

LGA Employee Expenses Policy

Date created: January 2016
Responsible Officer: HR & Payroll Manager

Date of review/revision	Amendments made
January 2016	None
June 2017	None
January 2019	Section 22 - Updated email address
July 2019	Removed reference to Local Government House
January 2020	None
July 2020	None

Date for next review: July 2021

This policy applies to all employees of the Local Government Association and Improvement & Development Agency for Local Government.

Introduction

1. It is important that the LGA ensures the best use of public funds in delivering its business. This Expenses Policy covers the reimbursement of expenses incurred by LGA employees whilst on LGA business.
2. The Expenses Policy recognises that the LGA's activities are not confined to normal office hours and that its employees work in a variety of ways. Some work from home and spend a significant amount of time out in the field; others are office based and attend outside meetings or events with varying levels of regularity. The Policy is designed to apply to all circumstances.
3. The Expenses Policy will be reviewed at appropriate intervals to ensure that it continues to support the LGA's business needs. A separate policy covering expenses incurred by elected members is set out in the LGA Scheme of Members' Allowances.

General

4. LGA employees should not be financially disadvantaged because of genuine business expenses. The LGA will reimburse reasonable expenses that are wholly and necessarily incurred as a result of LGA business. It is the employee's responsibility to ensure that any costs incurred are reasonable.
5. All claims must be accompanied by full VAT receipts and be submitted in line with the process set out in clauses 43-49 of this Policy, although it is recognised that there may be occasional exceptional circumstances where a receipt is not available. The LGA reserves the right not to reimburse expenses where the Expenses Policy has not been complied with.
6. Any attempt to knowingly or falsely claim expenses in breach of the Expenses Policy may result in disciplinary action.
7. A summary of the current travel and subsistence rates is set out in **Appendix 1**.

Responsibility of Managers

8. It is the responsibility of line managers to ensure that they and their staff have read and understood the LGA Expenses Policy.
9. In the event of any queries, HR & Payroll or Business Management will refer the claim to the employee's line manager, to review and determine whether to authorise the expenditure or take other appropriate action. Managers are only permitted to authorise expenses within the individual approval limits set out in the LGA's scheme of delegation.

Travel expenses

10. The LGA will cover the cost of travel necessary for LGA business, over and above the employee's usual daily commute. For office-based employees, travel between home and the permanent workplace does not count as business travel and will not be reimbursed.

11. Employees are asked to consider their travel choices carefully and to use the most cost effective mode of transport, taking into account journey time and the nature of the journey as well as the monetary cost, although they are encouraged to use public transport wherever practicable to help reduce the impact of the LGA's business travel arrangements on the environment.
12. *Click*, the LGA's corporate booking system, enables employees to book travel and accommodation and charge them direct to the appropriate budget code. This reduces the need to pay costs up front and claim them back and keeps administrative costs down.
13. *Click* seeks to secure the best available deal at time of booking but as with other sites, rates may vary from day to day. Employees can if they wish use alternative booking methods provided they can demonstrate that they offer equal or better value for money.
14. Exceptionally, the LGA may agree to meet the cost of late night travel home from work by taxi or equivalent, subject to the prior approval of the employee's line manager, and when
 - The employee is required to work beyond 9.00pm and
 - Public transport is unavailable, or it would be unreasonable to travel alone on public transport at that hour
15. The LGA will not reimburse penalty fees, parking tickets, parking fines or any type of fixed penalty notice incurred.

Travel by rail or coach

16. LGA employees should travel by standard class unless they have a clear business or health reason to travel first class. Any travel by first class requires prior agreement and requests should be sent to the HR & Payroll team.
17. Employees should seek the cheapest fare available to meet their business need. *Click* can help identify the most economical options. This normally means travelling on specified trains. Standard open tickets are expensive and should be avoided unless absolutely necessary.

Travel by tube and bus

18. Oyster cards are the cheapest and easiest way to travel by tube and bus. To claim back the cost of business-related tube or bus travel, print out your journey statement at a tube station ticket office or online at <https://tfl.gov.uk/fares-and-payments/> and highlight any journeys relating to LGA business. Alternatively simply include dates and details of the journeys made by tube in your expenses claim.

Travel by taxi

19. Taxis can be used for short journeys where
 - There are no alternatives available
 - It is cost effective to do so - for example several colleagues travelling together
 - Where there are health and safety factors – for example disability, a requirement to carry heavy equipment, or for late night travel.
20. When travelling in London, employees should use public transport wherever possible. However, where for business or health and safety reasons taxi travel is necessary, the

LGA has an account to provide pre-booked cars. These can be booked through the LGA tabs system available on the wire and will be charged directly to the relevant budget code.

