



HM Treasury



United Kingdom
Debt Management
Office

HM Treasury Group – travel and expenses policy

including guidance on travel,
subsistence, entertainment
and hospitality, gifts and other
expenses claims

June 2013



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1

Introduction and general principles

Welcome to the HMT travel and subsistence manual. This manual provides details of the principles, rules and procedures relating to travel and subsistence for HMT staff. A short version of this manual, summarising the key points can be found at Annex A.

1.1 The Civil Service Code states that civil servants must “make sure public money and other resources are used properly and efficiently:”

- The Civil Service Management Code sets out specific guidance on the principles that departments should apply to expenses;
- S 8.1.2a: “Departments and agencies must reimburse staff only for expenses which they actually and necessarily incur in the course of official business”; and
- S 8.1.2c: “Departments and agencies must ensure that their rules provide for claiming recompense, including verification and authorisation”.

1.2 These principles build on the Management Code and should be applied irrespective of the type of expense involved:

- only costs which are necessary and additional to normal daily expenditure should be reimbursed;
- departments will reimburse actual costs only (within limits to be agreed by each department);
- all claims for expenses should be receipted and independently approved;
- audit processes should be in place to review claims on the basis of risk, quantum, nature of expense, or random selection;
- departments should manage reimbursement by exception rather than by reference to entitlements – i.e. policies should not cover every eventuality (which risk setting precedents that are later difficult to address) but require explanations of out of policy actions for the circumstance of a particular claim;
- claims should include a clear business reason where travel is other than standard class; and
- line managers should oversee the frequency of travel and associated expenses.

1.3 In any cases of doubt as to how the rules apply in a particular case, advice should be obtained from Finance Operations before expenditure is incurred. Any exceptions to the requirements set out below must be agreed in writing with Finance Operations. Otherwise any incurred expenses may not be reimbursed.

1.4 HMT will reimburse staff for expenditure necessarily incurred on travel and subsistence (T&S) in the course of official business. Staff are responsible for ensuring that no unnecessary costs are incurred and that HMT receives good value for money.

1.5 Ministers and Special Advisers: Expenses and travel claims for Ministers and Special Advisers should also follow the principles in this manual as far as possible. Claims made outside this policy will only be allowed where they can be shown to be within relevant provisions of the Ministerial Code or Code of Conduct for Special Advisers (available from the Cabinet Office website). A summary of the provisions of these Codes is included at Annex B.

1.6 Further information on these principles can be found at Annex C.

Travel tips

1.7 Before incurring expenses, travellers should ask themselves “Do I need to make this journey?” Further information on these principles can be found at Annex D.

Claims

1.8 Reimbursement of UK travel and subsistence expenses, including detached duty and permanent transfer costs, is to be claimed via the iExpenses module of Oracle Financials. Claims should be made as soon as possible on completion of the travel and always within one month. Claims can be made after each journey. Specific arrangements are available for anyone on long-term absence; please contact Finance Operations for advice. Failure to action a claim in iExpenses within 90 days will result in auto-deletion of the claim from the system. Any claims submitted after three months may be declined for payment and will, in all cases, require an explanation for delay in submission.

1.9 Remember to make sure that you keep your receipts if you intend to claim, without them a claim may be refused. In the event that you have mislaid or been unable to obtain a receipt you must ensure that you tick the relevant box on your iExpenses claim, as this will ensure payment isn't delayed and clearly state the reason for absence of a receipt.

1.10 Claims may be rejected (and payment delayed) if they are not properly authorised.

1.11 Responsibility for accuracy of claims rests with the claimant and line management. The role of Finance Operations is to process claims in accordance with the guidelines and provide management information.

Corporate cards – for T&S use

1.12 A convenient method to pay T&S expenses is to use the facilities offered by the HMT's official corporate payment card. This card acts in the same way as a normal credit card when paying T&S related bills. Transactions incurred on the card will auto-populate your claim in iExpenses, making the claim process less onerous. Please contact Finance Operations if you wish to apply for a corporate card.

Other miscellaneous expenses

1.13 Section 3 outlines which miscellaneous expenses may be claimed through iExpenses. Other miscellaneous business expenditure should be handled in accordance with normal procurement arrangements (the use of the GPC card and/or purchase requisition process in iProcurement) and must not be included as part of a T&S claim.

2

Travel expenses

2.1 Staff must make maximum use of travel facilities that offer best value for money e.g. timed trains cheap day returns, booking single tickets where these are more cost effective and/or season tickets Full guidance on Hogg Robinson travel can be found at the HRG Portal.

2.2 Staff should endeavour to purchase all rail tickets through Hogg Robinson who are also responsible for the supply of air tickets (as this will help secure or increase the volume discounts HMT has with this organisation) and who will provide you with a higher level of associated services you may expect from a travel agent. It also ensures that we can exercise our duty of care to staff as, in case of a disaster, the supplier can provide travel information for all employees who have booked with them. The department also receives a share of commission, has access to Government Air Programme (GAP) and other discounted fares, for air and it gives us access to full management information to enable us to answer PQs and FOIs accurately.

2.3 However, you may book independently where this provides better value for money (vfm). In making the vfm judgement your independent ticket should be about 10 per cent cheaper than the HRG alternative as we will be foregoing the central discount. If you do book independently please remember that, should you encounter problems (e.g. flight cancellations or missing your flight) you will have to deal with the consequences yourself. The approved method of payment for independently booked tickets is personal credit card, because of the additional cover this provides, and reimbursement can be claimed in the usual way through iExpenses. If tickets have to be purchased locally receipts should be retained and submitted with the submission page printed from iExpenses.

2.4 Any general problems with the service provided should be raised direct with HRG. In cases where you have not been able to obtain a satisfactory solution direct, please pass full details of the case to the P2P Team.

2.5 Where travel arrangements are outside the policies set out below or under an exception in paragraph 2.7, line manager approval must be sought before travel. Further information is at Annex E.

Travel by rail, sea, air and taxi on official business

Rail travel

2.6 When travelling by rail you must always travel standard class, preferably pre-booking your tickets to travel on specific (timed) trains. You may only book an open ticket if you have no way of knowing what time your meeting will finish. In this case, you should still book a restricted (set time) ticket for your outward journey.

2.7 Exceptionally first class travel can be booked if the following apply:

- your train journey is longer than three hours. This does not include any time spent waiting for, or changing, trains or getting to the train station, even if this is from your home;

- where there are no standard class facilities to accommodate disabled or other special needs requirements under reasonable adjustment guidelines;
- where there are serious security concerns; and
- where the overall cost of the first class ticket is less than the overall cheapest ticket for standard class. Evidence (such as a screen shot from the booking page) must be retained for audit purposes.

2.8 When travelling by Eurostar staff are encouraged to book standard/economy tickets in advance. As the journey time to Brussels is normally under two hours, staff are expected to travel standard class. Euro Leisure select or fully flexible Business Premier tickets may be available at a discounted cost, but staff may only book these tickets with the support of a business case authorised by their line manager (reference Annex E).

OYSTER cards

2.9 Staff using a 'pay as you go' Oyster card for business travel should not top up the card for more than £20.00 at a time. A receipt should be obtained at the time of topping up, which can be submitted with the claim for reimbursement with a note detailing who was visited and explaining the business purpose. The card should be registered to protect the department against loss. Staff that regularly make business journeys, requiring the use of an Oyster card should have their own business card. Infrequent travellers may use a team card but must remember to maintain a record of the destination and purpose of the journey for tax and audit purposes.

2.10 The work Oyster card should not be used for personal journeys, such as travel in the evening to attend the theatre or for home to office travel. If a member of staff travels from a business meeting to their home (or vice versa), only the excess over the cost of their normal travel to work can be claimed.

2.11 Staff who have an Oyster card, to pay for their home to office travel, may use this for business purposes but will need to produce a receipt or statement, highlighting the specific journey, when claiming reimbursement.

Air travel

2.12 The class of air travel is governed by:

- the airlines' fare structure on the various routes; and
- the duration of the flight.

2.13 The guidelines in the following table are to be applied.

Flight duration	Up to six hours	Over six hours
Class	Economy	Business

2.14 It is expected, on a journey over six hours, on value for money grounds, that staff will consider using economy, or premium economy or world traveller plus fares if these are available on the required route.

