



The Scottish Parliament
Pàrlamaid na h-Alba

Reimbursement of Members' Expenses Scheme – refunding unused rail tickets

29 October 2020

Reference: SPCB(2020)Paper 053

Executive summary

1. The SPCB is invited to consider whether it wishes to refund costs which would normally be associated with the return of unused tickets from a book of 50 Flexi pass rail, but which due to the current pandemic circumstances cannot be actioned.

Issues and options

2. Provision is made in the Reimbursement of Members' Expenses Scheme through the Travel Provision at section 5 to meet the cost of travel for Members in carrying out their parliamentary duties and their staff when supporting the Member in carrying out their parliamentary duties. Members, as the employer, also may choose to meet the costs of commuting travel from the Staff Cost Provision should it form part of the agreed employment contract.
3. The position in terms of refunding unused tickets on 50 flexi pass rail ticket purchases is that our contract with Corporate Travel Management (CTM) states that refunds will only be provided for unused flexipass tickets if firstly, they are returned within 28 days of the expiry date on the tickets (a year after start date) and secondly, that a further flexi pass purchase is made at the same time. The credit or refund is then applied against that new purchase. However, contractually we are not entitled to a refund if either of these criteria are not met. The contract is part of wider public sector procurement framework and not directly with the Parliament.
4. Over the last few months 6 Members have returned unused tickets within 28 days of the expiry but, given the current pandemic circumstances, Members have not purchased any further flexi pass rail tickets which means the refund criteria is not being met from the contract.
5. The Allowances Office has raised this issue on a number of occasions over the last six months with our contractors and asked, given the current circumstances, that they consider extending the deadline to when we will be able to both return the tickets and purchase more flexipass tickets, but they are unwilling to do so and are not required to under the contract.
6. All returned tickets referred to above were purchased during last financial year (2019/20) for use by Members and their staff. Purchases were made through the Members' Travel Provision, the Staff Travel Provision or the Staff Cost Provision.
7. Any ticket purchases made before 1st October 2019 incur a £10 admin fee per individual ticket returned which reduces the amount of refund or credit applied to

any future purchase. We have challenged CTM and now any flexi 50 pass tickets purchased from October 2019 will incur only one £10 fee for the whole book rather than per individual ticket within that book.

8. Given the admin fees, the total so far for refunds that would be applied to those Members' provisions is currently only £446.28 between the 6 Members who have returned tickets, but we anticipate this will increase as more ticket end dates approach over the remainder of the session and more tickets are returned unused without any further purchases being able to be made. A further 37 books of Flexi 50 pass tickets were purchased between September 2019 and March 2020, these are valid for a year so will expire between now and the end of the session in March 2020. How much of a refund is due cannot be calculated at present as it is dependent on the number of tickets returned.
9. Whilst, under normal circumstances, we would apply any credit to a new purchase in the current financial year, as the previous financial year's accounts are closed and cannot be adjusted, we would not have any purchases to apply this against for the foreseeable future.
10. We would therefore propose that to take account of any refund under the unlimited, in monetary terms, Members and Staff Travel provisions we would simply amend the amount currently shown on the published data for 2019/20 for such purchases to reflect the credit that would have been applied less any admin fee. This would then accurately reflect the tickets which were used by the Member, the nonrefundable admin fee and the element that has been refunded against the expenditure by the SPCB, if agreed. This refund cost would then be left within the current overall Member Expenses budget and remain as part of last year's spend. We would propose only do this where the tickets were returned within 28 days and where a further purchase was unable to be taken forward. If tickets were not returned within 28 days, we would propose that no refund be provided.
11. The SPCB will wish to note that as the tickets were purchased through the contract, Members or their staff are not out of pocket personally where the costs were allocated to either the Members Travel provision or the Staff Travel Provision.
12. However, the same cannot be said where the cost has been met from the Staff Cost Provision. Such costs are commuting costs and as such are taxable under HMRC rules. Meaning the individual staff member has been taxed against the full amount of the tickets purchased in 2019/20. Where we are able to apply a refund against the next purchase the individual does not require a tax refund as they pay less tax on the new reduced price of the purchase, which offsets a proportion of the previous year. In the current circumstance however, a reversal of the tax for those staff who have been taxed against the full amount and where we cannot offset the refund against a new purchase will need an update sent to HMRC to refund the tax paid on the unused tickets equivalent to the refund.
13. The other consideration is that whilst the two travel provisions are unlimited in terms of monetary value the staff cost provision is a capped provision and therefore any credit or refund which would normally have been applied in this financial year would have an impact on the Members current provision. Whilst there are currently two refunds against the staff cost provision, equating to £163.71, there are other SCP purchased tickets due to expire between now and the end of the session and given

that Members staff are also working from home it is unlikely that these will be able to be used.

14. The SPCB is invited to consider whether it wishes to take the same approach for Staff Cost Provision refunds as is proposed with the Members and Staff Travel Provisions or whether it wishes to provide the Members with the credit to their 2020/21 staff cost provision, as per our normal practice, albeit without putting it against another ticket purchase but by absorbing the costs centrally.

Resource implications

15. There would be no cost implications for only adjusting the publication figures for the previous financial year as the cost has already been met from last year's provision.
16. Should the SPCB wish to provide a credit to the current year's staff cost provision as described in paragraph 13 then there will be a small cost to the SPCB's budget. This could be met from within the existing overall Members Expenditure budget for 2020/21.

Governance issues

17. The Scheme does permit such travel costs to be met from the Expenses Scheme and by detailing the various costs within the publication of data it would ensure transparency was maintained during these unprecedented circumstances.

Publication scheme

18. This paper can be published in accordance with the SPCB's publication scheme.