

<b>Document Details</b>		
<b>Title</b>	<b>Travel Expenses and Subsistence Claims Policy and Procedure</b>	
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Main points the document covers	This policy sets out the arrangements for staff with regard to claiming expenses	
Who is the document aimed at?	All staff	
Owner	Human Resources	
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<b>No</b>	<b>Date</b>	<b>Amendment</b>
1	December 2013	Replaces previous policy which transferred from the PCT

2	December 2013	Updated to reflect change in Agenda for Change terms and Conditions: clarification of eligible mileage; new reimbursement rates; requirement for an MOT certificate
3	December 2013	Clarification on excess mileage changes
4	June 2014	Change of rates of reimbursement for mileage claims following national review
5	June 2016	Change to the wording in paragraphs 3.3 and 4.3 to reflect the use of the Trust's electronic claim system.
6	June 2016	New section on procedure for submitting claims using the Trust's electronic claim system.
7	June 2016	Removal of table setting out mileage rates and replaced with the link to Agenda for Change Terms and Conditions to keep the information up to date
8	July 2016	Updated Section 5 due to changes in line with national guidance.
9	October 2017	Changes to sections <u>3</u> and <u>4</u> to reflect change in process from checking of paper copies and filing on personal files, to recording all duty of care information on the e-expenses system.  Update of Agenda for Change references
10	November 2017	Following comment by JNP members, amendments to section 11 relating to process for notification where driving licence is found to be invalid.
11	December 2017	Section 6 – records must be kept for 3 years for HMRC (previously stated 2 years)  Section 7 - Following comment by JNP members, clarification of definition of 'local partnership'  Section 14.1 – Clarification that reimbursement for excess lease car mileage (upon change of base) will not be made due to the HMRC treating such as a taxable benefit which would be financially detrimental to lease car users.
12	December 2023	Minor amendments to grammar, formatting.

## Contents

<b>1</b>	<b>Introduction .....</b>	<b>3</b>
<b>2</b>	<b>Policy Principles.....</b>	<b>3</b>
<b>3</b>	<b>Managers responsibilities.....</b>	<b>4</b>
<b>4</b>	<b>Employees responsibilities .....</b>	<b>4</b>
<b>5</b>	<b>Trust responsibilities .....</b>	<b>5</b>
<b>6</b>	<b>Procedure for submitting claims.....</b>	<b>5</b>
<b>7</b>	<b>Mileage Rates .....</b>	<b>5</b>
<b>8</b>	<b>Attendance on training courses.....</b>	<b>6</b>
<b>9</b>	<b>Passengers .....</b>	<b>7</b>
<b>10</b>	<b>Eligible mileage – travel between home and base.....</b>	<b>7</b>
<b>11</b>	<b>Business Insurance, driving licence and MOT certification..</b>	<b>7</b>
<b>12</b>	<b>Train Travel.....</b>	<b>8</b>
<b>13</b>	<b>Other Allowances .....</b>	<b>8</b>
<b>14</b>	<b>Change to base of work at the request of the Trust (Excess Mileage).....</b>	<b>9</b>
<b>15</b>	<b>Temporary Transfer.....</b>	<b>10</b>
<b>16</b>	<b>Tax and National Insurance Liability.....</b>	<b>10</b>
<b>17</b>	<b>Subsistence Allowances.....</b>	<b>10</b>
<b>18</b>	<b>Non-Compliance with Policy .....</b>	<b>11</b>
<b>19</b>	<b>Related Documents .....</b>	<b>12</b>
<b>20</b>	<b>Communication and Training.....</b>	<b>12</b>
<b>21</b>	<b>Review and Compliance Monitoring .....</b>	<b>12</b>
<b>22</b>	<b>References.....</b>	<b>12</b>

## 1 Introduction

- 1.1 This policy seeks to ensure that all staff are aware of the arrangements to claim re-imbursment from NHS funds for expenditure necessarily incurred in the course of their employment with the Trust.
- 1.2 Sections 17 and 18 of the Agenda for Change NHS Terms and Conditions of Service Handbook provides for the reimbursement of staff for mileage allowances and subsistence costs. To view the Agenda for Change NHS Terms and Conditions Handbook, please visit NHS Employers.
- 1.3 The purpose of this policy is to provide:
  - A structured framework to claiming travel expenses;
  - Practical guidance to staff and managers on process and procedure;
  - To ensure that travel expenses are claimed in a consistent, accurate and timely way;
  - Guidance on milage allowance.

