



TRAVEL, SUBSISTENCE & EXPENSES

(Board and Staff Policy)

1. Scope and applicability

- 1.1. The policy applies to Board members, all permanent LBRO staff, those on fixed term contracts and those on both long and short term secondments (“individuals”).
- 1.2. LBRO will reimburse individuals for the costs associated with travelling on official business.
- 1.3. If you are in doubt about any proposed travel arrangements, please consult the Director of Resources before incurring the expenditure. Abuse of the policy may constitute a disciplinary offence.
- 1.4. In the event of any dispute over the provisions of this scheme, the decision of the Chief Executive shall be final.

2. Sustainability

- 2.1. LBRO fully endorses the Government’s Sustainable Transport Policy and encourages all LBRO personnel to use public transport where possible, and to consider and try to minimise the environmental impact of all journeys made on behalf of LBRO.

3. Administration

- 3.1 LBRO’s official claim forms should be used at all times to claim mileage and travel, subsistence and hospitality. Claims from Board members and members of the Senior Management Team (SMT) will be authorised by the Chief Executive or Director of Resources. The Chief Executive’s claims will be authorised by the Director of Resources; the Director of Resources’ claim will be authorised by the Chief Executive. All other staff should seek authorisation from their people managers.
- 3.2 LBRO will register, audit and analyse claims prior to submission to Birmingham City Council payroll service, usually by the 10th of the following month. Expenses will normally be paid with that month’s salary on the 28th, or on the previous working day if the 28th happens to fall on a weekend, by credit transfer into the individual’s bank.

(Earlier deadlines apply in the months of December and January)

4. Control Requirements and Restrictions

- 4.1 Claims for expenses must be submitted within three months of the month end in which they are incurred. Retrospective claims for expenses which are over three months old will be considered spent and therefore will not be reimbursed.
- 4.2 Anyone knowingly making a false claim will face disciplinary action in accordance with LBRO's disciplinary procedure.
- 4.3 LBRO's year end is 31 March, individuals should endeavour to submit up to date claims in early April for audit purposes, allowing a clean cut off situation at 31 March. If this is not possible best estimates must be given to support year end accruals.
- 4.4 Claims for all expenses other than for mileage (rail, taxi, private cars, subsistence, hotel and other purchased items) must be supported by receipts as evidence of actual payment of incurred expenses. Claims including items without a receipt will be reduced by the value of that specific item, which may be reclaimed at a later date not exceeding three months, providing the receipt is attached to the claim. 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 on the claim form.
- 4.5 Self certification against expenses claimed does not satisfy audit arrangements, and is not acceptable as evidence of a claim, except in exceptional cases where receipts are not available to claim against.
- 4.6 Claims for items purchased using a credit card must be evidenced and receipted by the detailed itemised payment receipt and not the total summary card payment receipt.
- 4.7 Receipts will be retained by LBRO for Her Majesty's Revenue & Customs (HMRC) and other audit purposes.
- 4.8 Optional tips and gratuities on bills which are given at your discretion will not be reimbursed by LBRO. Any receipted bills claimed which includes optional tips and/or gratuities will be reduced accordingly.
- 4.9 Where claims against receipts have been apportioned, the basis of this apportionment should be disclosed.
- 4.10 Separate arrangements may be made with a secondees employer through a Secondment Agreement, enabling reimbursement of payroll costs and expenses through an invoicing route, which may from time to time fall outside the remit of this policy. However, LBRO will endeavour to secure arrangements for expense claims which are in line with those identified under this scheme.

5. Safe Driving

- 5.1 LBRO recognises the duty of care it has in ensuring, to the best of its ability, the safety of its staff whilst driving any vehicle.

Please refer to our Safe Driving Policy for further information

6. Private Car Allowances

- 6.1 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 HMRC and used by the Department for Business Innovation & Skills (BIS). Rate applicable from 1 December 2009 for cars are shown in Appendix A, a standard

rate for the first 10,000 miles in any financial year and then a lower rate for any further miles claimed in that year. Before using a motor vehicle for business travel, employees should secure authorisation from the Director of Resources that they are an approved car user, subject to paragraphs 7 and 8 of this policy.

LBRO supports government environmental initiatives and encourages car sharing among its employees whilst travelling on business using their own vehicles. Employees providing car sharing may claim an additional allowance per passenger per mile over and above the standard rate per mile claimed (see Appendix A).

