



Hospitality Policy

Version Control

Policy	Hospitality Management
Responsible Officers	Town Clerk and Responsible Financial Officer
Author	Town Clerk
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Approval

Approved by	Full Cowes Town Council
Date Approved	
Minute Number	

1. Purpose

This policy establishes the principles governing the provision, acceptance, approval, recording and monitoring of hospitality by Cowes Town Council.

The policy aims to:

- Ensure lawful expenditure of public funds;
- Protect Members and officers from allegations of impropriety;
- Maintain public confidence;
- Support appropriate civic and community engagement;
- Ensure compliance with legislation, Financial Regulations and recognised standards of good governance.

2. Legislative and Governance Framework

This policy should be read alongside:

- Local Government Act 1972
- Local Government Act 2000
- Localism Act 2011



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- Local Audit and Accountability Act 2014
- Accounts and Audit Regulations 2015
- Data Protection Act 2018
- Equality Act 2010
- Freedom of Information Act 2000
- Environmental Information Regulations 2004
- Bribery Act 2010
- Fraud Act 2006
- Health and Safety at Work etc. Act 1974

Cowes Town Council shall also have regard to:

- Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide
- NALC Model Financial Regulations
- NALC Model Standing Orders
- Relevant NALC Legal Topic Notes, including those concerning members' conduct, local Cowes Town Council powers, financial management, and conflicts of interest
- CIPFA *Delivering Good Governance in Local Government Framework*
- The Seven Principles of Public Life (Nolan Principles)

3. Related Cowes Town Council Policies

This policy operates alongside:

- Financial Regulations
 - Standing Orders
 - Scheme of Delegation
 - Members' Code of Conduct
 - Employee Code of Conduct
 - Gifts and Hospitality Policy (Acceptance)
 - Anti-Fraud and Corruption Policy
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- Anti-Bribery Policy
 - Procurement Policy
 - Risk Management Policy
 - Equality Policy
 - Health and Safety Policy
 - Expenses Policy
 - Budget and Reserves Policy
 - Whistleblowing Policy
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4. Principles

Cowes Town Council shall ensure that hospitality:

- Is lawful;
 - Is reasonable and proportionate;
 - Provides demonstrable public benefit;
 - Is transparent;
 - Represents value for money;
 - Is properly authorised;
 - Is fully recorded;
 - Is capable of public scrutiny.
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5. Definition of Hospitality

Hospitality includes:

- Refreshments;
 - Tea and coffee;
 - Working lunches;
 - Buffets;
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- Civic receptions;
 - Volunteer recognition events;
 - Staff recognition events;
 - Official opening ceremonies;
 - Refreshments provided during Cowes Town Council meetings where approved;
 - Modest seasonal staff events authorised by the Cowes Town Council.
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6. Hospitality That Will Not Normally Be Funded

Cowes Town Council funds shall not normally be used for:

- Alcoholic drinks except where expressly approved for civic functions;
 - Personal celebrations;
 - Birthday parties;
 - Retirement gifts exceeding approved limits;
 - Hospitality for family members;
 - Lavish entertainment;
 - Hospitality which could reasonably be regarded as extravagant.
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7. Staff Hospitality Budget

Cowes Town Council may establish an annual Staff Hospitality Budget as part of its approved revenue budget.

The purpose of this budget is to support modest events that:

- Recognise employee achievements;
 - Acknowledge long service;
 - Support staff wellbeing;
 - Celebrate significant organisational milestones;
 - Thank staff following exceptional operational demands;
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- Provide refreshments at approved staff briefings, training or volunteer events.

The budget is for official Cowes Town Council purposes only and must not be used for private entertainment or personal benefit.

8. Delegated Hospitality Allocation for Committee Chairs

To support approved staff recognition events, Cowes Town Council may allocate an annual hospitality allowance to each standing committee.

Recommended approach

Each standing committee may receive an annual hospitality allocation of **up to £250** (or another amount determined annually through the budget-setting process).

The allocation:

- Forms part of the Cowes Town Council's approved budget;
- Remains Cowes Town Council funds at all times;
- Must not be paid directly to Members;
- Must be administered by the Town Clerk or RFO;
- May only be spent following written approval by the relevant Committee Chair and the Town Clerk (or, where the Town Clerk has an interest, by the Mayor and RFO).

Permitted uses include:

- Refreshments for staff and volunteers at committee-sponsored appreciation events;
- Modest refreshments following successful completion of major committee projects;
- Volunteer recognition events linked to the committee's work.

