



London Ambulance Service **NHS**
NHS Trust

Expenses Policy

DOCUMENT PROFILE and CONTROL

Purpose of the document: The purpose of this Expenses Policy is to set out the policy, allowances and requirements for receipts when LAS staff submit expenses claims. It has been produced at this time to provide a framework and consolidated guidance for staff as the system for electronically claiming expenses (**expenses**) is rolled out across the Trust.

Sponsor Department: Corporate Process & Governance Programme Team and the Electronic Expenses Project Board.

Author/ Reviewer: HR Employee Services Manager & Financial Controller. To be reviewed by March 2012 or when revised Sections 17 & 18 of the national AfC Terms & Conditions are published.

Document Status: Final

Amendment History			
Date	*Version	Author/Contributor	Amendment Details
17/08/09	0.1	Corporate Processes Programme Manager	Initial draft
19/08/09	0.2	Corporate Processes Programme Manager	Formatting comments from GDU
01/09/09	0.3	Corporate Processes Programme Manager	Initial comments from Greg Masters
20/10/09	0.4	Corporate Processes Programme Manager	Changes from meeting with Greg Masters & Tony Crabtree
18/12/09	0.5	Corporate Processes Programme Manager	Changes Tony Crabtree
21/12/09	0.6	Corporate Processes Programme Manager	Changes agreed with Tony Crabtree
22/12/09	0.7	Corporate Processes Programme Manager	Minor modifications to layout from GDU and changes requested by Tony Crabtree.
13/01/10	1.1	Corporate Processes Programme Manager	Minor changes following SMG meeting
16/03/10	1.2	Corporate Processes Programme Manager	Minor changes to section related to tube and train travel.

***Version Control Note:** All documents in development are indicated by minor versions i.e. 0.1; 0.2 etc. The first version of a document to be approved for release is given major version 1.0. Upon review the first version of a revised document is given the designation 1.1, the second 1.2 etc. until the revised version is approved, whereupon it becomes version 2.0. The system continues in numerical order each time a document is reviewed and approved.

For Approval By:	Date Approved	Version
SMG	05/01/10	1.0
Agreed by Trust Board (If appropriate):		
	30/3/10	2.0

Published on:	Date	By	Dept
The Pulse	07/04/10	Records Manager	GDU
LAS Website	07/04/10	Records Manager	GDU
Announced on:	Date	By	Dept
The RIB	13/04/10	Records Manager	GDU

EqlA completed on	By
02/10	HR Employee Services Manager & Financial Controller
Staffside reviewed on	By
02/10	Staffside Representative

Links to Related documents or references providing additional information		
Ref. No.	Title	Version
	Agenda for Change Terms & Conditions	
	Maternity Leave and Pay Policy	
	The system supplied by Software Europe is referred as expenses throughout the document irrespective of the version currently being used, e.g. expenses2010 .	
	The AfC Terms & Conditions can be found on the NHS Employers web site at http://www.nhsemployers.org/PayAndContracts/AgendaForChange/Pages/Afc-Homepage.aspx .	

Document Status: This is a controlled record as are the document(s) to which it relates. Whilst all or any part of it may be printed, the electronic version maintained in P&P-File remains the controlled master copy. Any printed copies are neither controlled nor substantive.

1. Introduction

In March 2008, the LAS initiated a project to introduce a process whereby staff would submit their expenses claims using an electronic system. To facilitate this, a product called Expenses¹ was procured from Software Europe Ltd. The system comprises a 'hosted' website allowing staff to submit claims from any location where they have access to the World Wide Web. Following a pilot stage, the system is being rolled out to staff from July 2009.

In planning the rollout phase, it was discovered that there was a need to consolidate the various guidance on claiming expenses and related allowances. While the creation of a detailed policy is the responsibility of the HR and Finance directorates the Electronic Expenses project team agreed to produce this 'Expenses Policy' so there was a guidance document available for staff as they started to use the system (**expenses** has been configured to reflect the policies and rates used by the Trust.)

This Expenses Policy is to set out the policy, allowances and requirements for receipts when LAS staff submit expense claims.

