

1 INTRODUCTION

- 1.1 This section of the Finance Handbook sets out the expenses and allowances that may be claimed by non-executive Board members and members of Board Committees who are not members of staff.

2 GENERAL CONDITIONS

- 2.1 In claiming expenses, non-executive Board members and Committee members shall certify that:
- a) so far as travelling expenses are concerned, any amounts specified in the claim were actually and necessarily incurred and that any mileage specified was actually and necessarily covered;
 - b) any claim in respect of deputising expenses or financial loss is in respect of actual financial loss or the cost of cover;
 - c) so far as subsistence expenses are concerned, they were necessarily incurred and that periods of absence and details of meals taken are specified in the claim.
- 2.2 When a non-executive Board member or Committee member is entitled to receive allowances in relation to the performance of duties as a member of more than one board or committee, the total allowances paid should not exceed the rate that would be payable had all the duties been performed for only one of those bodies.
- 2.3 There is no discretion to pay at rates other than those laid down in this guidance.
- 2.4 There may be a liability to tax relating to some of the allowances paid. Non-executive Board members and Committee members should seek the advice of their local Inspector of Taxes as circumstances will vary for each individual.

3 TRAVELLING EXPENSES

Mileage rates – using own vehicle

- 3.1 When non-executive Board members and Committee members travel on Agency business and use their own vehicle they may claim mileage at the rates set out in Appendix 1.

Public transport costs

- 3.2 Non-executive Board members and Committee members may claim the receipted cost of travel on public transport. Travel should be in standard class, although first class travel may be acceptable in exceptional cases. Advantage should be taken of any reduced fares available. Where appropriate, additional receipted costs can be claimed in relation to:
- a) a seat reservation;
 - b) storage of luggage; and
 - c) sleeping accommodation on an overnight journey.
- 3.3 In case of urgency, receipted costs in relation to taxi fares and any reasonable gratuity may be claimed where no public transport is reasonably available, or where the use of public transport is otherwise impractical.
- 3.4 For environmental reasons, air travel within the UK is not normally encouraged unless economies or other efficiencies can be demonstrated. When travel by air is appropriate, the receipted costs of a flight and any airport taxes may be claimed.

4 SUBSISTENCE

Day subsistence

- 4.1 An allowance may be paid to non-executive Board members and Committee members when absent from home on necessary Health Protection Agency business for more than five hours, when appropriate refreshments have not otherwise been provided. The rates payable are set out in Appendix 1.

Overnight absence

- 4.2 Non-executive Board members and Committee members may claim expenses for an overnight absence when their work requires them to be away from home. Actual receipted costs will be reimbursed up to the rates set out in Appendix 1.
- 4.3 Receipted costs for bed and breakfast under a commercial arrangement may be paid at a higher rate when appropriate (e.g. no accommodation is available at the usual rates). Payment of an allowance under this arrangement is at the discretion of the Agency and should be authorised by the Board or Committee Secretary before the expense is incurred.
- 4.4 A non-commercial overnight subsistence rate applies when non-executive Board members or Committee members stay with friends or relatives while away from home on Agency business.

