

1 INTRODUCTION

- 1.1 The Agency's business expenses policy aims to encourage staff to undertake any business travel in a cost effective and environmentally sensitive manner, whilst also ensuring that employees are properly and fairly reimbursed for expenses they incur while on Agency business.
- 1.2 This policy specifies the categories and circumstances under which an employee may receive reimbursement for expenses incurred for appropriate business purposes on behalf of the Health Protection Agency. This policy also covers the procedures to be followed when claiming such expenses, and the amounts that can be claimed.
- 1.3 For the purposes of this policy, 'employee' should be taken to mean any individual engaged on Agency business; including agency staff, secondees, honorary contract holders, non-executive Board members and advisers, and committee and sub-committee members. This policy will also apply to arrangements that are organised by any Agency department or member of staff on behalf of any employee or groups of employees.
- 1.4 This policy should be read in conjunction with other related policies, whilst not an exhaustive list these include; 'the driving policy', 'staff working off-site' and 'travelling abroad, working abroad'.
- 1.5 Nothing in this policy supersedes any specific contractual entitlements applicable to HPA staff.
- 1.6 The arrangements for reclaiming excess travel and relocation expenses are outside the scope of this policy. Employees should refer to the relevant HR guidance for claiming these items and can seek specific advice from their local HR manager.

2 GENERAL PRINCIPLES

- 2.1 The basic principle is that, subject to the limits and thresholds set out in this policy, employees are entitled to relief for the costs they are obliged to incur travelling in the performance of their duties or travelling to and from a place they have to attend to in the performance of their duties, as long as the journey is not ordinary commuting or private travel.
- 2.2 This policy endeavours to set rules for claiming business expenses which are comprehensive, simple to understand and comply with, simple to administrate and structured to avoid any unnecessary taxation complications.
- 2.3 All travel plans should be approved in advance by line managers. Travel should normally be via the most direct and cost effective route. Should an employee choose another route/ mode of transport, the employee will be required to meet any additional travel costs.
- 2.4 Employees and their line managers have a duty to assess the potential risk of any travel plans and should make appropriate health, safety and security arrangements. All staff who are required to travel should have regard to the 'Staff working off-site' policy and employees travelling overseas should have particular regard to the 'Travelling abroad, working abroad policy'. (See the Health and Safety Handbook for further details on these policies).

3 TRAVEL WITHIN THE UNITED KINGDOM

- 3.1 When an employee is required to travel on Agency business, the reasonable additional costs of the travel may be claimed. Whenever possible employees should travel by public transport; e.g. train, coach or bus.
- 3.2 However, there may be valid reasons where travel by public transport is not practicable. Possible instances of this include the following:
 - a) Health , safety and security considerations;

- b) Carrying equipment or other loads;
 - c) The destination is not covered by public transport;
 - d) Travelling times would be excessive;
 - e) It is not cost effective.
- 3.3 When public transport is not used, the employee may use an Agency-owned vehicle, a hire car, an employee-owned vehicle or a lease car. For environmental reasons, air travel within the UK is not normally encouraged unless economies or other efficiencies may be demonstrated.
- 3.4 Employees who are in receipt of a lease car (see below) will normally be expected to use this car for their business travel. Employees who undertake a significant amount of business travel within the UK may be entitled to a 'Regular User Allowance' to contribute to the cost of running their car. Details of the Regular User Allowance arrangements are given below. Employees who are in receipt of a Regular User Allowance will normally be expected to use their own car for their business travel.
- 3.5 Employees should be aware that the Agency will not reimburse travel insurance costs for business journeys within the UK and individuals will need to make their own arrangements at their own cost for any such insurance, should they feel the need for this. This does not represent a limitation on the Agency's liability and the Agency will meet any costs for which it is liable.

Public transport costs

- 3.6 Many parts of the Agency have arrangements in place that allow advance booking of travel and subsequent payment directly by the Agency. These arrangements should be used whenever possible as discounted rates and preferential terms may have been negotiated. When an employee needs to pay for his / her own travel costs then the costs will be reimbursed in line with this policy. In all cases, advance booking options which offer discounted travel costs and pre-booking of standard class seats should be exploited wherever possible.
- 3.7 Travel should be in standard class, although first class travel may be justifiable in exceptional cases. It is acknowledged that some employees have a contractual right to first class travel. However, all employees are encouraged to use standard class wherever possible.

