

PARLIAMENTARY & HEALTH SERVICE OMBUDSMAN

TRAVEL & SUBSISTENCE CODE

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1. INTRODUCTION

- 1.1. The Travel & Subsistence Code sets out PHSO's policies on:
 - home to office travel;
 - travel by PHSO employees on official business; and
 - travel-related expenses and allowances.
- 1.2. The Code also provides guidance on the procedures by which PHSO employees will be reimbursed the cost of those expenses incurred on official business and provides a comprehensive and definitive statement of the rules, terms and conditions governing payment of such expenses.
- 1.3. Administration of the Code's requirements is the responsibility of PHSO's Finance team to whom requests for clarification or additional guidance on the provisions of this Code should be addressed.
- 1.4. Future amendments, and any periodic changes in rates of allowance, will be published in subsequent amendments to this Code and notified to PHSO employees via all-staff e-mails.

2. PHSO POLICIES AND PRINCIPLES APPLYING TO TRAVEL & SUBSISTENCE

General Policies & Principles

- 2.1. PHSO's policies on the reimbursement of business expenses will comply fully with the requirements of relevant tax regulations in respect of business expenses and benefits in kind (HM Revenue & Customs' Tax Guides 480 and 490 have the full provisions). Unless otherwise stated, the majority of reimbursements paid under this Code will not normally give rise to any tax liability. However, where a liability for tax and National Insurance arise, it will generally be the responsibility of the PHSO employee to meet that liability.
- 2.2. Reimbursements of expenses paid by PHSO do not count as emoluments for the purpose of calculating Superannuation Benefits.
- 2.3. PHSO will apply a general principle that reimbursement of business expenses will only be due where extra expense is necessarily incurred by an employee as a direct result of their work on official business.
- 2.4. PHSO will comply with the requirements of regularity and propriety in the use of the funds granted to it by Parliament. All expenditure on staff travel and expenses should provide, and demonstrate, value for money.
- 2.5. PHSO will only reimburse sums equal to the actual expenditure incurred. For example, if the length of journey entitles an employee to first class travel but they instead travel standard class, reimbursement is limited to the actual standard class fare paid.
- 2.6. Documentary evidence of costs incurred, or a written explanation as to the absence of such evidence, is required in support of all claims for reimbursement of expenses.
- 2.7. Where there is any doubt over entitlement to reimbursement or to allowances, employees should refer the matter to the Finance team for definitive advice. Such advice should normally be sought before any expenditure is committed.
- 2.8. Changes in rates of allowances will apply from the date specified at the time the change is announced by the Finance team.
- 2.9. Except where a duly authorised manager of PHSO makes explicit written provision to the contrary, entitlements will cease when a PHSO employee dies, retires, resigns or is dismissed. Entitlements will also cease: for the duration of any period of unauthorised absence; or absence which results from being suspended without pay; or absence on unpaid leave.

Specific Policies In Respect of Travel-Related Expenses

- 2.10. PHSO will always meet the additional cost of travel incurred by an employee on official business which is over and above that which would otherwise have been incurred on their regular 'home to office' journey (see [chapter 3](#)). This excludes:
- cases where overnight accommodation is being provided, in which case only the journey to and from that address at the beginning and end of the visit will be reimbursed.
 - travel between an employee's home address and PHSO's business addresses in London and Manchester (however, see chapter 3 for those specific circumstances when this may count as official business travel).
- 2.11. PHSO will reimburse ancillary costs necessarily incurred as a result of official business travel, including (but not limited to):
- the cost of seat reservations when they are required;
 - the cost of any supplements incurred on official travel, e.g. 'upgrading' a 'saver/supersaver' to a standard/cheap day return; and
 - the cost of a sleeping berth where travel is required to be overnight.

The Responsibilities of PHSO

- 2.12. PHSO is responsible for ensuring the reimbursement of expenses incurred by its employees during the course of their official duties.
- 2.13. PHSO will ensure that properly evidenced and authorised claims for reimbursement will be processed and paid in reasonable time and according to the policies and principles of this Code.

The Responsibilities of PHSO Employees

- 2.14. PHSO employees are expected to familiarise themselves with all relevant PHSO policies and principles in respect of business expenses as contained in this Code.
- 2.15. Employees are expected to organise their business travel arrangements with due regard to achieving good value for money by ensuring an appropriate balance between economy in the use of public funds and the effective delivery of business objectives.
- 2.16. Employees must only claim those amounts properly due to them. To that end, claim forms require a formal declaration that the amounts claimed: are those that were actually incurred and/or due; are in strict accordance with the rules of PHSO; and that the expenses incurred were necessary for the performance of their official duties. Claiming monies to which there is no entitlement may,

depending on the circumstances, constitute grounds for disciplinary and/or criminal action.

- 2.17. Employees must provide original documentary evidence (tickets, receipts etc) in support of any claim for reimbursement of business expenses or, where this is unavailable, provide an explanation as to the reason why evidence has not been included with their claim.
- 2.18. Employees should submit their claims for reimbursement promptly.

The Responsibilities of Budget Managers and Authorised Signatories

- 2.19. Budget Managers have a general duty to ensure value for money, regularity and propriety in the management of resources. Overall expenditure on travel and subsistence is controlled through delegated budgets. These arrangements should enable Budget Managers to keep under review both the need for official travel and the value for money achieved both generally and in specific cases.
- 2.20. It is therefore good practice for Budget Managers to discuss with their teams, and any person authorising expenditure on their behalf, what will comprise value for money in respect of travel on official business funded from the budget for which they are accountable. These discussions should also include local procedures on if, when and how advance approval for travel should be obtained from the Budget Manager or from an appropriate line manager.
- 2.21. Authorised signatories are required to approve the commitment of budget funds for the advance purchase of certain travel tickets. Authorisation is also required in respect of expenses claims. In both instances, the authorised signatory should satisfy themselves that the commitment or claim meets the standards required by this Code.

