

Expenses and Allowances Policy



Adopted by:	Watton Town Council
Date:	April 2026
Review date:	April 2029

1. Purpose and Scope

1.1 This policy explains how Watton Town Council will reimburse reasonable expenses and allowances incurred on authorised Council business. Its purpose is to support employees, councillors and other authorised individuals in carrying out Council duties while protecting public funds through clear and consistent rules.

1.2 The Council recognises that expenses must be managed carefully, transparently and proportionately. Claims should reflect actual business need, be supported by appropriate evidence and represent value for money.

1.3 The Council uses the NJC Green Book (2024) and the NALC Model Contract of Employment (2023) as guidance when determining employment terms and conditions. Not all provisions apply automatically. Where this policy, an employee's contract, or another adopted Council policy sets out a local arrangement, that local arrangement will apply.

1.4 This policy applies to employees, councillors and any other person authorised by the Council to incur expenses on its behalf, such as a volunteer or contractor where this has been agreed in advance. Different approval routes may apply depending on the person making the claim.

1.5 This policy should be read alongside the Council's Financial Regulations, Employment and Staffing Policy, Training and Development Policy, Lone Working Policy, Flexible Working Policy, Data Protection Policy and Employee Privacy Notice.

1.6 This policy is non-contractual and may be amended by the Council from time to time.

2. General Principles

2.1 The Council will reimburse expenses that are necessarily and reasonably incurred in carrying out authorised Council duties. Claims must relate directly to Council business and must not include personal expenditure.

2.2 Where prior approval is required, it must be obtained before the expense is incurred unless there is a good reason why this was not reasonably possible.

2.3 The Council may refuse or limit reimbursement where a claim is excessive, outside this policy, unsupported by evidence, not properly authorised, or inconsistent with HMRC or audit requirements.

2.4 Anyone claiming expenses is expected to act honestly and reasonably. Public money must be spent with care and with due regard to value for money.

3. Travel Expenses

3.1 Reasonable travel costs incurred on authorised Council business may be claimed. Ordinary home to normal place of work travel will not usually be reimbursed unless the Council has expressly agreed otherwise.

3.2 Where a claimant uses their own vehicle on authorised Council business, mileage will normally be paid at the Council's approved rate. The Council will normally use the HMRC approved mileage allowance rates as its local benchmark unless it has formally adopted a different rate.

3.3 Mileage claims must include the date of travel, purpose of the journey, start and end points and total miles travelled. Claimants using their own vehicle must ensure that it is roadworthy, taxed, insured and, where required, insured for business use.

3.4 Where public transport is used, standard class fares should normally be used unless there is a clear and approved reason for an alternative. Receipts or other evidence should be provided wherever available.

3.5 Taxi travel should be used only where it is reasonably necessary, for example because there is no suitable public transport, because of time-critical business need, or because of safety, disability, health or caring considerations.

4. Subsistence, Accommodation and Other Costs

4.1 Reasonable subsistence costs may be reimbursed where an individual is required to be away from their normal place of work or duty for a sufficient period and no suitable meal or refreshment is otherwise provided.

4.2 Any claim for overnight accommodation must normally be approved in advance. The Council will normally reimburse standard and reasonable accommodation costs only and will not reimburse personal extras such as minibar purchases, entertainment charges or room upgrades unless a clear and exceptional reason has been agreed.

4.3 Other small business-related purchases, such as approved stationery, supplies or similar items, may be reimbursed where they were reasonably incurred for Council purposes and were approved in advance where appropriate.

4.4 Where the Council requires an employee to work regularly from home, it may agree a home working allowance or reimbursement of additional costs in accordance with local arrangements and HMRC rules.

5. Training and Conference Costs

5.1 Where attendance at training, conferences, meetings or professional events has been approved, the Council may reimburse reasonable travel, subsistence, accommodation, course fees or related costs in accordance with this policy and any separate training approval arrangements.

5.2 Attendance at external events should be proportionate to the needs of the role and the Council's budget. The Council may place limits on costs or require evidence that lower-cost options were considered.

6. Claims Process and Authorisation

6.1 Expense claims must be submitted using the Council's approved form or system and should normally be submitted as soon as reasonably practicable, and in any event within two months of the expense being incurred unless the Council agrees otherwise.

6.2 Receipts or other supporting evidence should be provided wherever reasonably possible. Where a receipt is unavailable, the claimant should explain why and provide any other information the Council may reasonably require.

6.3 Employee claims will normally be authorised by the Clerk or the appropriate line manager in accordance with the Council's approval arrangements. The Clerk's own claims should be authorised in accordance with the Council's governance arrangements. Councillor claims should be authorised through the Council's established approval route.

6.4 The Council may delay or decline payment where a claim is incomplete, unclear or appears inconsistent with this policy.

7. Misuse, Tax and Records

7.1 Submitting a false, misleading or inflated claim is a serious matter. In the case of an employee, this may result in action under the Disciplinary Procedure. In other cases, the Council may seek repayment, withdraw authority, or take such other action as is appropriate.

7.2 The Council will deal with expenses in a way that is consistent with HMRC requirements. Where a payment would amount to taxable income or a taxable benefit, the Council may process it accordingly or may refuse the claim.

7.3 Expense records will be retained securely for audit, financial, governance and employment purposes in accordance with the Council's retention arrangements and data protection requirements.

8. Monitoring and Review

8.1 The Council will keep this policy under review and may amend it where required by changes in law, HMRC guidance, audit requirements, Council decision or operational practice.

8.2 This policy will be applied in a way that is proportionate to the size and resources of Watton Town Council while ensuring proper stewardship of public funds.