

Maldon District Council

Mileage and Expenses Policy



Document Control Sheet

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MALDON DISTRICT
COUNCIL

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UPDATES

1.2 (V)	Replaced Head of Finance with Finance Manager
1.2 (vii)	Wording slightly changed to read better
1.2 (x)	Removed apart from travel direct to site
1.2 (xii)	Removed pay for fuel on Council fuel card as there is no generic card for the Council, all cards are vehicle specific. Inserted instead fuel costs will be paid via the expenses system. Changed round mileage trip for hire car to 90 miles.
2.6	Amend reference to fuel card, to expense claim, and change Head of Finance to Director of Resources. Changed round mileage trip for hire car to 90 miles.
3.1	Added that car parks should be chosen based on value not convenience.
Section 5	Amended wording to include wording from HMRC, and change wording for the food allowance limits.
5.2	Changed Head of Finance to Finance Manager
8.4.1	Inserted some wording to indicate that these are the maximum limits and limits amended to reflect the current HMRC rates.

1 Guiding Principles

- 1.1 Travelling and subsistence expenses will be reimbursed by the Council when they have been incurred by employees in performance of their official duties. Special rates and arrangements apply to travelling and subsistence claims relating to post entry training as described in the notes of guidance for post entry training.
- 1.2 The claiming and payment of travelling and subsistence expenses is based on the following principles:
 - (i) That the official journeys are necessary to enable the employee to perform his/her duties properly and, undertaken with the approval of the manager who will authorise claims when submitted. These duties may include training or conferences.
 - (ii) That claims are substantiated by receipts or evidence of expenditure, except where this is not possible.
 - (iii) Subsistence allowances are reimbursed on the basis that additional expenditure has been actually and necessarily incurred by the employee upon the meals and beverages for which the allowances are claimed. Subsistence will only be paid where expenditure can be demonstrated by a VAT receipt.
 - (iv) The general principle of reasonableness underlies the claiming and payment of travelling and subsistence allowances. Employees have a responsibility to ensure that the cost to the Council is kept to a minimum without unduly reducing the efficiency with which they carry out their duties.
 - (v) In normal circumstances claims can only be made up to the maximum amounts included in this policy. Where it is not possible to keep within these limits, for example meals in hotels where location makes choice limited, then claims must be approved by the Finance Manager.
 - (vi) In accordance with the Council's commitment to reduce carbon emissions, travel should be by public transport wherever this is possible and practical. It is however recognised that journey times by public transport may at times be lengthy and present problems to staff. In such situations the employee should discuss the journey with their manager and agree the most appropriate method of travel.
 - (vii) Employees should ensure wherever possible that they organise travel arrangements to take advantage of cheap day returns, if using public transport. Where several employees are travelling to the same function by car they should endeavour to travel together.
 - (viii) The difficulties of travelling to and parking in London are acknowledged and, employees should travel to London by rail. Wherever possible rail tickets should be obtained in advance.
 - (ix) For travel directly from home to site, the Council follows HM Revenue & Customs (HMRC) principles for business mileage which is tax free. An employee can only claim the mileage for any miles incurred that are in addition to their normal home to work journey. Staff must deduct home to work mileage from all mileage claims made.
 - (x) As per above, home to office mileage will **not** be reimbursed. In addition the mileage to be claimed must always be using the most direct route and lowest mileage.
 - (xi) Where an overtime claim has been submitted, travel and subsistence claims will not be paid.

- (xii) Where there is no alternative transport to car use and mileage claimed will be in excess of 90 miles round trip, officers should ensure value for money by booking a hire car through the Council's dedicated supplier and reclaiming petrol costs through the expenses system. Exemption from this clause can only be provided by the Director of Resources.

- 1.3 As with all expenditure, travelling and subsistence allowances will from time to time, be subject to inspection and analysis by the Council's Auditors. Falsification of claims for expenses is regarded as an act of attempted fraud and gross misconduct and will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

2. Car and Motor Cycle Allowances

- 2.1 The Council has only one classification of car and motor cycle allowance, 'casual user'. The Council will reimburse any business mileage at the published HM Revenue and Customs authorised non-taxable rates.
- 2.2 Any employee who uses their own vehicle for business purposes (including travel to courses / seminars) must ensure it is insured for business travel prior to the journey undertaken and that the vehicle is roadworthy. Insurance documentation must be available for inspection by line management at any time, at least annually, and the failure to have the correct insurance arrangements can be subject to disciplinary action. Any costs of business insurance are the responsibility of the employee and will not be reimbursed. In many cases insurers will not charge the individual for business travel cover.
- 2.3 All claims for vehicle mileage must be submitted promptly at the end of each month. Claims which are more than 3 months old will be rejected.
- 2.4 In accordance with HM Revenue and Customs rules all vehicle mileage claims must be supported by a VAT receipt for fuel. This receipt can apply to either the fuel receipt before or after the journey and staff who regularly claim mileage should habitually obtain VAT receipts for fuel.
- 2.5 Any speeding fines, parking fines or other road traffic infringements are the responsibility of the employee and will not be paid for by the Council..
- 2.6 Where a hire car is used, no mileage claim will be paid, only the actual cost of fuel on production of a valid VAT receipt.

3. Car Parking

- 3.1 Parking fees will be reimbursed when it has been necessary for an employee to use a car park as a result of undertaking travel on official business, i.e. not for normal home to work travel. Car parking should be based on the best value (i.e. a park and ride scheme) and not automatically the most convenient. Car parking fines are the responsibility of the individual employee.