Excluded expenditure includes:

- Alcohol unless specifically authorised under the civic hospitality provisions;
- Gifts of cash or cash equivalents;
- Personal expenses;
- Hospitality unrelated to Cowes Town Council business.

Unused allocations shall lapse at the end of the financial year unless Full Cowes Town Council resolves otherwise.



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9. Approval Levels

Expenditure	Approval
Up to £100	Town Clerk (within approved budget)
£101–£250	Committee Chair and Town Clerk jointly
Above £250	Relevant Committee or Full Cowes Town Council, in accordance with Financial Regulations

Any hospitality outside the approved budget requires prior committee or Cowes Town Council approval.

10. Financial Controls

All hospitality expenditure shall:

- Be supported by VAT receipts or invoices;
- Be coded to the correct budget heading;
- Comply with Financial Regulations;
- Be reported through normal budget monitoring;
- Be available for audit.

Cash reimbursements shall be avoided wherever possible.

11. Procurement

Where catering or hospitality services are procured:

- Procurement procedures shall be followed;
 - Value for money shall be demonstrated;
 - Conflicts of interest shall be declared.
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12. Register of Hospitality

The Town Clerk shall maintain a Hospitality Register recording:

- Date;
- Event;
- Purpose;
- Approving authority;
- Attendees (where appropriate);
- Expenditure;
- Supplier;
- Budget code.

The register shall be available for internal and external audit.

13. Conflicts of Interest

Members and officers must declare any interest in suppliers, venues or service providers.

Persons with a disclosable interest shall not participate in decisions where required by law or Cowes Town Council's Code of Conduct.

14. Monitoring

The RFO shall report annually on:

- Budget allocated;
 - Expenditure incurred;
 - Variances;
 - Compliance with this policy;
 - Any exceptions.
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15. Audit

Hospitality expenditure shall be subject to:

- Internal audit;
 - External audit;
 - Public inspection rights where applicable.
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16. Breaches

Failure to comply with this policy may result in:

- Recovery of unauthorised expenditure;
 - Disciplinary action (employees);
 - Referral under the Members' Code of Conduct;
 - Referral to law enforcement where fraud or corruption is suspected.
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17. Governance Note

Providing a modest, budgeted hospitality allocation to committee chairs can be compatible with good local government governance **provided** that:

- The amount is approved annually by Full Cowes Town Council through the budget;
- Committee chairs do not receive cash payments or personal allowances;
- All expenditure is processed by Cowes Town Council through normal financial procedures;
- Every item of expenditure has a clear Cowes Town Council purpose, is evidenced by receipts, and is recorded for audit;
- The allocation remains subject to Cowes Town Council's Financial Regulations, Scheme of Delegation and normal budget monitoring.

This approach is more likely to satisfy internal and external auditors than an unrestricted discretionary allowance because it maintains clear financial control, transparency and accountability over the use of public funds.



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Appendix A – Hospitality Request Form

Contents:

- Date of request;
 - Name of requesting Member or Officer;
 - Committee or department;
 - Description of the event;
 - Purpose and expected public benefit;
 - Proposed venue;
 - Proposed supplier;
 - Number of attendees;
 - Breakdown of expected attendees (Members, officers, volunteers, guests);
 - Estimated cost;
 - Budget heading;
 - Funding source;
 - Declaration that the expenditure complies with the Hospitality Policy;
 - Signature of requester;
 - Approval section.
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Appendix B – Hospitality Approval Form

To formally authorise expenditure before costs are incurred.

Approval includes

- Reference number
 - Event details
 - Approved budget
 - Financial Regulation authority
 - Delegated authority used
 - Approval by:
 - Town Clerk
 - Responsible Financial Officer
 - Committee Chair (where applicable)
 - Full Cowes Town Council (where required)
 - Date approved
 - Conditions of approval
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Appendix C – Hospitality Register

To maintain a permanent record of all hospitality provided by Cowes Town Council.

The register should include:

- Reference number;
- Date;
- Event;
- Purpose;
- Organiser;
- Approving officer;
- Committee;
- Supplier;
- Amount spent;
- Budget code;
- Number attending;
- Receipts received;
- Date payment authorised;
- Audit reference.

The register should be reviewed regularly by the RFO and be available for internal and external audit.



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Appendix D – Staff Recognition Event Guidance

To define when hospitality for employees and volunteers is appropriate.

