

ANNEX 1: PROPOSED BOARD EXPENSES POLICY

Aim of policy

This policy aims to provide guidance to Board members on their entitlement to claim reasonable expenses paid during the course of their engagement with the LBRO.

This policy is an internal document intended for use only by the Board. The expenses policy for staff is contained within the staff handbook, although it is reproduced as guidance in the Board policy.

Context of Policy

The Expenses, Travel and Subsistence policy for members of the Local Better Regulation Office (LBRO) Board is based on providing value for money as an organisation responsible for managing public funds.

Procedure

The policy adopted by the LBRO is to align with the approaches of its sponsoring departments, Business Enterprise & Regulatory Reform (BERR) and the Better Regulation Executive (BRE).

In line with these approaches to providing best possible value for money the Board expenses, travel and subsistence policy is based on the principle that claims for expenses should be dealt with according to need rather than any hierarchy and that all reasonable expenses should be paid. The staff expenses, travel and subsistence policy, which is contained within the LBRO staff handbook, is therefore set out below and is intended to assist Board members by providing a starting point for assessing reasonableness when incurring costs for travel and subsistence. Where Board members are able to provide reasonable justification, Board members may deviate from the terms set out in the staff policy. If Board members have any queries about the expenditure they may be incurring, they should consider informing the Accounting Officer or Head of Resources and Corporate Services before any expense is incurred.

The appointed Accounting Officer (in this case the Chief Executive) has a personal responsibility for the propriety and regularity of the public funds allocated to the LBRO. Where any action is taken by a Board member which the Accounting Officer considers infringes on these requirements, the Accounting Officer is required to set out his/her objection in writing and present it to the Comptroller and Auditor General.

The standard Birmingham City Council (LBRO's payroll service provider) form should be used to claim expenses. Board members' claims (including the Chair) will be certified by the Chief Executive

Further information is available from the Head of Resources and Corporate Services or the Board Support Team.

4. TRAVEL, SUBSISTENCE & EXPENSES (Staff Policy)

4.1 General

The aims of this policy are:

- To ensure that everybody knows exactly what support for travel and subsistence is available.
- To reimburse employees quickly and correctly for expenses incurred

If you are in doubt about any proposed travel arrangements, please consult the Head of Resources and Corporate Services if possible before incurring the expenditure. Abuse of the policy may constitute a disciplinary offence.

In the event of any dispute over the provisions of this scheme, the decision of the Head of Resources and Corporate Services shall be final.

4.2 Sustainability

LBRO fully endorses the Government's Sustainable Transport Policy and encourages all LBRO personnel to use public transport where possible.

4.3 Scope and applicability

The policy applies to all permanent LBRO staff, those on fixed term contracts and those on secondments of over 6 months. Details for those on secondment for less than 6 months are detailed below in section 4.4.

4.4 Secondments of less than 6 months

Where secondments are expected to last less than 6 months, LBRO will expect the secondee's payroll to be dealt with by their sending organisation, who will invoice LBRO for the cost of the secondee. LBRO will take responsibility from the start of the secondment for the secondee's expenses. These secondees should therefore claim expenses under this scheme.

4.6 Private Car Allowances

Employees required to use their private motor vehicles for the efficient performance of their duties will be paid mileage for their business travel. The mileage rate is that authorised by the Inland Revenue and used by BERR. As at September 2007 this is 40p for the first 10,000 miles in any financial year (standard rate) and 25p for any further miles in that year (lower rate). Before commencing the use of a motor vehicle for business travel, employees should secure authorisation from the Head of Resources and Corporate Services that they are an approved car user.

The standard Birmingham City Council (LBRO's payroll service provider) form should be used to claim mileage. Forms should be sent promptly to managers for authorisation at the end of each month. Directors will be certified by the Chief Executive. The Chief Executive's claims will be certified by the Chair. All other staff should have approval from their line manager. If LBRO is able to then pass certified forms to the Birmingham City Council payroll service by the 10th of the month, expenses will be paid with that month's salary on the 28th. Late claims (for whatever reason) will be paid in a later payroll. LBRO reserves the right not to reimburse any claim submitted more than three months after the mileage was travelled.

Driving Licence/Insurance/MOT Certificate

If at any time you are required to use a motor vehicle for LBRO business, you must

- Fulfil the vehicle ownership requirements (see next section)
- hold an appropriate, current valid UK Driving Licence
- a valid insurance policy must be in effect covering your use of the vehicle for LBRO business
- if applicable a valid MOT certificate

All these documents must be produced to the Head of Resources and Corporate Services. A copy will be held on your personnel file. These documentation requirements are defined more fully below.

Ownership

The vehicle ownership requirements are that:

- you own the vehicle, or
- you are purchasing it on credit terms and it is registered in you or your partner's name, or
- you have hired the vehicle for private use, or
- it is not registered in your name, but is in your lawful possession and you have permission from the owner to use the vehicle

Insurance

You should ensure that your motor vehicle insurance policy contains a clause permitting the use of the vehicle by you in connection with LBRO business.