Use of employee-owned vehicle

- 3.8 Where use of public transport is practicable, but an employee chooses to use his/her own vehicle, then mileage may be claimed at the public transport rate (see Appendix 1). However, where use of public transport is not considered practicable (see para 3.2 above), mileage may be claimed at the higher rate (see Appendix 1).
- 3.9 Mileage reimbursement for employees who are based at a specific location (contractual base) should be compiled on the basis of the mileage which would have been travelled if the journey had started and finished at the contractual base, or the distance actually travelled if this is less. If you are uncertain as to your designated contractual base, this may be obtained from HR.
- 3.10 Mileage reimbursement for employees who are contractually based at home for mileage purposes should be compiled on the basis of the most direct route from their home to all places necessarily visited on duty and back to their home.
- 3.11 Any employee using their own vehicle whilst on Agency business should ensure that the vehicle is properly insured for business travel and otherwise complies with all legal requirements (e.g. is properly taxed and MOT'd). Insurance for business travel can usually be included in standard insurance policies free of charge or at minimal extra cost. The mileage rate reimbursed by the Agency is deemed to include any additional cost of the insurance cover for business travel, as well as a contribution to cover wear and tear on the vehicle as a result of the business mileage. No additional claim to the Agency may be made in respect of these, or similar items. Under no circumstances will the HPA be held responsible for any costs relating to repairs of a vehicle which

has been damaged whilst on HPA business, unless the damage is caused by the negligence of the HPA. This includes no responsibility for any excess payments not covered by the employee's insurance policy or any consequential loss of no claim bonuses.

Agency-owned vehicle

- 3.12 Some parts of the Agency have pool cars that may be available for employees to use when travelling on Agency business. Where available, this facility should be used before an external hire car is considered. Pool cars should not be used for normal home to work travel.
- 3.13 When using an Agency-owned vehicle,, expenditure on fuel will be reimbursed subject to the submission of an authorised claim fully supported by receipts.

Use of hire cars

- 3.14 Employees may, where it is cost effective to do so and where they have prior approval from their line manager, hire an appropriate car for the purposes of business travel. This should be done through the normal purchasing process in order for any Agency contracts to be exploited and in order for payment to be made directly by the Agency.
- 3.15 Where a car needs to be hired at very short notice and it is not possible to go through the Agency's normal purchasing processes, then the employee may, with prior approval of the line manager, make their own arrangements and then submit a claim for reimbursement. Any claim for reimbursement must be fully supported by receipts.
- 3.16 When using a hire car, expenditure on fuel will be reimbursed subject to the submission of an authorised claim fully supported by receipts.

Lease Cars

- 3.17 If a permanent employee is occupying a post that requires a significant level of travel, then the employee is eligible to apply for an Agency lease car. Local arrangements currently operate for lease cars and these are unchanged by this policy. An Agency-wide policy for lease cars is under development.
- 3.18 Employees who are in receipt of a lease car will normally be expected to use this car for their business travel.
- 3.19 When using a lease car, employees may claim mileage at the lease car rate, as set out in Appendix 1.
- 3.20 The principles for claiming mileage reimbursement are the same as if the employee was using his/her own vehicle and hence are as set out at paragraphs 3.9 – 3.11 above.

Regular User Allowance

- 3.21 Permanent employees who are required to undertake a significant amount of business travel within the UK may be entitled to a 'Regular User Allowance' to contribute to the cost of running their vehicle. The Regular User Allowance is a non-pensionable, taxable lump sum and is paid to the employee via the monthly payroll, at the rates set out in Appendix 1.
- 3.22 Employees who are in receipt of a Regular User Allowance are also entitled to claim reimbursement for business mileage at the adjusted mileage rates set out in Appendix 1.
- 3.23 The detailed eligibility criteria and administrative arrangements for the Regular User Allowance are set out in Appendix 2.
- 3.24 Employees who are in receipt of a Regular User Allowance will normally be expected to use their own car for their business travel within the UK. It is the responsibility of the employee to ensure that their vehicle is properly insured for business travel and otherwise complies with all legal requirements (e.g. is properly taxed and MOT'd).

