

WILTSHIRE COUNCIL

Staffing Policy Committee

8th January 2020

Amendments to business travel and mileage allowances policy

Purpose

1. To outline proposed changes to the council's business travel and mileage allowances policy, with the intention to implement this with effect from 1 February 2020.

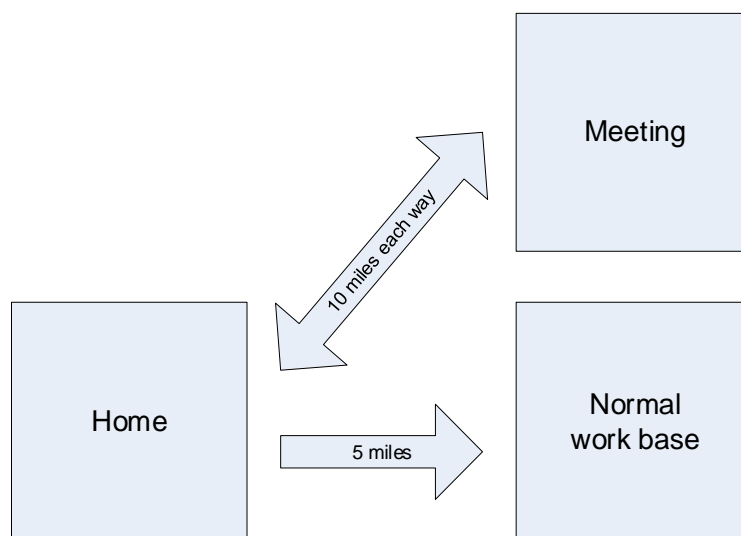
Background

2. In 2012 the council's travel and mileage allowances policy was harmonised to provide a standard business travel procedure and clear guidance on expenses that could be claimed by any employee of the council.
3. The policy allows employees to claim expenses for the full mileage from home or somewhere other than their normal work base to a meeting somewhere other than their normal place of work and back, as long as they did not pass close to their work base.
4. If their journey did take them within 1 mile of their normal workbase then the policy required their normal commute to be deducted from the claim.
5. The primary reason for implementing this approach was to encourage employees to work more flexibly and from different locations, in line with the council's transformation programme at the time and was in line with advice from HMRC received at the time.
6. The policy included FAQs and examples showing how to correctly claim business travel mileage, however there has continued to be regular queries to HR and there is some inconsistency in the way staff in different teams make claims. This suggests that the policy is not easy to understand and to apply.
7. Business travel expenses cost the council approx. £2.2m per annum. The costs of business travel have been rising and this is despite a reduction in full time equivalent employee numbers, an increase in the number of pool cars available and the availability of technology to allow dial into meetings instead of attending in person.

Amendments proposed

8. The updated policy will require that, wherever possible, staff should attend at their normal place of work and use a council pool car for business journeys.
9. Business mileage claims will only be accepted where an employee's role requires regular travel (social work for example), the business travel is essential and where there is no pool car available.
10. The amended policy simplifies the calculation method for mileage an employee can claim when travelling for business purposes if their journey is not starting from their normal place of work and does not include a journey to their normal place of work.
11. Under the new policy employees will be required to deduct their normal home to workplace mileage (their "normal commute") from any business mileage claimed.

E.g. if an employee attends meeting with journey starting and finishing at home:



Total mileage (10 miles each way) = 20 miles

Normal home to permanent workplace mileage (5 miles each way) = 10 miles

Travel claim = Total mileage (20 miles) - Normal commute (10 miles) = **10 miles**

Reasons for changes to the policy

12. Research was conducted on the business travel policies of other local authorities. Of those that responded twelve currently already used the approach of deducting the normal commute and one council was currently changing to this approach.
13. As part of the SAP replacement programme we have found that our current method for calculating travel claims is incompatible with standard ERP systems. However the proposed approach is built in as standard.
14. If we used the proposed approach any new ERP (SAP replacement) system would be able to automate a significant part of the mileage claim process for staff and provide detailed information and statistics on travel information.

15. The recognised unions agreed in principle with the changes to the policy and we are working with them to finalise the policy wording and communications to staff.
16. We intend to give staff reasonable notice of the change to the policy, with an aim to implement in February 2020.

Environmental impact of the proposal

17. This policy will encourage employees to consider whether the travel is necessary, for example to consider opportunities to use technology instead of attending meetings in person, and to use pool cars where available, so will potentially reduce vehicle emissions and contribute positively to the climate change agenda.

Equalities impact of the proposal

18. An Equalities Impact Assessment will be carried out on the new policy once it has been drafted. Unions will be invited to attend and contribute to this meeting.

Risk Assessment

19. The council has consulted their tax adviser regarding potential tax implications of changing to this approach and no issues in relation to tax were identified for either the council or for individual employees.

Financial Implications of the proposal

20. It is expected that there will be a reduction in the number of business miles being claimed by staff. Our existing SAP system does not hold the necessary data to forecast a reliable figure, however if there was a reduction of between 5% and 10% this would represent a saving for the council of between £100k- £200k per annum in service budgets.
21. Any new ERP (SAP replacement) system should be able to support this approach as standard, and therefore this will prevent the cost of having to create bespoke software to support our existing travel expense policy.

Recommendations

22. It is recommended that Staffing Policy Committee confirm their agreement to the proposed changes to the council's business mileage and allowances policy.

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