

# County Council

29 October 2014



## To Propose a New Process for Travel, Accommodation and Subsistence Arrangements for Members

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### Report of Don McLure, Corporate Director Resources Councillor Simon Henig, Leader, Durham County Council

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#### Purpose of the Report

1. To request Members of Full Council to adopt a new process for Members' travel, accommodation and subsistence claims to be in line with the claims process for employees and for the Members' Handbook in Part VI of the Constitution to be updated accordingly.

#### Background

2. The proposed new process is attached at Appendix 2 and has been approved by the Member Development Working Group on 5 September and the Constitution Working Group on 3 October 2014.
3. The recommended new process follows a review of the existing 'ground rules' for members that was set up at Local Government Review and the main aim of the new system is to make the process simpler for members to claim by aligning members' processes for booking and claiming for travel, accommodation and subsistence with the same processes for all employees. The system in place for employees works very well.
4. As well as making the process simpler for members, the new process would also generate savings by processing bookings through the Council's Travel Agent 'Click Travel' via our Business Support Team.

#### Current Position for the Administration of the Travel, Accommodation and Subsistence Processes in the Business Support Team for Employees

##### Click Travel

5. The Click Travel contract was re-let from June 2014 for 2 years, following a competitive tendering process through the North East Purchasing Organisation (NEPO) which represents the twelve north east councils including Durham.
6. The costs of booking travel and accommodation through Click Travel are significantly less than what the Council could negotiate due to the economies of scale and bulk negotiating power that Click Travel has been able to negotiate on behalf of the regional Councils.

7. Click Travel also provides an on-line rail booking platform which allows our Business Support Team to source best price options in order to achieve and optimise cost reductions for the Council.
8. The system works very well and the Business Support Team within the Resources Service Grouping has become experienced in this area. The Team always looks for the best travel option in order to identify savings by booking 'off peak' rail tickets, single tickets instead of return tickets if this is the best option and avoiding business packages and return ticket options where appropriate in order to fit in with member and employee plans.
9. Depending on the time of the booking, sometimes first class rail travel can work out cheaper than other options, members may wish to travel first class anyway and pay the additional cost which can be arranged through the Business Support Team.
10. The Click Travel system also gives the Council greater flexibility and the ability to book rail travel for members and employees by providing a 'Ticket on Departure' function which allows the Business Support Team to email a booking confirmation to members and employees and for them to collect tickets at their chosen station of departure for convenience where it suits. Tickets no longer have to be collected or posted out giving a saving on mileage costs and postage costs.
11. The renegotiated contract with Click Travel since June 2014 has removed booking fees and service costs for rail travel and hotel bookings made on line. Previously booking fees were charged as part of the booking process and the annual contract fees paid to Click Travel from January 2013 to December 2013 was £6.4k. The annual cost under the new contract is estimated to be less than £2k with a forecasted annual saving of more than £4k.
12. Click Travel also provides a central point for accommodation booking which had not previously been available to us. The accommodation booking system provides us with access to providers such as Hotels.com, Laterooms.com and budget hotels such as Premier Inn and Travel Lodge. Previously these could only be booked by the individual and claimed back or purchased with the use of a Council corporate credit card.
13. Accommodation for employees and members is always sourced within our current rates of subsistence where possible and these have been set up within the Click Travel system to show accommodation that falls within the subsistence limits and those that fall outside of the subsistence limit compliance. Choice of accommodation options can be provided if requested by members.
14. From the start of the Click Travel contract from May 2012 until August 2014, there have been 548 hotel bookings with a spend of £72.7k. This compares to a highest quoted price of £97.7k by the hotels for the same bookings therefore a potential saving of £25k has been realised for the Council.

15. Over the same period in relation to rail travel, there has been 3,539 journeys booked with a spend of £230k. This compares to a highest quoted price of £439k by the travel companies for the same journeys therefore a potential saving of £209k has been realised for the Council.