2. Scope

The scope of this document is to supplement Sections 17 and 18 of the national 'Agenda for Change' (AfC) Terms & Conditions (T&Cs)² and set out the 'rules' by which LAS staff may claim expenses. This includes:

- The various rates and allowances used within the Trust. When and by whom these may be varied is also set out.
- When expenses may be claimed and, as importantly, when claiming expenses is not permissible.
- The rules associated with attaching receipts as proof that expenditure has been legitimately incurred are also set out below.

This document does not detail which allowances are subject to taxation. The rules for this are set by HM Revenue & Customs (HMRC).

¹ The system supplied by Software Europe is referred as **expenses** throughout the document irrespective of the version currently being used, e.g. **expenses2010**.

² The AfC Terms & Conditions can be found on the NHS Employers web site at <http://www.nhsemployers.org/PayAndContracts/AgendaForChange/Pages/Afc-Homepage.aspx>.

3. Objectives

1. To set out the policy for LAS staff claiming expenses.
2. Meet HMRC requirements for an Expenses Policy.

4. Responsibilities

4.1 Staff

It is the responsibility of all claimants³ to ensure they only claim for allowable expenses and allowances actually incurred and only up to the maximum allowed by AfC and supplemented by the Trust's own T&Cs.

Claimants will ensure that no item being claimed is more than 3 months old. (*expenses* has been configured to prevent old claims.) The only exceptions are where staff are on long-term sick leave.

Claimants need to be aware that expense items covered by *expenses* will no longer be claimable from petty cash, purchasing cards or by the use of cheque request forms except in exceptional circumstances approved by the Financial Controller.

4.2 Line Management

In reviewing claims from staff, line managers will ensure items within the claim have been necessarily incurred during periods of duty and conform to this policy document, including examination of receipts attached to the claim.

It is the responsibility of line managers to ensure that items within the claim represent expenses that have been legitimately incurred or allowances, which may be legitimately claimed in accordance with this policy, including the requirement to examine receipts and other supplementary documentation provided by the claimant.

4.3 HR and Finance Directorates

The responsible staff within the two directorates are responsible for ensuring this policy is periodically reviewed, including making amendments to reflect changes in rates issued nationally.

The two directorates are also responsible for monitoring information from *expenses* to ensure that claims are being appropriately examined and only legitimate claims are being authorised for payment. This will be done using a variety of methods, including exception reports on 'outliers'.

³ Within this document, staff who claim expenses, irrespective of grade, will be described as claimants.

4.4 Trust Board Members & Non-Board Directors

When claiming expenses or other allowances Trust Board Members and Non-Board Directors are subject to the general provisions of this policy unless otherwise specifically stated within the text.

The Chief Executive has line management responsibility for authorising claims from executive directors and ensuring items have been necessarily incurred during periods of duty and conform to this policy document, including examination of receipts attached to the claim. This policy places similar responsibilities on the Chairman in respect of claims from non executive directors.

Claims made by the Chairman, in accordance with this policy will be duly authorised by the Director of Finance.

5. Travel

5.1 Mileage

Staff may claim for mileage travelled when they necessarily in the course of their duty move between LAS, NHS or other sites. Mileage may not be claimed for journeys which start at their normal place of residence unless their normal 'base' is not the first location visited. In such instances the mileage claimable is limited to the distance which would have been travelled if the journey had started and finished at the designated headquarters, or the distance actually travelled if less⁴. Similar rules apply when this is the last journey claimed on a particular day. Simply stopping off to visit a workplace that lies between home and your usual place of work does not automatically render the rest of the journey as business mileage. Section 17.21 of the AfC T&Cs does not apply to lease cars⁵

The only exceptions to the rule in 0 above are when a lease vehicle is used or the journey is for an overtime shift or because of an on-call requirement.

There are four different mileage rates. Within these differing levels of reimbursement may apply depending on the annual miles driven for work and the engine size. Each of these is explained below:

Lease car users are entitled to reimbursement at the rates published by HMRC twice a year.

