

TRAVEL & SUBSISTENCE POLICY

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SECTION 1: GENERAL GUIDING PRINCIPLES

POLICY STATEMENT

1. This policy outlines the Council's policy relating to travel, subsistence and expenses. It aims to provide clear guidance to enable Council activity whilst complying with the relevant financial and legal regulations.
2. Employees have a responsibility to ensure that the cost to the Council is kept to a minimum, co-ordinating travel, where possible, to keep the number of separate car journeys to a minimum and considering alternative and sustainable ways to travel.
3. When paying employees' travel costs the Council has certain tax, National Insurance and reporting obligations. This includes costs for travel, subsistence, parking charges, tolls, congestion charges or business phone calls.
4. This policy recognises the need to reduce the Council's carbon footprint through the climate change emergency action plan by:
 - Reducing the need for employees to travel and promoting alternatives through agile working and better use of technology;
 - Make better use of our core fleet vehicles and encourage the use of electric vehicles;
 - Reduce the cost, financially and environmentally, of any travel done by promoting public transport, bicycles and car sharing for work journeys;
 - Help employees to travel more sustainably and cheaper to and from work.
5. This policy has been developed to support the environment and only essential business travel should be undertaken. Where possible, alternative methods should be considered including telephone, e-mail and if available, telephone or video conferencing.
6. Reasonable adjustments will be provided as appropriate to enable employees with disabilities to carry out their duties and have the same (or as similar as possible) opportunities as a non-disabled person.

SCOPE

7. This policy applies to all employees of Chesterfield Borough Council including employees attending college/ further education establishments.
8. This policy applies to all claims for travel and subsistence expenditure by Chesterfield Borough Council employees regardless of the method of payment.

PRINCIPLES

9. Employees should exercise sensible judgement in determining the most cost effective or most practical means of carrying out essential journeys whilst also considering environmental factors. This includes car-sharing, using public transport and seeking alternatives to travel eg conference calls.
10. Employees are expected to behave with honesty and integrity with specific regards to making any claim for travel expenses and subsistence expenses.
11. Employees must only submit claims for their own travel expenses and payment will only be made for journeys actually undertaken. Abuse of travel allowances will be dealt with under the disciplinary procedure.
12. Only costs relating to Council activities will be reimbursed.
13. Payment of authorised travel expenses will be made by BACS transfer into the same bank account as an employee's salary with the next available salary pay date on receipt of an authorised and complete mileage claim submitted to the Payroll department in line with the Payroll Processing Timetable (available on aspire).
14. If an employee uses their own car for official journeys, they must ensure that their motor insurance policy covers them for 'business use' and indemnifies the Council (as employer) against third party claims or policy excess charges. (The whole of an employee's motor insurance cover would be invalidated if using the vehicle on Council business when only covered for social and domestic purposes.)
15. Employees should inform their manager immediately if their licence is revoked whether due to ill health, receipt of penalty points or prosecution.
16. Employees using their cars on official business must also be in possession of a current full valid driving licence for the vehicle they are driving and ensure that the vehicle is in a roadworthy condition prior to the commencement of

and during the journey. Where required the vehicle should have a current MOT certificate.

17. On an annual basis, the employee will be required to produce their current driving licence, motor insurance policy, and evidence of their MOT for their manager to check and confirm validity. A record should be kept by the manager that these checks have been carried out.
18. Fixed penalty parking fines, etc, are the sole responsibility of the employee.
19. If expenditure is outside of this Policy (please refer to Appendix A), or considered unreasonable, approval will need to be sought from the relevant Assistant Director for a final decision. A tax charge may arise that will need to be paid by either the individual or the Council, dependent on the circumstances.
20. If an employee is unsure whether expenditure will comply with the policy they should contact their line manager to discuss it before making any journeys or claims.
21. The Council is not responsible for the cost incurred in travelling from home to work, except for excess travel where an employee has been relocated, or for journeys which take place outside contracted working hours.
22. No advance travel or subsistence payments will be made. All payments are based on journeys actually undertaken and the employee having incurred expenditure.
23. Payments for any travel or subsistence expenses should not be made from petty cash.
24. This policy is issued by way of guidance on the council's policy and practice. It does not form part of an employee's contract of employment or otherwise have any contractual effect.

SECTION 2: PROCEDURE

VAT

25. The Council is able to recover an amount in respect of VAT included in the fuel element of the mileage charge which is calculated using HMRC Advisory Fuel Rates. It is therefore important that VAT is correctly recorded on claim

forms and that VAT receipts are provided in order to ensure that the Council recovers the full amount of VAT to which it is entitled.