7. Ownership/Driving Licence/Tax/Insurance/MOT Certificate

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

- be the legal owner of the vehicle, or have lawful possession, having obtained permission from the owner to use the vehicle if it is not registered in your name
- hold an appropriate, current valid full UK Driving Licence
- hold a current valid Vehicle Excise Duty disc
- a valid insurance policy must be in effect and contain a clause covering your use of the vehicle for business purposes. Refer to paragraph 9 of this policy
- if applicable a valid MOT certificate
- the vehicle must be kept and maintained to comply with current legal requirements.

7.2 All documents must be produced to the Director of Resources. A copy will be held on your personnel file.

8. Insurance

8.1 You must ensure that your motor vehicle insurance policy covers, to an appropriate limit, normally £5 million, 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.

8.2 Individuals using their cars for LBRO business must have comprehensive insurance cover. LBRO accept no responsibility for damage caused to a Board member's or an employee's vehicle.

8.3 Individuals are personally responsible and liable for any parking fines (see below), speeding fines or other motoring offences they incur. LBRO will make every effort to ensure employees have no undue time or other pressure put on them that requires any motoring law to be broken.

9. Parking and tolls

9.1 You are entitled to be reimbursed for the costs of unavoidable expenses for parking and tolls (including road tolls and river ferries). Planned journey routes prior to travel should be considered, avoiding these costs where economically possible to do so.

10. Congestion Zone Charging

- 10.1 Individuals on official business in Central London are strongly encouraged to use public transport. However, if the use of a car is essential when driving on official business within the Central London charging zone, prior approval must be obtained from the Director of Resources, or from their people manager. Claims for reimbursement of the charge should be through normal travel and subsistence expenses.

11. Home to workplace journeys

- 11.1 Journeys from home to your normal workplace for attendance during normal working hours are not official travel and must not be claimed (Board members and associates, by agreement, are not classed as being based at the Axis and are able to claim these journeys). Special rules apply to secondees for whom an accommodation allowance has been agreed (see later section).

12. Travel by rail

- 12.1 LBRO is committed to providing excellent value for money, therefore individuals should seek to minimise the cost of travel by seeking out the most economically advantageous option having regard to cost and business need
- 12.2 Entitlements are standard rate fare at all times, using the best rate available. First class rail travel may only be used in the following exceptional circumstances:
- when the facilities provided in standard class do not meet business needs (such as there being no seats available for longer journeys, or where the adequacy of the seating available prevents you from carrying out your duties.)
 - if you are pregnant, and can't get a seated ticket
 - if you are suffering from a temporary or permanent disability or
 - when you need to travel overnight and use a sleeping berth.
- 12.3 Rail tickets must be booked, wherever possible, on a pre booked, closed ticket basis as early as possible to secure best discounts available. On return journeys, if the individual needs to return at an earlier or later time than stipulated on the ticket, then the additional cost is reclaimable in arrears.

13. Use of taxis, including private hire cars

- 13.1 You will only be reimbursed for the use of a taxi or private hire car 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 cost saving including any claim for subsistence or to ensure journey connection or arrival times
 - where public transport is sporadic or unreliable
 - if it is more cost effective when travelling in a group
 - or where there is a need to work or converse in a confidential environment

The maximum amount that you are entitled to claim as reimbursement is set out in Appendix A of this policy and is based on actual expenditure. The amount quoted is an indicative ceiling.

Lengthy journeys, with fares expected to be higher than the upper ceiling limit should be approved in advance by the Chief Executive or Director of Resources, and pre-booked.

14. Air travel

14.1 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 or
- the facilities provided in economy class do not meet your needs if you are pregnant or are suffering from a temporary or permanent disability.

15. Use of benefits accrued as a result of official travel

15.1 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 LBRO official business journeys.

16. Subsistence Allowances - General Rules

16.1 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 – 1) incurred during the day and 2) incurred overnight.

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

17. Day subsistence

17.1 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 receipted cost of subsistence, up to the limits set out in the policy (whichever is the lesser). Optional tipping will not be reimbursed, therefore must not be claimed.