- 2.22. For travel and subsistence expenditure, special budget delegation arrangements exist. The Ombudsman has delegated authority to approve and authorise such expenditure by specific mandate as follows:

Authorisation of PHSO Employee Travel & Subsistence

Subject to the restrictions identified below, [the Ombudsman delegates] authority to commit expenditure in respect of travel & subsistence to:

- the line manager of the PHSO employee undertaking business travel; or
- an authorised signatory of the cost centre that will incur the cost of the business travel; or
- (In the case of a Director or Executive Board member) a PHSO employee at Band E1 or higher.

In discharging this delegated authority the signatory authorising the commitment of business travel expenditure will have regard to:

- the regularity and propriety of all expenditure incurred and the avoidance of waste and extravagance and the efficient use of all PHSO's resources; and
- the requirements of PHSO's Travel & Subsistence Code.

Restrictions to Delegated Authority

The authority delegated under this mandate is restricted as follows:

- this mandate only applies to travel on the business of the Parliamentary & Health Service Ombudsman;
- there is no authority to commit expenditure where the Budget Holder or Budget Manager of the relevant cost centre has restricted such spending; and
- authorised signatories below Band E1 may authorise only the commitment of expenditure in respect of a PHSO employee of equal or lower payband.

3. HOME TO OFFICE TRAVEL

‘Home to Office’ Travel: Tax Position

- 3.1. It is the position of HM Revenue & Customs that travel between an individual’s home and their workplace (their employer’s place of business) is an expense that will be funded out of normal salary. Tax policy reflects this and tax regulations require that any payment by PHSO to an employee in respect of home to office travel would be a taxable ‘benefit in kind’ (ie as if it were an additional salary payment). Exceptions do apply, but they are restricted.
- 3.2. In the case of ‘home workers’, their workplace will be their home address only if there is a specific business requirement for them to work from their home address. Where working at home is provided to employees as an option, this is not of itself a specific enough business requirement as they could equally elect to do the same work in the office. In such cases the cost of travel between their home address and the office is not an allowable business expense and would, instead, be a taxable ‘benefit in kind’.
- 3.3. Tax regulations also do not allow the costs of hotel accommodation provided to employees in the vicinity of their workplace (their employer’s place of business) to be regarded as a business expenses. Instead, such expenditure would be a taxable ‘benefit in kind’ (ie an additional salary payment). Again, exceptions do apply, but they are severely restricted.

‘Home to Office’ Travel: PHSO Policy

- 3.4. The definition of ‘office’ and ‘workplace’ for the purposes of this Code is either PHSO’s accommodation in Millbank Tower, London or The Exchange, Manchester. This is also the workplace for tax purposes of PHSO employees opting to work at home. In exceptional cases individuals will have two ‘workplaces’ - The Exchange and Millbank.
- 3.5. It is PHSO’s policy not to make payments in respect of home to office travel except in the following circumstances permitted under the tax regulations:
 - infrequent (less than 60 times a year) and irregular (not part of a standard pattern of working) late night travel because of a specific business need (not in circumstances where the employee elects to stay late); and
 - necessary attendance in the office during a transport strike resulting in additional costs.Exceptions can be made where there is a clear business need at the discretion of an Executive Board member.
- 3.6. Provision of ‘local’ hotel accommodation by PHSO for its employees is a benefit in kind. Therefore claims from employees for the reimbursement of the cost of hotel accommodation near their permanent workplace are taxable.

Advances of Salary for the Purchase of Season Tickets

- 3.7. PHSO employees may apply for an advance of salary to enable the purchase of a season ticket for home to office travel and/or for the purchase of car parking season tickets related to home to office travel. This facility is **not** available to individuals employed on a casual basis or with less than two month's service.
- 3.8. Advances of salary are made with the following restrictions:
- 3.8.1. Advances may only be made to assist in the purchase of quarterly or longer period season tickets;
 - 3.8.2. For quarterly season tickets up to four advances may be made in any period of 12 months;
 - 3.8.3. No advance may be made to those currently in receipt of, or repaying a loan for the purchase of a bicycle;
 - 3.8.4. Advances will only be processed on receipt of a correctly completed and countersigned application form;
 - 3.8.5. Advances will be made with pay for the month (or week if applicable) immediately preceding the first day of validity of the season ticket;
 - 3.8.6. Advances will be repayable in equal instalments over the life of the season ticket (although the repayment period may be shorter if the employee wishes); and
 - 3.8.7. Recovery of advances will be made by direct deduction from pay, beginning in the period following the advance (this may be deferred by one month on written request at the time of application for the advance - the advance will still be recovered over the life of the ticket).
- 3.9. Advances of salary are made with the following conditions:
- 3.9.1. The advance may be used solely for the purchase of a quarterly or longer period season ticket, use for other purposes is a serious matter and may result in disciplinary action;
 - 3.9.2. The advance will be repayable on demand but, without prejudice to PHSO's right to demand payment at any time, the intention is to allow repayment to be made over a prescribed period;
 - 3.9.3. In the event of cessation of PHSO employment, any outstanding balance of the advance will immediately become repayable (unless this can be recovered by PHSO from the new employer);