Reimbursement of mileage costs for lease car users are aligned with the advisory fuel rates for company cars approved by HMRC. By adopting this approach all lease car users could be assured that reimbursement rates would in future be regularly (twice a year, 1 January and 1 July) and independently reviewed.

⁴ Section 17.21 of AfC T&Cs.

⁵ Section 17.23 of AfC T&Cs.

These rates are effective from 1 January 2009. Please be aware also that, given recent fuel price volatility, HMRC has advised that there will be additional reviews outside of the normal schedule if there is a 5% fluctuation in fuel rates, which, in their opinion, is likely to be sustained.

5.2 Regular User Allowance is not paid to LAS staff.

Standard User mileage allowance is paid by agreement to staff who use their own vehicles when travelling on official business and, in doing so, either:

- travel an average of more than 3,500 miles a year;

or

- travel an average of at least 1,250 miles a year; and necessarily use their car an average of three days a week;

or

- spend an average of at least 50 per cent of their time on such travel, including the duties performed during the visits;

or

- 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.

Standard users are entitled to reimbursement at the rates published by the NHS Staff Council, reviewed twice a year.

Trust Mileage Rate is paid to operational staff that use their own vehicles when travelling between sites as 'singles' to double man a vehicle or attending mandatory training as defined in Trust policy. Trust mileage rates can only be claimed for eligible journeys and local managers do not have authority to vary these.

Other than the above, all journeys will be paid at the public transport rate.

The Trust does not support the use of an employee's own vehicle being used for any journey directly involving an emergency 'blue light' response. Therefore the payment of mileage claims is made for the use of an employee's own vehicle, are limited to journeys that do not involve any emergency blue light response.

Passenger Miles are paid at the rate of 5.0p per mile for each passenger, where their journey is for official business.

Motor Cycles users are entitled to reimbursement at the rates published by the NHS Staff Council, reviewed twice a year.

Where, at the requirement of the LAS, an employee carries heavy or bulky equipment in a private car, an allowance at half the passenger rate set out in Annex L shall be paid for journeys on which the equipment is carried, provided that either:

- The equipment exceeds a weight which could reasonably be carried by hand;

or

- The equipment cannot be carried in the boot of the car and is so bulky as to reduce the seating capacity of the vehicle.

Pedal Cycles users are entitled to reimbursement at the rates published by the NHS Staff Council, reviewed twice a year.

6. Duty of Care

6.1 Statistically, travelling by road is less safe than using public transport. Managers are, therefore, required to encourage staff wherever practical to use public transport rather than cars. This also has the benefit of reducing the Trust's carbon footprint.

6.2 The Trust is required under the Corporate Manslaughter Act to ensure that all vehicles used for business travel, whether owned by the Trust or the driver are taxed, insured for business use, hold a current MOT certificate (if over 3 years old) and road worthy recommendations. Consequently, line managers will be required to confirm within the expenses system that they have seen the relevant documents and entered the expiry dates of each document.

6.3 Claimants are not allow to enter mileage claims after the expiry dates of any item listed in paragraph 6.2 above until the new documents have been witnessed as having been seen by the line manager.

7. Tolls, Congestion Charge and Parking

7.1 Tolls charges are reclaimable where they have necessarily been incurred making a business journey. Toll charge receipts should be submitted where available.

7.2 Congestion Charges are reclaimable where they have necessarily been incurred making a business journey and will be reimbursed when supported by an attached receipt from TfL. Certain supporting information is required, as in certain circumstance the LAS is able to reclaim the charge from TfL. The detailed guide to the re-imbusement of congestion charges can be found at

http://thepulse/uploaded_files/Managing/congestion_charge_review_2007.pdf.

7.3 Employees who necessarily incur charges in the performance of their duties, in relation to parking, garage costs, tolls and ferries shall be refunded these expenses on production of receipts, whenever these are available. Charges for overnight garaging or parking, however, shall not be reimbursed unless the employee is entitled to night subsistence, and reimbursement of parking charges incurred as a result of attendance at the employee's normal place of work will not be considered."