### **Aim for One System for Travel, Accommodation and Subsistence for both Members and Employees**

16. There is currently a procedural inconsistency between the employees' scheme and the members' scheme, whereby employees are required to make all bookings through the Business Support Team, unless there are exceptional circumstances which there sometimes is, that prevents booking through the Business Support Team when other arrangements have to be made. In these exceptional circumstances, expenses are claimed retrospectively by employees and all claims are supported by receipts.
17. The allowances for Members are at the same rate as employees' rates.
18. Although many Members already make use of the Business Support Team in booking their travel and accommodation requirements, often in liaison with the Members Support Team, Members are not currently required to arrange their travel and subsistence in advance of travel through the Business Support Team. Nor are Members required to submit receipts to be able to claim for accommodation and subsistence costs when submitting retrospective claims.
19. The proposed change is for members and employee processes to become aligned and for all members to also book their accommodation and travel requirements in advance with the Business Support Team in the Resources Service Grouping. Like employees, it is recognised that there will always be exceptional circumstances where Members will have to make their own arrangements. In such circumstances, expenses should be claimed retrospectively by Members and all claims should be supported by receipts.
20. The proposed new system for Members will also always allow for retrospective claims for any additional meals and other allowable expenditure that was not included as part of their original booking. Additional expenses claims should always be supported by receipts.
21. The proposed 'Procedure to Follow for Members' Travel and Accommodation' is included in Appendix 2 that would replace the current 'ground rules' in Appendix B of the Members' Handbook.

### **Advantages and Improvements**

22. The advantages of this proposed new approach would ensure consistency and would provide a central point of contact for all Members and employees through the Business Support Team and would ensure best prices are obtained for the Council.

23. Members would no longer need to incur expenditure from their own means and then have to wait for reimbursement of allowances following submission of claim forms.
24. The proposed new scheme should also mean there would no longer be a need for any Members to require a cash advance as travel and accommodation would be booked and prepaid for them before they travel. The system would still allow for a cash advance to be paid in certain circumstances for any member who requests it when a reconciliation would be done retrospectively based on actual costs incurred and upon the production of receipts.
25. The proposed new scheme for Members would also remain flexible enough for Members to make their own arrangements for travel and accommodation and claim retrospectively where there was exceptional circumstances and on the production of receipts.

### **Recommendations and Reasons**

26. It is recommended that Council :
  - Agree that Members should book their accommodation and travel arrangements in advance with the Business Support Team in the Resources Service Grouping
  - Agree that the proposed new system retains flexibility for members to be able to submit retrospective claims where there has been exceptional circumstances which should be supported by receipts.
  - Approve the updated policy at Appendix 2 to replace the current 'ground rules' text in Appendix B of the Members Handbook and the Council's constitution.

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## **Appendix 1: Implications**

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**Finance** - The advantages of this approach will ensure consistency, provide a central point of contact for employees and Members and ensure best prices are obtained for travel and subsistence requests. The savings being realised are outlined in the body of the report.

**Staffing** – None

**Risk** – By introduction of all receipted expenditure ensures transparency of claims.

**Equality and Diversity / Public Sector Equality Duty** – None

**Accommodation** – n/a

**Crime and Disorder** – n/a

**Human Rights** – n/a

**Consultation** – n/a

**Procurement** – Click Travel are a NEPO contract provider.

**Disability Issues** – all requirements of the traveller can be communicated and informed to the Business Support Team and any special requirements can be requested. Concessionary discounts for railcards ie. Senior Citizen, Disabled Persons railcard can be accommodated.

**Legal Implications** – These recommended changes will result in changes to the constitution.

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## **Appendix 2: Procedure to Follow for Members' Claims for Travel, Accommodation and Subsistence**

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### **1. Travel by Rail**

Rail tickets should be requested from the Business Support Team in the Resources Service Grouping in advance of travel, as the Council's contract provides for a discount.

Members should either contact Members' Support who will liaise directly with Business Support on your behalf, or members can go direct to the Business Support Team.

Standard Class rail travel is the approved class of travel, although first class rail can sometimes be the cheaper option dependent upon the time of booking.