2.15 Air miles and similar benefits earned through official travel should not be used for private purposes. Staff in receipt of air miles or other frequent flier scheme points can use them for official purposes to "purchase" enhanced facilities such as seat upgrades, and as members of

such schemes, may use certain facilities such as special departure lounges and priority booking arrangements.

Taxi travel

2.16 Use of taxis is not an entitlement and official journeys should be made by public transport, particularly in London.

2.17 Taxi fares may be claimed where no suitable public transport is available, where travelling in an unknown locality, public transport is infrequent or where the saving in official time is important. Use of a taxi must be pre-authorized by the Line Manager who should ensure that these conditions are met and that the reason for the use of a taxi is included by way of a note on the relevant line in iExpenses. Only in exceptional circumstances, such as an urgent, unplanned, need for late working, may retrospective approval be obtained from the line manager.

2.18 Taxi fares may also be reimbursed to or from home to or from the office where the journey is either early in the morning (before 6.30am) or late at night (after 10.00pm) and alternative methods of public transport are not available, for reasonable adjustment cases, welfare reasons and issues of personal safety.

2.19 HMT has two taxi accounts: Goldstar in Norwich and Q Despatch in London. These accounts allow staff to book taxis in advance and have the cost of the taxi booked directly to their cost centre. In other words, there is no need to pay cash for the taxi journey.

2.20 For further information on the use of taxis, please see Annex F.

Sea travel

2.21 Exceptionally, staff may need to travel by sea. The principles of rail and air travel apply.

Overseas visits

2.22 Information about the rates of allowances and advances is obtainable from Finance Operations and current rates for overseas destinations are available on the HMRC website. These will also be published on the HM Treasury intranet from time to time.

2.23 Staff, making visits to EC Institutions in Europe, are entitled to receive travel and subsistence expenses in accordance with the normal rules. Certain EC institutions reimburse the member Governments' travel costs. When asked for, the reimbursement details for HMT's accounts at Citibank are available from Finance Operations. Staff are responsible for putting in separate full claims for expenses to the relevant EC institution. Such monies are refunded direct to HMT. Under no circumstances should staff accept reimbursement direct from EC institutions in either cash or a cheque made out to them personally.

Travel insurance

2.24 In the event of personal injury or loss of any personal effects whilst travelling on official duty, HMT staff should submit a claim to Finance Operations. Claims will be considered on a case-by-case basis having regard to normal terms and conditions of service. This reflects the general rule the government being large enough to bear its own risk and therefore does not insure commercially under Crown Indemnity.

2.25 Officers travelling abroad are advised to complete a Letter of Assurance that confirms arrangements regarding payment of medical bills, repatriation etc.

2.26 Further information on insurance arrangements can be found at Annex G.

Hire cars and use of private vehicles

2.27 At all times the following order of priority should be adhered to when travelling on official business:

- public transport;
- hire car; and
- private vehicle.

Hire cars

2.28 The use of self-drive hire cars is encouraged where savings are generated over alternative vehicle use. Further guidance on the use of hire cars can be found at Annex H.

Travel by private vehicle on official business

2.29 Staff will only be reimbursed for expenses, which they actually and necessarily incur in the course of official travel using their own vehicle. Reimbursement of motor mileage allowances may only be made for travel on official business as defined within Annex C.

2.30 Payments may be made to allow staff to use their own vehicles provided there is a benefit to the Department and the mileage rate represent the most cost effective means of transport.

2.31 Mileage allowances are paid for the actual distance necessarily travelled, in excess of the costs of your normal home to work journey. Payment for the cost of travel between home and the permanent workplace (including week-ends) is fully taxable, and should normally be omitted from any claim for motor mileage.

Mileage limits and allowances

2.32 Motor Mileage Allowance is payable if a member of staff chooses to use their car for their own convenience and there is benefit to the Department in so doing. The allowance covers the full cost, inclusive of fuel. As with all such decisions, the full range of VfM options must be considered before using a personal vehicle.

Rates of Allowance

Transport Method	Miles	Rate
Motor Cars	1 to 10,000 miles	45.0p
Motor Cars	Over 10,000 miles	25.0p
Motor Cycles and Motor Cycle Combinations	All mileage	24.0p
Passenger supplement	Per mile	5.0p

- business miles in any one-tax year; and
- Passenger Supplement – when claiming motor mileage, an additional allowance is payable for all journeys, which include a passenger.

2.33 Further information on the use of private vehicles and motor insurance arrangements can be found at Annex H.

Advance of salary for the purchase of season tickets and bicycles

2.34 HMT may make advances of salary for the following:

- season tickets for travel between home and office;
- season tickets for car parking; and
- to assist with the purchase of a bicycle for travel to the office (maximum advance £1,000).

2.35 Applications should be sent to HR Central Services who will be forwarded to the HMT's payroll provider Logica CMG for payment.

Eligibility

2.36 An advance may be made to any member of staff who is employed on a permanent basis or on a fixed term contract. Advances are not available to staff employed on a casual basis.

Conditions of payment and repayment

2.37 Where advances are made to assist in the purchase of quarterly or longer tickets for travel by public transport, or a car parking season ticket, or a bicycle:

- a further advance will not be made until an existing advance has been fully recovered;
- proof of purchase will be required. Staff should send the receipt to HR; and
- advances will normally be paid with salary.

2.38 When staff apply for an advance, they must acknowledge acceptance of the following conditions:

- that the advance is solely for the purchase of a quarterly or longer season ticket;
- that the outstanding advance will be repayable on demand;
- although the intention is to allow repayment to be made in equal monthly instalments over the life of the season ticket (or in the case of someone on a fixed term contract, over the time of the remaining contract or season ticket whichever is the shorter), this is without prejudice to HMT's right to demand repayment at any time; and
- that in the event of the member of staff ceasing to be a civil servant, any outstanding balance will be repayable immediately and without demand and may be set against any payments due to the member of staff including certain pension benefits.

2.39 Applications for an advance to purchase a season ticket or bicycle are to be made to HR Central Services. The form also provides authority for the appropriate deductions from pay.

Accounting procedures

2.40 Recovery is affected by deductions from the member of staff's pay in equal monthly amounts:

- deductions will commence in the month in which the advance is made;

- deductions will be calculated by dividing the amount of the advance by the length of the season ticket; and
- odd amounts may be rounded up with an appropriate adjustment to the first or last instalment.

2.41 Income tax will continue to be charged on the basis of gross pay due, i.e. ignoring both the advance itself and the deduction in respect of the advance.

Premature recovery

2.42 Repayment of the outstanding advance will be required immediately if the member of staff:

- ceases to be a civil servant – it may be necessary to make special arrangements to obtain immediate recovery of an advance which can no longer be recovered by deduction from pay; and
- surrenders the season ticket for any reason.

3

Subsistence expenses

3.1 Day subsistence expenses may, with appropriate receipts, be claimed on an actual cost basis within the following indicative limits:

Subsistence table

Period of absence	Limit London	Limit UK elsewhere
More than 8 hours and no official food provided – Lunch taken away from office premises	£6.00	£6.00
More than 12 hours and no official food provided – Dinner	£20.00	£20.00
More than 24 hours and where breakfast is included in the accommodation tariff	£25.00	£20.00
Late working in the office, for provision of an evening meal in the office	£10.00	£10.00
Breakfast – pre 6.00am start of official journey	£6.00	£6.00

Notes

- 1 if lunch is taken in 1 Horse Guards it is expected that the canteen facilities will be utilised;
- 2 travel between HMT locations (London and Norwich) is classed as attendance at an alternative place of work and there will be no entitlement to reimbursement for any food, unless you are required to stay overnight, when dinner and breakfast can be claimed, as part of the cost of the overnight stay;
- 3 the limits are mandatory and can only be exceeded with prior line management approval;
- 4 late working in the office applies to after 10pm and must be pre-approved by a line manager;
- 5 if breakfast is not included in overnight accommodation then £5 is added to the 24 hour allowance; and
- 6 if breakfast cannot be taken at home because of an early start when travelling on official business, other than between HMT offices, a claim may be made provided the journey from home starts before 6.00am.

3.2 The period of absence should be calculated on the actual time of absence based on departure time from home or office and time of arrival back at home or office, less the usual journey time from home to office. Multiple periods of absence in any one-day may be

aggregated where separated by less than one hour spent back at the office during which no meal could be taken.

