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Chairman and Members of the Local
Joint Panel

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Date: 27 November
2013

cc. All other recipients of the Local
Joint Panel agenda

Dear Councillor

LOCAL JOINT PANEL - 3 DECEMBER 2013

Please find attached the following reports which were marked "to follow" on the agenda for the above meeting:

5 (A) Expenses Policy Review (Pages 3 - 22)

5 (D) Response to UNISON on Local Award (Pages 23 - 30)

Please bring these papers with you to the meeting next Tuesday

Yours faithfully

Lorraine Blackburn
Democratic Services Officer
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MEETING : LOCAL JOINT PANEL
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 3 DECEMBER 2013
TIME : 2.30 PM

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EAST HERTS COUNCIL

LOCAL JOINT PANEL - 3 DECEMBER 2013

HUMAN RESOURCES COMMITTEE – 15 JANUARY 2014

REPORT BY SECRETARY TO THE EMPLOYER'S SIDE

EXPENSES POLICY REVIEW

WARD(S) AFFECTED: NONE

Purpose/Summary of Report

To approve the proposed key changes on the revised Expenses Policy which have been requested by Human Resources Committee:

<u>RECOMMENDATION FOR LOCAL JOINT PANEL:</u>	
That:	
(A)	The revised Expenses Policy be recommended for approval
<u>RECOMMENDATION FOR HUMAN RESOURCES COMMITTEE:</u>	
That:	
(A)	The revised Expenses Policy be approved

1.0 Background

1.1 The Council's Expenses Policy was last reviewed in 2010. The Council's programme of policy review is after three years or sooner, subject to changes in legislation and best practice.

1.2 Human Resources Committee recommended that this policy be reviewed as a matter of urgency, so that all employees in East Herts Council, in line with the majority of other councils, are paid expenses at HMRC (HM Revenues and Customs) rates.

On 17.9.2013, the Local Government Employers now Local Government Association, advised that half of the councils nationally have moved to HMRC rates. Within the Eastern region, a benchmarking survey on 1 October 2013 indicated that 19 out of 29 Councils have reimbursed business mileage in line with HM Revenues and Customs (HMRC) approved rates. Members are currently reimbursed on HMRC rates.

- 1.3 Under the current national agreement on local government pay terms and conditions (Green Book), many aspects of term and conditions are either developed locally or can be changed on a local basis. Car allowances and the payment of expenses can be changed on a local basis.
- 1.4 The Lease Car Scheme will be formally closed with effect from 17 January 2014.

2.0 Key changes in the policy

- 2.1 The policy has been revised to change rates to HMRC rates. The proposed changes of 45p per mile would apply to all East Herts employees claiming business mileage. There is more detail in **Essential Reference Paper B** of the policy
- 2.2 The policy has been revised to remove the separation of 'In District' and 'Out of District' mileage. The claiming of out of district mileage on the whole is historic, and many Councils no longer use this. The revised policy can be found within reference paper **'B'**

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers - Expenses policy

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	People This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.
Consultation:	Communication and discussion with UNISON
Legal:	None
Financial:	As set out in the report
Human Resource:	Communication to staff
Risk Management:	None.

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East Herts Council

Expenses Policy

Policy Statement No 40 (Issue No 2)

NOVEMBER 2013

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1.0 Introduction

- 1.1 East Herts Council must ensure that the reimbursement of expenses is carried out in a fair and consistent manner across the Authority, based on business need.
- 1.2 Under the current Green Book agreement, expenses are developed locally and can be changed on a local basis.

2.0 Scope

- 2.1 The reimbursement of expenses applies to all East Herts Employees, and Chief Officers

- Car expenses
- Motorcycle Mileage
- Bicycle Mileage
- Fares (including rail, tube, parking, taxi, air)
- Subsistence
- Accommodation
- Travel
- Petty Cash

3.0 Car expenses

- 3.0.1 All employees who are required to travel by car for business purposes, must hold a full current driving licence and insurance covering business use at all times. All managers are required to check these documents annually and retain and record dates of check.

