

Livewell Southwest

**Travel and Subsistence Expense Claims
Procedure**

Version No. 2
Review: June 2018

Notice to staff using a paper copy of this guidance

The policies and procedures page of Intranet holds the most recent version of this guidance. Staff must ensure they are using the most recent guidance.

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0:1	New document	July 2007	D. O'Toole	New document
1:0	Updated	August 2007	L Stanton	Draft number amended following Chief Exec sign off
1:1	Reviewed	June 2008	D. O'Toole	Reviewed, still current
1:2	Reviewed	February 2010	D. O'Toole	Appendix 2 combined with main document and submission time clarified
1:3	Reviewed	April 2011	Author	Reviewed, no changes made.
1:4	Reviewed	April 2011	PRG	Review date extended, no other changes.
1:5	Reviewed	Sept 2012	PRG	Review date extended, front cover added.
1:6	Extended	March 2013	Director of Finance	Review date extended, no other changes.
1:7	Reviewed	July 2013	Director of Finance	Reviews, and updated for 'Regular User' changes and Electronic Expenses System.
1:8	Extended	July 2014	Senior Management Accountant	Review date extended, no other changes.
2	Reviewed	March 2015	Information Manager	Review on key procedural aspects of policy

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Travel and Subsistence Expense Claims Procedure

Allowances and conditions of payment are set out in the following pages. This is a brief guide however a complete set of NHS Agenda for Change regulations are held by HR, or can be viewed on the website www.doh.gov.uk. Rates are correct at time of publication but are subject to change. More information relating to rates can be obtained from the NHS Employers handbook, Section 17. (Link below).

http://www.nhsemployers.org/~media/Employers/Documents/Pay%20and%20reward/AfC_tc_of_ervsice_handbook_fb.pdf

1. Introduction

1.1.1 Travel is an integral part of the work for many of the Plymouth Community Healthcare CIC staff and it is a right that expenses incurred in travelling should be reimbursed. This policy outlines the rules set out by Plymouth Community Healthcare for the reimbursement of travel and expenses that are necessarily incurred by an individual engaged on business.

1.1.2 In April 2013, an electronic expenses claims system was procured and implemented by Plymouth Community Healthcare with support from Plymouth Financial Shared Services (PFSS).

The system is supplied by **Software Europe Ltd** (SEL). All staff expense claims outlined in this policy document must be processed through this secure online web-based system. Only via exceptional circumstances should paper claims be used.

2. Scope

2.1 This policy will apply to all staff employed by Plymouth Community Healthcare.

Medical and Dental staff should refer to the Terms and Conditions for Hospital, Medical and Dental Staff and Doctors in Public Health Medicine and the Community Health Service document as there are some differences in relation to claimable mileage rates.

3. Policy statement

3.1 Sections 17 and 18 of the NHS Terms and Conditions of Service Handbook provides information about the reimbursement of staff for mileage allowances and subsistence cost. The purpose of this policy is to provide a structured framework to claim travel expense and to ensure that travel and other expenses are claimed in a consistent, accurate and timely way. (Link below)

http://www.nhsemployers.org/~media/Employers/Documents/Pay%20and%20reward/AfC_tc_of_service_handbook_fb.pdf

4. Responsibilities

4.1 Responsibilities of Plymouth Community Healthcare

- 4.1.1 Ensure that the Travel and Expenses Policy is fairly and consistently applied to all staff irrespective of their age, sex, religious belief, disability, or sexual orientation.
- 4.1.2 Communication via appropriate communication mechanisms to inform staff about any changes to terms and conditions relating to travel and associated expenses, (mileage rates in particular).

4.2 Responsibilities of Managers

- 4.2.1 Ensure that any change of base (for travel expenses purposes) are appropriately reported and updated via the normal method.
- 4.2.2 Ensure that they are registered as an authoriser for the signing off of expenses for team members and identify a substitute manager who can authorise expenses in their absence.
- 4.2.3 Check travel expenses (including any attached receipts) for accuracy before approval and submission to payroll.
- 4.2.4 Check staff have a valid driving licence, up to date insurance documentation which covers business travel and MOT certificate, (where applicable).
- 4.2.5 If these responsibilities are not adhered to managers may be liable to disciplinary action.