- 3.9.4. In the event of surrender of the season ticket for any reason, any outstanding balance of the advance will immediately become repayable; and
- 3.9.5. All advances for season ticket purchases are subject to random scrutiny by internal audit.
- 3.10. Advances are made using the following process:
 - 3.10.1. Requests must be made on an 'Advance for Season Ticket Purchase' form;
 - 3.10.2. Completed forms should be passed to an authorised signatory (normally the line manager) who will certify on the form that, so far as they are aware, the applicant is likely to remain in PHSO employment for the full period of validity of the season ticket for which the advance is requested;
 - 3.10.3. The authorised signatory will send the application form, to HR Operations, which will authorise the advance and for arrange payment by Logica with the relevant month's salary and for subsequent deductions from salary to recover the advance;
 - 3.10.4. In order to allow sufficient time for action by Logica, the completed application form must reach HR Operations no later than 3 days before the main payroll close down of the month prior to the start of the ticket (for advice, please contact the HR Operations team). Application forms that are received after this date, or which are not fully and accurately completed, cannot be guaranteed to be processed and paid by the required date; and
 - 3.10.5. After purchase, the season ticket must be shown to HR Operations (preferably at the beginning of the period of validity, or as soon as possible after that) to confirm that the advance was been used for the purpose for which it was given. HR Operations will take a photocopy of the ticket for retention with the application form, for audit purposes.
- 3.11. Requests for subsequent advances should be made in time to enable payment of the new advance in the same month as the final repayment of the current advance to ensure that it arrives in good time to purchase the replacement season ticket.
- 3.12. In cases where an advance becomes repayable before the expiry of the normal repayment period, the payment must be sent, without delay to the Finance team. Cheques should be made payable to 'GBS Re Parl/Health Svc Ombuds'.

- 3.13. Where an employee leaves PHSO employment and a season ticket is no longer required, PHSO will reimburse the employee the balance of the sum refunded by the season ticket issuer and that repayable on the advance (ie the amount of any deduction that the issuer may make for administration or other charges when the ticket is surrendered). Documentary evidence must support the claim for reimbursement.

Taxation of Advances and Loans

- 3.14. Tax regulations allow for advances and loans totalling £5,000.00 to be paid to one employee in a tax year (6 April to 5 April) before any tax is payable.
- 3.15. PHSO employees receiving loans and advances will have their monthly deduction for income tax on their pay calculated only the basis of the gross pay due. Any loans or advances paid, or recovery deductions made in the same month will be ignored when tax is calculated.

4. PLANNING & BOOKING BUSINESS TRAVEL

Planning Business Travel

General

- 4.1. Attention is drawn to the general policies and principles contained in [chapter 2](#) of this Code which must be applied by PHSO employees when planning, booking and authorising business travel.
- 4.2. PHSO employees are responsible for planning their own business travel with due regard for overall cost (travel, subsistence and associated expenses) and the most efficient use of working hours.
- 4.3. Public transport is generally the preferred option for business travel for PHSO employees, who are expected to identify and take advantage of any cheap facilities which may be available, where their use is consistent with the efficient and economic conduct of official business. For example cheap day returns, season tickets or special advance ticket offers where restrictions would not interfere with the objectives of the travel.
- 4.4. For locations poorly served by public transport, the use of a personal vehicle or hire car is permitted.

Travel by Taxi

- 4.5. Public funds are being used so personal convenience should not be a primary consideration, therefore taxis and similar expensive means of travel should only be considered where there is a clear operational benefit or where the needs of PHSO employees with disabilities make alternatives impractical. Travel by taxi may generally be used;
 - where there is no suitable public transport (either generally or because of the time of day);
 - for reasons of personal safety (particularly in unfamiliar locations);
 - if heavy luggage has to be transported; or
 - where it is cost effective (there is a significant saving in time or where a taxi can be shared with another member of PHSO).
- 4.6. PHSO employees claiming reimbursement of taxi fares must obtain a receipt for the fare and attach it to the claim and give details of the journey undertaken, the names of those travelling, and the reason for use of a taxi. Prior ordering of taxis should be arranged through the form TRAVEL1, and completed as required.

Class of Travel

- 4.7. For PHSO employees, the class used for travel on official business is not determined by grade but is dependent on length of journey and business need.
- 4.8. Standard, economy or tourist class travel should be used where it is practicable to do so. Other classes of travel may be used as follows with the prior approval of the relevant Budget Manager (which should be indicated on any booking form):
- first class rail travel for:
 - train journeys in excess of one and a half-hours each way normally on the understanding that the employee will be working during the journey; or
 - any train journey which necessarily involves travel with someone who is entitled to travel, and is already travelling, first class; or
 - any train journey which necessarily involves lone travel at night;
 - business class travel for any ferry journey (where there is an option) with the proviso that the employee will be working during the journey; or travelling alone; or travelling with someone who is entitled to travel, and is already travelling, business class; and
 - for international flights refer to the Purchasing Team for advice on specific classes available - all internal UK flights must be by economy or tourist class.

Travel with Spouses and Partners and Travel Upgrades

- 4.9. PHSO employees may, from time to time, wish to be accompanied on business travel by spouses and partners. However PHSO will only reimburse the travel costs of the employee and the costs of accommodation that would have been required if the employee had travelled on their own (a quote from the hotel booking agent should be obtained for both rates in order to determine the sum payable).
- 4.10. Where PHSO incurs costs in respect of a spouse or partner (for example where rail or air tickets or hotel accommodation is paid for in advance), the employee will be expected to reimburse PHSO with the costs of travel of their spouse or partner and also any additional costs arising from booking double instead of single accommodation (again, a quote from the hotel booking agent should be obtained for both rates in order to determine the sum payable).
- 4.11. Where a PHSO employee wishes to upgrade their class of travel or standard of accommodation for their own personal convenience, they may do so at their own cost with the prior approval of the relevant Budget Manager or Authorised Signatory. Approval should be indicated on any booking form as well as commitment from the employee to: either reimburse PHSO with the costs of the upgrade (where booked and paid for by PHSO); or to claim only the

expenses that would have been payable without the upgrade (documentary evidence of quotes and prices will be required).

- 4.12. After travel, any payments due for spouse/partner travel or for personal upgrades must be sent, without delay to the Finance team. Cheques should be made payable to 'GBS Re Parl/Health Svc Ombuds'. Receipts will be offset against the full costs of the travel which will be charged to budgets. If payment is not made within 2 months, PHSO will consider recovering the sums direct from the employee's salary.