26. A VAT receipt for fuel must accompany all claims for mileage and attached to the back of the form, a credit card receipt is not acceptable. This receipt must be dated prior to the date of the mileage claim. The receipt must show it was for fuel, have the date of supply (tax point), name and address of the seller, the sellers VAT registration number and total price paid. Receipts must be for sufficient fuel to cover all the miles claimed, for example:

- Petrol - 12p for every mile (100 miles claim equates to £12)
- Diesel - 9p for every mile (100 miles claim equates to £9)
- LPG - 8p for every mile (100 miles claim equates to £8)

The above examples are based on the HMRC Advisory Fuel Rates which were in force for the period from 1 December 2019. The latest HMRC Advisory Fuel Rates can be found at:-

<https://www.gov.uk/government/publications/advisory-fuel-rates/advisory-fuel-rates-from-1-march-2016>

27. Any claim after 1 XX 20XX (the start date of this policy) not accompanied by a fuel VAT receipt will be returned to the employee to attach a valid receipt with the exception of electric cars which are currently not covered by HMRC Advisory Fuel Rates.

MILEAGE ALLOWANCE PAYMENTS

28. The Council Mileage Allowance Payments (MAP's) are based on the HMRC rates. The rates are an approved amount which does not have to be reported to HMRC. These rates are the statutory maximum amounts that can be paid to employees for using their own vehicles for business purposes without having to pay tax and national insurance contributions. Please see Appendix A for the current MAP's.

SUBSISTENCE

29. Benchmark scale rates are the maximum amounts which can be paid to employees without agreeing a tailored scale rate with HMRC, the excess should be subject to tax and National insurance contributions. The benchmark scale rates for Council employees is attached at Appendix B.

30. Benchmark scale rates must only be used where all the qualifying conditions are met. The qualifying conditions are:

- The travel must be in the performance of an employee's duties
- The employee should be absent from their normal place of work or home for a continuous period in excess of 5 hours or 10 hours (see Appendix B)
- The employee should have incurred a cost for a meal (food and drink) after starting the journey
- The employee must be working outside of the Borough

31. Subsistence claims will not be paid where an employee is at their normal base, at a Council location with suitable facilities or within the Borough.

32. No allowances will be paid where a suitable meal has been provided.

33. All subsistence claims must have the original VAT receipt attached otherwise it will be returned to the employee.

BREAKFAST RATE

34. The breakfast rate may be paid where an employee leaves home earlier than usual and before 6am and incurs a cost for breakfast taken away from home after the qualifying journey has started. If an employee usually leaves before 6am the breakfast rate does not apply.

LATE EVENING MEAL RATE

35. The late evening meal rate may be paid where the employee has to work later than usual, finishes work after 8pm having worked their normal day and has to buy a meal before the qualifying journey ends which they would usually have at home.

36. The breakfast and late evening meal rates are for use in exceptional circumstances only and are not intended for employees with regular early or late work patterns. Employees should seek permission from their line manager prior to claiming any subsistence rate.

ONE MEAL (5-hour) RATE

37. The rate may be paid where the employee has been undertaking qualifying travel for a period of at least 5 hours and has incurred the cost of a meal.

TWO MEAL (10-hour) RATE

- 38.The rate may be paid where the employee has been undertaking qualifying travel for a period of at least 10 hours and has incurred the cost of a meal or meals.
- 39.Benchmark scale rate payments must be limited to 3 meal rates on one day or 24-hour period. A meal is defined as a combination of food and non-alcoholic drink.

OVERNIGHT SUBSISTENCE RATE

- 40.If an employee needs to stay overnight and intends to claim expenses they will need to get approval in advance from their line manager.
- 41.HMRC have not set a benchmark rate for overnight subsistence. The employee should obtain at least 2 quotes for the cost of an overnight stay and agree in advance with their line manager which amount is payable based on best value for money and suitability.
- 42.A VAT receipt must be attached to claim the actual cost of overnight accommodation as approved in advance by the line manager.
- 43.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 the benchmark rate for breakfast or late evening meal.

INCIDENTAL EXPENSES

- 44.Incidental expenses can be claimed by an employee if they meet the qualifying criteria. Incidental expenses cover telephone calls, laundry etc.
- 45.A qualifying period is a continuous period throughout which an employee has to stay away from home, including at least one overnight stay away from home, and where the expense of travelling qualifies for tax relief under the normal rules.
- 46.A VAT receipt is not required to claim incidental expenses.