8. Excess Travel

8.1 Excess Mileage can be claimed following a temporary or permanent relocation. The claimable number of miles is the number of excess miles driven in compared to your normal place of work. This allowance is only payable up to the first four years after the relocation.

8.2 Excess Travel can be claimed following a temporary or permanent relocation. The claimable cost is the value of any fares in excess of the cost to your normal place of work. This allowance is only payable for the first four years after the relocation. The allowance ceases if voluntarily accepting another post, promotion or there is a change in personal circumstances so that the excess is no longer incurred. Voluntary moves will not normally create a claim for excess travel.

9. Other Travel

9.1 Taxis should not be used for travelling in the local area except in exceptional circumstances and only relating to genuine business needs. Taxis used for business trips will be reimbursed on production of the appropriate original receipt.

9.2 Bus/ Tube journeys may be claimed where the journey is for business use and the original receipt or ticket is attached to the claim. It is, however, recognised that in some stations the ticket is retained by the platform machinery. In these circumstances, reimbursement will be made provided the employee makes a statement to that effect when making the claim. In all other cases, no payment will be made without a receipt.

9.3 Staff that have purchased weekly, monthly or annual travel (Oyster) cards for travel from home to and from work are not eligible to claim for travel in the zones for which the travel card has been purchased.

9.4 Staff with 'Pay As You Go' Oyster cards may claim for legitimate business journeys. A copy of the journey history report should be used as the receipt for such journeys.

- 9.5 Train Tickets should be purchased through the Trust's use of rail warrants. Where this is not relevant or a cheaper ticket can be obtained using the internet, journeys may be claimed where the journey is for business use and the original receipt is attached to the claim. It is, however, recognised that in some stations the ticket is retained by the platform machinery. In these circumstances, reimbursement will be made provided the employee makes a statement to that effect when making the claim. In all other cases, no payment will be made without a receipt. When ordering the ticket all discount/value for money options should be explored including early booking, two singles etc.
- 9.6 Rail warrants can be obtained using the form LA6, which can be found on the Pulse at http://thepulse/uploaded_files/Forms/2008-05-09_la6_travel_ticket_order_form_v2.0.doc.
- 9.7 Air Fares should only be incurred in circumstances where it is the only feasible mode of transport, or it is deemed the best use of Trust resources (time, money). Tickets should normally be obtained in the Trust's name from the Travel Agents assigned for this purpose, thus ensuring that the Trust obtains the best rate and does not pay VAT when not required. Where in exceptional circumstances, it was not possible to make prior arrangements then reimbursement will be made on production of the actual original receipt. Where the travel is overseas then the appropriate form should be signed by the Chief Executive and forwarded to The Chief Cashier.
- 9.8 Overseas travel, on official business, may only be undertaken with the prior approval of the Chief Executive on the designated form, which can be obtained from the Chief Cashier.
- 9.9 Pool Car Fuel may be claimed where the use of an LAS pool car required it to be fuelled. The production of a receipt will be required for the reimbursement to be approved.

10. Accommodation and Meals

- 10.1 The purpose of this section is to set out the rules under which circumstances staff may be reimbursed for the necessary extra costs of meals, accommodation and travel arising because of official duties away from home. Business expenses, which may arise, such as the cost of a fax or official telephone calls, may be reimbursed with certificated proof of expenditure attached to the claim.
- 10.2 The national terms and conditions handbook allows for night allowance to be claimed for the first 30 nights' cost of bed and breakfast up to a maximum of £55 per night, provided an actual receipt is attached. This rate has not been reviewed for a number of years, and is unlikely to reflect current commercial accommodation rates. Consequently, subject to the provisions of paragraph 18.3 of section 18 if this 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, the additional cost may be granted at the discretion of the employer provided the receipt is attached to the claim and an explanation of the cost is entered into expenses 2010.

