

EXPENSES POLICY FOR EMPLOYEES
March 2019

INTRODUCTION

Bracknell Forest Council is aware that there will be circumstances when employees incur additional expenditure when out on Council business. The Council recognises that employees should not be placed at a financial disadvantage under these circumstances and will be fairly compensated for additional costs genuinely incurred. Expenses which can be reimbursed must have been incurred wholly, exclusively and necessarily in the performance of activities related directly to the running of the Council (Section 336 of the Income Taxes Earnings and Pensions Act 2003). These expenses will be classed as “business expenses” which will not then be subject to tax for the individual concerned.

In addition to the non-taxable expenses, the Council does permit employees to claim a limited number of expenses that could otherwise be classed as wholly or partly personal expenses. The guidance which accompanies this policy provides detailed information on which allowances are classified by Revenue and Customs (HMRC) as taxable or non-taxable.

As the Council is managing public money, it is essential that employees exhibit the highest standards of personal behaviour and that all payments are appropriate and made in an open and transparent manner. The overriding aim is to ensure that the Council’s reputation cannot be brought into disrepute. The Council’s Code of Conduct for Employees sets out in more detail the standards that are expected of employees, including those relating to the receiving and giving of gifts and hospitality. Any employee who is suspected of falsely or wilfully claiming expenses to which they would not be entitled will be subject to appropriate disciplinary investigation.

The Council is required to maintain records of all expenses payments whether they are taxable or not.

This policy applies to employees only, Councillors are also entitled to claim for expenses, many of which are similar to those available to employees. Full details of those expenses that Councillors can claim are set out in the Members Allowances Scheme. All new employees will be advised of the rules relating to conduct, and where appropriate have the procedures relating to the claiming of expenses explained.

SCOPE

The policy will apply to all employees of Bracknell Forest Council including those on temporary and casual contracts of employment. School governing bodies are responsible for agreeing their own policy on expenses and may adopt this model if they wish.

The policy applies to all personal expenses incurred by an employee during the course of their duties, including those where the expense has been charged to a Council credit card.

The policy does not apply to the reimbursement of other costs that may have been incurred on the Council’s behalf e.g. goods purchased. The Council has instigated a policy of issuing Corporate Purchase cards to a wider base of officers in recognition of the change in purchasing habits (i.e. the great use of on-line ordering where there is no alternative to using a credit/debit card). As such expenditure incurred on the Councils behalf (and not in relation to employee expenses) should in the first instance be ordered using a purchase order or using a Corporate Purchase card. Expenditure of this nature should only be reclaimed through expenses on rare occasions where absolutely necessary. Budget holders authorising such expenditure should be aware of this element of the expenses policy and should ensure that such purchases are minimised.

Advice on how to reclaim these costs can be found in the section on Claiming Expenses on DORIS (<https://doris.bracknell-forest.gov.uk/page/claiming-expenses>).

MONITORING MEASURES

Expense claims and hospitality registers will be examined regularly as a part of the annual internal audit programme.

Failure to comply with this policy and/or the Code of Conduct for Employees may result in previously reimbursed expenses, or the costs of providing gifts or hospitality, being recovered from the employee responsible. Furthermore, gifts accepted contrary to the Code of Conduct for Employees must be returned.

DESCRIPTION OF ACTIVITIES FOR WHICH CLAIMS CAN BE MADE

Car allowance and usage - Employees requiring the use of vehicles or other types of transport for the performance of their duties will be eligible to receive allowances or reimbursement for the use of their car or other types of transport on journeys directly relating to Borough business. Vehicles must be in a roadworthy condition and insured for business use.

- **Essential Car Users** – Entitlement to Essential Car User Allowance is dependent upon continuing to average 3 or more eligible journeys per week to deliver services or support directly to the community (e.g. to the public/schools/Council operated centres). Entitlement will be periodically reviewed, and those who do less than 3 eligible journeys per week will be re-designated as Casual Car Users upon review. Essential Car Users can claim mileage at the rate applicable at the time of the journey and also receive a monthly lump sum.
- **Casual Car Users** – All posts that are not defined as Essential Car User are designated as Casual Car Users and may claim business mileage at the Casual User rate for using their own car. Casual Users have the option to use their own cars or book pool cars but cannot claim mileage for these journeys undertaken in pool cars.

Journeys To and From Home - The majority of employees have their normal place of work stated in their terms and conditions of employment, as being a specific location or any other Council property. Travel between home and their work location will not be eligible to be claimed as a travel expense, even when the employee works at home. However, for those few employees whose contracts of employment state that their normal place of work is their home, claims for travel from home to a work location will be eligible for reimbursement.

Where employees journey from home to another location other than their normal place of work (e.g. when travelling from home to a training event or to an off site meeting), they cannot claim mileage if the miles travelled are less than that which would have been travelled on the shortest route from home to work. If the distance is more, then a claim for those miles additional to the shortest home to work mileage is allowable. The same applies to journeys from a location other than the normal place of work to the employee's home.

All records of business mileage must show the reason for the journey as well as the start, destination and finish points. For employees the start and finish points will normally be the normal permanent place of work or travel between different work related locations. If a claim is for additional mileage from a home start, the start and finish points shown on a claim form

should be the home address (where there is no claimable mileage, the employee is advised to record the journey for car allowance eligibility purposes, but to record 0 miles claimed).

