



East Cheshire
NHS Trust

Travel & Subsistence Allowance Policy

Policy Title:	Travel and Subsistence Allowance Policy		
Executive Summary:	To provide clear guidance to employees and managers to ensure that travel and subsistence claims are made in an accurate and timely fashion in keeping with the terms and conditions of the NHS and HMRC rules.		
Supersedes:	Travel and Subsistence Allowances Policy and Procedure August 2014		
Description of Amendment(s):	<p>Title Change</p> <p>Replace wording of ePay with electronic expenses system</p> <p>Transfer to the Trusts standard template.</p> <p>Remove wording that refers to the use of ePay functionality (available on HR Direct)</p> <p>Up-date bullet point in regard to circumstances where the reserve rate can be claimed for training.</p>		
This policy will impact on: All employees who make expenses claims, managers with the responsibility for checking and approving claims made.			
Financial Implications:			
Policy Area:	HR	Document Reference:	Update to Policy
Version Number:	Version 6	Effective Date:	August 2018
Issued By:	Director of HR & OD	Review Date:	August 2021
Author:	Karen Heyes, ESR Manager	Impact Assessment Date:	May 2018
APPROVAL RECORD			
	Committees / Group	Date	
Consultation:	OMT Partnership Forum	June 2018 July 2018	
Approved by Director:			
Ratified by:			
Received for information:			

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1. Introduction

Travel is an integral part of the work of many of our staff and it is appropriate that travel expenses incurred in the performance of their duties should be reimbursed.

The cost of travel is a significant expense to the business and all employees of the trust should always look at the most cost effective means of travel, e.g. the use of public transport and car sharing.

Travel and subsistence rates are agreed nationally and are subject to change. The current rates can be found by staff on the NHS employers website as outlined as below:

- Agenda for Change staff – Agenda for Change National NHS Terms and Conditions of Service Handbook - Section 17 – reimbursement of travel costs and Section 18 – subsistence allowances
- Medical and Dental staff – National Pay and Conditions for Medical and Dental staff – Annex A Section 9 – mileage and transport allowances
- Non-Executive Board members – NHS Improvement Guidance

Employees with a Lease Car under the trust lease car policy will need to refer to the trust Lease Car Policy for their rates (please note the Lease Car Policy does not apply to staff who have a lease car through the trusts salary sacrifice lease car scheme, these staff need to refer to the above rates)

The trust operates an electronic system for the processing of expenses. The electronic system can be accessed via your pc and for guidance on how to use the system, see HR Direct.

2.0 Purpose

The purpose of this policy is to provide practical guidance to staff and managers on the process for claiming travel and subsistence costs incurred in the performance of their duties.

It is also to ensure employees who submit claims for travel expenses and subsistence do so in a consistent, accurate and timely way via the electronic expenses system.

3.1 Responsibilities

The Trust recognises varying responsibilities throughout the organisation as follows:

3.1 Chief Executive Responsibilities

The Chief Executive has overall accountability ensuring that the Trust has an appropriate Travel and Subsistence Policy in place and robust monitoring arrangements are in place.

3.2 Director of Human Resources and Organisational Development

The Director of Human Resources and Organisational Development is responsible for the final ratification prior to the policy being implemented. The ratification will take place following a consultation and approval process.

3.3 Deputy Director of Human Resources

The Deputy Director of Human Resources is responsible for the approval and monitoring of this policy.

3.3 Management Responsibilities

- Ensure the Travel and Subsistence Allowance Policy is applied fairly and consistently in line with budgetary requirements.
- Confirm with employees the most cost effective solution for regular/routine journeys.
- Ensure employee information on ESR with respect to their job role and base location are updated as required e.g. if an employee goes on secondment to another area or leaves their current position.
- Hold a user account on the electronic expenses system; even if they do not make travel expense claims themselves in order to approve submissions from their team.
- Identify a substitute manager or team leader who can approve in their absence. Identify another manager to whom travel expense claims can be escalated in the absence of the substitute.
- Confirm the employee possesses a valid driving licence, motor insurance which covers business travel, MOT certificate (where applicable) – these documents must be presented for viewing and re-validated annually. File copies are not required.
- Only in exceptional circumstances may it be appropriate to override the mileage calculated by the electronic expenses system. In these circumstances staff must clearly indicate why they have overridden the system calculated mileage and the approving manager must be satisfied by the reason for the override.