## 2 Policy Principles

- 2.1 This policy is in line with Agenda for Change and other national terms and conditions of service for NHS staff. Although where appropriate, the Agenda for Change terms and conditions have been referenced, all staff are covered by this policy, in conjunction with any specific national terms and conditions that may prevail.
- 2.2 The rate of re-imbursment will be determined by the category of mileage allowance applicable. Rates of reimbursement for Reserve Rate and Eligible Mileage allowances are as set out in Section 17 of the NHS Terms and Conditions of Service and will be reviewed each year. The rate of reimbursement for medical and dental staff is as set out in relevant Terms and Conditions of Service for Medical and Dental Staff. The rate for Lease Car users is as determined by the HMRC Advisory fuel rates in accordance with its Lease Car Scheme.
- 2.3 As a general principle, journeys from home to work are not reimbursed. Particular care therefore needs to be taken in claiming for business journeys which start or finish at home.
- 2.4 Where an employee travels or is anticipated to travel more than 3,500 business miles per annum, their manager should consider the allocation of a Trust lease car to that employee. Excess mileage is not business mileage and therefore this is not included in the 3,500 miles per annum. For further details refer to the Trust Lease Car Policy.
- 2.5 The employer and employee will agree the most suitable means of transport for the routine journeys which employees have to make in the performance of their duties. If a particular journey is unusual, in terms of distance or purpose,

the mode of travel will be agreed between the employer and employee, before it starts.

- 2.6 Any employee acting outside of this policy could be subject to disciplinary action being taken in line with the Trust's Disciplinary Policy.

### **3 Managers responsibilities**

- 3.1 As part of pre-employment checks during the recruitment process, the recruitment team will ensure that newly appointed employees have a valid driving licence, a current MOT certificate (where appropriate for the vehicle) and appropriate business insurance on their vehicle if this is required for their role. The manager must ensure that other workers (such as contractors or agency staff) also comply with this requirement.
- 3.2 It is the manager's responsibility to check the documents set out in 3.1 on an annual basis.
- 3.3 Driving Licence details must be entered by the employee through the electronic expenses system and will be checked automatically through the system once the individual has given consent. It is the managers responsibility to ensure that individuals comply with this requirement.
- 3.4 MOT and Insurance details should also be uploaded to the electronic expenses system, however, whilst the new checking process is phased-in paper copies may still be provided to line managers for recording.
- 3.5 As the manager's authorisation is required to validate expense claims, it is the responsibility of the manager to ensure that employees' claims for business travel are made using the Trust's expenses claim system and are appropriate, and within policy.

### **4 Employees responsibilities**

- 4.1 It is the responsibility of the employee to ensure that they have a valid driving licence, a current MOT certificate (where appropriate for the vehicle) and appropriate business insurance (for example – full or third-party insurance for business use) on their vehicle whilst on Trust business. This includes (but is not limited to) – attendance at meetings, trainings, and other events whether at Trust property or other locations.
- 4.2 It is also the responsibility of the employee to ensure that these documents are made available to their line manager for checking as follows:
- 4.3 Driving Licence details must be entered through the electronic expenses system. Once consent to check the licence is granted it is valid for 3 years. Failure to upload driving licence details will result in a delay in claims being processed and reimbursed.
- 4.4 MOT and Insurance details should also be uploaded to the electronic expenses system, however, you may still be required to submit paper copies to line managers for recording.

- 4.5 It is the responsibility of the employee to ensure that they are fit to drive, that they drive safely and that they obey the relevant laws e.g., speed limits. They should also inform their manager of any change in status (e.g., health issue, loss of licence).
- 4.6 It is the responsibility of the employee to ensure claims for business travel are made on the Trust's expenses claim system and submitted for payment at the end of each month for approval from managers by the 10th of the month.

## **5 Trust responsibilities**

- 5.1 It is the responsibility of the Trust to conduct random sample checks on driving licences, MOT certificates and business insurance, as well as sample claims.
- 5.2 Periodic checks may be conducted by the Trust Local Counter Fraud Specialist (LCFS) in line with local proactive exercises.