4 OVERSEAS TRAVEL

- 4.1 No overseas travel on Agency business may be undertaken without the prior approval of the Divisional or Centre Director. In approving instances of overseas travel, the Director must take all relevant steps to satisfy themselves that the trip is:
- a) properly planned, with appropriate and cost effective travel and accommodation arrangements in place. Any anticipated expenditure in excess of the maximum UK rates (see paragraph 4.6 below) should be included within this approval;
 - b) in the best interests of the Agency and is in furtherance of the Agency's stated objectives; and
 - c) is a proper and effective use of Agency resources.
- 4.2 Centre and Divisional Directors are responsible for notifying all instances of approved international travel to the International Office on a regular basis. (See the International Handbook for further details).
- 4.3 Employees travelling by air, for both European and long haul flights, should travel economy class. Economy flights on budget airlines should always be investigated before other arrangements are made. In exceptional circumstances, where suitable economy class fares are not available or are otherwise inappropriate, business class may then become permissible. First class air travel is not permitted for Agency-funded travel.
- 4.4 In accordance with HM Treasury rules, any 'frequent flyer' benefits accrued while travelling on Agency business may not be used by employees for any subsequent private travel arrangements, but may be used for Agency business.
- 4.5 When another organisation undertakes to pay travelling and subsistence expenses in whole or in part, the employee is responsible for submitting proper and timely claims on behalf of the Agency. Where possible, reimbursement should be made direct to the Agency. Where reimbursement is made direct to the employee, the Agency should be promptly repaid for any expenditure it has incurred.
- 4.6 Expenses incurred whilst travelling overseas will be reimbursed up to the maximum levels set by the Foreign and Commonwealth Office, subject to the production of receipts where appropriate. Copies of the Foreign and Commonwealth Office rates are available to local offices from the International Office. Where more than one rate is quoted for a particular destination, the 'Class B' rate will apply.
- 4.7 Employees travelling overseas on behalf of the Agency should have appropriate travel insurance. Insurance in some parts of the Agency is covered by a group policy. Where this is not available, the employee will need to take out commercial insurance and the receipted costs of this insurance will be reimbursed by the Agency. A HPA-wide insurance for overseas travel is currently being arranged, but until such time as this is in place, these existing local arrangements should continue.
- 4.8 In addition to the travel insurance referred to above, employees travelling within the European Union should travel with a European Health Insurance Card (this replaced the E111 form in 2005). This entitles the holder to free or reduced cost medical treatment within European Economic Area (EEA) countries and Switzerland. European Health Insurance Cards can be applied for on-line, via the following link: www.ehic.org.uk/InternetPROD/home.do .
- 4.9 Queries on any aspect of international travel should be directed to the International Office.

5 SUBSISTENCE ALLOWANCES

5.1 This section sets out guidance on reimbursement for necessary business costs, meals and accommodation arising as a result of official duties away from home.

5.2 The schedule of allowances is set out in Appendix 1.

Short overnight stays in hotels, guest houses and commercial accommodation

5.3 When an employee stays overnight in a hotel, guest house, or other commercial accommodation with the Agency's agreement, the actual receipted cost of bed and breakfast is payable up to a maximum set out in Appendix 1. 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 Agency's discretion and with the prior approval of the employee's line manager.

5.4 Where meals are not provided, an allowance for meals is also claimable, as set out in Appendix 1.

Short overnight stays in non-commercial accommodation

5.5 Where an employee stays for short overnight periods with friends or relatives, or in other non-commercial accommodation, the flat rate sum set out in Appendix 1 is payable. No receipts will be required for this flat rate sum.

5.6 It should be noted that, unlike other expenses items, the non-commercial accommodation allowance is taxable. In order to swiftly reimburse employees, claims for this allowance may be made through iExpenses. These payments are treated as an advance at a flat rate. Therefore, the amount shown is gross, and the net payment received will depend on individual circumstances.

5.7 In addition to the flat rate sum, employees staying in accommodation provided by the employer or host organisation shall also be entitled to a meal allowance, to cover meals which are not provided free of charge. Receipts will be required for this allowance, which is for amounts up to the sum shown in Appendix 1. It should be noted that, in line with Agency policy, expenses claims for alcohol cannot be reimbursed under any circumstances.

Travelling overnight in a sleeping berth (rail or boat)

5.8 The cost of a sleeping berth and meals will be reimbursed subject to the production of receipts.

Short-term temporary absence travel costs

5.9 Travel costs between hotel and temporary place of work will be reimbursed on an actual cost basis.

Long-term overnight stays

5.10 After 30 nights' stay in the same location, overnight rates shall be renegotiated as appropriate with the provider and paid directly. Meals allowances are not normally payable to these employees. Employees staying in non-commercial accommodation will continue to be entitled to the rates set out in Appendix 1.

Day subsistence

5.11 Meals allowances are payable when an employee is on official business more than five miles from their contractual base by the shortest practicable route. Meals allowances are not payable where meals are provided free at a temporary place of work. Rates are set out in Appendix 1.

5.12 It should be noted that the subsistence allowances are intended to cover additional amounts which are over and above what the individual would spend on a daily basis while at their base and meals allowances are payable only when an employee necessarily spends more on meals than would have been spent at their place of work. An employee shall certify accordingly on each occasion for which allowances are claimed, but a receipt is not required.