Unacceptable Reasons for Overriding System Calculation:-

- Getting lost
- Having to get petrol
- Finding a car parking space

- Not as per route finder / SAT NAV
- Milometer gives different mileage
- Overriding Terms and Conditions Changes
- Quickest Route without a reason being given

Please note that all overrides will be audited on an annual basis.

- Check travel expenses for accuracy before approval as making false claims is an offence under the Fraud Act 2006 and any referrals will be dealt with in accordance with the Trust's Anti-Fraud, Bribery and Corruption policy. The Trust's Anti-Fraud Specialist can be contacted for advice or additional guidance on probity issues on 0151 285 4500.

3.4 Employee Responsibilities

- Read and understand the Travel & Subsistence Allowances Policy prior to making any claim.
- Ensure any changes in personal details are up-dated in **MyESR** e.g. change of address.
- Follow the correct electronic expenses procedure when submitting and claiming travel expenses.
- Ensure you possess a valid driving licence, up-to-date motor insurance which covers business travel and up-to-date MOT certificate (where applicable) – these documents must be presented to your line manager on renewal, but file copies are not required.
- Ensure you are fit to drive, that you drive safely and obey the relevant laws.
- Inform your employer if there is a change in driving status e.g. driving ban.
- Ensure that mileage recorded is an accurate reflection of your travel on Trust business and be aware that the Trusts expenses system calculates mileage based on ordnance survey data on the shortest distance between postcodes (not necessarily the fastest route), and is updated regularly.
- Submit travel expenses monthly and no later than 3 months from the date of travel.
- Certify the accuracy of your claim via the Trust's expenses system before submitting to your line manager. Any potential fraudulent claims will be referred to the Trust's Anti-Fraud Specialist for criminal investigation in line with the Trust's Anti-Fraud Bribery and Corruption Policy; this could also invoke an investigation as part of the Trust's disciplinary policy.

3.5 Human Resources

- Provide advice and guidance to managers and staff on correct process in regards to claiming travel expenses via the Trust's electronic expenses system.
- Update HR Direct with guidance and information.
- Maintain a support helpdesk for employee queries regarding the processing of electronic expenses.

3.6 Finance Department

- Review and update the Trust lease car policy as and when required.
- Manage the provision of lease cars.
- Support/challenge managers in monitoring spend and budget.

4.1 Allowances, Processes and Procedures

4.1 Allowances

The standard rate of reimbursement will be reviewed each year by the NHS Staff Council. 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 from the following 1 July.

A second review will be conducted by the NHS Staff Council in November each year to ensure the standard rate continues to reimburse employees in line with motoring costs.

The actual rates applicable at any period in time can be accessed via HR Direct or the NHS Employers' website.

The nationally agreed allowances for employees travelling on Trust business are categorised as follows -

- Standard Rate
- Reserve Rate
- Motor Cycle
- Pedal Cycle
- Passenger allowance
- Carrying heavy or bulky equipment

Nationally agreed mileage rates can be found in Section 17 of Agenda for Change Terms and Conditions found on the NHS Employers website.

Regardless of when any claim is submitted the electronic system will use the claim date of the actual journey to apply the correct rates.

4.1.1 Eligible miles

Employees 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.

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 in the example in Table 1.

Table 1 – Eligible mileage

In this example the distance from the employees 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 miles starts after 15 miles have been travelled
Home to first call	More than 15 miles	Eligible miles 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 miles ends 15 miles from home
Last call to home	More than 15 miles	Eligible miles ends 15 miles from home

4.1.2 Standard rate

The standard rate for mileage allowances will be paid to **employees who use their own vehicles for official journeys** i.e. meeting, visits, clinics or training courses and conferences at the employer's instigation and who travel less than 3,500 eligible miles per 12 month period.