You must also ensure that your motor vehicle insurance policy covers, without financial limit, claims in respect of:

- bodily injury to or death of third parties
- bodily injury to or death of any passengers
- damage to the property of third parties and/or passengers

Officers using their cars for LBRO business must have comprehensive insurance cover. The LBRO accept no responsibility for damage caused to an employee's vehicle.

Other requirements

Any cars used for official travel must comply with all other requirements for use on public roads including a current Vehicle Excise Disc.

Employees are liable for any parking fine (see below), speeding fine or other motoring offence incurred. LBRO will seek to ensure employees have no undue time or other pressure on them that requires any motoring law to be broken.

4.7 Parking and tolls

You are entitled to be reimbursed the costs of unavoidable expenses for parking and tolls (including road and river ferries). However, you personally are liable for any parking fines incurred.

Congestion Zone Charging

Employees driving their own vehicles into work within the Central London charging zone will have to pay the charge themselves. However, staff on official business who are required to drive their own vehicles within the charging zone may claim reimbursement of the charge through travel and subsistence.

4.8 Expenses

If you are required to travel on or in connection with LBRO business, all reasonable expenses incurred will be reimbursed. You must, where possible, obtain receipts for expenditure. LBRO reserves the right not to reimburse you for any significant item of expenditure where a receipt is not produced.

Official travel is any journey you are required to make on official business away from your normal workplace, including attending an officially sponsored day release course.

4.9 Travel and Subsistence Claim

The standard Birmingham City Council (LBRO's payroll service provider) form should be used to claim travel and subsistence. Forms should be sent promptly to managers for authorisation at the end of each month.

Directors claims will be certified by the Chief Executive.

All other staff should have their claims certified by their line manager. If LBRO is able to then pass certified forms to the Birmingham City Council payroll service by the 10th of the month, expenses will be paid with that month's salary on the 28th. Late claims (for whatever reason) will be paid in a later payroll. LBRO reserves the right not to reimburse any claim submitted to management more than three months after the expenses were incurred.

Wherever possible receipts for all expenditure must be obtained and attached to claim forms. Receipts will be retained by LBRO for Inland Revenue purposes. Where occasionally it is not possible to provide receipts or travel tickets (for instance if you use a vending machine or where the travel ticket is retained by the operator) an explanation must be provided with the claim form.

4.10 Home to workplace journeys

Journeys from home to your normal workplace for attendance during normal working hours are not official travel and must not be claimed. Special rules apply to secondees for whom an accommodation allowance has been agreed (see later section)

4.11 Travel by rail

LBRO is committed to providing excellent value for money. Whatever their formal entitlement under this policy, employees should seek to minimise the cost of travel by seeking out the lowest cost option.

In general, we see no reason for a grade-based differential in travel entitlements. All staff travelling should do so on the same basis. Any exceptions for specific business reasons should be notified where possible before travel. Where this is not possible you should explain any reasons for deviating from the travel policy to your line manager when making your claim.

The general entitlements are:

Default – standard fare, best rate available (including inflexible). First class may be used if business need justifies it taking into account the actual price differential such as in the following circumstances:

- when the facilities provided in standard class do not meet your needs (such as there being no seats available due to rush hour travelling)
- because you are pregnant or suffering from a temporary or permanent disability
- when you need to travel overnight and use a sleeping berth.

4.12 Travel by bus, coach or tram

The costs of travelling by bus, coach, tram or Underground (in London) on official travel will be reimbursed.

4.13 Use of taxis

You will only be reimbursed for the use of a taxi in the following circumstances:

- when no other method of public transport is available (e.g. when travelling at night)
- when carrying heavy official papers or baggage, or for reasons of personal safety
- if you are unable to use public transport because of pregnancy or a temporary or permanent disability (this particularly applies to short journeys)
- if there would be an overall saving including any claim for subsistence or to ensure journey connection or arrival time

- where public transport is sporadic or unreliable
- if it is more cost effective when travelling in a group

4.14 Air travel

Air travel should be considered for long distance travel as often it represents good value and ensures a shorter travel time. However, all travel by air must be in economy class unless:

- there are no tickets available in economy class and no alternative flights;
- unavailable or travel by other means represents a higher cost;
- the facilities provided in economy class do not meet your needs if you are pregnant or are suffering from a temporary or permanent disability.

Use of benefits accrued as a result of official travel

Benefits accrued, as a result of official travel (for instance "Air Miles") must not be used for personal travel. These should be used to offset the cost of future official journeys.

4.15 Subsistence Allowances - General Rules

Subsistence is intended to meet the extra costs (for instance meals and accommodation) that you necessarily incur when you are away from your normal workplace on official business. There are two types of subsistence – day and night

The amounts that you are entitled to claim as reimbursement are set out below in Appendix A and are based on actual expenditure. The amounts quoted are indicative ceilings.

Day subsistence

You are entitled to day subsistence if you are away from your normal workplace on official business and necessarily purchase a meal or meals (including snacks, soft drinks and beverages, but not alcohol). Claims should be for the actual cost of subsistence, up to the limits set out in the policy (whichever is the lesser). Day subsistence cannot be claimed where:

- the meal or meals are taken at home - or
- the meals are provided by a third party at no cost to you.