Examples include:

- Long service recognition;
- Retirement events;
- Completion of major Cowes Town Council projects;
- Christmas staff refreshments;
- Volunteer appreciation events;
- Health and wellbeing initiatives;
- Official staff briefings with refreshments;
- Emergency response recognition.

The guidance should emphasise that expenditure must be modest, proportionate and clearly linked to Cowes Town Council business.



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Appendix E – Committee Hospitality Allocation Register

To monitor each committee's annual hospitality allocation.

Suggested fields:

- Committee;
- Annual allocation approved;
- Budget code;
- Expenditure to date;
- Remaining balance;
- Date of each event;
- Purpose;
- Approving Chair;
- Town Clerk approval;
- RFO verification.

This register helps prevent overspending and provides budget transparency.



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Appendix F – Approved Expenditure Matrix

To provide clarity about what expenditure is normally acceptable.

Expenditure	Normally Permitted	Approval Required
Tea and coffee	✓	Town Clerk
Biscuits	✓	Town Clerk
Sandwich lunch	✓	Town Clerk
Buffet	✓	Committee approval if above delegated limit
Volunteer refreshments	✓	Town Clerk
Staff appreciation refreshments	✓	Town Clerk / Committee Chair
Floral displays	✓	Subject to budget
Alcohol	Normally No*	Full Cowes Town Council or civic event approval
Entertainment	Exceptional cases only	Full Cowes Town Council
Cash gifts	X	Not permitted
Gift vouchers	Limited and only where a separate policy permits use	Cowes Town Council approval
Personal gifts	X	Not permitted

*Except where Cowes Town Council has expressly approved alcohol for official civic hospitality.



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Appendix G – Financial Controls Checklist

To ensure compliance with Financial Regulations.

Checks should include:

- Budget available;
 - Proper statutory purpose;
 - Financial Regulation compliance;
 - Procurement requirements met;
 - Correct authorisation obtained;
 - VAT invoice received;
 - Payment properly approved;
 - Correct ledger coding;
 - Budget monitoring updated;
 - Asset register updated (if necessary).
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Appendix H – Procurement Checklist

To ensure value for money.

Checks include:

- Number of quotations obtained;
 - Existing framework agreements considered;
 - Local suppliers considered;
 - Best value demonstrated;
 - Sustainability considered;
 - Equality requirements considered;
 - Food hygiene compliance;
 - Insurance verified;
 - Risk assessment completed.
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Appendix I – Conflict of Interest Declaration

Completed by Members and officers involved in arranging hospitality.

The declaration should identify:

- Financial interests;
- Family relationships;
- Business relationships;
- Hospitality from suppliers;
- Previous employment;
- Membership of organisations receiving hospitality.

It should also record the action taken, such as withdrawal from the decision where appropriate.



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Appendix J – Annual Hospitality Monitoring Report

Presented to the Finance Committee and Full Cowes Town Council.

The report should include:

- Annual hospitality budget;
- Actual expenditure;
- Variance analysis;
- Committee-by-committee expenditure;
- Staff event expenditure;
- Civic hospitality expenditure;
- Supplier analysis;
- Policy compliance;
- Audit findings;
- Complaints received;
- Recommendations for improvement.

This report provides assurance that expenditure remains within approved limits and represents value for money.



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Appendix K – Hospitality Risk Assessment

To identify and manage risks associated with hospitality.

Typical risks include:

Risk	Typical Control
Overspending	Budget monitoring
Reputational damage	Approval process
Bribery allegations	Hospitality Register
Fraud	Receipts and audit trail
Conflict of interest	Declarations
Procurement challenge	Procurement procedures
Poor value for money	Competitive quotations
Health and safety	Event risk assessment
Food allergies	Catering information and planning

Each risk should be scored for likelihood and impact, with mitigation measures and a named responsible officer.



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Appendix L – Audit Checklist

To support internal and external audit reviews.

The checklist should confirm:

- Expenditure was within the approved budget;
 - The Cowes Town Council had a lawful power to incur the expenditure;
 - Proper approvals were obtained;
 - Financial Regulations were followed;
 - Standing Orders were complied with where relevant;
 - Procurement requirements were met;
 - Original invoices and receipts are held;
 - Payments were correctly authorised;
 - Hospitality Register entries are complete;
 - Budget monitoring has been updated;
 - Any conflicts of interest were declared and managed;
 - Expenditure delivered value for money;
 - The event had a clear and documented Cowes Town Council purpose.
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