Booking Rail, Flights, Ferry and hotel accommodation

- 4.13. From 29 October 2012, PHSO introduced a new, on-line travel management service, tRIPS. The tRIPS system will provide a 'one stop shop' for staff to find and book:
- travel tickets, including rail, flights and ferry, and
 - hotel accommodation.
- 4.14. This system will make planning your business travel significantly easier.
- 4.15. Initially, bookings through tRIPS will be made by the same 'local experts' who were responsible for making rail bookings through the previous system, but the ability to make bookings through tRIPS can be extended to individuals if required.
- 4.16. Detailed guidance on the booking procedure is available, and the Purchasing team will be pleased to provide one-to-one training if required.
- 4.17. If you wish to make your own bookings or have any questions about the new service, please contact the Purchasing team (x4249 or x4106).

Features of tRIPS service

- On-line 24-hour self booking tools which are efficient and intuitive to use;
- On-line portal enables the user to select a journey on the required date by travel times and cost;
- Bookings can be made for a single or combination of any of the services offered e.g. rail and hotel booking, flight and hotel booking etc;
- Comparisons show a range of rail and flight prices e.g. from London to Manchester, to establish the cheapest option;
- All hotel accommodation has been vetted to pre-agreed standards;
- Competitive pre-agreed pricing including access to Government Hotel Programme rates;

- Flights include scheduled (e.g. British Airways) and low cost airlines (e.g. Easy Jet);
 - Payment is via a single consolidated monthly invoice covering all PHSO expenditure through the system;
 - A transaction fee is payable for each booking and in return all commissions from the travel and/or hotel providers are returned to PHSO. The tRIPS provider does not make commission on any sales;
 - Extensive management information is available to PHSO on travel-related expenditure, including carbon footprint and environment information;
 - A helpline is available for all customers 8am to 6pm Monday to Friday, supported by a 24/7 emergency service (additional fee applies).
- 4.18. As well as the features outlined above, we expect the new system to lead to a reduction in the number of individual invoices and expenses claims received for processing for rail/hotel/travel bookings, including GPC transactions which will make things easier for staff, local experts and the Purchasing team.

Unused Tickets and Cancelled/Disrupted Travel Refunds

- 4.19. Unused tickets should be returned to the Redfern Travel promptly as requests for refunds must be submitted within 4 weeks of the date shown on the ticket. PHSO is charged a cancellation fee for all tickets returned for refund. In some instances the cancellation fee will be greater depending on the ticket held. No refunds are available for:
- most special fares, such as Advance, as they are already heavily discounted; or
 - for tickets priced at £10.00 or less.
- 4.20. Rail travel vouchers issued by travel companies to PHSO employees undertaking official travel as compensation for poor service must be sent to Redfern Travel, and to include the passenger's name and cost centre code.
- 4.21. Credits and refunds will be charged to the budget used to fund the purchase of the original ticket.

Booking Self-Drive Hire Vehicles for Official Use

- 4.22. PHSO normally requires its employees to use public transport for the purposes of official travel. However, where this is limited or impractical, the use of self-drive hire vehicles is acceptable. PHSO will also fund the use of self-drive hire vehicles in the case of an emergency (e.g. where an employee's private

car breaks down while on official business) if there is no economic alternative and providing that licence and insurance requirements are met.

4.23. PHSO requires compliance with the following conditions:

- PHSO expects its employees to act responsibly and within the law and will not pay for parking fines or other penalties. Such costs remain the responsibility of the driver of the hire vehicle. Employees should ensure that vehicles are returned in a satisfactory condition and that any loss or damage is reported to the rental company, copied to the Purchasing Team; and
- PHSO will meet the costs of vehicle hire for official purposes only. If an employee uses the vehicle for private purposes during the period of hire PHSO will not bear any additional costs involved. In particular, petrol for private use should not be included in subsequent travel claims or should be refunded by the employee if included in the eventual invoice charge (the refund may be based on an estimate);

4.24. PHSO has a contract with Redfern Travel for the hire of self-drive vehicles for official use. This requires advance reservation so PHSO employees must advise their 'local experts', using form TRAVEL1, 'Travel and Hotel Booking Form' (available electronically on the PHSO Intranet at least 3 working days before the vehicle is needed, giving the following information:

- the name of the driver;
- telephone number;
- type of car;
- the required pick-up location;
- the date and time of collection;
- the drop-off location; and
- the date and time of return.

The 'local experts' can arrange the booking with Redfern Travel's representative by emailing the call-centre biztravel@redfern-travel.com. PHSO will be invoiced directly for hire costs.

TRAVELLING FOR BUSINESS: USE OF PRIVATE VEHICLES

General

- 4.25. Attention is drawn to the general policies and principles contained in [chapter 2](#) of this Code which must be applied by PHSO employees when considering the use of private motor vehicles for business travel.
- 4.26. There is no obligation on PHSO employees to use private motor vehicles. PHSO's general policy is that journeys on official business should usually be made using public transport, or, where public transport is unavailable, by the use of a hire car.
- 4.27. Where a PHSO employee uses a private vehicle for official travelling, the expenses actually and necessary incurred will be met by payment of motor mileage allowance at the appropriate rate per mile as set out in Annex A.
- 4.28. The rules for payment of motor mileage allowances continue to apply when:
- a PHSO employee travels on official business in a vehicle which they own but which is being driven by another person; or
 - a PHSO employee's vehicle is being used for official business but is being driven by another person in their absence (e.g. a car which is being used to collect a PHSO employee from an airport)
- The above uses must be covered by the employee's car insurance policy.
- 4.29. Motor mileage allowances will not be paid for home to office travel except in the circumstances described in [chapter 6](#) when such payments may be subject to income tax and national insurance.
- 4.30. It is the responsibility of individual PHSO employees to ensure that a private vehicle used for official travel is maintained in a roadworthy condition. Failure to do so may result in claims being disallowed.
- 4.31. Financial penalties for motoring offences, including parking tickets, will not be borne by PHSO.