Travel by car or motor cycle

21. Wherever possible, employees should use public transport for business travel. However private vehicles may be used where they are the most practical and cost effective solution.
22. Before using their vehicle, employees must first complete a declaration confirming that they have a valid motor insurance policy covering business use. Declaration forms are sent out by the HR and Payroll team and are available on request from HRandPayroll@local.gov.uk. A copy of the insurance policy may be requested.
23. Business mileage will be reimbursed at the at the nationally agreed HMRC rate set out in **Appendix 1**.
24. Occasionally it may be practical or cost effective to hire a car for LGA business use – for example when your own car is unavailable, or to travel from a mainline station to multiple remote locations. Employees should first secure the approval of their line manager. The LGA will cover the cost of vehicle hire and associated insurance costs, along with the cost of fuel used. Where fuel is not included in the hire charge, employees should include in their claim the VAT receipt for fuel used and the mileage details. **Note:** HMRC mileage rates do not apply to hire vehicles.

Travel by air

25. Air travel should only be used when it is the most economical and practical solution. Employees are expected to travel in economy class. In exceptional circumstances, where there is a clear business or health reason, the LGA may agree to cover the cost of super economy or business class travel, subject to prior agreement by a member of the Strategic Management Team. Under no circumstances will the LGA meet the cost of first class air travel.
26. Air travel should be booked as far in advance as possible through the Click booking system in order to secure the most cost effective ticket arrangements and maximum discount. The cost of flights will be charged direct to the relevant budget code.
27. The LGA will in exceptional circumstances reimburse flights through the expenses claim process. Where this is agreed in advance by the employee's line manager, the claim must be supported by a valid boarding card and ticket price confirmation.

Subsistence

28. In line with other public sector organisations, the LGA will reimburse expenses incurred when an employee is away from his or her base for more than 5 hours. (See **Appendix 1**).
As a general rule
 - Where an employee is required to leave home before 7.00am in order to attend a meeting or undertake other LGA business, the LGA will reimburse the cost of a modest breakfast.
 - Where an employee is required to return home after 9.00pm as a direct result of LGA business, the LGA will reimburse the cost of a modest evening meal.
 - Where an employee is travelling away from venues that offer tea, coffee and water the LGA will reimburse reasonable beverage costs.

29. All LGA employees, whether home or office-based, are expected to cover the cost of their lunch. However exceptionally, where an employee incurs additional costs beyond the norm – where there are no shops or catering establishments available providing reasonably priced food – the LGA will reimburse reasonable costs incurred.
30. The LGA recognises that from time to time employees working outside 18 Smith Square with no access to meeting rooms, may arrange meetings over coffee or lunch. In these instances, the LGA will reimburse reasonable costs incurred. (see paragraphs 34-36 for guidance on hospitality)

Overnight stays – UK and abroad

31. Where LGA business demands that an employee stays away from home overnight, the LGA will cover the cost of
 - Accommodation
 - Meals and drinks (if not included or provided) to an overall maximum amount.
 - One telephone call home for each night of stay
 - Business calls, although LGA mobile devices should be used wherever possible

For details of agreed rates see **Appendix 1**

32. The LGA does not cover the cost of
 - Other personal telephone calls
 - Snacks or soft drinks (unless part of the meal provision above)
 - Alcoholic drinks
 - Newspapers
 - Room service or upgrades
 - Videos, pay movies and/or video games
 - Cigarettes and tobacco
 - Dry cleaning or laundry
33. Hotels should wherever possible be booked through *Click*, which will secure the best available terms within the maximum agreed rates for overnight accommodation
34. If for practical reasons LGA employees need to book their own accommodation, the cost will be reimbursed to the maximum agreed rates. If reasonable accommodation is not available within this limit, employees must first secure the approval of their line manager before booking more expensive accommodation. This authorisation should be included on the expense claim.
35. In the case of overseas travel, in countries where hotel accommodation and meals are particularly expensive, LGA employees should seek the prior agreement of their line manager to higher maximum rates to cover accommodation and meals of an equivalent standard to those available to them in the UK.

Hospitality & business events

36. As a membership organisation, the LGA may hold events and meetings which include an element of hospitality. This is acceptable provided that expenditure is reasonable and proportionate and wholly and exclusively in the interests of the business.
37. Where these events are pre-planned and corporately organised, the relevant budget holder will be responsible for ensuring that costs fall within reasonable limits.

38. Individual employees may host lunch or an evening meal. Employees below Grade 7 should first seek authorisation from their line manager. The LGA will reimburse expenses commensurate with the type of hospitality offered.
39. The LGA will not reimburse the cost of gifts given by an LGA employee or group of employees to a colleague.
40. Guidance on employee receipt of hospitality from a third party is covered in the Employee Code of Conduct.

Expenses incurred by home workers

41. The LGA will contribute to the set up costs of a home office for contractual home workers. This maximum sum is set out in **Appendix 1** and is subject to tax deductions.
42. If business telephone calls are made from home, or from a personal mobile phone, the VAT-inclusive cost of the call may be claimed. The claim must include details of the call and the business reason for making it, and be accompanied by the appropriate page of an itemised telephone bill, highlighting business call.

