance of the civic insignia; exceptionally this budget may be increased by Council to cover commemorative activities/items for national civic events e.g. Royal Jubilees.
- 1.4 Within Northamptonshire, all of the councils pay an allowance to the Mayor or Chairman but not all pay an allowance to their deputies. The majority of these allowances are paid directly to the post holders but some pay some expenses such as tickets for events directly from a budget. Northampton Borough Council has managed its Mayor's allowance directly as a budget for a number of years.
- 1.5 A request has been made by the current Chairman of the Council for the Chairman's allowance to be managed by the Council as a budget rather than be paid to him direct. The Vice Chairman has also supported this request. Consideration also needs to be given to the treatment of any underspend of the proposed budget at year end.

2.0 Issues to be considered

- 2.1 If the Council does decide to allow the allowance to be used as a budget it is proposed that a number of principles are agreed as to what the Council will pay for.
- 2.2 The Council would pay costs from the chairman's and vice chairman's budgets such as :
 - Tickets to events the Chairman/Vice Chairman have been invited to
 - Civic gifts and flowers provided to fellow chairmen/mayors

- 2.3 It is not considered appropriate that the Council would pay from the Chairman's budgets the following types of expenditure, which would be considered to be of personal benefit under the HMRC rules:
- Clothing
 - Raffle tickets or donations
 - Raffle prizes or other expenses for the Chairman's charity fundraising events
 - Purchase of drinks at events (where not included in the ticket price).

2.4 If the Chairman's and/or Vice Chairman's budget has been fully utilised during the year, any additional expenses incurred during the civic year will be required to be paid by the Chairman or Vice Chairman respectively and would not be funded from the council's budget.

2.5 It is also proposed that at the end of the year, if there are any remaining funds, these would be paid back to the Chairman and Vice Chairman via the payroll process which would be subject to the usual taxation requirements. This would cover some of the personal expenditure on items identified at 2.3 in a way that is compliant with HMRC tax rules.

3.0 Equality and Diversity Implications

3.1 There are no equality and diversity implications arising from this report.

4.0 Privacy Impact Implications

4.1 There are no privacy impact implications arising from this report.

5.0 Legal Implications

5.1 There are no legal implications arising from this report.

6.0 Risk Management

6.1 To ensure financial procedure rules and taxation requirements are followed correctly, it will be important to use appropriate suppliers and monitor expenditure levels.

7.0 Resource and Financial Implications

7.1 The Council already has a number of the relevant suppliers of services set up on its financial systems. Using these suppliers will ensure that correct financial procedure rules are followed, including any taxation requirements. There will also be an appropriate audit trail in place to monitor expenditure.

7.2 There will be no additional budget requirement as the allowances have already been allocated. However, there will be additional staff time required to administer the budget if that option is selected in any one year. These are expected to be absorbed within existing resources.

8.0 Constitutional Implications

8.1 If this recommendation is accepted, Part 6 of the Constitution will need to be amended to include a formal note on the option open to the Chairman and Vice Chairman at the beginning of each civic year.



9.0 Implications for our Customers

9.1 There are no implications for our customers arising from this report.

10.0 Recommendation

10.1 The Council is recommended to:

- 1) Allow the Chairman and Vice Chairman, at the beginning of their term of office, to request that the council manages their civic allowances via a budget.
- 2) Approve the payment of any year end underspends of the allowances budget as an allowance to the respective civic office holder as part of the year end process.
- 3) Delegate authority to the Monitoring Officer to make any necessary amendments to the Constitution resulting from this decision.

Legal	Power: Local Government Act 1972 (s3(5) and s5(4))				
	Other considerations:				
Background Papers: None					
Person Originating Report: Ben Smith, Democratic and Electoral Services Manager ☎ 01832 742113 ✉ bsmith@east-northamptonshire.gov.uk					
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