

# **ISLE OF WIGHT COUNCIL - TRAVEL ALLOWANCES POLICY**

## **CAR ALLOWANCES**

Car allowances may be paid to employees where there is a genuine operational need for them to use their own motor vehicles on official Council business. Managers should ensure that all travel on official Council business is undertaken in the most cost-effective way including the use of public transport, particularly for mainland journeys which must have prior managerial approval.

In order to keep travel costs to a minimum, car allowances should be monitored and reviewed on a regular basis. Employees should also be made aware that such allowances are attached to the post they occupy and are not a personal entitlement. Allowances may therefore be reduced or withdrawn should the needs of the service or duties of the post change.

Employees who use their vehicles on official Council business are required to maintain suitable insurance cover indemnifying the Council against all third party claims, including passengers, arising out of the use of the vehicle on Council business.

Under no circumstances should car user allowances be paid as a means of 'topping up' an employee's salary.

The following allowances may be paid :

### **ESSENTIAL USER ALLOWANCE**

An annual lump sum allowance is payable on a monthly basis to those employees whose duties are such that it is essential to have a car at their disposal whenever required and without which they would be unable to work effectively. Essential car users are required to have their car available at work, insured for business use, in roadworthy condition and to maintain their driving licences. Loss of a driving licence by an essential user may have serious consequences for his or her employment depending on whether or not alternative arrangements can be made for the employee to carry out his or her duties.

Essential car users who join or leave the Council's service part way through a year should receive the allowance on a pro rata basis. Where the employee's car is out of use due to a mechanical fault or the employee's absence, then the lump sum should be paid for the remainder of the month in which the car first became out of use, and for a further 3 months thereafter. For the subsequent three months the lump sum will be paid at half rate and if the car is still out of use the allowance will be withdrawn altogether. Under no circumstances should an essential user car allowance continue to be paid if the employee has been banned from driving, or if the employee ceases to have access to a vehicle during working hours.

It should be noted that the annual allowance is not taxed at source, but reported by the Council to the Inland Revenue at year end. Essential car users are responsible for declaring their allowance to the Inland Revenue for income tax purposes.

### **CASUAL USER ALLOWANCE**

Any employee who is not designated an essential user and who is asked to use his or her car to carry out duties will be classified as a casual user.

## **MILEAGE RATES**

The Council's policy is that only the first two categories of mileage rate up to 1199cc will be payable. Employees may claim, at the appropriate essential or casual user rate, for all business miles actually travelled by car as approved by their manager. In the event of an employee travelling direct to (or from) a business appointment from (or to) home, or any other non-business location, only the mileage in excess of that normally travelled to the employee's permanent workplace may be claimed. All mileage travelled between places of work may be claimed in full. These rules apply to all mileage claims and include travelling to training courses (form TS3).

To enable managers to check and monitor claims, employees must maintain a record of all authorised journeys using either log sheets or the expense claim form. Details to record include :

- ! Time and location journey(s) commenced
- ! Time and location journey(s) completed
- ! Purpose of journey(s).

Claims should be made on a monthly basis using the TS2 mileage form. These are to be checked and authorised by the line manager and forwarded to Payroll Section. Payments will not be processed unless the forms are completed and properly authorised.

Where business travel is undertaken on the mainland, employees may complete a TS1 claim and, following authorisation, submit to Payroll Section for payment via the creditors' system.

## **CYCLE ALLOWANCE**

Employees who are authorised to use their bicycles for travel on official business will be entitled to claim a mileage rate as determined from time to time.

## **MOTORCYCLE ALLOWANCE**

Employees who are authorised to use Motorcycles for travel on official business will be entitled to claim a mileage rate as determined from time to time.

## **TRAVEL BY PUBLIC TRANSPORT**

Employees who are required to travel on Council business (including to/from training courses) by public transport may claim reimbursement of the full cost incurred. Managers should ensure that the most cost-effective method is used for the journey to be undertaken. Managers are responsible for checking and authorising claims and for maintaining suitable records to ensure that claims are not duplicated. Claims should be made on a TS1 form, authorised and forwarded to the Payroll Section for payment.

## **PRIVATE TRAVEL EXPENSES**

There are two sets of circumstances where private travel expenses (public transport or mileage) may be reimbursed by the Council. First, the Council will reimburse the cost of travel to a permanent workplace when an employee is required to return to that location outside of his/her contractual hours. Secondly, where an employee has been relocated to work at a different permanent workplace, the employee is entitled to claim additional costs of home to work travel each time they attend the new location (to a maximum period of 4 years).

In both instances, claims must be made on taxable travel claims TS5 (public transport) or TS6 (mileage). The expenses will be paid through the payroll and subject to deductions of tax and NICs.

In determining the status of journeys (private or business), the following table may be of assistance:

<b>Phrase</b>	<b>Meaning</b>	<b>Treatment</b>
Ordinary commuting	Journey to or from your permanent workplace	Entitlement to claim costs from Council restricted to ordinary commuting costs incurred outside contractual hours and redeployment travel. In both cases, tax and NICs deducted.
Temporary workplace	A place (other than a permanent workplace) visited to carry out duties of employment eg client's premises	<i>Public Transport:</i> Claim all travel costs incurred  <i>Mileage:</i> Claim mileage actually driven less ordinary commuting mileage
Permanent workplace	The place where your duties are normally carried out (in limited circumstances, this can be a geographical area - ask your department head if in doubt)	Claims restricted to journeys starting from temporary workplaces (ie client's premises to office or vice versa). Where an employee lives within a geographical area (which is a permanent workplace) the Council will meet all mileage and/or public transport costs arising on official business within this area.