3.3 If a meal is necessarily taken on a train or ship during a period qualifying for Day Subsistence, the actual cost of the meal may be reimbursed up to the limits set out above. In exceptional circumstances, should it be necessary to exceed the limit, the Line Manager must authorise the additional expenditure. Failure to provide the authorisation as part of a claim will result in the claim being capped at the limit.

3.4 Alcohol. There will be no reimbursement for the purchase of alcohol as part of subsistence. The purchase of any alcohol will be at the employee's expense.

3.5 When travelling abroad, however, circumstances may arise, for example when taking a meal with overseas colleagues, in which hospitality will need to be reciprocated. In these circumstances a claim for the purchase of alcohol must be accompanied by a full explanation of the circumstances on the iExpenses claim and be specifically approved by a Line Manager (also see official entertainment paragraph 4.9).

Overnight expenses

3.6 Overnight expenses are paid where staff cannot reasonably be expected to make the return journey to and from a meeting or other detached duty workplace in the same day. There are two elements:

- Repayment of overnight accommodation on a bed and breakfast basis, based on actual expenditure up to a ceiling of:

Expenses rates

London	Elsewhere in UK	Overseas
£140.00	£100.00	20% uplift on the London Rate is allowed

- depends on the location of the hotel, not the meeting;
- expenditure to cover the cost of the remaining meals within the 24-hour period, within the indicative ceilings at paragraph 3.1 above;
- the 20 per cent uplift provides cover for movement in exchange rates; and
- accommodation provided within five miles of the workplace will qualify as a taxable benefit. Claims for reimbursement must be processed through payroll.

3.7 Hotels should be booked through Hogg Robinson who can take advantage of government rates at many hotels – see for booking procedures. If Hogg Robinson are able to find accommodation within the limit this must be accepted even if this results in some reasonable additional travel costs being incurred. Staff booking hotels in Brussels are advised to use hotels where discounted rates have been negotiated by a UK rep.

3.8 For overseas, the subsistence rates are subject to change in relation to currency fluctuations. Finance Operations in Rosebery Court are able to offer advice on the rates on request or are available via the HMRC website: <http://www.hmrc.gov.uk/employers/wwsr-oct09.pdf>. Receipts must support all expenditure or an explanation for their absence annotated on the relevant claim line in iExpenses.

Overnight allowances

3.9 Minimal incidental expenses will be allowable on a receipted actual cost basis to cover items such as a telephone call home or to purchase a toiletry item that has been forgotten, for example. This also applies to attendance at training courses. Indicative limits for spend remain at £5 in the UK and £10 overseas.

Training course expenses

3.10 Claims can only be considered for expenditure that was necessarily incurred in the performance of any official duty undertaken during the duration of the course. The following are considered to be acceptable (subject to the production of valid receipts):

- transport costs to and from the course centre, if the course provider has not made arrangements;
- costs incurred on official telephone calls, internet connection or fax transmission costs; and
- costs of meals when not provided by the training supplier e.g. when the course is non-residential or when travelling to the training course itself (provided that the course is held more than five miles from the usual place of work).

Miscellaneous expenses

3.11 Incidental expenses incurred, as part of official travel – e.g. phone calls, tolls and parking fees – should be claimed via iExpenses.

3.12 Under no circumstances may other miscellaneous office expenses be claimed by T&S. All official business expenditure is subject to HMT's standard procurement procedures, which include de minimis arrangements for items under £30.

3.13 Other miscellaneous expenses that are not part of claims related to travel and subsistence should be submitted using the miscellaneous expenses/ small claims form.

3.14 Such items of expenditure include claims for compensation for loss or damage to personal effects whilst in the workplace or on official business. Claims for these items will give rise to a taxable benefit. If in any doubt please contact Finance Operations for advice before submitting your claim.

Permanent transfer/long term detached duty

3.15 Staff who are to be permanently transferred and have to move home as a result may be eligible for reimbursement of removal expenses and to receive other allowances. Each case is treated individually as the circumstances of different members of staff vary widely. The HR Business Partner advises on this issue and Finance staff can provide advice on out-of-pocket expenses.

3.16 Long term (i.e. greater than two years) periods of detached duty, and expenses of relocation in excess of £8k are taxable. HMT may meet this liability but you should seek confirmation of particular circumstances should they arise.

3.17 If there is any doubt concerning an individual's tax position or the tax treatment of particular items of expenditure these should be referred to Finance Operations for advice and clarification.

3.18 For arrangements for overseas detached duty, please contact Finance Operations and your HR Business Partner.

Evening dress allowance

3.19 Staff may claim an allowance of the actual hire costs or £75 towards the purchase of an evening suit or evening dress wear. This allowance, which is a taxable benefit paid through staff salary, must be claimed on a miscellaneous expenses form, attaching appropriate receipts. A Director must pre-approve the expenditure.

4

Working lunches and official entertainment

4.1 Working lunches or the provision of refreshments will only be allowed in the following circumstances:

- when promoting the smooth running of official business. The meeting must include external guests and must be held between 12 noon and 2pm only;
- be a meeting, the duration of which is in excess of two hours at which external guests are in attendance;
- the provision of water at meetings will be in accordance with the provision of refreshments above;
- HM Treasury Group staff and non-executive directors other Whitehall civil servants, should not be classed as “external guests” for this purpose; and
- provision of water when conducting interviews.

4.2 Directorate Co-ordinators (DC) or equivalent staff in DMO are allowed to approve working lunches. DC are responsible for defending the expenditure if challenged, and should ensure that meetings are not timed solely to justify working lunches.

4.3 In house restaurant facilities should normally be used for working lunches. However, purchase can be made from other suppliers if shown to be better value for money. For GSS staff based in Norwich, local arrangements apply. Procedures for ordering working lunch are to be found on CARISMA.

4.4 The amount that will be reimbursed, inclusive of soft drinks, is subject to a limit of £10 per head, inclusive of VAT.

4.5 With the exception of paragraph 4.1 above, the provision of the following is prohibited:

- food, biscuits, tea and coffee for meetings of staff and contractors (including non-Executive board members);
- biscuits, fruit and other refreshments at public expense for consumption by staff during working hours; and
- purchase of chocolates, cakes and other items as rewards for specific work achievements is also prohibited.

4.6 The purchase of ‘everyday’ refreshments (teas, coffees etc) for Ministerial offices will only be permitted where these are in accordance with the policy 4.1 above. If meeting a specific Ministerial request or requirement and where these will be accounted for and reported as a benefit in kind to that Minister.

4.7 The provision of refreshments for out of hours working, including weekends, is not allowable. Staff are permitted to claim overtime but are expected to provide their own sustenance as they would be expected to do during normal working hours. The provision of lunches for working is only allowable with MD (or equivalent) approval.

4.8 Use of the hospitality card is restricted to the purchase of refreshments for outside guests in line with the policy in 4.1 above. It should not be used to pay for refreshments for internal staff who should use their own card if they choose to have refreshments at the same time.

Official entertainment

4.9 Entertainment at public expense is naturally a very delicate subject and staff must always take care to ensure that their actions do not leave the department open to criticism. The facility to provide official entertainment should be used sparingly. Expenditure should be kept as low as possible, compatible with the occasion and standing of the guests.

4.10 Hospitality at public expense normally takes the form of lunch or dinner; casual drinks do not qualify for reimbursement. Only functions with external guests present qualify for reimbursement.

4.11 Treasury staff in attendance at lunches or dinner should be dependent on a necessary business requirement to attend and there should be no element of reward in staff attending a function. The number of Treasury staff in attendance must not exceed the number of visiting guests.

4.12 The amount that will be reimbursed to senior officials extending hospitality to official guests is subject to a limit of:

- £25 per head for lunch;
- £35 per head for dinner; and
- the cost of any alcoholic drinks cannot be reclaimed unless agreed in advance by the Permanent Secretary (or equivalent in the Debt Management Office.).

4.13 Applications for reimbursement must be approved by a Team Leader or above, except in the Perm Directorate where the Private Secretaries will approve. A FIN 93B Official Entertainment form must be completed to confirm the purpose of the entertainment and the names of the attendees.

Team work based training

4.14 Expenditure on team work-based training is allowable but any event must have clear work-based training content. Unless unavoidable, refreshments should not be provided (i.e. unless hiring the venue is based on a standard package which includes refreshments for delegates), and when it is unavoidable then this should be within hospitality limits. The all inclusive cost, excluding the cost of travel to attend the event, should be no more than £50 per head. Travel should be in accordance with section 2. A Director should review the content and approve the expenditure, copied to the relevant Director General. The Permanent Secretary should then provide final approval for the expenditure, **in advance of booking**.