Definitions

- 4.32. A private 'motor vehicle', for the purpose of payment of motor mileage allowances, is a vehicle which is:
- registered in the name of a PHSO employee (owned outright or being purchased through a finance agreement); or
 - hired by a PHSO employee; or
 - registered in the name of a PHSO employee's spouse or partner provided that: the insurance requirements in this chapter are met; the insurance policy specifically covers the use of the vehicle by the PHSO employee on official business of PHSO; and the vehicle is available for use by the PHSO employee on official business and to carry official passengers.
- 4.33. For the purposes of this Code, 'motor vehicle' includes motorcycle.

General Insurance Requirements

- 4.34. Before first using their private vehicle on official business a PHSO employee must complete the form at Annex C and return this to the PHSO Finance team. The form confirms that;
- the insurance requirements are known and understood; and
 - insurance cover exists to meet these requirements (this includes any undertaking because of an excess clause) and
 - Finance team will be notified of any changes to the vehicle or to the insurance details.
- 4.35. It is important that the Finance team is satisfied that the insurance requirements are met and spot checks may be made on the insurance policies of PHSO employees.
- 4.36. The specific insurance requirements are:
- insurance must be adequate in accordance with the provisions of this chapter (PHSO will not accept any claims in respect of any default or deficiency in the employee's insurance cover); and
 - when a spouse or partner owns the private motor vehicle, the insurance policy must specifically cover the use of the vehicle on the business of PHSO; and

- provision for injury or death due to an accident reflects that a PHSO employee using their private vehicle on official business (or travelling as an official passenger in a non-PHSO employee's vehicle) is:
 - travelling in the course of their official duty for the purpose of the Injury Benefit Provisions of the Principal Civil Service Compensation Scheme (Section 2(1) of the Superannuation Act 1972); and
 - covered by the Social Security Act 1992 (subject to the decision of the statutory authorities in a particular case).
 - other than previously specified, there is insurance cover against injury or death due to accident while the private vehicle is used on official business.
- 4.37. If insurance cover does not meet these requirements, the vehicle must not be used for official purposes and no payment will be made. The requirement for business insurance does not however apply to the payment of any excess fares allowances for home to office travel on permanent transfer as this is not business use.
- 4.38. Where a total abstainer clause or endorsement restricts insurance cover, PHSO may pay mileage allowance provided that the insurance gives normal comprehensive cover in every other respect.
- 4.39. If an insurance policy has an excess clause PHSO will not reimburse any amount which the employee may be called upon to pay as a result of the operation of the excess clause.
- 4.40. Insurance companies should be notified specifically if it is intended to carry official cash or equipment in the private motor vehicle to ensure that insurance cover is not affected. PHSO does not expect its employees to arrange any special insurance cover in respect of risks to official cash or equipment.
- 4.41. The insurance company must include in their policy the following undertakings:
- to indemnify the Crown in the event of a claim being made against the Crown as the insured's employer. This indemnity extends to PHSO the same cover as its employee has under the policy. It is given on the understanding that the Insurers are allowed to retain control of the claim; and
 - that policies taken out by PHSO employees extend to such official use when employees use their car on official business and receive mileage allowance (and, if carrying passengers on duty, a supplement for each)

(The receipt of mileage allowance will not be deemed to constitute use for hire and reward for insurance purposes.)

- 4.42. Insurance cover supplied with any vehicle hired in an emergency (for example, because a PHSO employee's own private car has broken down while on official business) must be covered for use on the business of PHSO.

Required Insurance Cover

- 4.43. Private motor vehicles to be used on official business and for which reimbursement at the standard rate of mileage allowance will be claimed must be covered by an insurance policy which:
- does not have financial limits against claims in respect of any of the following:
 - bodily injury to or death of third parties; or
 - bodily injury to or death of any passenger; or
 - damage to the property of third parties.
 - and contains either:
 - a clause permitting the use of the car by the policy holder in person in connection with his business; or
 - a clause specifically permitting the use of the car by the policyholder in person on the business of the employing department.
 - and covers damage or loss to the car (although liability exclusions for the following risks when a car is parked out in the open are permitted: frost damage; theft of any part or accessory (unless the car itself is stolen); or theft of any article left in the vehicle.)

Public Transport Motor Mileage Rate

4.44. The Public Transport Motor Mileage Rate is an historic upper limit on mileage claims for public servants. Its use is no longer recognised by HM Revenue & Customs and the rate has thus been withdrawn. The Standard Rate of Motor Mileage should be used for all claims.

Standard Rate of Motor Mileage

4.45. The standard rate of motor mileage allowance may be claimed if:

- the insurance requirements set out in [paragraphs 4.34 to 4.43](#) are met;
- the ownership requirements set out in [paragraphs 4.32 and 4.33](#) are met; and
- the vehicle is used for official business; and
- the use of a private motor vehicle is recognised by PHSO as being both necessary and clearly in the public interest; and
- prior authority from an authorised signatory of Band E1 or above has been received.

Consideration will be given to reimbursement at a rate equal to the cost of an equivalent journey using public transport should one more of these conditions not apply, however, see [paragraph 4.48](#) for the disabled drivers exemption to these criteria.

4.46. It is for authorised signatories to determine the ‘public interest’ of an application to use a private motor vehicle at the standard rate of motor mileage allowance **before travel** using the form at Annex C. Retrospective claims cannot be guaranteed payment at the higher rate. Examples of necessary use in the public interest are:

- where there is no cost-effective alternative means of travel available, such as public transport (possibly combined with a taxi from the nearest rail station), official or hire car, or a passenger place in another car; or
- where heavy or bulky equipment has to be transported on PHSO business which public transport or other available means cannot reasonably carry.