## **CONTRACT HIRE CAR SCHEME**

For eligible employees the Council will contribute to the provision of a contract hire car which is suitable for use on official business. The scheme is available to permanent employees who are designated essential car users and to other key staff graded on PO1 and above at the discretion of the Chief Officer and in consultation with the Personnel Services Manager.

There is, however, no automatic right to participate in the scheme and the Chief Officer must satisfy him or herself that there is sufficient budgetary provision to meet the Council's contribution before approving an employee's application.

The scheme is offered as an alternative to essential and casual user car allowances and to the car purchase loan scheme. Any existing car purchase loan will have to be repaid in full within three months of the delivery of the contract car and interest will continue to be accrued during that period whilst the loan remains unpaid. Employees participating in the scheme will be reimbursed the petrol element only of the national mileage rate for journeys on official Council business. Claims should be made on form TS4. Please note however that reimbursement will not be made in respect of private journeys, involving travel between home (and any other non-work location) and permanent workplace.

Further details of the contract hire car scheme, current contribution rates, procedure for making application can be obtained from the Central Personnel Section.

### **CASH ALTERNATIVE TO THE CONTRACT HIRE CAR SCHEME**

Employees who are permitted to participate in the contract hire car scheme may opt for a cash alternative.

The cash alternative will be a monthly allowance equivalent to 80% of the contribution that the Council would have made towards a contract hire car. Like contributions towards a contract hire car, the allowance is non-superannuable. The allowance will be subject to income tax and national insurance deductions. Employees who opt for the cash alternative will be able to participate in the Council's car purchase loan scheme and, if they occupy a post which is designated an essential car user, will not be entitled to receive the lump sum allowance. Business mileage will be reimbursed at the appropriate contract hire car rate ie the petrol element of the national rate.

Opting for cash alternative does not prevent an employee returning to either the contract hire car scheme (providing that any outstanding car purchase loan is repaid) or to essential or casual car user status at any time in the future.

The employee must ensure that they have a car available for business use at all times other than when the car is subject to routine servicing and maintenance. Failure to do so will result in the cash alternative option being withdrawn.

## **CODE OF PRACTICE FOR THE CLAIMING AND CERTIFICATION OF TRAVELLING EXPENSES**

### **GENERAL ISSUES**

1. All claimants must submit their claim forms within three months of the last entry on the form to the Payroll Section. Failure to observe this deadline causes administrative delays, and any claims submitted later than three months after the date of the last entry will automatically be referred to Internal Audit.
1. All claims must be certified by an authorised signatory, usually your line manager. Under no circumstances will claim forms certified by the claimant be accepted for payment.

1. Supporting documentation must be submitted with your claim forms. This not only includes invoices, receipts etc but also log sheets and diary records where appropriate.
1. The following points should always be considered in respect of journeys :
  - (a) is the journey necessary - could it be avoided with a telephone call or letter?
  - (a) is another employee undertaking the same journey - can travel costs be shared?
  - (a) journeys to extreme points of the Island should only be made if genuinely unavoidable.
  - (a) can a Council-owned vehicle be used for the journey?
1. It is the responsibility of the authorising officer to ensure the claim is completed fully and correctly.
1. Rail travel should only be undertaken at standard class fare level.

## **TRAVEL**

1. The Council will only reimburse legitimate business travel costs free of tax. "Business travel" is defined as any journey you make as an objective requirement of your duties of employment and the costs involved can include tolls, parking, ferries and subsistence (see below), but not parking fines.
1. Any travel between your home and your normal place of work (regardless of the circumstances) is ordinary commuting and not a business journey. The Council therefore requires you to deduct your ordinary commuting mileage from any business mileage claim made, and the expense claim forms are designed to allow this deduction to be made simply.

## **SUBSISTENCE**

1. Reimbursement of actual expenditure up to the maximum subsistence allowance rates, which are determined from time to time, may be claimed if you are working more than 5 miles from your home and your normal place of work.
1. The subsistence allowance is not an entitlement, but the maximum figure which may be claimed and invoices, receipts etc must be submitted in support of any claim.

<b>Form Number</b>	<b>Colour of Form</b>	<b>Description of Form</b>
TS1	Green	Expenses Claim Public Transport and Mainland Travel (Non-Training)
TS2	White	Travelling Expenses Claim IW and Mainland Mileage (Non-Training)
TS3	Grey	Expenses Claim - Training Costs
TS4	Salmon	Lease Car Mileage Claim IW and Mainland Mileage (Non-Training)
TS5	Buff	Taxable Expenses Claim - Public Transport (Ordinary Commuting/Redeployment)
TS6	Yellow	Taxable Mileage Expenses Claim (Ordinary Commuting/Redeployment)
TS7	Blue	Interview Expenses Claim
TS8	Pink	Members' Expenses Claim
TS9	Peach	Which Claim Form Do I Complete?
TS10	White	IW Council Travel Allowances Policy
TS11	White	Code of Practice