## **6 Procedure for submitting claims**

- 6.1 The Trust uses an electronic system for expense and subsistence claims. Employees will need to register and activate their account on the expenses system.
- 6.2 Employees should complete their claims on the system at the end of each month for approval from managers by the 10th of the month. Receipts should be scanned or photographed and uploaded with the relevant monthly claim. Should employees be unable to access the equipment to scan or photograph their expenses they should provide the receipts to their manager to cross-check against their claim.
- 6.3 Managers will retain the receipts for a period of three years for the purpose of (e.g.) inspection by internal audit or Her Majesty's Revenue and Customs (HMRC). Employees should keep a copy of the receipts submitted in this way. Receipts that have been scanned and uploaded do not need to be retained by individuals.
- 6.4 Any expenses not claimed within a 3-month period will not be reimbursed. Exceptions to this (for example absence due to sickness absence) will only be considered by the appropriate Director.

## **7 Mileage Rates**

- 7.1 The standard mileage rates are paid to employees on Agenda for Change Terms and Conditions who use their own vehicles for official journeys. Current rates are set out in the terms and conditions handbook, accessible via NHS Employers.
- 7.2 The reserve rate of reimbursement will apply to employees using their own vehicles for business purposes in the following situations:
- 7.2.1 If an employee unreasonably declines the employers' offer of a lease vehicle (please refer to the Trust Lease Car Policy):

- in determining reasonableness, the employer and employee should seek to reach a joint agreement as to whether a lease vehicle is appropriate and the timeframe by which the new arrangements will apply. All the relevant circumstances of the employee and employer will be considered including an employees' personal need for a particular type of car and the employers' need to provide a cost-effective option for business travel.
- if the employee's circumstances subsequently change the original decision will be reviewed. The agreed principles underlying local lease vehicle policies are in Annex 13.

7.2.2 When employees who are required to return to or to attend their place of employment outside their normal hours of duty. This will be in circumstances where they would be entitled to overtime or time off in lieu. In these circumstances any expenses which are in excess of the expenses they occur as a result of their normal attendance at work, and which are actually and necessarily incurred in travelling to and from home, shall be reimbursed. This does not apply to lease car users.

7.2.3 When a claim for excess mileage is made in situations where there is a compulsory change of base, either permanent or temporary, resulting in extra daily travelling expenses. The period of payment will be for local partnerships to determine, subject to a maximum period of 4 years from the date of transfer. ('Local Partnership' is the term used to describe the organisation working with trade unions to apply Agenda for Change terms and conditions locally.)

7.2.4 Claims for expenses should not be met when no additional expenditure is incurred e.g., when the employees concerned have a season ticket, or where the time lapse between two consecutive periods is sufficiently short for it to be considered reasonable for the employee to remain at or near their place of employment.

7.2.5 If an employee uses their 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 and in line with eligible mileage criteria.

7.3 Rates of reimbursement for Medical and Dental staff are set out in the relevant Terms and Conditions of Employment.

## **8 Attendance on training courses**

8.1 Additional travel costs incurred when attending courses, conferences, or events at the Trust's instigation (e.g., identified and authorised by the line manager for PDR or development purposes) will be reimbursed at the standard rates when the employer agrees that travel costs should be reimbursed.

8.2 Subject to the prior agreement of the line manager, travel costs incurred when staff attend training courses or conferences and events, in circumstances

when the attendance is not required by the Trust, will be reimbursed at the reserve rate, in line with eligible mileage criteria.

## 9 Passengers

9.1 With the exception of lease, pool or hire vehicle users, where other Trust employees travel in the same vehicle on NHS business and their fares would otherwise be payable by the Trust, passenger allowances will be paid to the vehicle driver.

## 10 Eligible mileage – travel between home and base

10.1 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 being reimbursed starts at a location other than the agreed work base, for example home, the mileage eligible for reimbursement will be as set out in the example in Table 1.

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

Table 1: Mileage eligibility criteria – Agenda for Change

## 11 Business Insurance, driving licence and MOT certification

11.1 In order for an individual to claim vehicle mileage expenses under this policy they must be covered by full or third-party insurance for business use. Business Insurance is checked on commencement of employment with the



Trust, annually by managers and through random checking of documentation. A copy must be kept on the individual's personal file.