The 12 month period for eligible mileage calculation is from 1st July until the following 30th June ongoing.

4.1.3 Reserve rate and Excess Mileage

This will apply to employees using their own vehicle for business purposes in the following situations –

- Subject to the prior agreement of the employer, travel costs incurred when staff attend training courses or conferences and events, in circumstances when the attendance is not required by the employer
- If an employee **unreasonably declines the employers' offer of a lease vehicle.**
- When an employee is **required to return to work or work overtime** and incur additional travel to work expenses on that day. This provision will apply if the employee chooses to be paid for the extra hours or takes time off in lieu (TOIL).

Claims for expenses shall not be paid where no additional expenditure has occurred e.g. where an employee has a season travel ticket or where time lapse between two periods is sufficiently short to be considered reasonable for the employee to remain at or near place of employment.

The HM Revenue & Customs (HMRC) can and will inflict heavy financial penalties on organisations that misuse or misinterpret the criteria to determine whether a journey resulting from a Call Out is Taxable or Non Taxable. The criteria which satisfies a "Non Taxable Payment" is as follows;

The person MUST take full and sole responsibility for the emergency which MUST be a medical emergency and be a "life threatening" situation. The HM Revenue & Customs expects to have access in any organisation to departmental records which shows the date and time of the emergency and details of the emergency in question. No other criterion is allowable to determine non taxability and if the on-call does not meet this criterion, the mileage MUST be subject to tax.

Where a claim for excess mileage is made in situations **where there is a compulsory change of base**, either permanent or temporary, resulting in additional daily travelling expenses. The period of payment will be in line with 17.17 AFC terms and conditions handbook, which currently states subject to a maximum period of 4 years from the date of transfer and does not include any additional parking costs incurred. (For those using public transport see 4.8 below). However, this will be reviewed as part of the management of change process.

The excess will be calculated on the basis of the bus fares or standard rail travel or, if the employee travels by private motor vehicle, on the basis of the reserve rate.

Example of 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 an employee moves further away from their new base after the date of transfer.

This arrangement does not apply to employees who change their work base at their own instigation (e.g. application for a post located elsewhere, including secondments).

Employees who are **required by their employer to carry out temporary duties at a place other than their permanent place** of employment and who travel daily to their temporary headquarters whilst continuing to live near their permanent headquarters will be reimbursed their excess travelling expenses. If an employee changes post whilst eligible to claim excess mileage and the change is of a temporary nature (including secondment), the entitlement to excess mileage will cease. The entitlement is regained when the employee returns to their original post under the same terms and conditions and for the original time period.

If an employee uses his or hers own vehicle when suitable public transport is available and appropriate in the circumstances, subject to a maximum of the public transport cost which would have been incurred (see paragraph 17.7 AFC Terms and Conditions handbook) and the rules on eligible miles (paragraph 17.15 and Table 8 AFC Terms and Conditions handbook).

4.1.4 Motor cycles

The term 'motor cycles' includes motor cycle combinations, motor scooters and motor-bicycles. The rate for mileage allowances will be paid to employees 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.

4.1.5 Pedal cycles

Employees 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.

4.1.6 Passenger allowance

With the exception of lease or hire car users and taxi journeys, where other employees or members of an NHS organisation are conveyed in the same vehicle on NHS 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 on the electronic expenses for audit purposes.

This does not apply to anyone carrying patients, or passengers not employed by the Trust.

4.1.7 Transporting equipment

Employees 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 the employee. Employees 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

4.1.8 Public transport

In support of Trust Best Value and Green Initiatives, consideration must be given to the use of public transport.

If an employee uses public transport for business purposes, the cost of bus fares and standard rail fares will be reimbursed for eligible miles travelled.

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

4.1.9 Parking and Tolls

Employees who necessarily incur charges in the performance of their duties, in relation to parking, garage costs, tolls and ferries shall be refunded these expenses on production of receipts, whenever these are available.

Charges for overnight garaging or parking shall not be reimbursed unless the employee is entitled to night subsistence allowance for overnight absence. This does not include the reimbursement of parking charges incurred as a result of attendance at the employee's normal place of work.