Reimbursement of expenses

43. Booking via the LGA's corporate booking systems means that the cost of tickets and accommodation can be charged direct to the appropriate budget code. All other expenses incurred are reimbursed retrospectively.
44. The LGA uses a system of self-certification of expenses which is subject to regular audits by HR & Payroll. In submitting a claim, an employee is confirming that the expenses have been incurred appropriately and in line with this Expenses Policy.
45. All claims must be submitted via Agresso, clearly stating the date and description of the claim. Claims must be supported by detailed receipts/credit card slips (VAT if applicable) which must be scanned and uploaded into Agresso. Employees are required to retain original receipts for a period of 15 months from the claim date, after which they can be destroyed.
46. All claims must be submitted within 3 months of the expense being incurred; "out of date" claims will only be paid at the discretion of a member of the Senior Management Team. All outstanding claims for any financial year must be submitted promptly at the end of the financial year in order that the LGA can finalise its accounts. Claims submitted after 30 June of the financial year following that in which the claim was generated cannot be paid.
47. Claims submitted by an individual on behalf of a group of employees should itemise the names of all those on behalf of whom the claim is made.
48. The LGA does not provide advance payments or floats, with the exception of Eurofloats for staff in the Brussels Office for specific non-sterling payments and occasional overseas trips. These must be approved by the Head of Policy.
49. Expenses will be paid directly into the employee's bank/building society account.

Income tax

50. In some exceptional circumstances expenses payable under this policy may not satisfy HM Revenue and Customs (HMRC) rules, and may be taxable. The LGA may make

arrangements to meet the resulting tax liabilities and reserve full discretion to decide not to make such arrangements in any given case. The LGA will not act unreasonably in exercising this discretion.

Corporate Payment Cards

51. The LGA issues corporate payment cards to senior managers on Grade 9 and above and to other employees in specified posts where there is a clear business need. The table in **Appendix 2** sets out the agreed credit limits for employees who are in receipt of procurement cards.
52. An employee who can demonstrate that he/she is likely to incur significant personal expense as a result of the role they carry out can apply for a corporate payment card. Requests are considered on an individual basis and approved by Business Management in consultation with the employee's line manager.
53. Corporate payment cards should only be used where
 - It is not practical to pay through the normal LGA purchasing systems
 - There is an exceptional business need to authorise a purchase quickly.

Payment cards should not be used for travel and accommodation, where the corporate booking systems could be used.

54. Senior managers may use their corporate payment card to cover the cost of travel or subsistence on behalf of another employee in case of emergency, or where there is a clear business need to purchase outside of the normal expenses processes.
55. Card holders are responsible for downloading monthly statements from the card provider and providing details of all expenditure on Agresso, with valid receipts. Any purchases not supported by a valid receipt may need to be repaid by the individual.
56. Claims must be completed no later than two months after the date of the statement, with the exception of the financial year end, when claims must be completed in line with year-end guidance. If the card holder is on notice to leave the LGA, a draft claim should be completed in Agresso prior to their last day of employment.
57. Where a card holder has failed to reconcile expenditure on Agresso or provide receipts for a period of three months from the date of the statement, the card will automatically be suspended. In these circumstances the card will not be re-issued until such time as all outstanding actions have been completed and approved by HR & Payroll
58. If your payment card is lost or stolen you must ring Barclays immediately on 0800 400 100, you will go through a series of security questions to enable you to cancel the card.
59. Misuse of a corporate payment card may result in disciplinary action.

APPENDIX 1

SUMMARY OF TRAVEL & SUBSISTENCE RATES

Mileage

Private Vehicle Mileage

The LGA reimburse within HMRC advisory mileage rates for all private car mileage, as follows:

Vehicle type	Mileage	HMRC Rate
Motor car or van (all engine sizes)	Per mile first 10,000 business miles	£0.45
	Per mile over 10,000 business miles	£0.25
Motor cycle	All business miles	£0.24
Bicycle	All business miles	£0.20

Subsistence

Day meetings

Breakfast/beverages	Up to £5
Evening meal	Up to £12

Overnight stays

Accommodation

Hotel location	Maximum agreed rate
London	£150
Outside London	£90

Meals and drinks not included in room rate or provided at meeting/event venue Up to £36 total per night at

Hospitality

External meeting/pre-meeting Up to £35 per head

Set up costs

Maximum home working set-up allowance £300 (one off payment)

APPENDIX 2

Agreed corporate procurement card credit limits:

	Designated Corporate Procurement card Posts and Card Limits	
category		
A	Chief Executive	£3,000
B	Deputy Chief Executive / Heads of Policy	£2,000
C	Conferences & Events Manager	£5,000
D	Senior Managers (Grade 9 and above)	£1,000
E	Heads of the Political Group Offices	£1,000
F	European and International team advisers	£2,500
G	Peer Support Programme Managers and Advisers	£2,000
H	Chairman	£3,000
I	Vice Chairs (Group Leaders)	£2,000