5 NON-EXECUTIVE BOARD MEMBERS DAILY ALLOWANCE

- 5.1 Non-executive Board members are remunerated for their normal Board duties as set out in their appointment documents. However, from time to time, non-executive Board members may be asked to perform work which is outside their normal Board duties. This work can be classified in the following three ways:
- a) Chairing recruitment panels for medical appointments (for the avoidance of doubt, it is however expected that Board members will participate in a small number of senior level staff interview panels as part of their normal responsibilities);
 - b) Serving as a panel member for final stage grievance and disciplinary hearings;
 - c) Consultancy work;
 - d) Serving or acting as an observer on the Board (or similar) of other organisations as a representative of the Agency and no payment is received for this from the other organisation.
- 5.2 Before a non-executive Board member accepts any form of consultancy work outside their main Board duties, they should carefully consider whether the work represents or may appear to represent a conflict of interest with their Board duties.
- 5.3 Detailed guidance on the boundaries of the non-executive role may be found in the NHS Appointments Commission's publication "Governing the NHS – a guide for NHS Boards". The key elements of this are as follows.
- "Such is the dedication of many non-executives that some are drawn into other areas considerably beyond their normal Board duties. This may have serious implications. Far from adding to the governance of the organisation, it can detract from it. Too much involvement makes it harder to see the whole system in an objective way. Non-executives have many skills to offer, but these need to be properly channelled into strategy, scrutiny and constructive challenge rather than substituting for, or supplementing, executive effort. To add most value, the non-executive's duties should not extend into operational matters. For example, they should not take total responsibility for communication with the public, they should not substitute for weaknesses in the executive team, and they should not need to spend time in policy committees or shadowing executive directors simply to "find out what's going on". It is important that non-executives understand that they are appointed with a mandate to assist the Board in governance rather than to act in the representative capacity that would be more appropriate for someone who had been elected to office. By focussing on strategy, scrutiny of performance and the tasks associated with clinical governance, risk and financial management, the governance of the organisation will be far more secure and enriched."*
- 5.4 Consequently, any work to be undertaken by non-executive members in addition to their normal Board duties (for which extra payment may or may not be claimed) in respect of categories c) and d) above must be authorised by the Chief Executive before the work is carried out.
- 5.5 The time that may be claimed by non-executive members in respect of the work under categories a) and b) above will be agreed with the Director of Human Resources. This time will be based on an assessment of the preparatory time required plus the time required on the day of the medical appointments board or the grievance or disciplinary hearing.
- 5.6 Any payments in respect of this daily allowance will be disclosed in the Agency's annual accounts.
- 5.7 The rate for this allowance is set out in Appendix 1. This allowance will be treated as additional pay and will be subject to the normal PAYE rules.

6 DEPUTISING EXPENSES / FINANCIAL LOSS ALLOWANCE

- 6.1 This allowance can only be paid to unpaid members of committees. Non-executive Board members of the Agency are remunerated for their Board duties including attendance at Board committees and therefore this allowance does not apply to non-executive Board members.
- 6.2 Deputising expenses can be claimed to reimburse the cost of employing a person to provide cover or substitution while the Committee member is engaged on Agency business. Claims must be accompanied by certified documentary evidence of the cost of the cover.
- 6.3 Alternatively, Committee members may claim a financial loss allowance to reimburse actual loss of earnings (excluding casual overtime earnings) resulting from undertaking Agency business. All claims must be accompanied by certified documentary evidence of actual loss of earnings.
- 6.4 In no circumstances can a deputising allowance and financial loss allowance be claimed simultaneously.
- 6.5 The rates payable are set out in Appendix 1.
- 6.6 The total amount payable under these provisions (either to cover deputising expenses or as a financial loss allowance) is set out in Appendix 1.

7 CARER EXPENSES

- 7.1 Actual carer expenses (i.e. for children or elderly or infirm relatives) incurred whilst non-executive Board members or Committee members are absent from home on Board or Committee business may be claimed.
- 7.2 All reasonable and receipted expenses will be reimbursed.

8 CLAIMING BUSINESS EXPENSES

- 8.1 Non-executive Board members and members of Board Committees may claim business expenses by completing the appropriate form (Appendix 2) and submitting the form to the Secretary to the Board (for non-executive Board members) or the Committee Secretary for members of Committees.

APPENDIX 1

Mileage rates

	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

Day subsistence

Period of absence	Rate £
5-10 hours	£5.00*
Over 10 hours	£10.00*

*indicates flat rate, receipts not required

Overnight absence

Period of absence	Rate £ (actual receipted expenditure up to the rate of, unless otherwise indicated)
Bed and breakfast (outside M25)	£80.00
Bed and breakfast (inside M25)	£100.00
Evening meal allowance	£22.50
Non-commercial night allowance	£25.00*
Overnight incidental expenses allowance	£4.20*

*indicates flat rate, receipts not required

Deputising expenses / financial loss allowance

	Rate £ (actual receipted expenditure up to the rate of)
Daily rate payable	£278.00
Maximum yearly amount	£5,673.00

Non-executive Board members daily allowance

Daily rate payable	£278.00*
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*indicates flat rate, receipts not required