4.1.10 'Out of pocket' expenses in respect of business travel

This only applies to employees for whom regular travel in a motor vehicle is an essential part of their duties. During a period when the employee'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 line manager, should be reimbursed subject to the rule on eligible mileage.

4.1.11 Train and Air Travel for staff

Budget holders should always look to obtain best value for money before deciding which ticket to purchase. Advantage should always be taken of best prices available, special offers and rail cards.

Line managers need to approve the purchase of train tickets.

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.

The process for booking train and air tickets is as follows:-

- Where possible, at least seven calendar day's notice should be provided when ordering train or air tickets.
- Local train, bus and air tickets under **£35.00** can be purchased by an individual and reclaimed via the electronic expenses system.
- Alternatively, tickets can be obtained through the Procurement Department (travel and accommodation) by completing a **Staff Business Booking Request Form** duly authorised by an appropriate member of staff. The Trust pays for the tickets directly. Contact ecn-tr.supplies@nhs.net

The e-procurement order should include details of the name of the member(s) of staff travelling, the dates and times of the journey, the outward and return stations of the journey and where the employee can be contacted to arrange collection of the tickets.

The proposed journey times and dates can be obtained from the train company, over the internet.

4.1.12 Taxis for Staff

Taxis should only be used where it can be demonstrated that taxi use is more economical, taking into account the overall cost of the trip, than the normal car mileage claim.

4.1.13 Hire Cars by staff

The use of hire cars is not permitted unless it can be demonstrated that this is cheaper than the distance travelled on business mileage at the reserve rate.

4.2 Claims Procedure

Claims should be made using the trusts electronic expenses system.

HR Direct will outline the current process and procedure.

- Claims are submitted and approved.
- Travel is entered using postcode to postcode as reference points.
- A third party distance calculator determines mileage.
- The electronic expenses system applies Trust Travel Policy using shortest route.

All claims for expenses should be submitted the month after they have occurred but at the very latest must be submitted within three months. This is to ensure accurate reporting of expenditure and to ensure effective budget management occurs in the year the expense is incurred.

Receipts for individual items costing under £15 do not need to be submitted with the claim but do need to be kept for 6 years by the employee submitting the claim. Other receipts need to be scanned and submitted with the claim.

If for any reason a claim is received which is more than 3 months after the end of the month in which the expense was incurred, this will require authorisation by the Director of Finance or their deputy. It is the responsibility of the manager to obtain this authorisation and email the electronic expenses support team to confirm that this has been appropriately approved.

4.2.1 Managing Travel Expenses

Managers have a responsibility for ensuring that the processes for paying expenses are applied consistently. In particular, where an employee is considering a contract change which may affect their mileage totals, managers must ensure that the employee understands that this may affect their car user status e.g. may exceed 3,500 eligible miles per annum based on the 12 month period from 1st July to 30th June ongoing.

4.3 Subsistence Allowances

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 (*for rates of reimbursement – refer to NHS Terms and Conditions, Section 18*).

4.3.1 Night Allowances

Agenda for Change rules (Annex N) state that the maximum reclaimable cost for a hotel room per night but this is not always possible to achieve. The actual cost of hotel accommodation will be refunded but this must be agreed with the employee's line manager prior to the booking and every attempt should be made to keep costs to a minimum. All claims for expenses must be accompanied by receipts. In order to ensure cost is at a minimum, bookings should be made by completing a **Staff Business Booking Request Form** duly authorised by an appropriate member of staff. The Trust pays for the tickets directly.

The Trust will reimburse staff the actual receipted cost of all meals in each complete 24 hour period up to the maximum limit set out in Agenda for Change Terms and Conditions. Part periods of less than 24 hours will be reimbursed at Day Subsistence rates. Please refer to Agenda for Change Terms and Conditions Annex N for day subsistence rates.

The Trust will not reimburse the purchase of alcoholic drinks.