4.3 Responsibilities of Employees

- 4.3.1 Read and understand the travel and expenses policy prior to making any claim.
- 4.3.2 Ensure your manager is notified of any change in personal details as soon as practically possible.
- 4.3.3 Ensure you possess a valid driving licence, motor insurance which covers business travel and MOT certificate (where applicable).
- 4.3.4 Ensure you are fit to drive, that you drive safely and obey the relevant laws.
- 4.3.5 Ensure that you inform your manager, at the earliest available opportunity of any change in driving status, e.g. driving ban.
- 4.3.6 Ensure that all claims for expenses are submitted by the end of the month where they have occurred.
- 4.3.7 If these responsibilities are not adhered to employees may be liable to disciplinary action

5. Allowances

- 5.1 The new rates for allowances are effective from 1 July 2014. In future, the standard rate of reimbursement will be reviewed each year by the NHS Staff Council after the new AA guides to Motoring Costs which are published normally in April or May and will take effect from the 1st of July each year. Any changes to the standard rate of reimbursement, the reserve rate and the rate for motor cycle users resulting from this review will apply to all miles travelled.
- 5.2 A second review will be conducted by the NHS Staff Council in November each year to ensure the standard rate continues to reimburse staff in line with motoring costs.
- 5.3 Consequently, the rates in **Appendix 1 - Table 1** are a guide and are subject to change as described above. The actual rates applicable at any period in time can be accessed via the NHS Employers website, (www.nhsemployers.org).
- 5.4 The agreed allowances for staff travelling on Plymouth Community Healthcare business are categorised as follows:-
- Standard rate
 - Reserve rate
 - Motor cycle
 - Pedal cycle
 - Passenger allowance
 - Carrying heavy or bulky equipment
- 5.4.1 **Medical and Dental staff mileage allowance**– Please refer to the Pay and Conditions Circular (M&D) 2/2014 Annex: Section 7 or alternatively contact the Medical Staffing team. All other expense allowances for M&D staff are as per this policy.
- ### 5.5 Eligible Miles
- 5.5.1 Staff will be reimbursed for miles travelled in the performance of their duties which are in excess of the home to agreed work base return journey.
- 5.5.2 Normally the miles eligible for reimbursement are those travelled from the agreed work base and back. However, when the journey reimbursed starts at a location other than the agreed work base, e.g. home, the mileage eligible for reimbursement will be set out as per the example in **Appendix 1 - Table 2**.
- ### 5.6 Standard Rate
- 5.6.1 The standard rate for mileage allowances will be paid to staff that use their own vehicles for official journeys i.e. patient visits, meetings, training courses (when mandatory) or conferences. **See Appendix 1, Table 1**.
- 5.6.2 As of 1st July 2013, the same reimbursement rates will be applied to all staff, regardless of how many business miles they travel each year.
- 5.6.3 Plymouth Community Healthcare CIC undertook a review of all lease cars it provides to staff to carry out their duties. As part of this review, it has been identified that the most economical way for the company to continue is for it to stop issuing business lease cars

and to enable all staff to access the recently established private lease car scheme run by **NHS Fleet Car Solutions**. Staff that use this lease scheme will be reimbursed at the HMRC AMAP (Approved Mileage Allowance Payment) rate. **See Appendix 2, table 1.**

5.7 Reserve Rate

5.7.1 This will apply staff using their own vehicle for business purposes in the following situations:–

- If a member of staff unreasonably declines the employers' offer of a lease vehicle.
- When a member of staff is required to return to work (e.g. on call) or work overtime and incur additional travel to work expenses on that day. This provision will apply if the member of staff chooses to be paid for the extra hours or takes time off in lieu (TOIL).
- Where a claim for excess mileage is made in situations where there is a compulsory change of base, either permanent or temporary resulting in a risk of redundancy to the employee incurring additional daily travelling expenses. The period of payment is currently a maximum of 4 years from the date of transfer and does not include any additional parking costs incurred. (For those using public transport see 5.12 below).
- The excess will be calculated on the basis of the bus fares or standard rail travel or, if the member of staff travels by private motor vehicle, on the basis of the reserve rate.

Example calculation:

Home to New Base = 6 miles

Home to Old Base = 2 miles

Excess Claimable = 4 miles

Excess Mileage is paid at the reserve rate and is taxable.