17.2 Day subsistence cannot be claimed where:

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

18. Night subsistence

18.1 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, drinks, 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 and beverages following a 24-hour period covered by night subsistence. There are different indicative ceilings for

19. Hospitality

- 19.1 Hospitality is an important part of LBRO's engagement but must always be given in a manner which is proportionate, transparent and accountable.
- 19.2 Hospitality may be claimed where a group of people, which include guests of LBRO, meet for a meal, or during an event hosted by LBRO. Claims of this nature must be identified separately from normal subsistence claims and certain conditions apply:
- the occasion must be associated with, or form part of LBRO's engagement and delivery strategy, and as such, the occasion must have a specific and stated purpose
 - claims must be evidenced by a detailed receipt identifying meals and drinks consumed and be supported by a guest list of names and organisations attending
 - claims for alcohol with a meal are permitted, but should generally be limited to one bottle of table wine for every two people, or equivalent. Variations over and above this guideline will require specific approval from the Chief Executive or Director of Resources
 - a ratio, appropriate and proportionate to the event, needs to apply between numbers of LBRO staff to numbers of guests attending before claims can be categorised as hospitality.

(LBRO promotes sensible drinking and has a duty of care to ensure its Board, executive staff and guests remain within the law and within Government guidelines in respect of alcohol consumption. For further reference for staff and associates see the Employee Handbook sections on Office Etiquette and Disciplinary Procedure)

20. Board engagement activity

- 20.1. Board engagement activity plays an important part in LBRO achieving its strategic objectives and must always be carried out in a manner which is proportionate, transparent and accountable
- 20.2. Board engagement activity may be claimed where Board members meet together or with a member or members of staff for a meal. Claims of this nature must be identified separately from normal subsistence claims and certain conditions, similar to hospitality, apply:
- the occasion must be associated with, or form part of LBRO's engagement and delivery strategy, and as such, the occasion must have a specific and stated purpose
 - claims must be evidenced by a detailed receipt identifying meals and drinks consumed.
 - claims for alcohol with a meal are permitted, but should generally be limited to one bottle of table wine for every two people, or equivalent. Variations over and above this guideline will require specific approval from the Chief Executive or Director of Resources
 - a ratio, appropriate and proportionate to the event, needs to apply in respect of numbers attending the meal before claims can be categorised under Board engagement.

21. Expenditure beyond the upper ceiling rates

21.1. If, in exceptional circumstances, you unavoidably incur abnormally high expenses, which exceed the indicative ceiling (Appendix A), reasons must be given before the claim can be certified and paid. 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 immediately after the visit.

22. Standards of accommodation

22.1. 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, laptop use, wheelchair access)
- The location of the hotel must provide a suitable level of personal safety
- There should be reasonable security arrangements within the hotel and car park
- The surrounding areas should be salubrious with reasonable noise levels during the quiet hours.

22.2. Bookings should normally be made through LBRO Admin Team, who have the discretion to increase upper ceilings, if necessary, by £30 in London and £20 outside London.

23. Accommodation allowance for secondees

23.1. To be eligible for accommodation assistance a secondee must:

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

23.2. The scheme provides:

- a rental deposit allowance of up to £1,400 inclusive of VAT 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, inclusive of VAT, for a flat, house or serviced accommodation
- an allowance of up to £100 a month, inclusive of VAT, 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, inclusive of VAT, 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 inclusive of VAT 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).
- 23.3. 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 for these journeys.
- 23.4. LBRO has sought agreement from HMRC that payment under this scheme constitute reasonable business expenses, but in the event the HMRC assesses there is a taxable benefit, the secondee will be liable for any tax due.
- 23.5. In all cases proof of expenditure will be required.
- 23.6. The Director of Resources will approve the payment of accommodation allowance, and it will be paid as part of monthly payroll.

Appendix A

LBRO travel and subsistence upper ceiling rates, VAT inclusive, from 1 December 2009

Night subsistence - per 24 hour period, including accommodation - London	£120 per night hotel or bed and breakfast (receipted)
	Up to £40 night subsistence allowance (receipted, maximum £10 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 £10 for incidental expenses)
Day subsistence – over 9 hours	£15
Day subsistence – over 5 hours	£7.50
Taxi / Private hire fares	£20 in any one journey
Mileage allowance – first 10,000 miles (standard rate)	40p per mile
Car sharing allowance	2p per passenger, per mile
Mileage allowance – over 10,000 miles (lower rate)	25p per mile
Motorcycle allowance	24p per mile
Bicycle allowance	10p per mile

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