- 11.2 Additionally, all staff who are required to drive for work must also have a valid driving licence and MOT certificate (where appropriate for the vehicle). Validity of driving licences is checked and monitored through an interface between the DVLA and the e-expenses system.
- 11.3 Driving Licence details must be entered through the electronic expenses system by individuals who are required to drive for work. Once consent to check the licence is granted it is valid for 3 years. Failure to upload driving licence details will result in a delay in claims being processed and reimbursed.
- 11.4 Where notification of an invalid driving licence is given by the electronic expenses system to Shropshire Payroll Services (SPS), SPS will notify the individual, their line-manager, and Human Resources immediately. The individual will not be permitted to drive for work whilst their licence is invalid. Also see section 18.

## **12 Train Travel**

- 12.1 Staff should take responsibility in making any travel arrangements by, wherever possible ensuring they seek best value for money. Managers should always satisfy themselves that proposed arrangements and costs are appropriate and reasonable in the circumstances.
- 12.2 All claims for such travel must be accompanied by a valid travel ticket and receipt.

## **13 Other Allowances**

- 13.1 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, however, shall not be reimbursed unless the employee is entitled to night subsistence. This does not include reimbursement of parking charges incurred as a result of attendance at the employee's normal place of work.
- 13.2 Reimbursement for employees using pedal cycles for official journeys will be for eligible mileage as set out in Table 1.
- 13.3 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 and Safety at Work Act 1974 and related legislation, to ensure that this does not cause a risk to the health and safety of the employee. Employees should not be allowed to carry equipment, which is heavy or bulky, unless a risk assessment has been conducted beforehand. Advice can be sought from the Trust Risk Manager. 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 which could reasonably be carried by hand; or
- the equipment cannot be carried in the boot of the vehicle and is so bulky as to reduce the seating capacity of the vehicle.

13.4 Reimbursement if public transport is used for business purposes, the cost of bus fares and standard rail fares should be reimbursed however, must be accompanied by a valid travel ticket and receipt.

13.5 This paragraph 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 transport, should be borne by the employer. Reimbursement of these expenses will be subject to the rule on eligible mileage.

#### **14 Change to base of work at the request of the Trust (Excess Mileage)**

14.1 With the exception on lease car users, employees who are required to change their base of work as a result of a request by the Trust or NHS reorganisation or their acceptance of another post as an alternative to redundancy, may be reimbursed their extra daily travelling expenses. Where this results in extra public transport costs for the employee, these extra costs will be reimbursed.

14.2 The excess shall be reimbursed at the reserve rate for private car users and will be for a maximum period of 4 years from the date of transfer. Please refer to the Trust Organisational Change Policy.

14.3 An Excess Mileage registration form must be completed and authorised by the budget manager. A copy must be sent to the expenses team. The form can be found on the Trust Intranet or the Trust website.

14.4 In calculating the difference in mileage, the shortest distance between the old and the new location will be used.

#### **14.5 Excess mileage claims**

14.5.1 Individuals are expected to plan their journeys for business purposes to utilise the best use of time and costs of travel to ensure business efficiency. In some cases, this may result in individuals who are entitled to excess mileage being unable to claim that excess mileage unless they travel to base before making any business journeys. Where it is more cost effective for the Trust for staff not to make their first journey to their base and they do travel to the base at some stage during the day, they should claim their excess mileage in lieu of their business mileage. Where possible, all such journeys should be discussed with line managers for approval.

## **15 Temporary Transfer**

- 15.1 Employees who are required by the Trust to perform temporary duties at a place other than their permanent place of employment, may be reimbursed their excess travelling expenses at the appropriate rate.

## **16 Tax and National Insurance Liability**

- 16.1 Each year the Payroll team will provide a return to the Inland Revenue, and a copy to the employee, on the amount of expenses the individual has been paid on a P11D. The Inland Revenue has approved mileage rates and if the employer pays in excess of these, there is a tax and national insurance liability on the individual.

## **17 Subsistence Allowances**

- 17.1 This section covers the reimbursement to staff of the necessary extra costs of meals, accommodation and travel arising as a result of official duties away from home. Receipts will be required for all claims for subsistence allowances. Business expenses which may arise, (such as the cost of a fax or official telephone calls), may be reimbursed with certificated proof of expenditure.
- 17.2 The Trust Expenses claim system allows for the electronic copying and submission of receipts via scanning and employees where possible will submit their receipts electronically. Where employees do not have access to the necessary equipment to scan, they will need to provide their receipts to their managers for cross-checking. Managers should retain the receipts for three years in case they are required by HMRC, after which they can be securely disposed of.

