

Magor with Undy Town Council

Mayors Discretionary Fund

The Democracy and Boundary Commission Cymru) and Independent Remuneration Panel Wales report 2025/26 makes provision for remuneration payments to be made to Town Councillors.

Determination 7 of the report mandates that all councils must pay their members £156 a year (equivalent to £3 a week) towards the extra household expenses (including heating, lighting, power, and broadband) of working from home.

Furthermore, it details that Councils must either pay their members £52 a year for the cost of office consumables required to carry out their role, or alternatively councils must enable members to claim full reimbursement for the cost of their office consumables

Determination 8 of the report makes provision for 'optional payments' and under this provision the Mayor of Magor with Undy Town Council may receive an optional payment of up to £1,500.

Magor with Undy Town Council attend to remuneration payments to Council members who have elected to receive such payments, quarterly, in arrears, the payments being processed in June, September, December and March each year.

There are three options available to the Chair/ Mayor in respect of the 'Optional Payment'

1. The agreed allowance is paid, to the Mayor under PAYE, and this taxable income to the Mayor.
2. The 'allowance' is actually used as an expenses budget for the Mayor, to reimburse costs, such as travel costs and costs of attending civic functions.
3. The allowance acts as a discretionary fund, which can be paid out based on decisions of the Mayor. This is commonly in the form of items such as small grants to community groups, or flowers etc, to local volunteers.

The Chair or Mayor will be given the choice each year as to whether to receive the allowance as a payment to them, under PAYE, or to use as a fund to make payments under 2 and 3 above.

This choice will be formally recorded in the Minutes of the relevant meeting.

Allowable payments

1, Should the Chair / Mayor wish to use the fund for travel costs and the costs of civic functions then any amounts paid must be supported by a claim and receipts in the same manner as any expense claim. The funds will not be used for personal items such as clothing etc.

2, Should the Chair Mayor wish to use the allowance as a discretionary fund then the following provisions will apply;

- Any grants or small payments can only be made to groups or organisations operating principally within the boundaries of Magor with Undy Town Council.
- Awards will generally be small in the region of a few hundred pounds and will generally be for items or activities for which mainstream funding may be more difficult to secure or which Council grant funding be unavailable.
- Awards may be made where there is an innovative or new idea which could bring benefit to local residents.
- Where there is no properly constituted body in place the funds may be paid to a properly constituted body with a bank account in its name.
- Funds will not be paid to individuals.
- The Mayor, nor any other Councillor may not derive any personal benefit from the awards made.