

## **Councillor and Employee Expenses – Policy and Procedure**

### **1. Background**

The Parish Council will reimburse Councillors and employees for reasonable expenses wholly, necessarily and exclusively incurred in connection with its business. Councillors/employees should not be either financially disadvantaged or advantaged because of genuine Parish Council expenses.

Councillors and employees are responsible for the payment of all expenses they incur, except where there are direct settlement arrangements with suppliers in place. Breach of this policy is a disciplinary offence. Deliberate falsification of a claim or the evidence needed to make a claim will constitute misconduct. "Falsification" includes the failure to pass on any discount obtained in the course of incurring an expense. The following items are allowable expenses. In all cases Councillors/employees should submit all invoices and receipts.

### **2. Travel – UK**

The Parish Council will reimburse the reasonable costs of amounts necessarily expended on travelling in the performance of the duties of the employment, for example to events, external meetings, training etc.

This does not include travel between home and office unless the employee is recognised as being a "contractual home-based employee".

Councillors and employees should travel by the most cost-effective mode of transport taking into account journey time and the nature of the journey as well as the monetary cost.

#### **2.1 By councillor /employee's own car/motorcycle/bike**

The mileage allowance is set by reference to the HM Revenue and Customs (HMRC) rules on AMAPs (Approved Mileage Allowance Payments). These are currently as follows:

<b>type of vehicle</b>	<b>first 10,000 miles</b>	<b>above 10,000</b>
<b>cars and vans</b>	<b>45p</b>	<b>25p</b>
<b>motorcycles</b>	<b>24p</b>	<b>24p</b>
<b>cycles</b>	<b>20p</b>	<b>20p</b>
<b>tax - rates per business mile</b>		

Councillors / employees are required to keep track of business mileage incurred in the tax year (1 April to 31 March) to ensure the correct rates are used.

If a Councillor / employee carries any other Councillor / employee in their own car or van on business travel, that Councillor/employee can claim 5p per passenger per business mile. The passengers must be Councillors/ employees and they must also be travelling on business journeys.

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Where a Councillor / employee uses their own vehicle, they should ensure that the vehicle is in good working order, fully insured, taxed and MOTd.

### **2.2 By taxi**

Councillors / employees are expected to use taxis only when strictly necessary and where it is cost effective to do so. Councillors / employees should always obtain a receipt.

### **2.3 By tube, DLR (Docklands Light Railway), bus or tram**

Councillors / employees should retain tickets where possible. Where a season ticket already covers the cost of travel, no further claim will be allowed. Where Oyster cards are used, the Councillor / employee should provide evidence of the additional cost incurred, for example by printing off their online statement or by printing off the journey cost provided by the Oyster fare finder.

### **2.4 By train**

Councillors / employees should, as far as possible, travel standard class and should attempt to book their journeys sufficiently in advance to obtain the best possible prices.

### **2.5 Late night travel**

In exceptional circumstances, and only in accordance with HMRC rules and with the consent of the Chair of the Council, the Parish Council may meet the cost of late night taxis or similar road transport provided all the following circumstances apply:

- the Councillor /employee is required to work later than usual and at least until 9.00pm;
- this occurs irregularly; *and*
- by the time the employee ceases work either public transport has ceased or it would not be reasonable to expect the employee to use public transport.

The number of such journeys must not exceed 60 in any tax year.

## **3. Overnight accommodation - UK**

### **3.1 Hotel Accommodation**

Hotel accommodation should be booked in advance at the best possible rates and should be approved by the line manager prior to booking. Councillors/employees should take into account the location of the hotel as regards the cost of taxis, etc and the time required to travel to and from the hotel.

### **3.2 Subsistence - overnight absence - UK**

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The Parish Council will reimburse reasonable out of pocket expenses incurred by the Councillor/employee when it is necessary to stay away from home overnight on Parish Council business. This will include the following:

- hotel bills (see above)
- breakfast
- lunch, evening meal and beverages - to an overall maximum of £40 per day (please note that the Councillor/employee may incur costs in excess of £40 but may only claim up to £40).
- parking at hotel

Additionally, the employee may claim "personal incidental expenses" up to a maximum of £5 per day. This covers items such as telephone calls, newspapers and laundry.