PUBLIC TRANSPORT

47. Travel undertaken by public transport can be reclaimed through actual bus or second class rail fares at the cheapest available rate upon production of the receipt as expenses. Where employees are required to use rail travel,

only standard class fares will be permitted. First class rail may only be claimed in special circumstances and with prior approval from an Assistant Director.

MAKING A CLAIM

48. Full details of the journey, including date, reason for journey, starting points and destinations, should be shown on a monthly travel claim form which can be found on aspire. Business miles to be claimed must be entered and the amount claimed shown in the appropriate columns and accompanied by valid VAT receipt.
49. Any reasonable parking fees etc, incurred during the journey will be reimbursed. A valid VAT receipt should be attached to any claim.
50. Where a journey is undertaken directly from home to a place of duty without going to the normal place of work (base) the lesser than principle in Appendix C should apply.
51. Claims should be submitted to the employee's line manager in line with the claim period end dates as detailed within the Payroll Processing Timetable available on Aspire. Claims should be submitted at the earliest opportunity and no later than 3 months after the period end date when the mileage and expense has been incurred.
52. In any event, all claims must be submitted within the tax and financial year that it relates to where possible.
53. Claims submitted after the 3 month period deadline will only be paid following a satisfactory written explanation from the relevant Assistant Director and the relevant Finance Manager.
54. All official travel is subject to the approval from the employee's manager.
55. The Council reserve the right to withhold any payment where the claim has been submitted late and written approval from an Assistant Director and Finance Manager has not been provided.

APPROVING A CLAIM

56. Approval of a travel claim by the manager shall be taken to mean that:

- The journeys were necessary and authorised;
 - Consideration has been given to value for money and environmental impact in choosing the mode of transport;
 - Relevant VAT receipts are attached;
 - The employee's documents have been checked and are valid
 - The calculations are correct.
57. The line manager should approve claims in a timely manner to ensure payment is received at the next available opportunity.
58. Managers should review on an annual basis the number of business miles travelled by employees.

KEEPING RECORDS

59. Any supporting documentation will be retained by the Council for at least six years to meet the requirements of HMRC for VAT purposes.
60. Employees must retain their own records for tax purposes which provides details of the amount, nature and dates of the items incurred. Records must be kept for 3 years from the end of the tax year they relate to.
61. With respect to mileage claims, HMRC advise that the most important things which employees should keep are P11D details of expenses and benefits in kind, details of claims for expenses made and receipts which supported those claims, including for fuel (unless these are held by the employer) and records made themselves, such as mileage details where a car is used for business journeys.

APPENDIX A

MILEAGE ALLOWANCE PAYMENTS (MAP's)

The following MAP's are the approved HMRC rates for 2019/2020:

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Car	45p	25p
Motorcycle	24p	24p
Cycle	20p	20p
Passenger in a car	5p per passenger	5p per passenger

APPENDIX B

SUBSISTENCE PAYMENTS: TABLE OF BENCHMARK SCALE RATES

The HMRC benchmark scale rates that apply from April 2019 are as follows.

Description	Amount (up to)
Breakfast rate	£5
One meal (5 hour) rate	£5
Two meal (10 hour) rate	£10
Late evening meal rate	£15
Incidental expenses	£5 per night

APPENDIX C

LESSER THAN PRINCIPLE

Travel from and return to home

Where an employee travels directly from home to a place of duty and returns home directly without going to the normal place of work, the mileage to be claimed is the lower of home to duty to home **or** base to duty to base.

For example:

Home is Alfreton, base is Town Hall, duty is Mill Lane, Wingerworth

Alfreton to Town Hall is 12 miles

Town Hall to Wingerworth is 3.5 miles

Alfreton to Wingerworth is 8 miles

Therefore, home to duty to home, ie Alfreton to Wingerworth to Alfreton is 16 miles, whereas base to duty to base, ie Town Hall to Wingerworth to Town Hall is 7 miles.

The lesser value of 7 miles can be claimed.

Travel on route to or from work

If an employee travels directly from home to a place of duty and then to the work base, the mileage to be claimed is the lower of home to duty to base **or** base to duty to base.

The same principle applies where a journey is made from base to a place of duty and then directly to home.

For example:

Home is Alfreton, base is Town Hall, duty is Mill Lane, Wingerworth

Alfreton to Town Hall is 12 miles

Town Hall to Wingerworth is 3.5 miles

Alfreton to Wingerworth is 8 miles

Therefore, home to duty to base, ie Alfreton to Wingerworth to Town Hall is 11.5 miles whereas base to duty to base, ie Town Hall to Wingerworth to Town Hall is 7 miles.

The lesser value of 7 miles can be claimed.