NB: This excess will reduce if a member of staff moves nearer to their new base and the benefit does not increase if a member of staff moves further away from their new base after the date of transfer. This arrangement does not apply to staff that change their work base at their own instigation (e.g. application for a post located elsewhere, including secondments).

- If a member of staff uses their own vehicle when suitable public transport is available and appropriate in the circumstances. The most suitable method of transportation should be agreed between employee and employer before the journey is made.
- Subject to prior agreement of the employer, travel costs incurred when staff attend training courses, conferences or events, in circumstances when the attendance is not mandatory by the employer, will be reimbursed at the reserve rate instead of business mileage in line with the rules on eligible mileage.

5.8 Motorcycles / Pedal Cycles

5.8.1 The term 'motor cycles' includes motor cycle combinations, motor scooters and motor-bicycles. The rate for mileage allowances will be paid to staff who use their own motor

cycle for official journeys i.e. meetings, visits, clinics or training courses and conferences at the employer's instigation for all eligible miles travelled.

5.9 Pedal Cycles

5.9.1 Staff who use pedal cycles to make journeys in the performance of their duties will be reimbursed for eligible miles travelled at the rate in force.

5.10 Passenger Allowance

5.10.1 With the exception of lease or hire car users and taxi journeys, where other LSW staff are conveyed in the same vehicle on LSW business and their fares would otherwise be payable by the employer, passenger allowance will apply and be payable to the vehicle driver. The name of the passenger(s) should be noted in the e-expenses system. Refer to **Appendix 1 Table 1** for passenger rates.

5.11 Transporting Equipment

5.11.1 Staff who use their vehicles in the performance of their duties may be required to take equipment with them. Employers have a duty of care under the Health & Safety at Work Act 1974 and related legislation, to ensure this does not cause a risk to the health and safety of staff members. Staff should not be allowed to carry heavy equipment unless a risk assessment has been carried out beforehand. When, after the necessary assessment has demonstrated it is safe to carry equipment, an allowance shall be paid for all eligible miles for which the equipment is carried, provided that either:

- The equipment exceeds a weight that could reasonably be carried by hand.
- The equipment cannot be carried in the boot of the vehicle and is so bulky as to reduce the seating capacity of the vehicle.

5.12 Public Transport

5.12.1 If a member of staff uses public transport for business purposes, the cost of bus fares and **standard** rail fares will be reimbursed for eligible miles travelled.

5.12.2 Where there is a compulsory change of base, either permanent or temporary, resulting in extra public transport costs for staff, these extra costs will be reimbursed, subject to a maximum of 4 years from the date of transfer.

5.13 Other Travel Expenses

5.13.1 Staff who necessarily incur charges in the performance of their duties, in relation to parking, tolls and ferries shall be refunded these expenses on production of receipts.

5.13.2 Charges for overnight garaging or parking will be covered by the night subsistence allowance for overnight absence. Any excess cost outside of the allowance rate will be paid by the employee.

5.14 "Out of Pocket" Expenses

5.14.1 This only applies to staff for whom regular travel in a motor vehicle is an essential part of

their duties. During a period when the staff member's vehicle is temporarily 'off the road' for repairs, 'out of pocket' expenses in respect of business travel by other appropriate forms of travel, in agreement with their manager, should be reimbursed subject to the rule on eligible mileage.

6. Other Travel Related Cost

6.1 Public Transport – (Trains, Tube, Boat, Bus etc.)

6.1.1 Managers and staff should always look to obtain best value for money before deciding which ticket to purchase. Whenever possible advantage should always be taken of best prices available, special offers and rail cards (where applicable).

6.1.2 Fares actually incurred will be reimbursed. Attach receipts to the claim via the e-expenses system.

6.2 Air Travel for Staff

6.2.1 Travel by air is not permitted unless it can be demonstrated that this is cheaper than appropriate train travel costs or alternatives are not suitable or that, taking into account the respective journey times and overall cost of the trip, better value for money can be obtained by flying.

6.3 Taxis / Hire Cars for Staff

6.3.1 Taxis / Hire Cars may only be used where it can be demonstrated that it is more economical, taking into account the overall cost of the trip, than the normal car mileage claim. Attach receipts to claim via the e-expenses system.

6.4 Tolls, Fees, etc.

6.4.1 Employees may claim the cost of bridge tolls, ferries, car parking fees, etc., incurred whilst carrying out their duties. Attach receipts to claim via the e-expenses system.