4. Public Transport

- 4.1 Public transport should be used where it is practicable and/or cheaper. If an officer wishes to drive to a venue which is accessible by public transport the maximum amount claimable for mileage expenses will be capped at the cost of a standard class public transport fare.
- 4.2 Rail travel should be made by standard class unless an employee should arrange to take advantage of "special offers" and cheap day returns.

5. Subsistence

- 5.1 Subsistence allowance will be payable to employees who are prevented by their official duties from taking a meal at their home, duty base/office or establishment where they normally take their meals (and more than three miles [single journey] from their work base) **and** thereby incur **additional expenditure**. These allowances may only be claimed with prior approval of the authorising manager and a valid receipt evidencing expenditure. A meal is defined as a combination of food and drink and would take a normal dictionary meaning. Where employees are required to start early or finish late on a regular basis, the over 5 hour and 10 hour rate, whichever is applicable, can be paid provided that all the other qualifying conditions are satisfied. An employee can only be reimbursed for a meal once. If the cost of an evening meal or breakfast is reimbursed on an actual basis, because it is included in the cost of an overnight stay, the employee would not also be entitled to a benchmark rate in respect of those meals.

There are some accepted time limits which apply to the payment of subsistence allowances. These are:

- The over 5 hour rate would be restricted to employees who are necessarily absent from their duty base/office when a meal can't reasonably be taken in standard times.
- The over 10 and 15 hour rates would only be payable where it is necessary to stay overnight.

In no circumstances should any costs of alcohol be borne by the tax payer.

- 5.2 Where an employee in the course of his/her official duties, has to stay overnight, he/she is entitled, subject to the prior agreement of the authorising manager, to reclaim meal expenses in line with the limits in 8.4.1. VAT receipts must be attached to the claim form and the Council will reimburse any reasonable expenditure. Items such as morning papers and personal telephone calls will be excluded. All hotel reservations must be agreed with the Finance Manager.
- 5.3 Claims for alcohol consumed by employees will not be reimbursed under any circumstances.
- 5.4 Where an employee is required by the Council to work outside their normal working hours and this work results in additional childcare costs, with prior consultation and approval with the line manager, Maldon District Council shall reimburse the cost of additional child care only on production of a receipt from a registered provider. It should be noted that the reimbursement is taxable under HMRC rules. Claims cannot be made where the employee is claiming overtime for the additional hours worked. This provision is intended to ensure that staff who are required to attend courses and training are not financially disadvantaged.

6. Out of Pocket Expenses

- 6.1 There is an allowance per night in respect of necessary out of pocket expenses incurred at residential courses where they form part of an approved post entry training course. The allowance is subject to weekly limit and to a limit of six weeks in respect of any course. It is subject to further review thereafter (see Travelling and Subsistence Rates).
- 6.2 This allowance does not apply to other courses/seminars/conferences it is only for approved post entry training courses.

7. Journeys Outside Normal Working Hours

- 7.1 Where a journey in the course of duty starts from and finishes at an employee's home because he/she is required to go out again having returned home after a normal day's work, as for example, a duty or standby officer, or at a weekend or bank holiday because he/she is

required to work (outside of his/her normal work pattern), then he/she may claim the fares incurred.

- 7.2 If the journey is to the normal place of work, then any mileage paid will be taxable and the claim form **must** be marked to indicate the special nature of the claim.
- 7.3 If employees have been reimbursed in any way for the out of hours work then no claims may be made. This includes flex or time off in lieu.

8. Travelling and Subsistence Rates

8.1 Car Allowances

Casual Users All ccs and all grades

Mileage rates:

Up to 10,000 miles 45p

Over 10,000 miles 25p

Cars within the Council approved Car Benefit Scheme

11p per mile.

8.2 Motorcycle Allowance

All ccs and all grades

Any miles 24p

8.3 Bicycle Allowance

Any level of miles 20p

8.4 Maximum Subsistence Allowances

- 8.4.1 Any claims for subsistence must be supported by receipts and authorised by the line manager before they can be paid. The maximum that can be claimed unless prior approval has been obtained is:-

Journey time away from office in excess of:-	Maximum payable.
5 hours -	£5
10 hours -	£10
15 hours (and ongoing at 8pm) -	£25

Benchmark Scale rates can only be used where these following qualifying conditions have been met:-

- The travel must be in the performance of an employee's duties or to a temporary workplace, on a journey that is not substantially ordinary commuting.
- The employee must be absent from his normal place of work or home for a continuous period in excess of 5 or 10 hours
- The employee must incur a cost on a meal (i.e. food and drink) after starting the journey and retained appropriate evidence of their expenditure.

Where a scale rate of £5 or £10 is paid and the qualifying journey in respect of which it is paid lasts beyond 8pm a supplementary rate of £10 can be paid to cover the additional expenses necessarily incurred as a result of working late.

If employees spend more on expenses than the amount that is reimbursed, they can still claim a deduction from HMRC for the difference between what they actually spent on the expense and the amount reimbursed by their employer in the normal manner, subject to their having retained appropriate evidence.

Overnight subsistence rate - The over 15 hour rate for subsistence will almost always apply where an employee is required to stay away overnight, provided the cost of any meals is not also included in an accommodation payment.