- 10.3 Overnight Non-Commercial may be claimed where the stay is with family or friends. The flat rate sum of £25 is payable. This includes an allowance for meals. No receipts will be required.
- 10.4 Employees staying in accommodation provided by the employer or host organisation shall be entitled to an allowance to cover meals which are not provided free of charge up to the total set out in paragraph 2 of Annex N of AfC Terms & Conditions.
- 10.5 Where accommodation and meals are provided without charge to employees, e.g., on residential training courses, an incidental expenses allowance at the rate set out in paragraph 6 of Annex N of AfC Terms & Conditions will be payable.
- 10.6 Where an employee is required to stay away for more than 30 nights in the same location the entitlement to night subsistence shall be reduced to the maximum rates set out in paragraph 4 of Annex N of AfC Terms & Conditions. Meals allowances are not payable to these employees. Those who continue to stay in non-commercial accommodation will continue to be entitled to the rate set out in paragraph 3 of Annex N.

11. Meals

- 11.1 A meal allowance is payable when an employee is necessarily absent from home on official business and more than five miles from their base, by the shortest practicable route, on official business. Day meals allowance rates are set out in paragraph 5 of Annex N of AfC Terms & Conditions. These allowances are not paid where meals are provided free at the temporary place of work. This does not apply to crew staff working a rostered shift.
- 11.2 A day meals allowance is payable only when an employee necessarily spends more on a meal/meals than would have been spent at their place of work. An employee shall certify accordingly on each occasion for which day meals allowance is claimed but a receipt is not required.
- 11.3 Normally, an employee claiming a lunch meal allowance would be expected to be away from his/her base for a period of more than five hours and covering the normal lunch time period of 12:00 pm to 2:00 pm. To claim an evening meals allowance an employee would normally be expected to be away from base for more than ten hours and unable to return to base or home before 7:00 pm and as a result of the late return is required to have an evening meal. Employees may qualify for both lunch

and evening meal allowance in some circumstances. There will be occasions where, due to the time of departure, there will be the necessity to take a meal but the conditions relating to the time absent from the base are not met. This, and any other exceptions to the rules, may be allowed at the discretion of the employer.

11.4 Entertainment or hospitality provided for third parties may be claimed where the prior approval of the relevant director has been obtained. Details of location, name status and company of every person entertained should be provided and the receipts must be attached to the claim.

12. Other Claimable Items

12.1 Display Screen Equipment Eye Tests and Lenses

12.2 Display screen equipment Eye Tests may be claimed by employees who habitually use display screen equipment for a significant part of their normal work may reclaim the cost of an eyesight examination up to £18 each year. A receipt must be attached to the claim.

12.3 Display screen equipment Lenses may be claimed by employees if, as a result of a display screen equipment eyesight test, employees are required to have their eyesight corrected for display screen equipment use, the cost of lenses up to £51.90 may be reclaimed once per year. A receipt must be attached to the claim.

12.4 The requirement to be using display screen equipment for a significant part of their normal working day precludes crew staff from claiming this item.

12.5 Maternity Wear - Female uniformed staff, excluding managerial staff, may claim up to £40 to cover the cost of maternity wear on production of a valid confirmation from their general practitioner. All claims must be covered by a receipt.⁶

13. Executive Directors

13.1 Executive Directors whether Trust Board members or non Board members are subject to the same provisions as all other LAS staff. Their claims will be approved by the Chief Executive.

14. Chairman and Non Executive Directors

14.1 The Appointments Commission publish detailed guidance on items Chairman and Non Executive Directors are able to claim when incurred on official business for the LAS. A copy of the guidance document can be obtained from the Employee Relations manager on request.

⁶ See Maternity Leave and Pay Policy, Appendix 5, page 18.

15. Miscellaneous

15.1 Other items may be claimed where appropriate, but receipts must be attached to the claim. Items may include the cost of courses or books required for business use.

IMPLEMENTATION PLAN	
Intended Audience	For all LAS staff
Dissemination	Available to all staff on the Pulse, including a link from expenses .
Communications	Revised Procedure to be announced in the RIB and a link provided to the document in expenses .
Training	No Training is required
Monitoring	Many of the provisions within this policy are built into expenses as mandatory controls. Adherence to the content of this policy will be monitored by Finance and HR staff using reports generated by expenses , Internal Audit and NHS Counter Fraud will also have access to the reporting facilities within expenses .