7. Claims procedure

7.1 All claims for expenses should be submitted the month after they have occurred. This is to ensure accurate reporting of expenditure and to ensure effective budget management occurs in the month/year the expense is incurred.

7.2 Receipts are required to be produced for all claimable items where appropriate. Payment should not be authorised unless the approver has had sight of the receipt. Receipts should be uploaded directly into the e-expenses system, when this is done the manager does not require an original copy as the receipt can be viewed in the system.

Once a receipt has been uploaded into the e-expenses system the original receipt no longer needs to be sent to the payroll provider (SBS). Any receipt that cannot be uploaded for a technical reason should be sent to: **Expense Receipts, Finance department, LCC, Mount Gould Hospital**. The original receipt will then be sent to SBS who will store it in accordance with HMRC guidelines.

If a receipt is not uploaded into the system the claimant will be liable to pay tax on the expenses item.

- 7.3 If for any reason a claim is received which is more than 3 months, this will require authorisation by the Finance department.

NB: If your claim is over 90 days Finance reserve the right to decline payment, exceptional circumstances will be reviewed as appropriate. If the claimant has only done this on a single occasion the payment will be authorised, this will be recorded in Finance for future reference. If any employee **regularly** claims over 90 days the payment will not be authorised. An email will be sent to the claimant explaining the procedure and the claim will be un-submitted and returned via the expenses system.

- 7.4 A list of staff who are authorised to approve expense claims will be maintained by Finance/Business Intelligence & PFSS.

Any staff appointments that change the authorised signatory list will need to be notified to Finance.

7.5 Accessing Journey Mileage

- 7.5.1 The e-expenses system will automatically calculate the journey mileage taking into account the employee's normal home to base mileage and the postcodes of places visited. If the employee disagrees with the claimable mileage the system has calculated it can be manually changed before being submitted for approval. In such an instance the approver will be made aware that the mileage has been changed.
- 7.5.2 The e-expenses system has been configured to calculate mileage based upon the fastest route for the individual to travel from A to B.

8. Staff subsistence allowance

8.1 Subsistence Allowances

- 8.1.1 Subsistence allowance is to reimburse staff for the necessary extra costs of meals, accommodation and travel arising as a result of official duties away from home.

8.2 Staff Night Subsistence

- 8.2.1 Agenda for Change rules state that the maximum reclaimable cost for a hotel room is £55 per night however Plymouth Community Healthcare will allow a maximum of £110 for B&B in London and £85 elsewhere in the UK. If it is possible to obtain cheaper accommodation, this should be used to minimise LSW's expenditure. National chains such as Travel Lodge or Ibis should be used when these are available. Any costs above the £110 or the £85 will not be refunded by LSW. These amounts would not apply if hotel accommodation was part of a conference package when the total cost would be met.
- 8.2.2 **Night Allowances: First Thirty Nights**

London and Elsewhere – Actual receipted cost of bed and breakfast up to a maximum of £110 for London and £85 elsewhere. Any excess will be paid by the employee.

If no receipt is provided with the claim then reimbursement will be subject to Tax and National Insurance.

8.2.3 **Maximum Meals Allowance**

Receipts must be provided and the receipted amount will be the amount reimbursed up to the maximum allowed. **No alcohol** can be reclaimed.

Per 24 hour period £20

8.2.4 **Night Allowances in Non Commercial Accommodation (friend's or relative's accommodation)**

This includes allowances for meals £25

8.2.5 **Night Allowances after First Thirty Nights**

Married employee and employees with responsibilities equivalent to those of married officers.

Maximum amount payable £35

Employees without equivalent responsibilities of married officers and those staying in non-commercial accommodation.

Maximum amount payable £25

8.2.6 **Maximum Day Meals Subsistence Allowance**

Receipts must be provided and the receipted amount will be the amount reimbursed up to the maximum allowed. **No alcohol** can be reclaimed.

