

# The travel and subsistence policy

## Introduction

This Policy sets out the rules as to how members of staff can claim for expenses incurred in the performance of their duties for the LGSCO and the details of the principles and rules relating to staff expenses, including taxable staff expenses.

The purpose of this Policy is to ensure that employees are properly reimbursed for legitimate business expenses and to ensure that these expenses are treated appropriately for tax purposes.

All expense claims must be submitted through Cascade HR and be supported by receipts. Staff should submit claims promptly, and in any event not later than seven days after the end of the month to which they relate.

## Principles

Documentation to support the claims will be submitted with the claim; authorisation will not be given without receipts where appropriate.

Staff expenses will be reimbursed through a fortnightly BACS payment.

Business travel is any travel a staff member needs to make on official business away from their normal workplace. The LGSCO will reimburse any additional travel costs incurred in the performance of official duties. This includes:

- attendance on official LGSCO business
- attendance at training courses approved in accordance with the Learning and Development Policy
- excess cost of travel incurred during a major disruption to travel if approved by line manager.

Business travel does not include travel between home and the normal workplace. Where there is doubt, advice should be sought from Human Resources.

Staff must only travel if it is necessary and when the official business cannot be settled by any other methods such as telephone or video conferencing.

There may be instances where this Policy leaves staff in difficult circumstances and therefore exceptions to the Policy may be approved by the relevant Executive Team Member. Such circumstances should also be referred to Finance to check the tax position. Such exceptions should be agreed in advance and documented evidence supplied with the claim.

## **Dispensations**

The LGSCO has to report any non-salary payments made to staff to HM Revenue and Customs who may charge income tax on any benefits received. Responsibility for paying this tax rests with the individual and not the LGSCO.

To avoid this and to simplify the process for claimants we have agreed a dispensation with HM Revenue and Customs so that amounts claimed in line with this policy are not subject to income tax, with the exception of mileage allowances.

In some circumstances, income tax may however be payable on an element of the mileage allowances.

Contractually home based workers have a specific dispensation for home to office travel.

## **Errors**

If Finance or an internal audit finds an error, the claimant and manager will be informed. The claim will be corrected and any under/over payment will be paid/recovered. All claims may be subject to audit.

If after investigation an error is found to have been caused deliberately, disciplinary action may be taken in line with Disciplinary procedure.

## **Travel receipts**

You must upload all receipts to Cascade. We recommend you keep the hard copy receipts until the claim has been paid through Cascade. Where occasionally it is not possible to provide receipts or travel tickets – for instance if you used a vending machine or when the travel ticket is retained by the operator, you must keep a note of the reason why your travel ticket or receipts are not available.

## **Staying late at work**

If at the request of your line manager you are required to work late after completing a whole day's work, you are entitled to claim motor mileage allowance for a return journey by car or the costs of a taxi home (see *travel by taxis*) if:

- it would be unreasonable, for reasons of personal safety, to use public transport or
- if public transport is sporadic and unreliable or no longer available when you finish work.

## **Roles and responsibilities**

Managers are responsible for:

- checking claims are valid and approving for prompt payment
- ensuring staff expense claims comply with this Policy and apply the relevant rules and rates accurately;
- ensuring value for money;
- ensuring all receipts and additional explanations in support of the claim are sent with the claim.

Staff are responsible for ensuring that:

- value for money is obtained
- claims are accurate, complete and are submitted in accordance with the principles and rules contained in this Policy
- claims are submitted promptly

## **Travel allowances for approved visitors**

Visitors travelling to the LGSCO offices at the LGSCO's request (e.g. for interviews for vacancies or in connection with complaints) can be paid:

- for those using their own cars, mileage allowance at a rate set by the Commission (currently 30p per mile); and
- for those travelling by public transport, actual costs. Claims must be supported by evidence of expenditure wherever possible.

Claimants must complete and sign an expenses claim form. Supporting documentation (receipts, photocopies of rail tickets etc) must be attached to the form.

## **Staff expenses**

### **Travel by private car**

The LGSCO does not expect staff to use their private car for business travel, but accepts that there are times when going by car is the only practicable and/or cost effective way to travel. For those occasions a hire car can be obtained. Alternatively, staff may use their own cars and submit a claim for mileage allowance at the current NJC casual user mileage rates.

The LGSCO accepts no liability for any accident, loss, damage or claim arising out of any journey made on the LGSCO's business (unless caused by the LGSCO's negligence). The LGSCO will not pay for the cost of any insurance policy on staff members' own cars.

Mileage allowances are paid for the actual distance necessarily travelled less a deduction for staff normal home to permanent workplace mileage, (unless travel is directly from the LGSCO office). For example, if a home to permanent workplace return journey is 50 miles and a member of staff travels a return business journey/s of 60 miles, they will be reimbursed for 10 business miles. If the business journey is shorter than the normal home to permanent workplace journey, then no mileage allowance would be paid.

### **Road safety and licence**

Any member of staff who drives on duty, however infrequently, and wishes to claim mileage allowance must have a valid driving licence and have business cover and fully comprehensive insurance.

Finance will require you to sign an undertaking that you meet these requirements before certifying any claim. In practice this will normally be a once per year exercise.

The LGSCO accepts no liability for any fines or penalties incurred during any journey.

### **Hire cars**

If you use a hire car for journeys you cannot claim motor mileage allowance but you are entitled to be reimbursed all the costs associated with the hire of the vehicle.

Details of how to hire a car, insurance requirements and other tips on hire cars are given in How to hire a car.

### **Parking, congestion and toll charges**

The LGSCO will reimburse the costs of unavoidable expenses on parking, congestion charges and tolls (including road and river ferries). However you are personally liable for any parking fines you incur as a result of parking illegally or exceeding the speed limit or using a mobile phone when driving.

