



Gretton Parish Council

Members Allowances Policy

1. Introduction

It is the policy of Gretton Parish Council ("the Council") that Councillors should not be either financially advantaged or disadvantaged because of genuine council business expenses.

1.2. This policy will apply to all Councillors, including co-opted Members, and any non-councillor

members of a committee or sub-committee of the Council.

2. Councillor Allowances

2.1. The Local Authorities (Members' Allowances) (England) Regulations 2003 apply to those parishes that pay members' allowances. Gretton Parish Council makes no provision for allowances, but does make provision for reimbursement of expenses as detailed below.

3. Chairman's Expenses

3.1. Section 15(5) of the Local Government Act 1972 provides for town and parish councils to pay its Chairman "for the purposes of enabling him to meet the expenses of his office such allowance as the council think reasonable".

3.2. A budget may be set aside for the Chairman each year to cover:

- Reimbursement of travel and subsistence expenses to attend events to which the Chairman has received an official invitation through the Council office. (Mileage rates are paid according to 4.2 below.)
- Small gifts, tokens of appreciation and donations to charity where this is considered to benefit the local community, for example the purchase of a poppy wreath.
- Telephone, stationery and printing.
- Other such expenses as the Council thinks reasonable.

3.3. If the Chairman is unable to attend an event to which they have received an official invitation through the Council office, the Vice Chairman (if there is one) may be requested to attend as a substitute. In these instances the Vice Chairman will be reimbursed according to 3.1 above.

The expenses will be charged against the Chairman's budget.

3.4. If it is paid as a lump sum allowance then the Chairman's expenses will be subject to the usual tax and national insurance deductions to ensure compliance with HMRC regulations.

4. Councillor Expenses

4.1. Members of Council attending training courses or other events which the Council has requested they attend as the Council's representative(s) may have their travel expenses reimbursed, provided that such expenses have been approved by the Council.

4.2. Mileage for travel outside the parish (only) will be reimbursed according to the HMRC approved rates in force at the time, currently 45p per mile for private vehicles.

4.3. The Council will reimburse Members for reasonable expenses wholly, necessarily and exclusively incurred in connection with its business, provided that such expenses have been approved by the Council.

4.4. All expense claims must be made promptly (within 2 months of expenditure being incurred) using the Travel and Expenses Claim form and MUST be accompanied by receipts. VAT invoices should be obtained where relevant.

4.5. In exceptional circumstances, where there is a compelling business reason, Councillors may be reimbursed for purchases made on behalf of the Council. Orders should be placed in the name of the Council and a VAT invoice obtained.

4.6. Payment of expenses claims is subject to approval by the Council.

5. Value Added Tax

5.1. Although Councillors are elected members of the Council they are, for VAT purposes, treated as an employee when carrying out their official duties. As a result any VAT incurred in the course of their official duties can be recovered subject to the following conditions:

- the Council accepts responsibility for the actual expenses incurred and includes them in its normal accounts
- the goods or services are ordered in the name of the Council and invoices are addressed to it, and
- adequate documentation is retained to support the claim for refund of the VAT.

5.2. VAT cannot be recovered where it is incurred through expenditure of a flat rate allowance provided in the form of money placed freely at the disposal of the councillor.

Review: Annually

Adopted by Gretton Parish Council on 14/04/2025