



Democratic Renewal Working Party 9 June 2011

Payment of Members' Travel Expenses

1. Introduction

- 1.1 The process for the claiming of Members Expenses has been reviewed to improve the efficiency and accuracy of the payments to Members and ensure that the payments are sound. It is also important to ensure that Members are in control of, and responsible for their own claims.
- 1.2 This report is written to seek formal approval to the change in process and enable the Democratic Renewal Working Party to make the required amendment to the Council's Constitution.

2. Current System

- 2.1 Where there is an 'official' attendance sheet for Council meetings which are held at West Suffolk House and the Member 'signs the appropriate box', travel expenses are paid automatically i.e. an assumption is made that the Member travelled independently to the meeting in a car.
- 2.2 Where there is an 'official' attendance sheet but where the meeting is **not** held at West Suffolk House the Member needs to complete a travel claim form to initiate payment for the travel expenses.
- 2.3 Where Members undertake travelling on behalf of the Council outside of official meetings then the Member has to complete another travel claim form to initiate the payment.

3. Problems encountered with current system

- 3.1 The monthly 'transfer' of travel details, and the 'double checking' from the meeting attendance sheets to generate payments takes the Payroll Section a considerable amount of time. In addition, the Payroll Section have to generate a separate detailed payslip to inform Members of the journeys included in their payment. There is also the chance of human error in transferring data from a collection of papers for each Member.
- 3.2 Members sometimes complete the attendance sheet with regard merely to record their attendance at the meeting and not always consider that it is the means of generating payment of travel expenses.
- 3.3 Occasionally Members complete travel claims where there is also the official attendance sheet and the overpayments take time to correct, and there is a risk that overpayments are not always identified.

- 3.4 Members do not claim for meetings away from West Suffolk House either 'official' Borough Council meetings or when representing the Borough Council.
- 3.5 The proposed process means the Member makes one travel claim each month for the expenses due, which is input by the Payroll Team. This is a sound process from an audit point of view, as the Member is responsible for the accuracy of the claim and it is checked. At the moment the Payroll Officer is making a decision about what the claim could be, and will not know if the Member shared transport, or travelled from one meeting to another or from home to every meeting. This is clearly unsatisfactory and has led to overpayments being discovered at a later date.
- 3.6 There is also an opportunity for the Council to claim back from the Inland Revenue the VAT paid for fuel. The Her Majesty's Revenues Customs (HMRC) require Members to provide fuel receipts where appropriate and possible, to support the expense payments. The receipt enables the VAT to be reclaimed by the Council.

4. Conclusions

- 4.1 There is an urgent need to improve the current payment system of travel expenses to Members in order that it is done in an efficient manner in the current environment.
- 4.2 Members must always be responsible for their travel claims and not the Payroll Section, and if Members complete their own travel claim they will know exactly what has been claimed and subsequently paid.
- 4.3 Given the current political climate, and intense media interest in this type of issue nationally, it is concluded that the process being used must be absolutely transparent and accurate and conduct exemplary in order to protect our Members and the reputation of the Council.
- 4.4 To change the process immediately so that each Member is responsible for completing a monthly travel claim form for submission to Democratic Services, who will then initiate the payment process. Members will be reimbursed travel expenses by submitting travel claims only.

5. Amendments to the Constitution

- 5.1 Paragraphs 12.2 and 12.3 of Part 6, Members' Allowances, of the Constitution state that:-
- 12.2 Travel allowances to meetings where an attendance sheet is utilised will be paid for those meeting a month in arrears, subject to the attendance sheet being received by the Payments Section by the 7 of the month.
- 12.3 Members submitting travel and subsistence claims to attend seminars, conferences etc are paid the month following receipt of the claim, subject to the claim form being received by the 7 day of the month.

5.2 To give effect to the proposed new system the above paragraphs contained within the Constitution need amending to become one new paragraph 12.2:-

12.2 Expense claims should be made regularly throughout the year on the appropriate claim form, which will detail the mileage and expenses incurred, and claimed, by the Member. Any claim for expenses must be made by the person to whom they are payable, in accordance with the Local Authorities (Members Allowances) (England) Regulations 2003.

6. Recommendation

6.1 The Working Party is requested to **RECOMMEND** to full Council the proposals above and that new Paragraph 12.2, detailed in 5.2 above replace paragraphs 12.2 and 12.3 in the current Constitution.

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