### **Mileage allowances**

Rates of allowance are:

#### *Private Car (01 April 2010)*

	<b>451-999cc</b>	<b>1000-1199cc</b>	<b>1200cc or above</b>
Up to 8,500 miles per annum	46.9p	52.2p	65.0p
After 8,500 miles per annum	13.7p	14.4p	16.4p

There is a maximum limit on reimbursement for mileage allowance of 100 miles per day.

Note that the allowances above currently exceed HMRC tax free allowances and so an element of any claim would normally be taxable.

#### *Motorcycle (01 April 2010)*

<b>Miles p.a.</b>	<b>Mopeds - Up to 50cc</b>	<b>Motorcycles - 50cc-125cc</b>	<b>126cc- 250cc</b>	<b>251cc- 500cc</b>	<b>Over 500cc</b>
First 1500	12.4	18.8	27.0	35.5	39.2
1501 – 5500	10.3	15.2	21.0	27.1	29.9
5501 – 11000	9.1	13.2	17.8	22.5	24.8
Thereafter	7.1	9.8	12.1	14.5	15.9

Miles p.a.	Mopeds - Up to 50cc	Motorcycles - 50cc-125cc	126cc- 250cc	251cc- 500cc	Over 500cc
VAT on the petrol element per mile	0.507	0.621	0.761	0.930	1.015

There is a maximum limit on reimbursement for mileage allowance of 130 miles per day.

### **Taxation on mileage allowances**

Legislation governing tax on mileage allowances paid to staff provides for a 'tax free' limit. Any amount paid over that limit is considered 'profit' and is taxable.

The Commission pays mileage allowances and makes no tax deductions whatsoever. At the end of the year the Commission completes a return to the Tax Inspector of payments made.

Staff should be aware that:

- They may be faced with a tax bill at the end of the year.
- The bill will be for immediate payment, or, if the Tax Inspector agrees, an adjustment may be made to the next year's tax coding.
- Staff will have to negotiate with the Inspector to see what costs (e.g., petrol purchases, maintenance bills, licence fee, insurance, and capital depreciation) can be off set against the amount received. They will have to keep accounts of all expenditure and be able to produce evidence of payments they have made.

### **Travel by rail**

Staff must make the maximum use of travel facilities that offer value for money. Therefore, rail travel must be standard class (unless first class is cheaper) and advantage should be taken of value for money opportunities such as dual single tickets, day returns, off peak tickets, and advance tickets.

In exceptional circumstances and only where approved in advance by a member of the Executive Team, first class travel may be purchased where it is not cheaper than standard class travel.

Rail tickets should be booked using the LGSCO's business travel provider.

### **Travel by taxi**

Official journeys should generally be made by bus, tube or train. The use of taxis should be kept to a minimum and should only be used where reasonable for example:

- no suitable public transport is available;
- travelling in an unknown locality;
- heavy baggage is carried;
- several staff are travelling together making it the most cost-effective method of transport;
- health and safety, mobility impairment or personal security is an issue, including travel late at night or early in the morning.

### **Travel by bicycle**

Staff who cycle will be paid a flat rate allowance of £1 per day when using their bicycles on duty.

Staff claiming bicycle allowance will be required to join the Cyclist Touring Club, which includes in its annual membership fee third party insurance or make other insurance arrangements before allowances are paid.

### **Subsistence**

Subsistence is intended to meet the extra costs that you necessarily incur if you are away from your normal workplace on official duty.

#### ***Day subsistence***

You are entitled to reimbursement of subsistence if you are away from your normal workplace on official business. These are costs that you would normally incur in purchasing a meal or meals (including snacks, soft drinks and beverages, but not alcohol).

You cannot claim day subsistence where:

- the meal or meals are taken at home
- the cost of purchasing a meal is no different from your average daily spend
- meals are provided by a third party at no cost to you

Claims are limited to £7.50 per meal for each of the following periods of time spent away from your normal workplace on official business:

- 5 to 10 hours (to cover the costs of one meal)
- 10 to 12 hours (to cover the costs of 2 meals) and
- over 12 hours (to cover the costs of 3 meals without an overnight stay).

### ***Dinner allowance***

The LGSCO does not set a limit on the amount staff may reclaim in respect of the cost of dinner taken while travelling on duty. However, staff are expected to have in mind the need for probity and not to be over lavish, particularly if a meal is not taken in the hotel in which the staff member is staying, but in a restaurant.

The Commission reserves the right to refuse to reimburse the cost of any meal that it considers unreasonable. The cost of alcoholic drinks will not be reimbursed.

### **Accommodation**

Accommodation may be booked where staff cannot reasonably be expected to make the return journey in the same day. Prior approval is required by the approving line manager.

Hotel accommodation should be booked using the LGSCO's business travel provider.

Staff are expected to obtain the best value for money when requesting accommodation. When booking accommodation, you should select the most convenient location with crown rates. If there is no accommodation at crown rates please seek approval of the approving line manager before making the booking.

In addition to the usual bed and breakfast charge for hotel accommodation, the LGSCO will meet the cost of official telephone calls.

### **Staying with friends/relatives**

If you stay with friends or relatives while you are away from home on official business, you are entitled to claim a flat rate allowance for the 24-hour period – the current rate is £35.

### **Submission of travel claims**



All expense claims must be submitted through Cascade HR and be supported by receipts. Staff should submit claims promptly, and in any event not later than seven days after the end of the month to which they relate.

All claims for mileage must also be submitted through Cascade HR.

**Last updated: January 2020**

**Next review date: January 2022**