Examples of desirable use in the public interest (which may be ‘necessary’ in certain circumstances), where authorised signatories will need to consider the facts more closely are:

- where it will be cost-effective because official passengers are to be carried; or
- where there is a clear and significant saving of official time.

- 4.47. Authorised signatories should consider requests for approval on the basis of all items of expenditure including travelling and subsistence allowance and the cost of official time. Approval may be refused on the grounds of cost alone. Authority should only be given when:
- the journey does not involve PHSO in more expense than would have been incurred by travel by other means, for example public transport or self-drive hire car; or
 - there are other advantages which outweigh the extra cost of travel in the particular case.

Disabled Drivers

- 4.48. PHSO will reimburse disabled drivers at the standard rate for all travel on official business when the disability is such that an employee cannot use public transport and has to travel by car in all circumstances; and the insurance conditions for the standard rate are met.

Passenger Supplement

- 4.49. A passenger supplement may be claimed for each official passenger transported in the private motor vehicle. The rate of supplement is shown in [Annex A](#). No passenger supplement will be paid in respect of solo motorcycles and similar machines.

Parking Expenses, Tolls and Ferries, etc.

- 4.50. The costs of parking fees (but not parking fines, towing fees or clamping charges which remain the responsibility of the vehicle owner), tolls, Congestion Zone charges and ferry charges related to the use of a private motor vehicle on official business can be claimed for reimbursement. However, the charges must have been actually and necessarily incurred, and the claim must be supported with receipts for the expense where available.

Taxation of Motor Mileage Rates

- 4.51. PHSO reimburses motor mileage rates within HM Revenue & Custom's Fixed Car Profit Scheme (FCPS). The FCPS rates do not include a "profit element" and therefore there is no tax or National Insurance liability on sums claimed.

5. SUBSISTENCE AND EXPENSES INCURRED WHEN TRAVELLING FOR BUSINESS

General

- 5.1. Attention is drawn to the general policies and principles contained in [chapter 2](#) of this Code which must be applied by PHSO employees when considering subsistence and incurring expenses in respect of their business travel.
- 5.2. PHSO's policy is to use a system of flat-rate 'subsistence' payments to reimburse its employees for any necessary additional expenditure incurred while away from their home or the office on official business. The level of payments will be set at the maximum permitted by HM Revenue & Customs.
- 5.3. PHSO has only one class of subsistence allowance (non-taxable) offering a range of allowances based on the period of absence which is either;
- when a journey on official business starts and ends at the place of work, the actual time of absence; or
 - when travel on official business commences and/or ends from an employee's home address, the shorter of the actual time of absence and the time they would have been absent had the journey commenced and ended at the office.
- 5.4. Subsistence is not a form of remuneration for out-of-office or overnight working (if it was it would be taxable as additional salary), instead it is specifically a reimbursement for necessary additional expenditure, and therefore absence on official duty will not of itself automatically create an entitlement to subsistence payments. In general, if no extra expense is incurred, no subsistence payment is due.
- 5.5. The use of flat-rate allowances will mean that actual expenditure will occasionally exceed or fall below the flat rate of subsistence. Except where explicit provision to the contrary is made, actual expenditure above the flat rate will carry no entitlement to additional or enhanced subsistence payments. Similarly, actual expenditure below the rate will not require a reduction in the sum claimed.
- 5.6. Certain allowances are subject to restrictions on the number of consecutive periods for which non-taxable expense claims are permitted. These are normally 30 consecutive days or nights - further information is available from the Finance team for those employees who feel they may be affected.
- 5.7. For expenses not covered by subsistence allowances, receipts will be required in support of any claim for reimbursement. Where these are not provided, an explanation should be provided. Reimbursement cannot be guaranteed in such cases and it will be for authorised signatories to consider the case for reimbursement in the absence of evidence.

Overnight Expenses and the Night Subsistence Allowance (NSA)

General

- 5.8. PHSO employees who are absent from their normal place of work and required to stay overnight away from their home address may claim:
- Night Subsistence Allowance (NSA) (subject to some restrictions), to cover:
 - All meals, other than breakfast, taken within 24 hours of the start of the period of absence; and
 - Personal indirect expenses such as non-business telephone calls, newspapers, drinks, beverages, snacks and non-accommodation hotel charges such as pay-per-view TV charges or access to hotel leisure facilities.
 - the vouched (ie supported by invoices, bills and receipts) costs of:
 - accommodation (subject to the limits in Annex B);
 - breakfast (if not included in the accommodation charge) up to a total cost of accommodation and breakfast equal to the limit in Annex B;
 - travel to and from the overnight accommodation and the location being visited on business; and
 - photocopying, telephone calls and faxes and similar expenses directly related to PHSO official business.

Night Subsistence Allowance (NSA)

- 5.9. The current rate of Night Subsistence Allowance (NSA) can be found in [Annex B](#).
- 5.10. A claim for NSA is subject to the requirements of absence from the PHSO employee's normal workplace which necessarily incurs expenditure on accommodation, meals and incidental travel which is additional to that which would have been normally incurred at home.
- 5.11. NSA covers a 24 hour period for the purposes of claiming further subsistence rates, i.e. day subsistence for the following day. However a full 24 hours absence is not required for a claim as long as there is an overnight stay away from the employee's home address and necessary additional expenditure has been incurred.

5.12. NSA is not payable if a PHSO employee:

- stays in a property that they own other than their permanent home; or
- attends a residential training course, seminar, conference or similar gathering, for which PHSO meets all boarding and accommodation costs; or
- does not meet the cost of an evening meal from their own pocket; or
- stays with relatives, friends or colleagues; or
- is otherwise provided with bed and board at public expense.