3.1 Essential car users

Any employee who completes over the current criteria of business miles of 2,000 per annum (pro rata for part-time employees with the lump sum allowance being pro rated on the basis of annual hours worked), is given the essential car users allowance. The number of business miles may be varied annually as part of the criteria for essential car users allowance.

In exceptional circumstances, staff travelling less than the current agreed miles per annum may be offered an essential user allowance

where it can be shown to be the only means of meeting unavoidable travel needs. Miles and allowances are reviewed annually.

- 3.1.2. The essential annual lump sum allowance is payable monthly, which is subject to tax and National Insurance contributions.
- 3.1.3 Please refer to Appendix A for current mileage rates and lump sum allowances.
- 3.1.4 Business mileage for all posts will be reviewed annually in December. In the event that an employee receiving essential user car allowance fails to meet the criteria, the allowance will be terminated, with payments ending 31st March.
- 3.1.5 Three months notice in writing will be given to cease essential user car allowance payments.

3.2 Lease Scheme

- 3.2.1 The current lease scheme will be formally closed with effect from 17 January 2014.

4.0 Motorcycle Expenses

- 4.1 Any Employee who uses a Motorcycle for travel on Council business will be entitled to reimbursement.
- 4.2 Please refer to Appendix A for current mileage rates

5.0 Bicycle Expenses

- 5.1 Any Employee who uses a Bicycle for travel on Council business will be entitled to reimbursement.
- 5.2 Please refer to Appendix A for current mileage rates

6.0 Guidelines for claiming mileage

- 6.1 A Car Mileage claim form can be found on the intranet under Payroll forms. Employees are encouraged to complete the forms electronically to ensure clear and correct calculations are submitted. This is in Appendix B.

6.2 Home to normal place of work

Employees can claim for business journeys made in the performance of their duties but NOT journeys which are ordinary commuting or private travel. This also applies to home workers, for guidance see 15.2 of the 'Home Working Policy'.

'Ordinary commuting or private travel' does not include additional journeys from home to normal place of work and back where those journeys would not have been expected to have been made. For example callouts on a non-working day or requiring a repeat journey on a work day will be payable. However, payments in these cases will be subject to tax and national insurance.

6.3 Home to temporary place of work

Mileage to a temporary workplace can be claimed LESS ordinary home to workplace mileage. Examples of this as follows:

- If the workplace is Wallfields and home is Cheshunt and an employee travels from home to Buntingford and return on a business journey which is 19 miles but the normal return journey from home to Wallfields is 18 miles an employee can only claim the difference of 1 mile.
- If the normal workplace is The Causeway and home is Saffron Walden and an employee travels from home to Hertford and return on a business journey which is 56 miles but the normal return journey from home to The Causeway is 24 miles an employee can only claim the difference of 32 miles.

If the journey is less than the normal home to permanent workplace then no claim is permitted.

Where the home to temporary place of work is additional to normal commuting this will be paid without deduction. For example where the journey is a call out on a non-working day or is a call out after reaching home at the end of the working day.

As a general rule reimbursement should only be for 'out of pocket' expenses.

7.0 Passenger Rates

- 7.1 If employee carries any other East Herts employee (this includes Members) on council business journeys they may claim an amount per passenger per mile. Please refer to Appendix A for current rates.
- 7.2 All travel claims should be made using East Herts Car Mileage form which can be found on the intranet under Payroll Forms. All fields should be completed with relevant details and signed by the immediate authorising officer.
- 7.3 Employees must comply and satisfy the conditions stated on the claim form with a roadworthy vehicle meeting the insurance requirement.
- 7.4 Details of journeys on the reverse of the form are as follows:
- | | | |
|----------------------|---|----------------------------------|
| Date | = | Date of journey |
| From | = | Start location |
| To | = | End location |
| Purpose of journey | = | Reason for the journey |
| Start Meter reading | = | Record your start meter reading |
| Finish Meter reading | = | Record your finish meter reading |
| Total | = | Total business miles claimed |
| Passenger | = | Name of passengers |
- 7.5 All claims require an original fuel VAT receipt that pre dates the journey must be stapled to the back of the claim. Claims received without the appropriate VAT receipts will be returned for clarification and may delay payment.