### **Day Subsistence**

- 17.3 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 practicable route, on official business. Day meals allowance rates are set out in Annex 14 of Agenda for Change terms and conditions and require receipts for reimbursement. These allowances are not paid where meals are provided free at the temporary place of work.
- 17.4 Normally, an employee claiming a lunch meal allowance would be expected to be away from his/her base for a period of more than five hours and covering the normal lunch time period of 12.00 pm to 2.00 pm. To claim an evening meal, allowance an employee would normally be expected to be away from base for more than ten hours and unable to return to base or home before 7.00 pm and as a result of the late return is required to have an evening meal. Employees may qualify for both lunch and evening meal allowance in some circumstances. There will be occasions where, due to the time of departure, there will be the necessity to take a meal but the conditions relating to time absent from the base are not met. This, and any other exceptions to the rules, may be allowed at the discretion of the employer.

## Night Subsistence

17.5 When an employee stays overnight in a hotel, guesthouse, or other commercial accommodation with the agreement of the employer, the overnight costs will be reimbursed as follows:

- the actual, receipted cost of bed and breakfast up to the normal maximum limit set out in Annex 14 of Agenda for Change terms and conditions; plus
- a meals allowance, to cover the cost of a main evening meal and one other day-time meal, at the rate set out in Agenda for Change terms and conditions.

17.6 Where the maximum limit is exceeded for genuine business reasons (e.g., the choice of hotel was not within the employee's control or cheaper hotels were fully booked) additional assistance may be granted at the discretion of the employer.

17.7 Where accommodation and meals are provided without charge to employees, e.g., on residential training courses, an incidental expenses allowance at the rate set out in Annex 14 will be payable payments of this allowance are subject to the deductions of appropriate tax and. All National Insurance contributions via the payroll system.

## 18 Non-Compliance with Policy

18.1 The Trust views matters of non-compliance with this policy as potential fraud and therefore possible gross misconduct. The Trust therefore reserves the right to consider all such non-compliance under the relevant Disciplinary policy and procedures, report non-compliance to the Trust Local Counter Fraud Specialist for investigation in line with the Fraud and Corruption Response Policy and if applicable, to the Police or other appropriate authority for further investigation.

18.2 The following are examples of non-compliance (the list is not exhaustive):

- Failure to comply with requests to provide documentation.
- Using a vehicle without adequate insurance. Employees will be immediately stopped from undertaking work related journeys until such time that the insurance documents are updated and verified as correct by their Line Manager, or the Trust Local Counter Fraud Specialist.
- Failure to update driving licences for a change of name and/or address (an offence under Section 99 of the Road Traffic Act).
- Failure to report lost/stolen/mislaid licences to the DVLA and/or the Police and failure to make arrangements for a new one to be issued. If it is uncovered that an employee has not reported the matter to the respective bodies, when their licence has been lost, mislaid, or stolen,

and arranged for a replacement to be issued, then the Trust will reserve the right to stop that employee using their car for work related mileage until a replacement licence is received and checked by their Line Manager, or the Trust Local Counter Fraud Specialist.

- Fraudulent claims for mileage or subsistence

## **19 Related Documents**

19.1 The following Trust documents can be found in the policies and procedures section of the Trust website, staff zone and should be referred to for related information:

- Lease Car Policy
- Organisational Change Policy

## **20 Communication and Training**

20.1 The Human Resources Department will provide advice on the policy to staff, and advice and support to managers in the fair and equitable application of this policy as appropriate.

20.2 All Directors, Group Managers, Human Resources Staff are responsible for the communication of this policy to their staff.

## **21 Review and Compliance Monitoring**

21.1 The rules and operation of this procedure will be periodically reviewed (at least every 3 years) considering any developments in employment legislation or employee relations' practice and, if necessary, revised in order to ensure their continuing relevance and effectiveness. Any amendments will be introduced only after consultation with staff-side representatives.

21.2 The application of this policy will be monitored by HR in accordance with the Trust's Equal Opportunities Policy.

21.3 Random checks may be made at any time as part of the Trust's Internal Audit Programme.

## **22 References**

- NHS Terms and Conditions of Service Handbook
  - Section 17
  - Section 18
- Electronic Expenses User Guides (available on Trust Intranet)
- HMRC Guidelines