In some of these circumstances, a reduced rate of subsistence, the Residential Course Allowance (RCA), may be payable.

Residential Course Allowance (RCA)

5.13. The current rate of Residential Course Allowance (RCA) can be found in [Annex B](#).

5.14. The RCA is a reduced amount of subsistence for overnight stays which reflects circumstances where many of the incidental personal expenses of an overnight stay are met by a person or organisation other than the PHSO employee.

5.15. As for NSA, RCA covers a 24 hour period for the purposes of claiming further subsistence rates, i.e. day subsistence for the following day. However a full 24 hours absence is not required for a claim as long as there is an overnight stay away from the employee's home address and necessary additional expenditure has been incurred.

5.16. The RCA is payable where a PHSO employee:

- attends a residential training course, seminar, conference or similar gathering, for which PHSO meets all boarding and accommodation costs; or
- does not pay the cost of an evening meal because it is met by a third party (formal dinners etc) as part of an event; or
- does not pay the cost of an evening meal because it is included in a package deal with the accommodation; or
- is otherwise provided with bed and board at public expense.

5.17. The RCA may be claimed for each night spent at a training centre but not for periods at home at weekends or where absent for other reasons.

Overnight Expenses

- 5.18. PHSO will reimburse the vouched (ie supported by bills, invoices or receipts) costs of any expenses necessarily incurred on overnight stays for business which are not provided for with the Night Subsistence Allowance (NSA) or Residential Course Allowance (RCA). However, where no receipt or other evidence is provided to support the expense claim, only the NSA or RCA will be paid.
- 5.19. PHSO will reimburse the actual cost of overnight accommodation within the limits set out in Annex B. These limits are intended to cover the cost of accommodation and breakfast. In cases where breakfast is not included, the limit will apply to the total combined cost of accommodation and breakfast expenditure as supported by bills, invoices or receipts. If the employee stays with relatives, friends or colleagues they cannot claim the NSA.
- 5.20. Expenditure above the appropriate limits will be reimbursed only in exceptional circumstances for example where:
- The Purchasing Team are unable to book accommodation within these limits or the accommodation is part of a block booking, e.g. at a conference; or
 - the authorised signatory accepts that accommodation within these limits was not available within reasonable travelling distance of the place to be visited. Such claims must be endorsed by the authorised signatory in support of this.
- 5.21. Care should be taken when submitting claims for accommodation to ensure that items are excluded from the bill that are covered by the provisions of the NSA (eg newspapers, in-room entertainment, private telephone calls, charity donations, tips and room service charges). Sight of the bill received on check-out will be required in support of the claim for expenses (personal information such as credit card information or personal telephone numbers should be blacked out).
- 5.22. Due to tax regulations (see [paragraph 3.3](#)), reimbursement of the cost of accommodation at hotels near your permanent workplace will be subject to tax and National Insurance as a benefit-in-kind. The full cost of the overnight stay (vouched hotel costs, grossed up for tax and National Insurance elements) will only be paid by PHSO where the overnight stay was essential. Such stays must be approved, in advance, by Budget Managers and the onus is on the member of staff to seek such written approval in advance of making any arrangements. Budget Managers must be sure that the stay was essential and Finance may seek assurance on particular claims. When staying overnight in a hotel near your permanent workplace on a non-essential basis there is no entitlement to NSA and no expenses or tax liability, other than the cost of the hotel, will be met.

- 5.23. Reimbursement of the cost of accommodation at hotels local to an employee's permanent workplace is not taxable when a member of staff will be travelling outside of London or Manchester the following day on PHSO business and staying in London or Manchester the night before will ensure they can catch an early train (pre 08:00). In these circumstances the overnight stay will be deemed to be business travel under tax regulations.
- 5.24. A PHSO employee staying overnight in a property that they own other than their permanent home may claim receipted actual expenses up to an amount equivalent to the current rate of NSA.

Day Subsistence Allowance (DSA)

- 5.25. A Day Subsistence Allowance (DSA) may be claimed when a PHSO employee is absent from their normal workplace and necessarily purchase a meal or meals at greater cost than would be the case if they had not travelled. DSA should not be claimed where no extra costs have been incurred.
- 5.26. The current rates of DSA are set out in [Annex B](#). They cover periods of absence (see paragraph 6.3) from the normal workplace of:
- more than 5 hours and up to 10 hours; or
 - more than 10 hours; or
 - more than 12 hours.
- 5.27. Periods of absence for the purposes of DSA only commence from the point at which the 24-hour period for any claim for a preceding Night Subsistence Allowance or Residential Course Allowance expires.
- 5.28. A DSA claim should not be made:
- where the refreshments/meal have been made at home or consumed at home; or
 - for a concurrent period covered by a Night Subsistence Allowances or Residential Course Allowance; or
 - where a meal (of any kind) is provided at public expense during a visit or at an in-house training course where lunch is provided.
- 5.29. Where a full meal (that is, a full breakfast, lunch, high tea or dinner) is taken on a train or boat during a period qualifying for DSA, because of the higher cost of such facilities, PHSO will reimburse the vouched (ie supported by invoices or receipts) cost in full. Invoices/receipts in support of the claim are required. The effect on eligibility for DSA is as follows:
- for absence of more than 5 hours but not more than 10 hours: the cost of one main meal on a train/boat will be reimbursed in lieu of payment of the 5 hour rate of DSA;

- for absences of over 10 hours instead of the 10 hour rate of DSA: either the cost of one main meal on a train/boat plus the DSA rate for more than 5 and up to 10 hours; or the cost of 2 main meals on a train/boat;
 - for absences of over 12 hours, the actual cost of 2 train/boat meals plus the DSA rate for more than 5 and up to 10 hours.
- 5.30. If the entitlement to DSA under the normal rules has been exhausted, a claim for the cost of vouched (ie supported by invoices or receipts) train meals may be made if the authorised signatory agrees in advance that a main meal or meals on a train can be taken because of the expected length of absence. Reimbursement will be subject to the normal rules regarding length of absence etc. except in the case of an absence of more than 10 hours when one main meal is taken on a train; reimbursement will be made for one meal only and no additional subsistence allowance will be payable.