4.15 Teams will need to consider whether the event may incur a tax liability. If the training could be construed as intending to provide a reward or does not meet the definition of work-related training, this could be classified by HMRC as liable for tax as a taxable benefit, thus increasing the costs to the team. Please note the guidance in Annex J, paragraph J3.

4.16 In booking venues for team work based training, staff should first consider use of HMT premises other government buildings and finally external venues. If booking an external venue staff should consult our conference booking agent Calder Conferences. It is not appropriate for team work-based training to be sponsored or provided free of charge by the private sector.

Expenditure on official gifts

4.17 The purchase of gifts, using public money, should only be considered in exceptional circumstances. The cost of any such gifts should involve only modest expense. The purchase of gifts will normally only be appropriate where they are to be presented by senior officials when it is anticipated that a gift may be offered and it is considered necessary to reciprocate. Occasionally, it may also be appropriate to present a gift to a visiting VIP or to someone who has made a significant contribution to a piece of work sponsored by the Department, who is not an employee.

4.18 Expenditure on official gifts must be pre-authorised by the Group Director of Finance and Procurement, in HM Treasury. The following information should be provided as soon as practicable after the expenditure has been incurred:

- the amount spent;
- the date of payment;
- the name and position of the recipient;
- a description of the gift;
- the reason for presenting the gift; and
- a statement from the donor to confirm that the gift was given to the intended recipient.

4.19 The current limits on expenditure on official gifts are as follows:

- to senior government officials or equivalent – £30;
- to junior government officials or equivalent – £20 to £25; and
- to liaison officers/tour organisers or equivalent – £10 to £15.

4.20 Any proposal to incur expenditure on gifts that are novel or contentious must be referred to the Group Director of Finance and Procurement, HM Treasury.

4.21 Expenditure on official gifts shouldn't be confused with expenditure on non pay awards. Schemes exist in HM Treasury (the bonus scheme) that should be used to reward good performance. Managers should use the relevant scheme to recognise achievement against a particular task, rather than purchasing gifts.

4.22 The purchase of gifts for colleagues, using GPC or Corporate Card, is not permissible. Such expenditure is personal and should be funded by way of a collection. Examples of gifts falling into this category are:

- purchases of flowers for members of staff or their partners having a baby or in hospital for other reasons;
- purchases of gifts for weddings and other celebrations; and
- purchases of birthday cakes.

A Summary of policy

Summary of changes to travel and subsistence

This document summarises the changes to travel and subsistence rules prompted by the need to constrain expenditure in line with the coalition government's policy for cost reduction.

Colleagues are reminded that, when incurring expenditure of whatever type, they should consider what a member of the general public would accept as reasonable so that the opportunity for adverse criticism to appear in the national press is minimised.

Transparency is increasingly being applied to this type of expenditure at aggregate and individual claimant level, through FOI, PQs and more recently explicit publication rules, including:

- the quarterly publication of Board members' expenses on our external website;
- regular PQs on officials' and Ministers' expenses, hospitality, taxi fares, etc;
- frequent FOI requests including expenses, hospitality, flights, taxis and social events; and
- high profile media comment on areas such as away-days.

Public perception is the key

The following changes apply from 1 April 2011:

A.1 First class travel is not allowed, with the following exceptions:

- your train journey is longer than three hours. This does not include any time spent waiting for, or changing, trains or getting to the train station, even if this is from your home Where there are no standard class facilities to accommodate disabled or other special needs requirements under reasonable adjustment guidelines;
- where there are serious security concerns;
- if accompanying Ministers who are already travelling first class; and
- if a clear value for money case can be made – for example a timed ticket standard class is more expensive than a similar ticket in first class.

A.2 The rules on the use of **Eurostar** have been changed. When travelling by Eurostar staff are encouraged to book standard/economy tickets in advance and, where possible, purchase non-flexible tickets. As the journey time to Brussels is normally under two hours, staff are expected to travel standard class where fares currently range between £129 and £309. Euro Leisure Select or fully flexible Business Premier tickets may be available at discounted cost, but staff may only book these tickets with the support of an authorised business case.

A.3 First class air travel is not allowed. For flights up to six hours duration staff should use economy class. For flights over six hours duration staff may use business class. It is expected, on

value for money grounds, that staff consider using economy, premium economy or world traveller fares instead of business class if these are available on the required route.

A.4 The option for staff to use taxis in London is withdrawn except in the following circumstances:

- where public transport facilities cannot accommodate disabled or other special needs requirements under reasonable adjustment guidelines; and
- taxi fares may be claimed where public transport is infrequent. Taxi journeys to/from home or to/from the office:
 - a where the journey is either early in the morning (before 6.30am) or late at night (after 10.00pm);
 - b alternative methods of public transport are very infrequent or not readily available;
 - c the requirements of the office are such that a member of staff is performing official duties significantly outside normal working hours; or
 - d there are issues surrounding personal safety.

A.5 Pre-approval by line management is required and staff should take notice of the potential for any payment to be classified as a taxable benefit. Only in exceptional circumstances, such as an urgent, unplanned, need for late working, may retrospective approval be obtained from the line manager.

A.6 When travelling overseas, taxis should be avoided if public transport is available except during unsocial hours or meeting time dictates e.g. not possible to catch flight or attend meeting if public transport was used.

A.7 Under **subsistence** the entitlement to **claim £5.00 for a snack is withdrawn. A maximum of £6.00 can be claimed for lunch**, to cover the cost of a sandwich meal deal for example, where the absence from the office is in excess of eight hours.

A.8 Where an absence from the office is in excess of 24 hours and breakfast is included in the accommodation tariff the limits are £25.00 in London and £20.00 elsewhere. If breakfast is not included in the tariff a further £5 is added to the 24 hour allowance. These limits are mandatory and any claim above this limit can only be exceeded with the prior approval of line management. Receipts are required.

A.9 Maximum subsistence allowance for **late working in the office is £10** (with Director prior approval). Provision of **snacks** for out of hours working including weekends is **not allowable**. Provision of **lunches for weekend working is only allowable with MD (or equivalent) approval**.

A.10 Travel between HMT locations (London, Norwich) is classed as attendance at an alternative place of work and there will be **no entitlement to reimbursement for any food**.

A.11 Overseas allowances are in line with the guidance issued by HMRC and rates depend on the country visited. Further guidance can be obtained from Finance Operations or via the HMRC website <http://www.hmrc.gov.uk/employers/wwsr-oct09.pdf>

A.12 Under HMRC tax rules there is no allowance for carrying equipment when using a private vehicle for a business journey, so the 2.0p per mile allowance is withdrawn.

A.13 There will be **no reimbursement for the purchase of alcohol as part of the subsistence allowance**. This also applies to entertainment unless Permanent Secretary (or DMO equivalent) approval is obtained in advance.

A.14 Subsistence limits will be strictly applied. Any claim for expenditure above the limit will need pre-approval by line management. Failure to provide evidence of pre-approval will result in claims being capped at the limit(s).

A.15 The booking of **hotel accommodation above the limit will only be allowed if Hogg Robinson cannot find accommodation within the limit**. If Hogg Robinson find accommodation within the limit this must be accepted even if it means that there is likely to be some additional travel cost incurred and provided the additional costs do not outweigh the savings. The cost of the hotel should not exceed the following limits:

- London: £140 per night;
- other UK destinations: £100 per night; or
- overseas: up to 20 per cent variance on London rates.

A.16 The **overnight incidental expenses allowance of £5 in the UK and £10 Overseas is withdrawn, these now become indicative limits for actual spend**. Minimal incidental expenses as part of an overnight stay will be allowable on a receipted actual cost basis to cover items such as a telephone call home or to purchase a toiletry item that has been forgotten, for example. This also applies to attendance at training courses.

A.17 The guidance on team building events has changed as follows:

A.18 Team building events will, in future, be known as **team work-based training**. Expenditure on team work-based training is allowable but any event must have clear work-based training content. Refreshments can be provided within hospitality limits and the all inclusive cost, excluding the cost of travel to attend the event, should be not more than £50 per head. Travel should be in accordance with section 2 of the manual. A Director should review the content and approve the expenditure.

