

EXPENSES POLICY

1. General Principles

The Council's money and resources must be used with honesty and integrity.

Necessary business expenses will be reimbursed; and employees should neither 'gain' nor be 'out of pocket'.

A cost-effective approach must be taken. This is normally the lowest cost balanced against other factors such as time constraints and a reasonable standard.

Employees are responsible for the up-front payment of expenses, except where an arrangement with a supplier is in place.

Wasting Council resources and/or making a false or fraudulent claim are breaches of the Code of Conduct; and, in serious cases, can amount to gross misconduct (and dismissal) for a single offence.

2. Scope

This policy applies to all employees, with the exception of school based employees.

This policy does not apply to agency workers, consultants or those working for an external supplier. Terms and processes will be set out in the agency contract or service contract as appropriate.

3. Payable Expenses

Employees will be reimbursed for reasonable business expenses as follows:

- **Business journeys:**
 - **Public transport** and travel within the UK
 - **Car allowances** and **mileage:** for essential' or 'casual' car users.
Note: Employees may not use private vehicles for business journeys unless they have been authorised and appropriate checks have been completed (including a valid driving license and insurance).
 - **Private bicycle/motorbike/moped.**
- **Car Parking fees, Road tolls and London Congestion Charges.**

- **Air/Foreign Travel:** Normally in economy class and with approval from the appropriate Group Director/Director.
- **Subsistence Allowances:** For employees away from the workplace or home at normal meal times (breakfast, lunch, evening meal).
Note: Alcohol and/or tobacco products (e.g. cigars and cigarettes) cannot normally be claimed.
- **Taxis:** Where cost effective
- **Training expenses:** Normally travel and subsistence.
Note: The training fee is normally paid directly to the training provider.
- **Overnight accommodation:** Where 'reasonable' in type, standard and cost, and agreed *in advance* with the line manager.
- **'Out of Pocket' expenses** (during an overnight stay): For small incidental items such as a newspaper and a short telephone call home.
- **Interview Expenses:** For additional expenditure incurred while attending an interview for a position with Hackney Council.
Note: The claim must be made within 7 days of the interview and the candidate must not refuse an offer of employment if made.
- **Relocation expenses:** For assistance with the legal sale, purchase and estate agent fees; removal costs; survey fees; temporary accommodation/lodging allowance; settling-in allowance.
Note: Applies to Chief Officers and new recruits in hard-to-fill posts. Further information is in the Relocation Scheme.

4. Rates

As a general rule, employees are reimbursed for reasonable actual expenditure. In some cases specific rates or maximums apply. These can be found in the rate card and/or in policies providing more detail on specific provisions (where available).

5. Evening Meetings

Claims may be made for evening meetings as follows:

- (1) **Subsistence:** Payable where an employees is required to attend an evening meeting (lasting beyond 8:30pm); and where evening work is not a normal part of their duties.
- (2) **Officer Transport for evening meetings (effective 1st May 2016):** Payable where there are concerns about safety and/or availability/regularity of transport options the following principles apply:

Eligibility:

- Officers at member-led evening meetings such as Committees, Cabinet, Council and Commissions.
- Senior Managers (normally heads of service and above) attending events on behalf of the Council.

Principles:

- Where the meeting finishes after 9 pm, officers may take a taxi from their usual 'home' station to their house.
- Where the meeting finishes after 10 pm, the employee may take a taxi from the nearest main station to their house; or in exceptional circumstances a taxi from Hackney to home.
- Where it is possible, the employee should get home safely and quickly without additional cost to the Council. Abuse of the principles will be seen as a breach of the Code of Conduct.

Exclusions:

These principles do not apply to general late working, nominees attending Hackney Stars or Long Service Awards and/or election related work.

6. Tax Implications

Where the expense is 'wholly, exclusively and necessarily' on Council business, then there are no tax implications. This includes:

(i) Travel:

- on public transport
- on a private bicycle/motorbike/moped
- in taxis
- on aeroplanes

(ii) Expenses:

- car parking fees and road tolls
- Subsistence (unless it is unusually lavish)
- Overnight accommodation
- Out of pocket expenses are not taxed within the limits currently set out in the Council's rate card.

The following payments have tax implications:

- Subsistence for attending evening meetings.
- Car allowances and mileage claims exceeding treasury rates. This applies to both essential and casual car users.

Taxable allowances or allowances exceeding 'treasury rates', are entered onto tax form P11D and sent to Inland Revenue each year. Tax codes may be adjusted to reflect tax liability.

7. Making a Claim

Claim - The claim form (located in self service) must be completed in full and authorised by the appropriate line manager.

Deadlines - All claims must be made at least once every quarter; and within one month of the end of the quarter. In summary:

Quarter:	Month expense incurred:	Deadline:
Q1 (January – March)	January, February, March.	Claim must be submitted by the end of April.
Q2 (April – June)	April, May, June	Claim must be submitted by the end of July.
Q3 (July – September)	July, August, September.	Claim must be submitted by the end of October.
Q4 (October – December)	October, November, December.	Claim must be submitted by the end of January.

Should rates change, expenses will be paid at the rate that applied when the expense was incurred, not the date the expense was claimed.

Receipts:

A VAT receipt for all claims must be scanned and saved in the employee's personal file in eDOCS. This is to support the claim and for verification in an HRMC audit.

In limited situations where receipts are not available (for example where an employee has used their oyster card), managers may approve claims at their discretion.

(1) Receipts of less than £250.

The receipt should show the following information:

- The name, address and VAT registration number of the supplier;
- The time of the supply
- A description of the goods or service supplied
- The total amount paid including VAT
- The VAT rate.

(2) Receipts of more than £250

The receipt should show the following information:

- An identifying number
- The time of the supply
- Date of issue of the receipt
- The name, address and VAT registration number of the supplier
- The name and address of the person to whom the goods or services are supplied
- A description of the goods or services supplied
- For each type of good or service, the quantity supplied, the VAT rate and the amount payable excluding VAT
- Gross amount payable excluding VAT
- Rate of any cash discount offered
- Total amount of VAT paid.

Most businesses will supply a VAT receipt when specifically requested.

Payment method: Payments will be made through the main payroll; and the normal monthly payroll deadlines apply. Expenses are not paid through the supplementary pay run.

Employees are responsible for the up-front payment of expenses.

8. Expenses not eligible for reimbursement.

- **Normal Travel to and from home**
- **Fines** - Fines for illegal parking, road offences (such as speeding) or non-payment of road tolls or congestion charges are not reimbursed. Parking fines may be claimed in emergency situations for example, where it was not possible to return to the vehicle in time owing to an emergency.
- **Professional Subscriptions/Fees for membership of a professional body.**

Related Policies

- Code of Conduct
- Bicycle & Motorcycle Allowances
- Gifts and Hospitality
- Relocation Scheme