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- 5.13 To claim a meal allowance an employee should be away from his/her contractual base for a period of more than five hours. To claim a second meals allowance, an employee should be away for more than ten hours.
- 5.14 The cost of any alcoholic beverages consumed will not be reimbursed by the Agency under any circumstances.
- 5.15 If you have claimed for overnight absence, you may claim the relevant day subsistence for the second and any subsequent days of travel. In these cases, the time away from base is deemed to start at 9am.

6 INCIDENTAL AND OTHER EXPENSES

Incidental expenses

- 6.1 An incidental expenses allowance at the rate set out in Appendix 1 will be payable to cover small items of personal expenditure that may be incurred when the employee stays away overnight on Agency business. This allowance is set at a flat rate and no receipts are required.
- 6.2 The incidental expenses allowance is deemed to cover such items as phone calls home, newspapers, non-alcoholic drinks, laundry costs etc. No separate expense claim should be submitted for items of this nature,

Other expenses

- 6.3 Where possible, any other expense items should be procured through the Agency's usual procurement route, as this will enable the items to be accounted for properly and payment to be made directly. However, from time to time, employees may incur other genuine expenses whilst carrying out Agency business. These will be reimbursable, subject to the submission of an authorised, receipted claim. Such expenses might include:
- a) Visas or related travel documents necessary for travelling on Agency business;
 - b) Telephone, telegraph and fax expenses relating to Agency business. This may include the costs of e-mail and telephone time relating to the use of laptop computer time when on Agency business;
 - c) Parking fees, congestion charges and road tolls.
- 6.4 If there is any doubt as to whether an expense item may be claimed, prior approval should be obtained from the line manager before the expense is incurred.
- 6.5 Fines and penalties, including those for parking, are not reimbursable.

7 REIMBURSEMENT AND AUTHORISATION

- 7.1 Travel plans must be approved in advance by line managers.
- 7.2 Employees should seek reimbursement for business expenses within one month following the month when the expense was incurred. For year end purposes, expenses incurred in March should be claimed within 7 days of 31 March. Claims should be submitted for authorisation to the budget holding authority using the approved claim documentation, and must be accompanied by all receipts where required. Failure to provide receipts may result in non-payment of claims. Upon termination of employment, employees must submit any outstanding expenses claim to the authorising manager within one month of their termination date.
- 7.3 Timely submission and approval of expenses is critical, as it strengthens the effectiveness of the control and approval process and also enables prompt and proper accounting of expenditure.
- 7.4 Employees who fail to submit a claim within the specified period may be required to submit additional evidence in support of their claim. Additional evidence could include such items as diary

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extracts and records of meetings attended. Any expenses more than 3 months old will require approval by the Centre/ Divisional Director.

- 7.5 Misrepresentation of expense claims or fraudulent expense claims will be regarded as gross misconduct under the Agency's Disciplinary Policy.
- 7.6 Employees who are required to undertake a significant amount of travel and who may be temporarily inconvenienced by the level of expenses incurred, may be entitled to an advance of their anticipated travel expenses. Employees who would like to receive an advance should seek guidance from their local HR manager.
- 7.7 Employees must contain their expense allowances within the limits specified here. Any variation from these allowances will need to be specified in the relevant expense claim and initialled by the authorising line manager, subject to receipt of a satisfactory explanation.
- 7.8 Standard forms for claiming expenses and mileage are attached at Appendix 3.
- 7.9 The processes for reimbursement and authorisation of expenses will be reviewed when the self-service expenses module on the Finance and Resources Management System is implemented.

REIMBURSEMENT OF TRAVEL COSTS

Public transport mileage rate – own car

	All engine sizes
Applicable where own car is used but public transport would be more cost-effective or business efficient	24p

Mileage rates – own car

	All engine sizes
Car: on the first 10,000 miles in the tax year	40p
Car: on each additional mile over 10,000 miles in the tax year	25p
Passenger allowance for each passenger	5p
Motor cycles	24p
Pedal cycles*	20p

*NB. For tax reasons, employees using a cycle obtained through the 'Cycle to work' scheme may not claim mileage for business travel for the first year of the scheme. See the 'cycle to work scheme' details for further information

Regular User mileage rates – own car

Engine Capacity	up to 1000cc	1001 to 1500cc	over 1501cc
Up to 10,000 miles	29.7p	36.9p	40.0p
Over 10,000 miles	17.8p	20.1p	20.5p

Regular User Allowance lump sum

Engine Capacity	up to 1000cc	1001 to 1500cc	over 1501cc
Lump sum (taxable)	£508	£626	£760