Members wishing to travel first class when it is not the cheapest option can choose to do so but will be required to pay the difference between that cost and the standard cost. The difference will be recovered by payroll deduction.

Tickets can be booked up to 3 months in advance of date of travel. Members should make their requests as far in advance as possible in order to maximise savings and should you have any special requirements to assist you with your journey please advise Members' Support or the Business Support Team at the time of the request.

Members eligible for a Senior Citizens Railcard or any other concessionary travel railcard and who may be required to travel as part of their duties are encouraged to buy one as this results in a further discount on the ticket cost. The cost of the railcard will be reimbursed upon receipt of your first claim for travel and subsistence.

### **2. Overnight Accommodation**

Where it is considered that an overnight stay is required, then accommodation should be organised in advance by the Business Support Team.

Members should contact Members' Support who will liaise with Business Support to organise for you. Alternatively, please contact the Business Support Team direct who will also be able to satisfy any specific queries or special requirements which you may have.

Accommodation along with Breakfast and Evening meal, if required, will be booked and paid for in advance. Members should make their requests as far in advance as possible in order to achieve best prices and should you have any special requirements in relation to your booking please advise us at the time of the request.

Reimbursement for any additional meals purchased up to the maximum amounts detailed below i.e. breakfast, lunch, tea or evening meal can be claimed retrospectively (less any meals provided) on the production of receipts. Should it not be possible to obtain subsistence within these limits then actual costs can be claimed up to a reasonable amount in liaison with Business Support Manager and upon the production of receipts.

In exceptional circumstances an advance can be given to cover incidental subsistence/travel requirements ie. lunch, evening meal, taxis, where it has not been possible to organise these prior to travel. Receipts should be retained to cover all advance expenditure and this can be reconciled on return.

Rates are set out below and also for reference shown on members' claim forms.

<b>Allowance</b>	<b>Minimum absence from home</b>	<b>Rate £</b>
Breakfast	2 hours which must be before 11.00am	6.75
Lunch	2 hours which must be between 12 noon and 2.00pm	9.27
Tea	3 hours which must include 3.00pm to 6.00pm	3.65
Evening Meal	3 hours which must be after 7.00pm	11.48

**Nb.** No reimbursement for alcohol purchased will be made – should this be included on your receipt it will be deducted from the amount claimed.

Whilst it is appreciated that most travel is planned and can be organised in advance there may be exceptional circumstances where Members may need to organise themselves. In such circumstances, retrospective claims for travel or accommodation will be paid when submitted on monthly claim forms and on the production of receipts.

The current rates are laid out below and are intended to cover the costs of accommodation and associated subsistence during a 24 hour period. However, it is also recognised that on occasion it may not be possible to obtain accommodation and subsistence within these limits and therefore higher amounts can be claimed up to a reasonable amount upon presentation of receipts. However only in exceptional circumstances should this be the case.

<b>Overnight allowance</b>		<b>Rate £</b>
London	Up to a maximum claim on production of receipts	£124.76
Outside London	Up to a maximum claim on production of receipts	£109.39

### **3. Travel by car as an alternative to Rail**

As a general rule, journeys outside the locality should be undertaken by rail as this is usually the cheapest mode of travel for someone travelling alone.

The ability to get to a particular destination by rail needs to be taken into account. Where the venue for the meeting is some distance from the railway station, the advantages and disadvantages of alternative methods of travel should be considered. Where Members choose to travel by car on a journey that would be reasonable to travel by rail either mileage or the cost of the cheapest available rail fare will be paid, whichever is the cheaper.

### **4. Air Travel**

The cost of travel by air shall not exceed the cost applicable to travel by appropriate alternative means of transport. Unless in circumstances where the saving in time is so substantial as to justify payment of the fare for travel by air.

All arrangements should be made by contacting Members' Support who will liaise with Business Support to organise for you. Alternatively, please contact the Business Support Team in relation to any specific queries or special requirements which you may have.

### **5. Travel outside the United Kingdom**

The same procedure as shown above will apply.