For longer journeys of 50 miles or more (in a single journey), employees should seek approval from their line manager as to the most suitable means of transport taking into account the nature and purpose of the journey, the necessity to carry clients or equipment, etc. If the manager recommends the use of public transport and the employee decides to use his or her own transport, the claim approved must be based on the second class rail fare for that journey.

Car parking fees – Where used, can also be claimed against receipt. The payment for parking near to the employee's usual place of work, however, cannot be reimbursed.

Use of public transport – Where this is used, claims must be made against receipts/production of a valid journey ticket. The Council will usually only reimburse claims for second class/economy travel rates. First class travel rates may be claimed if there is a requirement to work during the course of the journey and prior approval is obtained from the relevant Director or Chief Officer. The Chief Executive, Directors and Chief Officers are expected to work during the course of their journey and may, therefore, claim reimbursement for first class travel rates without prior approval.

Air/Foreign travel – Where this is considered necessary and appropriate, in the performance of activities related directly to the running of or in furtherance of the work activities of the Council, the costs of economy travel only will be reimbursed. Claims must be made against receipts/production of a valid journey ticket.

Cycle Mileage – The Cycle Allowance Scheme is to encourage employees to use alternative methods of travel for their journeys between home and Council premises and journeys made in the course of their work. A cycle allowance will be paid to employees for business mileage, not home to work travel. Different rates apply to pedal cycles and motorcycles.

Training expenses – These must be claimed on the same basic principles as the above.

- **Residential courses** – frequently the non-travel expenses are included in the cost of the course itself, but where this is not the case, the rules explained in this Policy will apply.
- **Short courses and seminars** – meals are usually included in the price of a short course. Where they are not, claims for subsistence should be made (in accordance with published rates)
- **Day release courses** – these are normally qualification linked programmes which require attendance at a training location on a regular basis e.g. once a week. These shall be treated as though the training location is the normal place of work on that day and hence no subsistence allowances shall be payable. Where employees are attending college and travelling from home they may claim travelling expenses in excess of those normally incurred when travelling to work.

Overnight accommodation – All overnight stays must be authorised in advance. This approval will be given by the employee's immediate line manager. Overnight accommodation is only likely to be approved when the distance between the location and the employee's normal place of work exceeds 150 miles or where attendance at an early morning meeting in that location justifies remaining in the area overnight. If an employee stays in overnight accommodation that is less than 150 miles from the employee's normal

place of work the Council will be responsible for meeting the employee's liability to Income Tax.

Standard allowances for out of pocket expenses exist to cover the cost of small incidental expenses of staying away from home, e.g. purchase of a newspaper or short telephone call. If overnight accommodation in a specific hotel forms part of the fee for attending a conference or other event, the cost of this will normally be included within the booking fee payable to the event organiser.

Subsistence allowance – Actual expenditure can be claimed back supported by a valid receipt provided that it is both reasonable and necessary. The amount should not exceed published subsistence allowances. There is an expectation that the purchase of alcohol as part of a subsistence claim would not meet the above criteria, however it is recognised that there may be exceptions to this and as such any claims for the purchase of alcohol should be approved by the budget manager prior to its purchase.

Allowances should only be claimed when it is not practical for the person claiming the allowance to take their meal as normal at home or at work. For example, if a meeting is held in the afternoon a claim for lunch allowance would not be approved, if it had been possible for the person to have lunch before commencing their journey or attending the meeting.

For staff to be eligible to claim for subsistence claims, they must:

- Be away from home and work
- Be on Council business
- Be away over the duration of a normal meal time (unless claiming subsistence for evening meetings)

Evening meetings – Employees required to attend a meeting involving Councillors or external parties which is expected to last until at least 8.30 pm, qualify for payment of subsistence allowances. However, Revenue and Customs (HMRC) regards these expenses relating to evening meetings as taxable, and so they need to be administered separately from non-taxable expenses, through the Payroll system.

Alternatively, employees may claim mileage up to a total of 25 miles in order to return home for an evening meal. HMRC regards this mileage as taxable and must also be claimed through the Payroll system.

Mobile phones – These are issued to those employees who need one to ensure the efficient discharge of their duties. The cost (or reasonable estimate of the cost) of personal calls and text must be reimbursed to the Council. Inappropriate or improper use of a mobile phone will result in appropriate disciplinary action being taken against the employee.

TRAVEL CLAIMS/EXPENSES PAYMENTS

Mileage/expenses claims should be completed at least once every quarter (to 30th June, 30th September, 31st December and 31st March) and submitted for payment as soon after this date as possible. The reimbursement payable will be for actual expenditure up to a maximum which is the standard rates applicable at that time. These are subject to review each year and new rates usually apply from 1st April each year.

No reimbursement will normally be paid without an authorised claim form with valid VAT receipts attached. Businesses must supply a VAT receipt when specifically requested. The

only circumstances under which a VAT receipt is not necessary are where the amount is less than £25 and is one of the following:

- Telephone calls from public or private telephones;
- Purchase through coin-operated machines;
- Off-street car parking charges;
- Single or return toll charges.

For further details of what a VAT receipt should contain see the guidance on DORIS