A.19 The provision of **working lunches or the provision of refreshments** will only be allowed in the following circumstances:

- when promoting the smooth running of official business. The meeting must include external guests and must be held between 12noon and 2pm only;
- be a meeting, the duration of which is in excess of two hours at which external guests are in attendance. External guests' do not include HM Treasury Group staff and other Whitehall civil servants nor Non-Executive Directors; and
- the provision of water at meetings is allowable in accordance with the circumstances above.

With the exception of the above the provision of food, biscuits, tea and coffee for meetings of staff and contractors (including non-Executive board members) is prohibited.

The provision of biscuits, fruit and other refreshments at public expense for consumption by staff is prohibited.

The provision of refreshments for out of hours working, including weekends, is not allowable unless MD (or equivalent) approval is obtained in advance. Staff are permitted to claim overtime

but are expected to provide their own sustenance as they would be expected to do during normal working hours (see paragraph A.9 regarding weekend working).

The purchase of 'everyday' refreshments (teas, coffees etc) for Ministerial Offices will only be permitted where these are in line with the policy above. Any request outside policy will be accounted for and reported as a benefit in kind to that Minister.

A.20 Use of the **hospitality card**, held by a number of staff, which can be used in E@ts or the restaurant to buy food and drink, but does not require charging with cash as the costs are re-charged through the catering service provider, is restricted to the purchase of refreshments for outside guests in line with the policy in section 4 of the T&S manual. The card **should not be used to pay for refreshments for internal staff**.

A.21 All claims are to be made within three months of incurring the expenditure, otherwise the claim may be disallowed by Finance.

A.22 All staff are advised to read the full policy and to seek advice from Group Finance in the event of any doubt.

B

Ministers and Special Advisors

B.1 The policies and guidance in this document apply to Civil Servants and those who are working in the Department who are bound by Civil Service terms and conditions. Travel and expenses claims for Ministers and Special Advisers should follow this guidance as far as possible, only diverting from it where this is permissible and defensible under the terms of:

- The Ministerial Code; and
- The Code of Conduct for Special Advisers.

Both of these documents are available from the Cabinet Office website:

- www.cabinetoffice.gov.uk/conduct-ethics.aspx.

Travel by Ministers

B.2 For Ministers, the general principle set out in the Ministerial Code is that they should always make efficient and cost-effective travel arrangements.¹ Ministers' Private Offices should ensure that they follow this principle when making any travel arrangements on behalf of Ministers.

B.3 In general, following Departmental policies and guidance on travel and expenses will ensure that Ministerial travel is both efficient and cost-effective. However, there will be individual circumstances when arrangements need to be made which go beyond the provisions of normal Departmental guidance.

B.4 In these cases, the person making the arrangements should keep sufficient evidence to show why they have needed to make these arrangements, and to demonstrate that they remain efficient and cost-effective in the circumstances. This evidence should be kept for at least three years, to allow for any subsequent audit of claims, or to satisfy any requirements for transparency and public accountability.

Officials travelling overseas with Ministers

B.5 The Ministerial Code makes it the personal responsibility of Ministers to approve the size and composition of Departmental delegations accompanying them on overseas visits, keeping delegations as small as possible. HM Treasury will publish, at least quarterly, details of all such travel overseas by Ministers.¹

Non-scheduled flights by Ministers

B.6 The Ministerial Code provides for members of the Cabinet and Ministers in charge of Departments to authorise special flights in certain circumstances.¹

B.7 The general principle that Ministers should always make efficient and cost-effective travel arrangements still applies. Officials making bookings for non-scheduled flights on behalf of Ministers should seek the most cost-effective option available – either through seeking

¹ See Box B.1: Extracts from the Ministerial Code

competitive quotations for the services required, or by using established Departmental travel contracts.

B.8 P2P Team can advise on competitive contracts available for a variety of travel needs, including non-scheduled flights.

Travelling expenses of Ministers' spouses or partners

B.9 The Ministerial Code allows for the expenses of Ministers' spouses or partners when accompanying the Minister on official duties to be paid from public funds in certain circumstances. This should only be when it is clearly in the public interest that he or she should accompany the Minister, and when the agreement of the Prime Minister has been obtained in advance.¹

B.10 The Department does not hold payment details for spouses and partners in the same way as it does for paying Ministers' expenses. Any claims for spouses or partners should either make it clear that the reimbursement is to be paid direct to the Minister, or provide details of the bank account into which the claim is to be paid.

B.11 Responsibility for ensuring such claims fulfil the general principle of efficiency and cost-effectiveness remains with the Minister on whose behalf the claim is being made.

Special Advisers

B.12 The Code of Conduct for Special Advisers sets out the terms under which Special Advisers are employed in the Civil Service. Special Advisers are temporary civil servants, exempt from the general requirement that civil servants should be appointed on merit and behave with impartiality and objectivity. They are otherwise required to conduct themselves in accordance with the Civil Service Code.²

B.13 Under the Civil Service Code, all civil servants, including Special Advisers, are expected to make sure that public money and other resources are used properly and efficiently. They must also not be influenced by the prospect of personal gain. Special advisers should not use official resources for party political activity.³

B.14 These principles apply to all travel and expenses claims by Special Advisers, just as much as to other areas of their Civil Service employment. In general, Special Advisers are bound by the policies and guidance set out for Departmental staff in the rest of this document.

B.15 There can be occasions when Special Advisers believe there is a case for diverting from this guidance in order to fulfil their duties, within the exemption from the Civil Service Code allowed to them. In any such cases, the Special Adviser, or the person making arrangements for them, should keep sufficient evidence to show why they have needed to make these arrangements, and to demonstrate that they remain proper and efficient in the circumstances. This evidence should be kept for at least three years, to allow for any subsequent audit of claims, or to satisfy any requirements for transparency and public accountability.

B.16 The Permanent Secretary's approval must be obtained before a special adviser accompanies a Minister overseas.¹

² Code of Conduct for Special Advisers, Cabinet Office, June 2010 (www.cabinetoffice.gov.uk/conduct-ethics/special-advisers.aspx)

³ Civil Service Code, June 2006 (www.civilservice.gov.uk/about/values/cscode/index.aspx)

Box B.1: Extracts from the Ministerial Code⁴

General principle

10.1 Ministers must ensure that they always make efficient and cost-effective travel arrangements. Official transport should not normally be used for travel arrangements arising from Party or private business, except where this is justified on security grounds.

Overseas visits

10.2 Ministers should make it their personal responsibility to approve the size and composition of Ministerial delegations for which their department is responsible, keeping delegations as small as possible. Ministers will wish to be satisfied that their arrangements could be defended in public.

10.3 Departments will publish, at least quarterly, details of all travel overseas by Ministers.

Non-scheduled flights

10.5 Only members of the Cabinet and Ministers in charge of Departments have discretion to authorise special flights either for themselves or other Ministers within their Departments. Non-scheduled flights may be authorised when a scheduled service is not available, or when it is essential to travel by air, but the requirements of official or Parliamentary business or security considerations preclude the journey being made by a scheduled service. Use of special flights by Parliamentary Secretaries should only be approved in exceptional circumstances.

Travelling expenses of spouses/partners

10.17 The expenses of a Minister's spouse/partner when accompanying the Minister on the latter's official duties may occasionally be paid from public funds provided that it is clearly in the public interest that he or she should accompany the Minister. The agreement of the Prime Minister must be obtained on each occasion before travel.

Travelling expenses of special advisers

10.18 The relevant Permanent Secretary's approval must be obtained before a special adviser accompanies a Minister overseas.

Further advice

B.17 Further advice on the application to Ministers and Special Advisers of the *Civil Service Code*, *Ministerial Code* or *Code of Conduct for Special Advisers* can be sought from the Permanent Secretary's Office, who advise on all matters of regularity and propriety in respect of Ministers and their advisers.

B.18 Advice on the application of the Departmental travel and expenses policies, individual travel needs, or ensuring the efficiency and cost-effectiveness of potential expenses claims, can be sought from:

- **Bookings:** P2P Team
- **Claims:** Treasury Group Finance Team

⁴ *Ministerial Code*, Cabinet Office, May 2010 (www.cabinetoffice.gov.uk/conduct-ethics/ministerial.aspx)

B.19 If you become aware of actions by others which you believe conflict with the Civil Service Code, you should report this to your line manager or someone else in your line management chain. Alternatively you may wish to seek advice from the nominated officer in HM Treasury, the Head of Internal Audit, who is available to discuss any such matters in confidence with you if necessary.



