

## Employment Committee

Meeting to be held on Monday, 7 June 2021

Electoral Division affected: N/A;
--------------------------------------

## Revised Travel & Expenses Policy and Procedure

(Appendix 'A' refers)

Contact for further information:

Deborah Barrow, Tel: (01772) 535805, Head of Service Human Resources,

Deborah.Barrow@lancashire.gov.uk

### Executive Summary

The council's Travel & Expenses Policies and Procedures have been reviewed and consolidated as part of the Human Resources policy review programme. A revised draft has been produced, which is modernised, streamlined, continues to be legally compliant and aligns with the council's improvement journey, culture, and values.

### Recommendation

The Employment Committee is asked to approve the revised Travel & Expenses Policy and Procedure, as set out at Appendix A.

### Background and Advice

In July 2020, a report was presented to the Corporate Management Team to provide an update on the Human Resources policy review programme, its principles, and priorities. A clear set of principles were established, to ensure that our Human Resources policies going forward are:

- Modernised – that they align to the values and priorities of the council.
- Straightforward – in terms of the tone and language used, and that clear steps and processes are set out within them.
- Take account of best practice – that through our networks and research they are benchmarked against those of other high performing organisations.
- Take account of fairness and accountability – that they set expectations to both employees and managers.
- Legally compliant – that they comply with current employment regulations, along with ACAS (Advisory, Conciliation and Arbitration Service) Codes of Practice and national conditions of service, where applicable.

- Embedded and impactful – that our policies and procedures are understood by all, applied where appropriate, and that managers are equipped to make judgements and decisions. Successful delivery of this will also support the development of the council's performance management culture.

The priorities for the Human Resources policy review programme cover three proposed groups, the first of which form what are considered to be the council's core Human Resources policies and procedures that are most used by our employees and managers. These core policies and procedures have clear impacts on overall performance management, productivity and behaviours within the workplace and have therefore been categorised within the first group of policies to be reviewed. Travel & Expenses is one of these core policies and procedures.

### Revised Travel & Expenses Policy and Procedure

The Travel & Expenses policy review is predominantly a consolidation of the existing policies and schemes.

In line with our core policy reviews, we want to bring our cultural principles to the forefront to:

- Ensure employees are fairly and properly reimbursed for business expenses incurred in the performance of their duties;
- Provide reasonable standards of facilities, comfort, convenience, and safety without incurring unnecessary costs;
- Be environmentally friendly and explore environmental solutions – such as encouraging use of technology to allow remote meetings, use of public transport/cycling/walking; and
- Simplify mileage claims.

The proposed changes to the policy are set out below:

- **Mileage claim criteria** – the current method for calculating mileage is complicated and difficult to understand. It is proposed that the criteria be simplified to remove the current five-mile radius criteria and align to HM Revenue and Customs rules around tax relief. It has also been clarified that employees who are required to travel outside of the county boundary for business purposes are able to claim for this mileage.
- **Employee accountability for claims** – the updated policy aims to ensure all employees are aware of their responsibilities only to submit claims in accordance with the policy. Managers have ultimate responsibility for approving claims but the responsibility for verifying these sits with the employee who has submitted them.

- **The telephone installation and rental changes scheme** – it is proposed that this is removed as a review of claims has shown that this is no longer used. Employees can still claim for calls if they are unable to access the Microsoft Teams telephony system, a council landline or work's mobile.
- **Dinner allowance** – it is proposed that employees are able to claim for a dinner allowance if they are required to stay overnight on business.
- **Callout mileage claims** – we are required to remove the option to claim for mileage where this is due to callout to a permanent workplace, as HM Revenue and Customs guidance expressly states that this is considered to be a commute and therefore does not attract tax relief.

## **Consultations**

The revised draft Travel & Expenses Policy and Procedure has been shared with the recognised trade unions, through the Joint Negotiating and Consultative Forum, who have noted the proposed changes. They believe the revised policy is clear and well-constructed, but they do not support the removal of claims for a callout to the workplace, albeit recognising this is in line with HM Revenue and Customs tax relief criteria.

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

The council is legally required to ensure that its Travel & Expenses Policy and Procedure complies with HM Revenue and Customs tax relief criteria in respect of mileage claims. Ensuring that the language and tone is clear, straightforward, and understandable should enable employees and managers to understand what is and is not claimable in line with HM Revenue and Customs criteria.

## **Financial**

It is difficult to predict if the change to the mileage claims criteria will have a financial impact. Expense claim and audit data has been used to consider the potential financial impact of the proposed policy changes. However, once the revised policy is implemented this will be regularly monitored as part of the budget monitoring process, with the most significant variances reported to Cabinet on a quarterly basis.

Having consulted Finance and Audit teams, they are of the view that it would be very difficult to accurately predict any financial impact, primarily due to the following factors:

- The expense claim dataset lacks the required detail to establish whether the mileage claimed fell within the five-mile radius to understand if there would have been a change in the amount claimed based on the new policy criteria.
- Stakeholder input and audit reports have shown that the current mileage claim policy criteria are not currently applied consistently in line with policy, which again creates challenges in forecasting.
- The new ways of working are likely to attract less mileage claims than the pre-pandemic ways of working.
- The existing policy allows individuals to claim for travel from home to temporary workplaces and there is no change in respect of this. Whilst we have removed the five-mile radius rule, there is still an added proviso to deduct the usual commute in certain circumstances.

## **Local Government (Access to Information) Act 1985**

### **List of Background Papers**

Paper	Date	Contact/Tel
-------	------	-------------

N/A

Reason for inclusion in Part II, if appropriate

N/A