8.0 Expenses

8.1 Travel by public transport

A rail warrant application form should be completed and authorised prior to travel which is exchanged for a ticket at the station. Blank forms can be found on the intranet and attached as Appendix 'F'

If a rail warrant has not been obtained an employee may still claim for any travel expense incurred on Council business. Claims can be reimbursed for standard class train fares, London Underground, and bus fares. All claims must be supported by valid receipts stapled to the back of the claim form.

- 8.2 Managers should ensure that the most cost-effective method of transport is used.
- 8.3 Taxi fares can only be claimed for in exceptional circumstances where no other form of travel is reasonably available. All claims must be supported by valid receipts stapled to the back of the claim form.
- 9.0 Car parking charges**
- 9.1 Car parking charges incurred on Council business will be reimbursed. Receipts must be attached wherever possible. Car parking charges will not be paid for East Herts office locations where free car parking is available e.g. Charringtons and Wallfields.
- 10.0 Air travel**
- 10.1 Air travel can only be reimbursed in exceptional circumstances subject to Director approval; where no other form of travel is reasonably available. Economy class fare only is allowed, using the most cost effective airline and supported by proof of 3 quotations. All claims must be supported by valid receipts stapled to the back of the claim form.
- 11.0 Subsistence**
- 11.1 Employees can claim reimbursement only for the additional expense incurred for meals taken whilst on official Council business away from their normal base. The local agreement on subsistence rates and meal times is detailed in Appendix 'C'.
- 12.0 Accommodation**
- 12.1 If an employee stays away from home on business; accommodation and meals if not included in the hotel costs or conference fees can be reimbursed. The local agreement on subsistence rates is detailed in Appendix 'C'.

13.0 Miscellaneous

13.1 Petty cash

Only unavoidable and minor purchases should be made through petty cash with a limit of £25 (inclusive of VAT). Blank forms can be found on the intranet under Payroll forms and attached as Appendix 'E'. Receipts must be stapled to the back as proof of purchase.

Note: Expenses as detailed in this policy may not be reimbursed from Petty cash.

14.0 More guidelines for claiming expenses

- 14.1 Employees may claim for reimbursement of expenses incurred on Council business supported by receipts. Blank expenses claim forms can be found on the intranet see Appendix 'D'. Refer to the Home Working Policy in relation to what expenses are covered for home workers.
 - 14.1.2 Travel & Parking, Claim forms should be fully completed and supporting receipts should be stapled to the back of each form.
 - 14.1.3 Subsistence, claim forms should be fully completed and supporting receipts should be stapled to the back of each form.
 - 14.1.4 Accommodation, claim forms should be fully completed and supporting receipts should be stapled to the back of each form. A cost centre should be indicated for any necessary overrides.
 - 14.1.5 Miscellaneous, claim forms should be fully completed and supporting receipts should be stapled to the back of each form
- 14.2 All claim forms must be signed by the employee and authorised by the immediate authorising officer and sent to Payroll for processing by the 6th of the month.

15.0 Promptness for claims

- 15.1 As stated in the Financial Regulations, certified claims will be forwarded to the Payroll Section within five working days following the end of the month to which the claim relates.

- 15.2 All the above allowances should be claimed in arrears and submitted monthly where possible. Claims exceeding three calendar months will not be paid.
- 15.3 Payroll will only process claims that are fully completed, properly authorised and supported where applicable with receipts. Incomplete forms will be returned to the claimant.