General principles

C.1 When staff intend to claim reimbursement of any expenses incurred it is important to keep the following points in mind:

- HMT is responsible for meeting the cost of travel by its staff on official business. Official travelling means necessary travel for the purpose of official business, including:
 - attendance at meetings in pursuit of official HMT business;
 - attendance at departmental selection boards;
 - attendance at promotion boards;
 - attendance at training courses; and
 - journeys made on recall to duty from annual leave.

C.2 Official travelling does not include:

- travel between a person's home and normal place of work;
- travelling between home and a second work place;
- travel on first taking up duty and finally leaving the service; and
- return home at weekends from a detached duty location.

C.3 Staff are responsible for the cost of their daily travel between their home and their normal place of work. If reimbursement of home to office travel expenses has been agreed by HMT claims must not be entered via iExpenses as this is classed as a taxable benefit and must be settled via the payroll in order that PAYE tax rules may be adhered to. Such claims should be submitted to Finance Operations on a T&S expenses claim form for verification before being passed to HR for processing via the payroll.

C.4 Group Finance is responsible for the framework of rules and the specific rates payable are set in accordance with HMT's T&S dispensation, agreed with HM Revenue & Customs. (The dispensation exempts HMT from the requirement to produce, for each person claiming T&S reimbursement, an annual P11D statement). To lose the dispensation by lax application of the guidance would result in additional work for HMT as an organisation and for the individual who would be responsible for validating the P11D. It is the responsibility of Line Managers to ensure that claims submitted comply with these rules and apply the rates correctly. Claims, which result in payments outside HMT's T&S dispensation, will result in the Department becoming liable to an income tax charge.

C.5 Within this framework, Line Managers are free to decide the best course of action for the performance of their business. All expenditure incurred will be met from their budget.

C.6 It is Government policy that, wherever possible, public transport should be used in order to reduce congestion and pollution. Nonetheless, it is still the responsibility of Line Managers to

ensure that their staff use the most efficient and economical means of travel, taking into account the cost of travel, subsistence and savings in official time. More expensive means of travel may only be authorised when justified as a business benefit, or to meet the needs of staff with disabilities, and should be explained by way of a note in the notes field in iExpenses, which will assist in answering HM Revenue & Customs questions during an audit.

C.7 Under the dispensation, reimbursement of expenses claimed is on a receipted actual basis, but see section C.9 and C.10 below. All receipts in support of a claim must be attached firmly to the submission page, printed from iExpenses, and sent to Finance Accounts Payable. Credit card slips alone are not a substitute or replacement for the full receipt. If a credit card slip is attached to the claim form without the associated receipt, Finance Operations retain the right to return and refuse to pay the claim.

C.8 Actuals will also be paid to staff that stay in subsidised accommodation.

C.9 The expectation is that receipts will always be obtained as a matter of course and forwarded to support the T&S claim. This is a strict HM Revenue & Customs rule. If it is impossible to get a receipt e.g. for refreshments bought from a vending machine, toll charges and parking fees which were paid at a parking meter.

C.10 If the reason is insufficient, Finance Operations reserves the right to disallow that part of the claim pending a resolution of the matter.

C.11 Actual accommodation costs above the indicative ceiling rates will be reimbursed where, exceptionally, it can be demonstrated that they could not be contained within the published ceiling. In these circumstances staff will be required to annotate their T&S claim that no suitable accommodation was available within the ceiling rate.

C.12 The claimant's Line Manager or designated alternate must, in all cases, approve the claim in iExpenses. The expectation is that a more senior grade within the claimant's Division/Directorate will approve the claim. Where this is not possible alternative arrangements will be put in place subject to Finance's prior agreement.

C.13 The act of approval certifies that claims are accurate and ready to process. Finance Operations accepts no liability for inaccurate claims but will 'spot check' claims on the basis of a statistical sample. Where Finance Operations find inaccuracies, missing receipts etc., the claim may be rejected for correction/completion before it is paid. Finance Operations will retain all paid claims. Auditors (Internal, External and HM Revenue & Customs) will have access to these records as and when required.

C.14 Novel or contentious applications of these principles remain subject to specific prior agreement and should be referred to Finance Operations, in the first instance.

D

Travel tips

D.1 The Treasury will be contributing its offset into the Government Carbon Offsetting Fund (GCOF). The money will be invested in energy efficiency projects, clean air technologies and renewable supplies. This investment means that the equivalent amount of emissions will not be released into the atmosphere. But we can all do our little bit to help cut carbon dioxide emissions, by being smarter about when and how you travel. So don't leave your desk without making these considerations:

- is video conferencing an option for you? The list of HGR video conferencing sites can be found through Carisma. A recent survey by the Environment Agency showed that video conferencing could save 22 person years working time, £1.7 million and 40,000 kgs of carbon dioxide.
- if you must travel, maximise the trip and include multiple tasks – who else do you need to see in that region? Could you stop on the way back to attend another meeting? Only the necessary people should travel to an event. Consider who needs to go and what the benefits will be.
- book travel using the formal booking process so that our travel impacts can be monitored and recorded.
- make sure you use the right accounting codes on your travel claims so that we can monitor our travel environmental impacts. Line managers need to check that the right codes are being used.
- rail tickets can be very cost effective if you book ahead, especially if you travel off-peak and are prepared to be flexible. Travelling on timed trains is highly recommended as this can deliver very significant savings on the cost of travel.
- where possible use Eurostar – it is cheaper than flying; emits one tenth of the emissions and is quicker. And remember to book a seat in carriages 4 or 15 where there are plug points so you can use your laptop.

E

Travel arrangements outside policy

E.1 Where travel arrangements, either rail or air, are outside policy, pre-approval is required. This approval should be given by your line manager.

E.2 A proforma form is available. If further costs are incurred as part of your journey (e.g. other fares, accommodation, and subsistence) then the form should be attached to your iExpenses claim. If all costs in relation to the travel are incurred through central contracts and therefore billed directly to HMT, a copy of the form should be sent to your Budget Liaison Officer (or equivalent in DMO) who will then retain this as evidence to support the costs charged to your team. A copy should also be forwarded to Finance Operations.

E.3 These forms should be retained for a period of three years to allow for any subsequent audit of claims.

Proforma for approval

APPROVAL FOR TRAVEL ARRANGEMENTS OUTSIDE STANDARD POLICY

Where travel arrangements are made outside the policy in section 3 of the Expenses Manual, the following form should be completed **before** travel. This should be retained for audit purposes by the team's BLO/DC as evidence of authorisation by the Line Manager. A copy should be forwarded to Finance Operations.

Any queries regarding this form or the Expenses policy should be sent to Finance Operations, Norwich.

Name of traveller	
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Team		Directorate		Cost Centre	
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Journey details	
Date:	
Start/Destination	
Reason for journey	
Reason for travel arrangements being outside policy. Please attach evidence, such as screen shot, to support vfm justification of arrangements being outside policy	

Signed		Date:	
(member of staff)			

I approve the above journey can be made outside standard policy.

Signed		Date:	
Print name			
(line manager)			

F

Taxis

F.1 Taxi journeys to and from home will not be reimbursed as it is part of the normal home to work and/or work to home travel. In exceptional circumstances (eg reasonable adjustment cases, welfare reasons) reimbursement may be allowable, however, any such claims are likely to be a taxable benefit. Line Manager approval and advice should be sought from Finance Operations prior to travel. In this instance, the fares should be reclaimed on a Miscellaneous Expenses Form and passed to HR Central Services who will forward it to the HMT's payroll provider (Logica CMG) for reimbursement through the payroll system.

F.2 Taxi fares may also be reimbursed to or from home to or from the office where the journey is either early in the morning (before 6.30am) or late at night (after 10.00pm) and alternative methods of public transport are not available, or the requirements of the office are such that a member of staff is performing official duties significantly outside normal working hours, or there are issues surrounding personal safety. Pre-approval by line management is required. Only in exceptional circumstances, such as an urgent, unplanned, need for late working, may retrospective approval be obtained from the line manager.

F.3 These payments are taxable but the tax liability will be met by HMT through its annual PAYE settlement agreement with HM Revenue & Customs. Staff should use the HM Treasury contract with Q Despatch/Goldstar when booking, as this will ensure that the data is captured for tax purposes and a claim will not be required.