Mileage rates – Agency leased cars

Engine Capacity	up to 1400cc	1401 to 2000cc	over 2001cc
Petrol car	10p	12p	17p
Diesel car	11p	11p	14p
LPG car	7p	9p	12p

REIMBURSEMENT OF SUBSISTENCE

Overnight absence – within the UK

Period of absence	Amount £ (actual receipted expenditure up to the rate of, unless otherwise indicated)
Bed and breakfast (first 30 nights outside M25)	£80.00
Bed and breakfast (first 30 nights inside M25)	£100.00
Evening meal allowance	£22.50
Non Commercial Night Allowance	£50.00**
Overnight incidental expenses allowance (within the UK)	£5.00*

*Indicates flat rate, receipts not required

**Indicates flat gross rate, receipts are not required. This payment is taxable.

Overnight absence – overseas

Period of absence	Amount £ (actual receipted expenditure up to the rate of, unless otherwise indicated)
Meals and accommodation	FCO rates
Overnight incidental expenses allowance (while overseas)	£8.40*

*Indicates flat rate, receipts not required

Day subsistence

Period of absence	Rate
Meal Allowance (five or more hours away, from base)	£5.00*
Meal Allowance (more than ten hours away from base)	£10.00*
Meal allowance (more than ten hours away from base and return after 7pm)	£15.00

*Indicates flat rate, receipts not required

REGULAR USER ALLOWANCES

1 ELIGIBILITY CRITERIA

1.1 Employees who, during the course of their duties, are required to undertake a significant amount of business travel within the UK may be entitled to receive a Regular User Allowance. For these purposes, a 'significant amount of business travel' is deemed to be:

a) Travel an average of more than 3,500 miles a year;

OR

b) Travel an average of at least 1,250 miles a year;

AND

i. Necessarily use their car an average of three days a week;

OR

ii. Spend an average of at least 50% of their time on such travel (including the duties performed during the visits);

OR

iii. Travel an average of at least 1,000 miles a year and spend an average of at least four days a week on such travel (including the duties performed during the visits).

1.2 If there is a change in an employee's duties, or if the annual official mileage falls below that on which a regular user classification was based, the continued application to the employee of the regular user provisions shall be reconsidered. Any decreases in the annual official mileage or the frequency of travel which is attributable to either prolonged sick leave or the temporary closure of one place of duty should be ignored for this purpose. It is the responsibility of the employee to keep track of the business mileage undertaken and to notify their line manager if the annual official mileage falls below that on which a regular user classification was based.

1.3 Only permanent employees will be considered eligible for a regular user allowance.

1.4 Employees who are in receipt of a Regular User Allowance will normally be expected to use their own car for their business travel within the UK. It is the responsibility of the employee to ensure that their vehicle is properly insured for business travel and otherwise complies with all legal requirements (e.g. is properly taxed and MOT'd).

2 ADMINISTRATIVE ARRANGEMENTS

Payments

2.1 Payments of the annual lump sum allowances will be made in equal monthly instalments over a period from 1 April in any year to 31 March in the succeeding year.

Starters/ Leavers

2.2 Employees who commence or leave the Agency's employment during the financial year (1 April to 31 March) will receive a proportion of the lump sum allowance which is directly proportionate to a full year's allowance. Part months of service will be regarded as complete months for this purpose.

Car out of use

- 2.3 Where employees entitled to the regular user allowance do not use their car as a result of mechanical defect or absence through illness, the lump sum payment will be paid for the remainder of the month in which the car was out of use and for a further three months thereafter. For the following three months, payment will be made at the rate of 50% of the lump sum payment. No further payments will be made if the car is out of use for six months or longer.
- 2.4 During the period when the car is “off the road” for repairs, the Agency will meet, in accordance with the business expenses policy, out of pocket expenses in respect of travel by other forms of transport.
- 2.5 Where employees entitled to the regular user allowance do not use their car as a result of attendance on an approved training course, the lump sum payment will continue to be paid throughout the period of attendance on the approved training course.

Maternity Leave

- 2.6 Where an employee commences a period of maternity leave, the lump sum payment will be paid for the remainder of the first month of maternity leave and for a further three months thereafter. Payment will be made at the rate of 50% of the lump sum payment for a further three months or until the end of maternity leave, whichever is less. No further payment will be made if the maternity leave continues for six months or longer. For those employees not intending to return to work, the payment of the lump sum will be limited to the period of paid maternity leave.

3 APPLICATION FOR REGULAR USER ALLOWANCE

- 3.1 Employees who think they may be eligible for the regular user allowance should apply to their budget manager. Your local HR manager will review the application to ensure eligibility and, once approved, will make the necessary payroll arrangements.