16.0 Policy Review and Amendment

- 16.1 This Policy shall be reviewed after three years or sooner in line with legislation and best practice.

DRAFT



Current HMRC Approved Mileage Rates

Essential User Rates	Up to - 999cc	1000 - 1199cc	1200 & Above
Lump sum per annum (Monthly payment pro rata)	£846 (£70.50)	£963 (£80.25)	£1,239 (£103.25)
Car Mileage	HMRC Rates		
Per mile - first 10,000 business miles per annum	45p		
Per mile - after 10,000 business miles per annum	25p		
Amount of VAT per mile in Petrol element	1.5670p		

Motorcycle Rates

24p per business mile

Bicycle Rate

20p per business mile

Passenger Rate

5p per passenger per mile



CAR MILEAGE CLAIM FORM

Please complete all sections; failure to do so may delay payment. Please ensure completed forms are received by Payroll by the 6th of the month and valid VAT receipts are attached to the back of this form.

Employee Details

Name:	_____	Payroll No:	_____
Claim Period:	_____	Date Submitted:	_____
Petrol:	<input type="checkbox"/>	Diesel:	<input type="checkbox"/>
Car Registration:	_____		
Make & Model:	_____	Approved CO2 Emission (g/km):	_____

Claim Details

Total Business Mileage claimed:

Business mileage claimed excluding normal home to office miles.

Total Business Mileage with Passengers:

East Herts Council employees and Members only (exclusive of driver).

Arithmetic check:

Initial by a team member

I certify that

- I held a full and current UK driving licence throughout the period claimed. I am not disqualified and no prosecutions are pending. I have no medical conditions that prevent me from driving.
- My motor insurance policy is extended to include business use. (Your policy must indemnify the council against third party claims whilst training on business, which may include attending courses, and working at or visiting another site. If transporting goods, your Insurer may require separate notification).
- My vehicle is roadworthy. If over three years old, it is covered by a valid MOT certificate.
- My vehicle has a valid road fund licence.
- The mileage shown below (as detailed overleaf) was run on approved Council business in accordance with the conditions laid down by the NJC and the rules of East Herts Council.

Managers must check insurance certificates, driving licences and MOT certificates at least annually; retain and record dates of checks.

Signed: _____
(Employee)

Date: _____

Signed: _____
(Authorised Officer)

Date: _____

Print Name: _____ (Authorised Officer)



Please ensure that a VAT receipt(s) for road fuel is attached that will cover the journeys claimed. The VAT receipt must pre-date the journey date. A till receipt will not be sufficient. All receipts should be stapled to this side of the form.

[illegible]



SUBSISTENCE RATES

The maximum claim for meals is as follows:

Breakfast	Before 7am	£7.21
Lunch	Between 12 noon & 2.30pm	£9.95
Tea	Between 2.30pm & 7pm	£3.94
Evening Meal	After 7pm	£12.33

Evening meal allowance cannot be claimed with a tea allowance.

All claims must be supported by a valid VAT receipt stapled to the back of the claim form.



EXPENSES CLAIM FORM

Please refer to the Expenses Policy for guidance notes. Completed forms must be received by payroll by the 6th of the month. Please attach all receipts to the back of this form.

Personal Details			
Name: _____	Payroll No: _____		
Team: _____	Date: _____		

Travel & Parking Details

Date	Purpose	Time Away From : To	Cost Incurred
Total: (326)			

Subsistence Details

Date	Breakfast (Before 7am)	Lunch (Between 12 & 2:30pm)	Tea (Between 2:30 & 7pm)	Evening Meal (After 7pm)	Cost Incurred
Total: (327)					

Accommodation Details

Date	Purpose (Cost centre override if applicable)	Cost Incurred
Total: (327)		

Miscellaneous Details

Date	Item (Cost centre override is applicable)	Cost Incurred
Total: (335)		

I declare that I have necessarily incurred additional expenditure on travel and/or subsistence for the above purpose and that the amounts claimed are in accordance with the rates and conditions as set out in the Expenses Policy. All supporting receipts are genuine and are stapled to the back of this form.