F.4 For a taxi journey not to be deemed taxable the following criteria must all be met:

- the employee is required to work later than usual and until at least 10.00pm;
- the requirement is irregular;
- by the time the employee ceases work either public transport has ceased or it would not be reasonable to expect the employee to use public transport; and
- the transport is by taxi or similar road transport.

F.5 Further guidance is available in Annex J.

F.6 When staying at a hotel on official business, taxi fares will only be reimbursed for official trips e.g. between the hotel and the temporary workplace or the station. Taxis for personal use will not be reimbursed.

F.7 When travelling overseas, taxis should be avoided if public transport is available except during unsocial hours or meeting time dictates, e.g. it is not possible to catch a flight or attend a meeting if public transport was used.

G

Travel insurance

G.1 In the event of loss of any HM Treasury property whilst travelling on official duty HMT staff should refer to the Departmental Security Officer's policy.

G.2 Staff should not submit any T&S claims for reimbursement of medical or other insurance premiums, unless prior agreement has been obtained.

G.3 The only instance where the government will insure, as a rule, is where it brings value for money benefits – most notably that of buying in loss adjusters' expertise to negotiate claims, or when staff are on secondment or making visits to any FCO listed unsafe destinations

G.4 When travelling abroad, because the department acts as its own insurer, this means HMT will reimburse costs not covered by:

- reciprocal health agreements between governments; or
- commercial insurance provided by HMT's Corporate/GPC charge cards.

G.5 Officials travelling abroad are advised to complete a Letter of Assurance that confirms the above arrangement. This is to assist with the provision of medical or dental treatment in countries where the authorities have concerns about payment of bills e.g. North America. It confirms that the individual is employed by HMT and travelling on official business and that the department will pay for essential treatment not covered by reciprocal health agreements or insurance. The cost of essential medical or dental treatment if not covered in part or full by health agreements with other countries (use of the European Health Insurance Card) or through the travel insurance provided if at least 50 per cent of the travel has been booked using the Corporate/GPC card is then met by the cost centre.

G.6 If the official is injured or killed then cover is provided through either the insurance provided by the Corporate/GPC card or the Civil Service Compensation Scheme. Personal Property is covered either by the Corporate card or the individual's cost centre depending on the circumstances. If, however, a member of staff would prefer to take out specific travel insurance, prior Finance agreement should be sought.

H

Travel by car

H.1 The use of self-drive hire cars is encouraged where savings are generated over alternative vehicle use. For example, a Group C car will cost around £29.30 for a single day and with petrol at about 13p a mile, a journey of 150 miles will cost about £47.30 whereas the use of a private car claiming Motor Mileage allowance for the same distance would cost £60. When travelling by car it is important to bear in mind the driving time involved and the possibility of fatigue.

H.2 It is the responsibility of the 'authorising signature' to assess the relevant costs and benefits. For example, a hire car plus petrol would cost around £50 to £55 for a round trip between Norwich and London in a day, whereas the use of a personal car claiming Motor Mileage Allowance would cost about £90 to £100.

H.3 Cars should be ordered direct once the hirer has set up an account with Enterprise Car Rental. Contact the P2P team for advice on setting up an account.

H.4 The normal expectation is that a hire car would be in the Group C category (up to 1.6 cc e.g. an Astra or Focus). For hirings above group C, or the hirer is Range C or below (for any category), specific authorisation from the relevant senior Line Manager must be sought.

H.5 Enterprise Car Rental bills centrally for all hirings, and Finance Operations allocates the relevant part of the bill to the appropriate cost centre. Please ensure that you fill up with petrol before returning the car. Failure to do so will mean that the hire firm will do so for you, but charge you an administration charge and VAT on top of the pump price. This roughly trebles the cost of the fuel. Under no circumstances should the Government contract be used to hire cars for private use.

H.6 Before hiring a car for the first time and once a year thereafter, as a condition of the insurance, P2P team will require validation of the hirer's driving licence. And should any significant change to the person's driving licence take place, P2P team should be informed immediately.

H.7 For insurance reasons, only HMT personnel over 21 years of age are allowed to hire cars for official purposes

Use of private vehicles

H.8 Payment of motor mileage allowances may only be made for travel on official business as defined in Annex C.

H.9 Mileage allowances are paid for the actual distance necessarily travelled, in excess of the costs of your normal home to work journey. Payment for the cost of travel between home and the permanent workplace (including week-ends) is fully taxable, and should normally be omitted from any claim for motor mileage.

H.10 In other words, the miles normally covered by a return trip between home and the permanent work place should reduce the distance included on the claim form, for example: if an individual's normal journey to and from the office is 10 miles each way, when he/she is required

to travel to an alternative temporary place of work, he/she can claim the total mileage less 20 miles. HMT will reimburse the difference.

H.11 If an individual doesn't use a car to get to work the costs of the travel to work are nil or negligible, then Motor Mileage Allowance can be claimed for the entire journey.

H.12 When claiming motor mileage you sign the acknowledgement on the iExpenses input screen that you recognize your obligations as follows:

- you have insurance for business use and, in particular, that the insurance covers 'business' passengers;
- you possess a valid licence to drive;
- you maintain your vehicle in a roadworthy condition and, where appropriate, possess a current MOT certificate; and
- you service and maintain your vehicle according to the manufacturer's schedule.

Motor insurance

H.13 Motor Mileage Allowance will only be paid where staff hold an insurance policy which covers bodily injury to or death of third parties, bodily injury to or death of any passenger; and damage to the property of third parties, and permits the use of the car either in connection with the mileage allowance claimants' business, or the business of the employing department or agency. When first using their car on official business, staff must declare in writing that they know and understand the ownership and insurance requirements of HMT and whether they meet those requirements.

H.14 It is the Line Manager's responsibility to verify the insurance status of the claimant. Any material changes to the claimant's insurance provision should be notified to the Line Manager.

H.15 Finance Operations will carry out periodic spot checks to ensure that these requirements are being observed.

Health and safety

H.16 When opting to drive on HMT business it is important to remember the following health and safety best practice:

- on long journeys you should ensure that you take a break of between 15 and 20 minutes every two hours;
- you should ensure that you familiarise yourself with the controls of any hire car before setting off; and
- you must never use a mobile telephone whilst driving, switching it off to avoid the possibility of distraction.



Overnight accommodation and subsistence

I.1 Subsistence allowances are intended to cover all subsistence costs incurred within a 24 hour period – i.e. bed, breakfast, lunch, dinner and other out of pocket expenses. If meals are provided free (e.g. conference lunches) no claim should be made for that meal. Where the period of absence exceeds 24 hours but does not justify a further overnight stay, residual day subsistence may be additionally claimed in accordance with the normal criteria.

I.2 Staff remain entitled to the accommodation standards set out below and three meals a day. There may, exceptionally, be occasions when it is not possible to reach these standards within the limits set out above. You will need to record the circumstances on your iExpenses claim and explain the steps taken to keep costs to a minimum. Line management approval must be obtained prior to travel if you are going to exceed the limits.

I.3 In exceptional cases, where the cost of overnight accommodation exceeds the limits on expenditure, you may claim your actual expenditure. Receipts, together with a note explaining why the limit was exceeded, should be included on your iExpenses claim.

I.4 Where meals are claimed on an actual expenditure basis, and exceed the limits, receipts, together with a note from your line manager confirming agreement for the limit to be exceeded, should be included on your iExpenses claim. Failure to provide this will result in your claim being capped at the limit.

I.5 Where gratuities are a recognised part of the cost (e.g. in restaurants) they are reclaimable and should be included in the receipt for expenditure. A reasonable amount in this instance is deemed to be 10 per cent.

I.6 Accommodation provided within five miles of the workplace will qualify as a taxable benefit. Claims for reimbursement must be submitted via the payroll.

Accommodation standards

I.7 The subsistence allowances adopted should ensure that all staff can stay in accommodation which meets the following minimum standards:

- a single en suite room (with shower and/or bath), television and tea and coffee making facilities;
- space should be adequate and where necessary working facilities (e.g. a desk) should be available. A telephone is considered to be desirable;
- personal security and emergency procedures should be adequate;
- the surrounding area should be as safe as it is reasonable to expect; and
- adequate and reasonably priced restaurant facilities should be available either in the hotel or nearby and should offer an affordable table d’hote menu within the limits in section 3.

Discounted accommodation

I.8 HMT has contracted with Hogg Robinson to provide hotel booking services.