Night subsistence

Night subsistence can only be claimed if you stay away from home overnight on official business. It covers a period of 24 hours to meet the actual costs of your meals and accommodation. The 'night' subsistence is the maximum payable for a 24 hour absence (including the day). After the 24 hours, day rates come back into force. You are entitled to be reimbursed day subsistence for meals following a 24-hour period covered by night subsistence. There are different indicative ceilings for accommodation rates in London and elsewhere. Current rates are set out at Appendix A.

Expenditure beyond the indicative ceiling

If, exceptionally, you unavoidably incur abnormally high expenses, which exceed the indicative ceiling, reasons must be given before the claim can be certified and authorised. The costs of accommodation will normally be known prior to the overnight visit and wherever practicable approval to claim in excess of the rates must be sought before the visit. However, in the unlikely event that costs are not known in advance, approval must be sought after the visit. Approval should be sought from your line manager.

Standards of accommodation

You are entitled to a reasonable standard of accommodation. The indicative ceilings for night subsistence are set at levels designed to ensure that, while away from home, you can obtain accommodation that meets the following standards:

- A room for single occupancy with en-suite facilities (WC and shower or bath), bed, TV, tea/ coffee making facilities and telephone. Where possible there should be adequate space and facilities (e.g. chair, writing surface for working in the room, wheelchair access)
- The location of the hotel must provide a degree of personal safety
- There should be reasonable security arrangements within the hotel and car park
- The surrounding areas should be salubrious with minimum noise during the quiet hours

Graduation ceremonies

Attendance at a graduation ceremony for an officially sponsored course, entitles you to be reimbursed for any associated travel and subsistence expenses. You will also be reimbursed the cost of hiring any necessary academic dress, subject to supporting receipts.

Payment

No payment can be made in advance of actual expenditure. In the case of newly appointed staff, no payment can be made in advance of taking up duty.

4.16 Relocation

To be eligible for relocation assistance an employee must:

- change their sole or main residence within one year of taking up their post
- their existing home must not be within reasonable daily travelling distance (50 miles)
- the new home must be well within the reasonable daily travelling distance.

The scheme can contribute to

- estate agent (lowest of 3 quotes) and legal fees (lowest of 3 quotes) on the disposal of the former property

- survey and legal fees (lowest of 3 quotes) in acquiring a new property
- removal expenses (lowest of 3 quotes)

The support will be repayable and deducted from final salary in the event the employee leaves LBRO within 2 years of the payment of the support.

The maximum support under the scheme will be agreed with the Chief Executive.

4.17 Accommodation allowance for secondees

To be eligible for accommodation assistance a secondee must

- be working away from their permanent place of employment
- be seconded for a period not exceeding 23 months and, in the judgment of the Head of Resources and Corporate Services, the secondee requires temporary accommodation to carry out their LBRO duties effectively

The scheme provides:

- a rental deposit allowance of up to £1,400 or the actual deposit required whichever is the lesser. Secondees are responsible for reimbursing LBRO the full deposit at the end of the tenancy and must sign an agreement that the deposit is recoverable from their salary.
- a rental allowance of up to £700 a month for a flat, house or serviced accommodation
- an allowance of up to £100 a month towards the council tax liability for a property. This allowance is not paid where an inclusive rent is charged for the property and the secondee is not liable for the council tax
- an allowance of £100 a month for utility costs. This allowance is not paid where an inclusive rent is charged for the property and the secondee is not liable for utility costs
- an allowance of £200 for the set-up costs of rented accommodation (e.g. credit reference, letting agency fees).
- removal expenses for moving items of furniture to unfurnished accommodation (lowest of 3 quotes)

The allowances will be paid monthly in advance.

The support will be based on three quotations for suitable accommodation.

Secondees are entitled to claim the cost of four home journeys (i.e. from the temporary accommodation to the secondee's normal home address and return) per month. If you use your private motor vehicle you may claim the lower rate of motor mileage of 25p per mile. Reimbursement for travel should be claimed at the same time as business travel.

LBRO has sought agreement from HM Revenue and Customs that payment under this scheme constitute reasonable business expenses, but in the event the HM Revenue and Customs assesses there is a taxable benefit, the secondee will be liable for any tax due.

The Head of Resources and Corporate Services will approve the payment of accommodation allowance, and it will be paid as part of monthly payroll.

Appendix A

LBRO travel and subsistence rates as at 1st September 2007

Night subsistence - per 24 hour period, including accommodation - London	£120 per night hotel or bed and breakfast (receipted)
	Up to £30 night subsistence allowance (receipted, maximum £5 for incidental expenses)
Night subsistence - per 24 hour period, including accommodation – outside London	£100 per night hotel or bed and breakfast (receipted)
	Up to £30 night subsistence allowance (receipted, maximum £5 for incidental expenses)
Day subsistence – over 9 hours	£10
Day subsistence – over 5 hours	£5
Mileage allowance – first 10,000 miles (standard rate)	40p per mile
Mileage allowance – over 10,000 miles (lower rate)	25p per mile
Motorcycle allowance	24p per mile
Bicycle allowance	24p per mile