The total of any such costs must not exceed £5 otherwise no reimbursement will be allowed, *ie* the allowance should not be regarded as a contribution to such costs. If the employee is away for more than one night, the daily limits (*ie* £40 and £5) may be averaged across the number of nights that the employee is away.

### **3.3 Subsistence - no overnight absence - UK**

An employee may claim for meals and beverages up to a maximum of £20 per day when travelling on Parish Council business. This is intended to reimburse the employee for *additional* expense as a result of having to travel on Parish Council business.

Personal incidental expenses cannot be claimed where there is no overnight stay.

### **4. Overseas trips**

The rules above apply to overseas travel as well as UK travel. However, in some cases, it may be necessary to allow higher limits for accommodation and subsistence costs, subject to discussion and approval from the Chair of the Council. There is no scope for higher rates for mileage.

### **5. Entertaining - business**

Councillors/employees should only entertain visitors and guests where it is likely to assist the Parish Council in its objectives and with the prior approval of the Chair of the Council.

In general, entertainment counts as business-related if its purpose is to discuss a particular Parish Council project, maintain an existing service connection or to form a new connection.

By contrast, entertainment won't count as business-related if its purpose is really social - even if there's some discussion of business-related topics in the course of the entertainment.

Amounts claimed should be reasonable and appropriate.

**6. Professional subscriptions**

Councillors/Employees may claim back the cost of the annual subscription for up to a maximum of two professional bodies, provided that each body is on the HMRC approved list and its activities are directly relevant to the Councillor/employee's duties. Further subscriptions may be claimed as a tax deduction on the employee's tax assessment return, provided they are also on the HMRC approved list.

**7. Eye tests and spectacles**

The Parish Council recognises its obligations under the Display Screen Equipment (DSE) Regulations 1992 (Amended 2002). The Parish Council will contribute to the cost of an eye test if you use display screen (computer monitor) equipment for a significant part of your working day on Parish Council business.

The Parish Council will contribute £25 towards the cost of an eye test conducted by a suitably qualified optician. The Parish Council will only reimburse one eye test in any 12-month period.

If the test reveals that spectacles are required for exclusively VDU work, the Parish Council will contribute £75 towards the cost of basic spectacles. This policy does not apply to contact lenses. The Parish Council will not contribute towards the cost of spectacles with any element of everyday use, in other words the spectacles must be exclusively for VDU use.

**8. Procedures for making an expense claim**

Expenses claim forms are available from the Parish Council office. Ensure all bills (NB: these should be originals) and debit/credit vouchers are numbered and attached to the form which should also show the items numbered accordingly to enable easy identification.

Ensure any overseas transactions in local currency are converted to sterling as above.

The Councillor/employee needs to sign the form and obtain signed approval from the line manager of their approved deputy.

Forward the completed and signed form, with bills and vouchers attached, to the Finance Officer.

**9. Reimbursement to Councillor/employee**

Expense claims are normally paid following in the monthly payments run, unless circumstances require payment sooner.

<b>Review History</b>	<b>To be reviewed annually</b>
To Finance and Personnel	23 <sup>rd</sup> March 2016
Agreed by Parish Council	3 <sup>rd</sup> May 2016
To Finance and Personnel	22 <sup>nd</sup> March 2017

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Agreed by Parish Council	3 <sup>rd</sup> April 2017 and 2/5/17
To Finance and Personnel	21 <sup>st</sup> March 2018
Agreed by Parish Council	3 <sup>rd</sup> April 2018
To Finance and Personnel	20 <sup>th</sup> March 2019
Agreed by Parish Council	1 <sup>st</sup> April 2019
To Finance and Personnel	18 <sup>th</sup> March 2020
Agreed by Parish Council	4 <sup>th</sup> May 2020
<b>Date of next review</b>	<b>April 2021</b>