I.9 Hogg Robinson has undertaken to find good quality hotel accommodation (usually at a discount) anywhere in the UK. Hogg Robinson also provide the same service for overseas accommodation. These facilities are available to all staff who need to stay away from home overnight on official business. The expectation is that unless there are compelling reasons to the contrary, Hogg Robinson should be used by staff to book their hotels. To make a booking, staff should telephone Hogg Robinson or email the booking form and provide the following information:

- Hogg Robinson booking code;
- name as booker;
- name of traveller if different;
- cost centre;
- department and contact telephone number;
- location to be visited; and
- arrival and departure dates.

I.10 When reservations are made, a booking reference will be provided. Staff using this arrangement will be responsible for settling their account at the hotel. If a change of plans results in the accommodation being unnecessary, it is important for staff to notify either Hogg Robinson or the hotel concerned as quickly as possible in order to avoid cancellation charges.

I.11 Where exceptionally it is not possible to use Hogg Robinson, bookings made with individual hotels are still subject to the general HMT expenditure guidelines.

I.12 Full guidance on Hogg Robinson travel can be found at the HRG Portal.



Taxable travel expenses

J.1 If you can answer yes to any of the following questions you may be in receipt of a taxable benefit that could affect your personal tax position:

- are you claiming expenses for travelling from home to the office?
- do you ever claim expenses for staying at, or close to your normal place of work?
- are you on secondment from another department?
- do you regularly work in more than one HMT location and claim expenses when travelling to the second HMT workplace?
- the flowchart that follows will enable you to determine if a second permanent workplace applies.

Home to office travel expenses

J.2 If you are currently claiming expenses for home to office travel it is likely that you are in receipt of a taxable benefit. Please refer to the contact details at the end of this section and discuss your circumstances with a member of the finance team.

Accommodation expenses at or close to your place of work

J.3 If you claim expenses for staying in a hotel at or close to your normal place of work it is possible that you may be in receipt of a taxable benefit. Please refer to the contact details at the end of this note and discuss your circumstances with a member of the finance team.

Secondment

J.4 If you are on secondment it is unlikely that a taxable benefit will arise if the duration of your secondment is less than 24 months. If the secondment is for more than two years or it is highly likely to be extended, taking it over the two-year threshold, then a taxable benefit may arise and may be retrospective for the whole period. Please refer to the contact details at the end of this note and discuss your circumstances with a member of the finance team. For any proposed secondments, finance staff can provide advice during negotiations to ensure that the appropriate tax treatment is established at the earliest opportunity.

Two places of work

J.5 Members of staff who regularly carry out the duties of their role at more than one HMT location (eg Rosebery Court & 1 Horse Guards Road) will be deemed to have two places of work for tax purposes.

Two places of work – key criteria

- the attendance has to be regular (although not specified by HMRC this will usually apply if the attendance at one site is at least 40 per cent of availability); and
- the work at both locations has to involve the substantive duties of the role (visits to another location to attend a meeting or a seminar would not count but the act of logging on to the computer network would. Any expenses incurred in these cases would not be subject to tax).

J.6 If the above applies to you and you are claiming reimbursement of expenses incurred in travelling to the second workplace you will be in receipt of a taxable benefit. In order that HMT can meet this tax liability on your behalf you should not claim through iExpenses but submit a separate T&S claim form, marking it for taxable expenses. This form will be passed to HR division for reimbursement through the payroll in order that the expenses can be grossed up for tax and national insurance purposes. Wherever possible, you should not use your Corporate card, if you have one, to pay for these expenses, as HMT is then unable to meet the tax liability at the point of payment. Should you do so you must report this to Finance Operations.

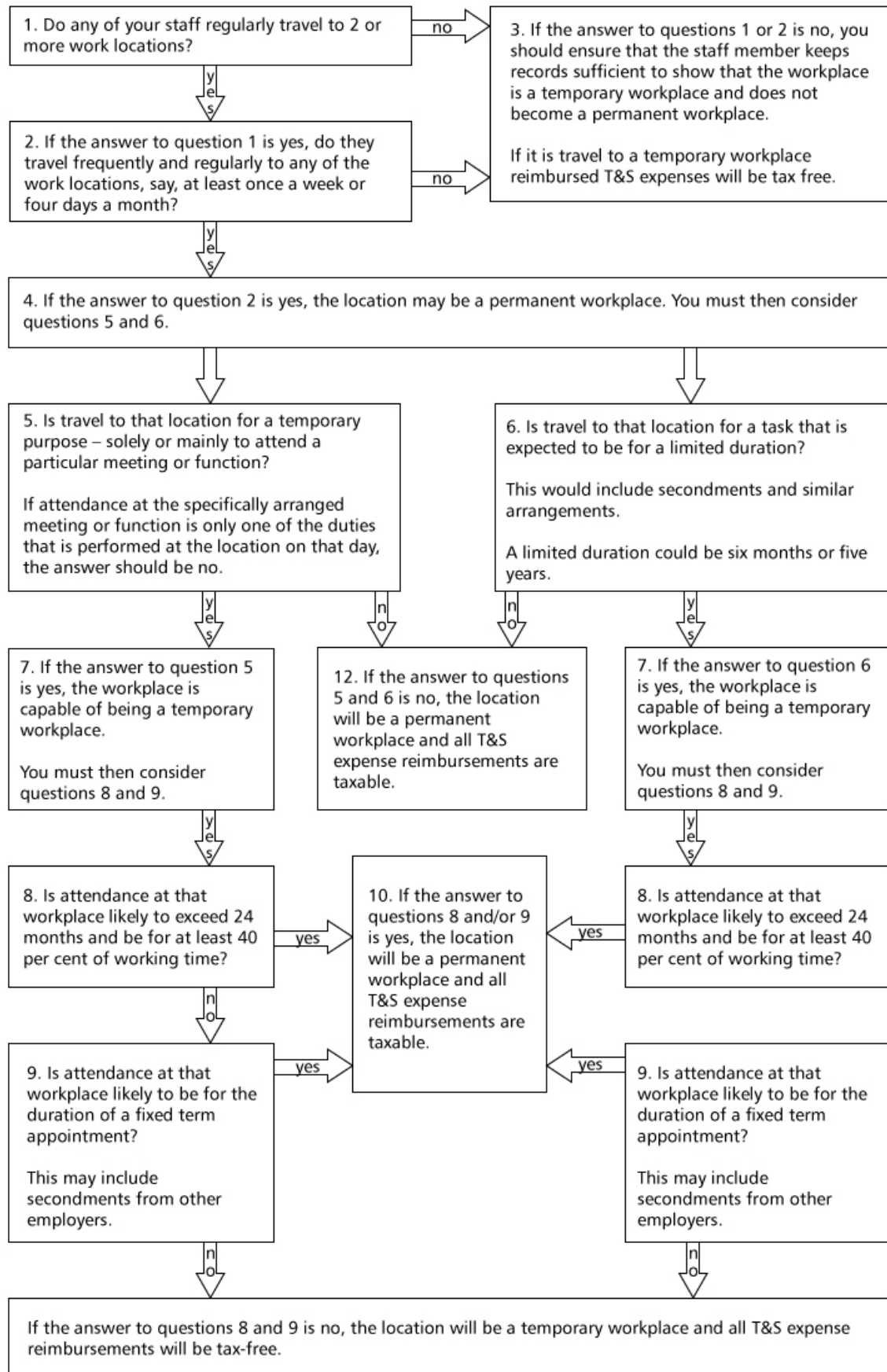
J.7 If you make use of HMT's corporate contracts to obtain rail tickets for these journeys you must report this to the finance team in order that action can be taken to meet the tax liability on this expenditure.

J.8 If there is any doubt regarding your work arrangements or work pattern please refer to the contact details at the end of this section and discuss your circumstances with a member of the finance team.

J.9 A personal tax liability is likely to arise if the above guidance is not followed.

J.10 If any of the above apply to you, or if you require further advice, please contact a member of the finance team to discuss your situation. In most circumstances HMT will consider meeting the tax liability, but this should not be assumed.

Figure J.1: HM Revenue & Customs two places of work flowchart



HM Treasury contacts

This document can be downloaded from
www.gov.uk

If you require this information in another language, format or have general enquiries about HM Treasury and its work, contact:

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SW1A 2HQ

Tel: 020 7270 5000

E-mail: public.enquiries@hm-treasury.gov.uk