UPTON & NORTH ELMSALL PARISH COUNCIL
CHAIR'S ALLOWANCE POLICY

Purpose of this Policy
This policy sets out how Upton & North Elmsall Parish Council will provide for and administer the Chair's Allowance and the types of expenditure for which it may be used.

The purpose of the allowance is to meet additional expenses arising directly from holding the office of Chair and representing the Parish Council. It is not a personal benefit or general discretionary spending fund.

Legal Basis
Section 15(5) of the Local Government Act 1972 allows a parish council to make an allowance available to its Chair to meet the expenses of the office.

The allowance applies only to the Chair of the Parish Council. It does not apply to the Vice-Chair or to other councillors by virtue of their office.

Annual Approval and Budget
The Council will determine whether the office of Chair is to receive an allowance and will approve the amount to be provided for the relevant financial year. The approved sum will be included in the Council's budget and the decision, including the intended payment arrangements, will be recorded in the minutes.

The existence of a budget does not remove the requirement for expenditure to fall within the purpose of the Chair's Allowance and the Council's financial controls.

What the Chair's Allowance is Intended to Cover
The Chair's Allowance is intended to meet additional costs that arise as a direct consequence of the Chair acting as the formal representative of the Parish Council, particularly in relation to external representation and civic hospitality.

Appropriate expenditure may include, where reasonable in the circumstances:

- costs associated with attending civic, charitable or community functions in the official capacity of Chair, other than ordinary mileage, travel or subsistence payable under the Council's Expenses & Mileage Policy;
- modest civic hospitality or refreshments where the Chair is formally hosting or representing the Council;
- flowers, cards, wreaths or similar modest gestures sent or presented in the Chair's official representative capacity;
- a modest charitable donation associated with an official civic or charitable function attended or supported by the Chair on behalf of the Council; and
- other reasonable incidental costs incurred solely because of the duties and representative responsibilities of the office of Chair.

There is no automatic entitlement to spend the full amount budgeted. Expenditure must remain reasonable, proportionate and directly connected with the office of Chair.

What the Allowance Does Not Cover
The Chair's Allowance must not be used for:

- personal expenditure or items for the Chair's private use;

- ordinary mileage, travel or subsistence that can be claimed under the Council's Expenses & Mileage Policy;
- general grants, sponsorship or donations that are more properly considered under the Council's Grant Scheme Policy or by a formal Council decision;
- political or party-political activity;
- fines, penalties, alcohol for personal consumption or other inappropriate expenditure;
- purchases that are unrelated to the duties of the office of Chair; or
- equipment intended to become the personal property of the Chair.

Equipment and Council Resources

The Chair's Allowance is not intended to provide the Chair with personal ownership of equipment such as a laptop, mobile phone, printer or similar durable item.

Where the Council considers that equipment or another resource is reasonably required for the office of Chair, it should normally be purchased directly by the Council through its usual procurement arrangements. Any such item remains the property of Upton & North Elmsall Parish Council and must be returned when the Chair leaves office or when the Council requests its return. The item may then be made available to a subsequent Chair or otherwise used or disposed of by the Council.

How the Allowance May Be Provided

The Council may determine that the Chair's Allowance will be provided by one or a combination of the following methods:

- payment of an approved allowance directly to the Chair;
- the Council retaining the budget and paying appropriate costs directly; or
- reimbursement of qualifying expenditure personally incurred by the Chair against appropriate receipts or invoices.

The method or combination of methods to be used should be clear from the Council's decision and financial records.

Direct Payment of an Allowance

Where all or part of the approved allowance is paid directly to the Chair as a lump sum or regular payment, it will be processed through payroll in accordance with the Council's payroll arrangements and applicable tax requirements.

The Chair should keep appropriate records of expenditure relating to the office so that the use of the allowance can be evidenced if required. Records should be retained for an appropriate period in case of audit or tax enquiry.

Council-Paid Expenditure and Reimbursement

Where practicable, expenditure should be arranged through the Parish Council office so that the Council places the order, receives the invoice and pays the supplier directly.

Where the Chair personally incurs qualifying expenditure and reimbursement is permitted, the claim must be supported by appropriate evidence and submitted using the Council's relevant Chair's Allowance claim form or other process approved by the Clerk/RFO.

A claim must clearly identify the purpose of the expenditure and demonstrate that it arose directly from the Chair's official duties. The Chair must not authorise their own claim.

Authorisation
Expenditure from the Chair's Allowance will be authorised in accordance with the Council's Financial Regulations and Scheme of Delegation.

Where a payment or reimbursement falls within the Clerk/RFO's delegated authority, it may be processed under that authority provided it complies with this policy and the approved budget. Where the amount exceeds delegated authority, or where the matter otherwise requires member approval, it must be referred to the Council or to a committee with specific delegated authority to consider such expenditure.

The Chair or another individual councillor cannot be given delegated authority to approve the Council's expenditure in place of the Council, a properly authorised committee or an officer acting within delegated authority.

VAT
VAT will not be reclaimed from a Chair's Allowance payment made directly to the Chair or from an expense reimbursement where the Chair has personally made the purchase.

Where the Council itself places the order, receives an appropriate invoice addressed to the Council and pays the supplier directly from Council funds, VAT will be treated in accordance with the Council's normal VAT procedures and HMRC requirements.

Relationship with Other Council Expenditure
The Chair's Allowance must not be used to bypass the Council's normal grant, procurement, budgeting or decision-making procedures. Where expenditure is properly a Council purchase, grant, project cost or service cost, it should be dealt with under the appropriate Council budget and procedure rather than treated as an expense of the office of Chair.

A modest donation that is directly associated with the Chair representing the Council at a civic or charitable function may be met from the Chair's Allowance where this is consistent with the Council's approved arrangements. A wider or stand-alone grant or donation should be considered through the Council's normal grant or decision-making process.

Records and Transparency
The Clerk/RFO will ensure that expenditure relating to the Chair's Allowance is recorded against the appropriate budget heading and that sufficient supporting records are retained for accounting and audit purposes.

The Chair's Allowance remains public money and must be administered with the same standards of accountability, reasonableness and transparency as other Council expenditure.

Review of this Policy
This policy will be reviewed periodically and may be updated by resolution of the Council where legislation, guidance or the Council's financial arrangements change.