Signed: _____ **Date:** _____
Signed: _____ **(Authorised Officer)**
Print Name: _____ **(Authorised Officer)**



PETTY CASH CLAIM FORM

Please refer to the expenses policy for guidance on how to claim.

Name: _____

Department: _____

Quantity	Item Description	Unit Cost		Total Cost	
		£	.	£	.
Total		£			

Expenditure Code	Amount	
	£	.
/		
/		
/		
/		
/		
/		
/		
/		
/		
/		

Voucher No: PC

Date: _____

Claim prepared by: _____

Print: _____

Claim certified by: _____

Print: _____

Cash received by: _____

Print: _____

Coding checked: _____

Print: _____

Audit checked: _____

APPLICATION FOR RAIL TRAVEL WARRANT

To be completed by employee

<u>Applicant Details</u>	
Name: _____	Department: _____
Site: _____	Cost code: _____

<u>Journey Details</u>	
Starting From:	_____
Destination:	_____
Via:	_____
Start date & time:	Date: _____ Time: _____ ...
Return date & time:	Date: _____ Time: _____ ...
Reason for travel:	_____

Signed: _____	Date: _____
---------------	-------------

To be completed by authorised signatory

The above application has been approved for the purpose stated	
Signed: _____	Date: _____
Name: _____	Director

To be completed by the issuing officer

Warrant number:	_____
Date of Issue:	_____
Warrant type:	_____
Issued by:	_____

EAST HERTS COUNCIL

REPORT BY SECRETARY TO THE EMPLOYER'S SIDE

RESPONSE TO UNISON ON LOCAL AWARD

WARD(S) AFFECTED: None

Purpose/Summary of Report

The purpose of this report is to provide options for further consideration by Local Joint Panel.

<u>RECOMMENDATION FOR LOCAL JOINT PANEL</u> that:	
(A)	the options set out in point 5 be considered, given the implications for the medium term financial plan.
<u>RECOMMENDATION FOR HUMAN RESOURCES COMMITTEE:</u> That:	
(B)	

1.0 Introduction

UNISON submitted a report to Local Joint Panel on 21 October 2013 requesting the permanent suspension of further planned reduction in the local award, in the light of how the current economic situation is affecting their members.

- 1.1 The decision of Local Joint Panel was for officers to take a closer look at the budget and report back on options for further consideration by the Panel.

2.0 Background

- 2.1 The local award was introduced in 1988 to address recruitment and retention issues. Employees with 3 years continuous service with East Herts were eligible to receive the award, subject to acceptable performance.

- 2.2 The bonus scheme is discretionary and gives the Council the right to withdraw the local award on an across the board basis, should recruitment and retention problems be corrected. Managers do occasionally withhold the local award, as it is subject to performance which is assessed in Performance Development Reviews.
- 2.3 Human Resources Committee reviewed terms and conditions in 2009 to ensure that the terms and conditions of employment reflected the market the Council competed in, and were consistent, fair and offered value for money.
- 2.4 On 8 February 2010, Human Resources Committee imposed changes in terms and conditions; this included reducing the 5% local award to 2%, to be implemented on a phased reduction linked to national agreed pay schemes and was to be achieved over a number of years.
- 2.5 Since 2010 there has been no national pay rises. However, East Herts employees who meet the stated criteria have continued to receive the 5% discretionary bonus over the last three years.
- 2.6 In August 2013, NJC agreed a 1% pay award, which was paid to all employees. The policy decision taken by Human Resources Committee was implemented for the first time in September 2013 so that employees who were eligible for the local award were paid a 4% discretionary bonus, instead of 5%.
- 2.7 This delivered savings of circa £92,000.

