# MILLOM TOWN COUNCIL
# MAYORS ALLOWANCE POLICY

**Adopted: November 2025** **Review Date: November 2027**

**Introduction:**
The Local Authorities (Member's Allowances) (England) Regulations 2003 (SI 2003/1021) – (Appendix II) regulated the allowances and expenses that may be paid to members of the council. The 2004 amendments to these regulations mean that all members of town and parish councils are eligible for travelling and subsistence allowance and not just elected members.

Part 5 of the Regulations relates to Town and Parish Councils.

To comply with the regulations any Town/Parish Council wishing to pay allowances or travel and subsistence to its councillors must have in place an agreed and publicised Scheme of Allowances. This document is effectively Millom Town Council's Scheme. Throughout this document the term Parish and Parish Council are used to refer to the same and to all local councils including Town Councils.

**Purpose:**
The purpose of this policy is to ensure that:
- Millom Town Council has a policy which complies with the 2003 regulations and the 2004 amendment
- There is a clear auditable trail of payment allowances
- The Mayor's allowance is not treated as part of their personal income and expenditure
- There is transparency and publicity of the Mayor's allowances which the public can easily access

**Basic Parish Allowance:**
The allowances that a Parish Council may pay are Parish Basic Allowance (with or without an enhanced Chair's allowance) and Parish Travel and Subsistence.

Regulation 25 permits the payment of a basic parish allowance. Millom Town Council does not pay:
- A basic parish allowance to councillors
- Travel or subsistence allowances to councillors

It does, however, pay an enhanced Chair's allowance.

**Chairperson's (Chair's) or Mayor's Allowance:**
A parish council may pay an allowance to its chair or Town Mayor under s15(5) of the Local Government Act 1972, "to cover the expenses of the office"[1]

Chair/Mayor's Allowance paid under Section 15(5) Local Government Act 1972 will be taxable if it is paid as a round sum allowance but not if it reimburses actual deductible expenditure.

The Chair/Mayor's Allowance will not be paid in conjunction with any other allowance for the same expenditure.

As stated above, the allowance is not a delegated sum, otherwise it may incur a tax liability. All Chair/Mayoral spending will be limited to the agreed budget over the course of the financial year. This budget will be reported in the usual way and will be included in the quarterly projected outturn that goes to Council. Professional accounting good practice will apply in the closedown of accounts and should there be any surplus at the end of the year this will not automatically be carried forward.

**Expenditure that is allowed:**
The current delegated budget falls under two headings: 'Establishment – Mayor's Allowance', and 'Establishment' – Mayor's Entertainment Fund'.

The **Mayoral Allowance** budget is to defray reasonable costs in order that the office holder is not out of pocket for fulfilling the role of Mayor. It should not be used for their personal expenditure. This budget may also be used by other members of the council, including the Deputy Mayor, where they are formally representing the council in place, or in support of, the Mayor.

Where practicable purchase orders should be raised and approved in advance of committing to expenditure. Purchase orders will be raised consistent with financial regulations in the normal manner and will be authorised by the RFO, consistent with all other items of expenditure.

Where the use of purchase orders is not practicable (eg; mileage, charity donations, raffle tickets), the expense process should be used after the expense has been incurred.

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[1] Appendix: Section 15(5) of the Local Government Act 1972

*"A parish council may pay the chairman/mayor for the purpose of enabling him to meet the expenses of his office such allowance as the council think reasonable."*

**Source:** Local Government Act 1972, Section 15(5) -
*https://www.legislation.gov.uk/ukpga/1972/70/section/15*

Submitted expense forms should be supported with receipts where practicable, but it is recognised that some cash expenditure will not be receipted.

Acceptable claims include, but are not limited to:
- Mileage to and from events
- Tickets for events
- Raffle and draw tickets
- Donations to charities (up to £25)
- Small gifts (eg; flowers up to £30) as a token of appreciation from the Council
- Reasonable clothing allowance for Civic events (Mayor only)
- Mayor's regalia

The NJC (National Joint Council) mileage rates are the same as the prevailing HMRC mileage rates, available on the main HMRC website.

The Mayor's **Entertainment Fund** is to be used only for formal council events or those which are directly related to council business. It should not be used for personal events or private parties.

**Expenditure which is not allowed:**
The Mayor's Expenses Budget must not be used to pay for:
- Gifts of monies or goods (including flowers) other than to charities or as a token of appreciation
- Parking fines or parking charge notices
- Social events internal to the Council unless agreed by both the Mayor and Deputy Mayor
- Costs associated with the use of home as office, personal telephone bills, etc
- Printing fliers/leaflets/posters etc other than for civic events covered above
- Events of a political nature, eg., supporting or organised by a political party.

**Mayor's Charities:**
If the Mayor has designated charities and there is associated expenditure in relation to setting up of charitable events, claims for re-imbursement should be submitted through the established purchase order scheme The monies distributed to charities will be net of any related non-staff costs and should not be topped up from any separate underspent Council budgets.

**Elections to Forgo Parish Allowances (Regulation 32)[2]:**
The council mayor may decide to forgo all of his or her allowance entitlement. The mayor must do this by notice in writing to the proper officer of the council.

[2] **Regulation 32** of the *Local Authorities (Members' Allowances) (England) Regulations 2003* allows members of parish councils to **voluntarily forgo their entitlement to allowances**.

**Records of Parish/Mayor's Allowances (Regulation 31)[3]**

The parish council will keep records of all allowance payments and, at the end of each financial year:

- Post a notice in a conspicuous place, and on its website for a period of at least fourteen days
- Set out the total sum paid over the year under the relevant budget headings of Mayor's Allowance and Mayor's Entitlement Fund.

**Signed: ………………………. Chair     Dated: 26th November 2025**

[3] **Regulation 31** of the *Local Authorities (Members' Allowances) (England) Regulations 2003* sets out the requirements for **recording and publishing payments** made to parish councillors.

## Appendix I: Summary of Local Authorities (Members' Allowances) Regulations

### Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021)

These regulations establish the framework for how local authorities in England can pay allowances to their elected members.

- Key Provisions:
- Part 1 – General: Definitions, commencement, and scope.
- Part 2 – Allowances:
    - • Basic Allowance: Paid to all elected members.
    - • Special Responsibility Allowance: For members with additional duties.
    - • Dependents' Carers' Allowance: For costs incurred while performing duties.
    - • Travel and Subsistence Allowance.
    - • Co-opted' Allowance.
- Part 3 – Schemes: Requirements for local authorities to adopt formal schemes.
- Part 4 – Independent Remuneration Panels: Panels must be consulted on allowance schemes.
- Part 5 – Parish Councils: Separate provisions for parish council members.
- Part 6 – Transitional Provisions and Revocations.

Full text available at: https://www.legislation.gov.uk/uksi/2003/1021/contents/made

Local Authorities (Members' Allowances) (England) (Amendment) Regulations 2004 (SI 2004/2596)

These amendments update the 2003 Regulations, particularly in relation to parish councils.

- Key Changes:
- • Regulation 24: Clarified application to all parish council members.
- • Regulation 25: Extended eligibility for travelling and subsistence allowances to all members, not just elected ones.
- • Regulation 28: Adjusted provisions for remuneration panel recommendations.
- • New Regulation: Introduced provisions for reimbursement of expenses.

Full text available at: https://www.legislation.gov.uk/uksi/2004/2596/contents/made