Lunch allowance when out of area for more than five hours including lunch hours of 1200 – 1400 hrs. £5

Evening meal allowance (more than ten hours away from the office, after 19.00 hours). £15

8.2.7 **Incidental Expenses Allowance**

Payable where accommodation and meals are provided without charge to employees, e.g. residential training course

Per 24 hour period £4.20

8.2.8 **Late Night Duties Allowance***

Per 24 hour period £3.25

*This allowance is subject to a tax and NI liability

9. Tax relief on travel expenses

- 9.1 Mileage reimbursement is a 'payment' from your employer that can be subject to tax and national insurance deductions on the whole amount. However if the payment is clearly for costs incurred in the performance of a staff member's duties then tax relief can be obtained.
- 9.2 If you are reimbursed for travel that is not considered to have been undertaken in the course of a staff member's duties, then there will be no tax relief available and the full amount will be considered as income and subject to tax and national insurance accordingly.
- 9.3 HMRC operates an Approved Mileage Allowance Payment (AMAP) (**Appendix 2 – Table 1**) which enables tax free reimbursement. Table 1 provides information for the tax year 2013/14 as an example for guidance only as these may be revised at any time dependent on government policy.
- 9.4 This means that a member of staff who receives the standard rate (currently 56 pence in this tax year, but subject to change as described in section 5.0) will be taxed on the 11 pence difference between the standard rate and the tax free AMAP rate in the month they are paid the reimbursement. This is referred to as 'Taxed at Source' (TAS).
- 9.5 Staff using the salary sacrifice (lease car) scheme will be taxed on the difference between the claimable AMAP rate of 45 pence per business mile and the HMRC advisory rates for lease vehicles (**Appendix 2 – Table 2**) *E.g.* For vehicles with a 1600cc petrol engine the mileage rate is 13 pence per business mile. LSW staff with a lease vehicle can claim 45 pence per business mile. So the taxable amount is the difference between 13 p and 45 p = 32 p. Therefore the individual will be taxed on the 32 pence difference.

Link below for more information.

<https://www.gov.uk/government/publications/advisory-fuel-rates/when-you-can-use-advisory-fuel-rates>

- 9.6 Any queries relating to your tax position should be directed to your local tax office.

10. Monitoring

- 10.1 The fair application of this policy will be monitored by Finance. The policy will be reviewed every three years unless changes to employment legislation require a review to take place sooner.
- 10.2 LSW HR & Finance are responsible for monitoring information from e- expenses to ensure that claims are being appropriately examined and only legitimate claims are being authorised for payment. This will be done using a variety of methods, including exception reports on 'outliers.'

All policies are required to be electronically signed by the Lead Director. Proof of the electronic signature is stored in the policies database.

The Lead Director approves this document and any attached appendices. For operational policies this will be the Locality Manager.

The Executive signature is subject to the understanding that the policy owner has followed the organisation process for policy Ratification.

Signed: Director of Finance

Date: 12th June 2015

APPENDIX 1

Table 1 – Guide rates of reimbursement

Type of vehicle/Allowance	Annual mileage up to 3,500 miles (standard rate)	Annual mileage over 3,500 miles (standard rate)	All eligible miles Travelled
Car (all types of fuel)	56 pence per mile	20 pence per mile	
Motor cycle			28 pence per mile
Pedal cycle			20 pence per mile
Passenger allowance			5 pence per mile
Reserve rate			28 pence per mile
Carrying heavy or bulky equipment			3 pence per mile

Table 2 – Eligible Mileage

Eligible mileage – illustrative example		
In this example the distance from the employee's home to the agreed base is 15 miles		
Journey (outward)	Distance	Eligible miles
Home to base	15 miles	None
Home to first call	Less than 15 miles	Eligible mileage starts after 15 miles have been travelled
Home to first call	More than 15 miles	Eligible mileage starts from home, less 15 miles
Journey (return)		
Last call to base		Eligible mileage ends at base
Last call to home	Less than 15 miles	Eligible mileage ends 15 miles from home
Last call to home	More than 15 miles	Eligible mileage ends 15 miles from home

APPENDIX 2

Table 1 – AMAP rates

HMRC Approved mileage rates		
From 2011-12	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Passenger	5p	5p

Lease Car Advisory Fuel Rates from 1 March 2015

These rates apply from 1 March 2015.

Table 2

Engine size	Petrol	LPG
1400cc or less	11p	8p
1401cc to 2000cc	13p	10p
Over 2000cc	20p	14p
Engine size	Diesel	
1600cc or less	9p	
1601cc to 2000cc	11p	
Over 2000cc	14p	