3.0 Budgets

- 3.1 The savings which are expected from the review of terms and conditions are in the Medium Term financial plan.
- 3.2 The Medium Term financial plan currently assumes further savings of £352,000 relating to changes in Terms and Conditions over the next two years, (£188,000 in respect of the local award, and £164,000 in respect of lease cars / lease car compensation.) Further savings of around £188,000 will result from the future reduction of the (now) 4% local award to 2%.
- 3.3 The Council is concerned about savings and income beyond 2019 when revenue streams from central government will become more

uncertain.

4.0 Changes to pay, terms and conditions across Hertfordshire.

- 4.1 Only Councils who are not part of national negotiating and have their own local bargaining arrangements have increased pay. Hertsmere council for example has given a 2% increase in pay in 2012, but this was in exchange for reductions in sick pay. Broxbourne paid a flat rate of £300 to staff earning under £35,000 but do not pay essential car users allowance. Lease cars have been removed.
- 4.2 The payment of the local award means that the majority of East Herts employees have continued to receive additional payments in comparison with other colleagues in the region, who do not have a bonus scheme.

5.0 Options

- 5.1 **Continue to implement the decision** taken by Human Resources Committee to deliver changes in terms and conditions which include the ending of lease cars, compensation for lease cars, and the reduction in the local award from 5 to 2 %. Further savings of £188,000 will result in the future reduction of the 4% local award to 2%. This will mean that the savings in the medium term financial plan of £94,000 per annum will be achieved, providing that there are national pay awards of at least 1% per annum.
- 5.2 **Continue to implement the decision by Human Resources Committee to deliver the planned savings through the agreed changes in terms and conditions, but request that the Committee amend the reduction to 0.5%** at each pay rise to recognise UNISON's views of the current economic situation on their members. This would mean the council would need to find £46,000 savings each year over a longer period of time. This would still be contingent on national pay awards of at least 0.5% per annum.
- 5.3 **Agree to UNISON's request.** Local Joint Panel could recommend to Human Resources Committee that they agree to Unison's request to:
- 5.3.1 Not implement the reductions in the local pay award, backdated as requested to April of this year. This would mean that some employees would need their bonus back dated, and the council

would need to find £94,000 in this financial year. The savings expected in the medium term financial plan of £188,000 would need to be delivered.

- 5.3.2 Recommend to Human Resources Committee that the implementation of the reductions in the local award is deferred and reviewed each year. This would leave the local pay award at 4%, and give members the opportunity to review this annually. However savings in the medium term financial plan of £188,000 would still need to be found.

5.4 Further review of terms and conditions

Local Joint Panel could recommend to Human Resources Committee that in order to realise all the savings anticipated in the 2010 review, that there should be a further review of terms and conditions to reflect the current marketplace. This would require officers to find savings of at least £188,000 to address the need to make savings in the medium term financial plan.

5.5 Remove the discretionary award

Local Joint Panel could recommend to Human Resources Committee that the discretionary award is removed in its entirety, with effect from 2014: this would mean any national pay award would be paid in full on base salary to all employees. This would ensure the savings expected in the medium term financial plan are delivered. The effect on morale at the removal of a performance incentive, would need to be taken into account. The bonus scheme was introduced to reward and recognise the high levels of performance employees achieve.

- 5.6 **Phase out the award** so that new employees are given different terms and conditions to existing employees. As the award is only considered for those with 3 years service, this will give a small amount of savings, but may increase risks associated with employees being on different terms and conditions.

6.0 Implications

The Equal Pay Audit in 2014 needs to address any possible risks created by the slower than expected introduction of this scheme. The savings of £188,000 which are expected in the medium term financial plan have been agreed with members and need to be delivered to ensure a sustainable financial position.

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	<i>People</i> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.
Consultation:	Communication and discussion with UNISON
Legal:	None
Financial:	These are set out in the report
Human Resource:	These are set out in the report
Risk Management:	None.

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