Where the maximum limit is exceeded for genuine business reasons [e.g. the choice of the hotel was not within the employee's control such as staying at a conference hotel or cheaper hotels were fully booked] additional assistance may be granted at the discretion of the appropriate budget holder. Otherwise where an employee stays overnight in accommodation costing more than the maximum limit, the employee will pay the excess cost.

4.3.2 Non-commercial Accommodation

Where an employee stays overnight with friends or relatives or other non-commercial accommodation then a flat rate sum set out in Agenda for Change Terms and Conditions will be payable for each complete 24 hour period. Part periods of less than 24 hours will be reimbursed at Day Subsistence rates as set out below.

Employees staying in accommodation provided by the employer or host organisation shall be entitled to claim the actual receipted cost of all meals that are not provided free of charge in each complete 24 hour period up to the maximum limit set out in Agenda for Change Terms and Conditions. Part periods of less than 24 hours will be reimbursed at Day Subsistence rates as set out below (see 4.3.3)

Where accommodation and meals are provided without charge to the employee, i.e., on a residential training course, no allowances will be payable.

4.3.3 Day Subsistence

A meal allowance is payable when an employee is necessarily absent from home on official business and more than five miles from their base by the shortest route and spends more on meals than would have been spent at their place of work.

A single meal allowance will be payable if the employee is away from their base or other Trust premises for more than five hours including the lunch period of 12 noon to 2 pm. The actual receipted cost of the meal up to the maximum limit set out in Agenda for Change Terms and Conditions can be claimed.

A multiple meal allowance will be payable if the employee is away from their base or other Trust premises for more than ten hours and necessarily leaves their base or home before 5 am, or is unable to return to their base or home before 7pm, or both.

The Trust will provide reimbursement of the actual receipted cost of all meals up to the maximum limit set out in Agenda for Change Terms and Conditions

The Trust recognises that there are times when receipts may not be available, i.e., when meals are purchased from vending machines. In these circumstances a full list of items purchased (with costs) is required. The maximum allowance payable is set out in Agenda for Change Terms and Conditions.

4.3.4 Staff Attending Conferences

On some occasions accommodation will be included in the cost of a conference, payment for which has to be made at the time of booking. In these circumstances employees, where possible, should ensure that the cost of any accommodation and associated meals does not exceed the maximum rates set out in Agenda for Change Terms and Conditions. If these rates are exceeded and where the conference programme allows, alternative accommodation should be used or the difference should be paid by the individual.

4.3.5 Staff Hospitality

The subsistence allowances set out above are not intended to cover occasions when it may be considered that the Trust is providing hospitality to employees or persons not employed by the Trust.

Guidance on what can or cannot be provided on such occasions is set out in the Standards of Business Conduct Policy.

4.4 Other Payments Claimed on Travel Claims

Claims for Payment for the following must be agreed by the appropriate budget holder before the purchase is made and documentary evidence included with the request for payment up to a limit of £20. These include:

- Stationery
- Travel Season Tickets – (Will be treated as taxable unless otherwise informed by the Manager)
- Course Fees

4.5 Tax Relief on Travel Expenses

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 an employee's duties then tax relief can be obtained.

If you are reimbursed for travel that is not considered to have been undertaken in the course of an employee'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.

HMRC operate an Approved Mileage Allowance Payment (AMAP) which enables tax free reimbursement. Guidance on the current rates for mileage can be found on the HMRC website.

This means that an employee who receives the standard rate will be taxed on the 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).

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

5.0 Monitoring Compliance with the Document

To ensure the policy is being implemented effectively, the HR team will undertake an annual audit and the outcome will be reported through the Workforce and OD Strategy Board. Escalation will be through the Finance Performance and Workforce Committee.

This policy will be reviewed on a 3 yearly basis unless there are changes in legislation, NHS terms and conditions or operational practice. The responsibility for ensuring the review is undertaken sits with the Deputy Director of HR.

6.1 References

Agenda for Change Terms and Conditions of Service handbook – Section 17 and 18

Policies:-

- Disciplinary Policy
- Volunteers Policy
- Anti-fraud Policy
- Bribery and Corruption Policy