Visits Overseas on Official Business

- 5.31. The rates of Travel and Subsistence expenses for official visits overseas are based on current guidance from the Foreign Office which is available from the Finance team.

6. OTHER EXPENSES & ALLOWANCES

General

- 6.1. Attention is drawn to the general policies and principles contained in [Chapter 2](#) of this Code which must be applied by PHSO employees when considering the incurring of expenses in respect of their business travel and official duties.
- 6.2. In considering expenses, it is PHSO's policy that its employees should not bear the costs of incidental expenses incurred as a result of their official duties insofar as tax regulations allow full reimbursement.

Concessionary Home to Office Travel

- 6.3. Concessionary travel covers those occasions mentioned in [paragraph 3.5](#), when part or all of the costs of home to office travel of an employee may be borne by PHSO. PHSO will reimburse home to office travel costs when:
- there is a transport strike resulting in additional transport costs (including taxi fares where this is the only reasonable method of transport) for an employee whose presence in the office is deemed essential (by PHSO management); or
 - an employee is exceptionally (not more than 60 times a year) required (by PHSO management decision) to work additional hours late into the evening (after 9pm) and additional travel costs arise because public transport has ceased to operate or travel by taxi or private motor vehicle is prudent for reasons of personal safety.

Travel costs in these circumstances will be met in full and are not subject to tax and National Insurance. Receipts will be required for payment.

- 6.4. Discretionary concessionary travel applies to any other circumstance where a payment in respect of home to office travel is paid by PHSO. Such payments are restricted to emergency situations only (for example personal ill health or a dependent family member taken ill) and require the agreement of both the authorised signatory and the Finance team. All such payments will be subject to tax and National Insurance and paid via the payroll.

Late Working Allowances

- 6.5. The allowances described in this section are not payments for extra hours worked or for inconvenience caused through working unusual hours which should be reflected through pay arrangements. They are subsistence allowances intended to reimburse PHSO employee for expenses incurred as a result of working unsociable hours. All the allowances are subject to tax and National Insurance.

- 6.6. There is no eligibility for these allowances if:
- an employee sleeps at the office for their own convenience; or
 - an employee's conditions of service require them to work at night (or to be on call or standby at night) in addition to normal day duty, even though this contingency arises infrequently and irregularly.
- 6.7. Where a PHSO employee stays in a local hotel following essential late working, the reimbursement of hotel costs will be subject to tax and National Insurance.

Overnight allowance

- 6.8. The Overnight Allowance shown in [Annex B](#) can be claimed where a PHSO employee:
- sleeps at the office after an ordinary day duty; or
 - works late at night (after 9pm) following directly after an ordinary day duty; or
 - works during the night (after 11pm) after an ordinary day duty.

Meal allowance

- 6.9. The Meal Allowance shown in [Annex B](#) can be claimed for meals purchased which would otherwise have been taken at home when working late at night (that is until at least 9 p.m.) and in addition to ordinary day duty. Actual expense must be incurred and evidenced. Exceptionally, PHSO may reimburse actual vouched (ie supported by bills, invoices or receipts) expenditure for more than the allowance if the authorised signatory (see [paragraphs 2.19 et seq](#)) is satisfied that the expenditure was reasonable in the circumstances.

Arrangements during a Transport Emergency

- 6.10. PHSO will reimburse reasonable extra expenditure incurred during a transport emergency to enable nominated and operationally essential employees to get to work. The Facilities Management team will circulate a separate guidance note when sustained disruption occurs.

Day Release Courses

- 6.11. PHSO assists employees who attend the following courses where they are formally supported by PHSO as part of agreed Learning & Development contained in the individual's Personal Development Plan:
- day release classes;
 - evening classes or non residential block release courses in lieu of day release;

- evening classes that are an integral part of a part day/part evening course in lieu of the normal day release course

6.12. Assistance covers:

- day subsistence allowance under the normal rules (see [paragraph 5.25](#));
- excess travelling expenses above those normally incurred for the journey between home and office, provided these have not already been paid by a local authority or other course sponsor; and
- the full amount of any travelling expenses in connection with examinations which result from approved courses of study.

Pedal Cycle Allowance

- 6.13. Where a pedal cycle is used by a PHSO employee for the purpose of travel on official business (not home to office travel), then the Pedal Cycle [mileage] Allowance shown at [Annex A](#) is payable.

7. ADVANCES AGAINST FUTURE EXPENSES

General

- 7.1. This section explains the application and repayment process for temporary cash advances made to PHSO employees to meet expenses that could be incurred during the course of future travel on PHSO business.
- 7.2. The advance facility can be useful for employees without access to a Government Procurement Card (GPC) and/or in circumstances where significant expenses are expected and there may be a delay before the employee is able to place a claim for reimbursement (eg overseas travel).

Applying for an Advance

- 7.3. Only one advance against future expenses may be in issue to a PHSO employee at any given time. Such advances can be issued only to PHSO employees.
- 7.4. PHSO employees requiring an advance should write a memo addressed to the relevant authorised signatory (normally the line manager, but see [paragraphs 2.19 et seq](#)) justifying the requirement and indicating the date(s) of travel. The authorised signatory should then sign and date the memo with their approval and forward it to the Finance team for payment.
- 7.5. The signed memo must reach the Finance team no later than 10:00AM on Wednesday for inclusion in that week's payment run. Payment of the advance will be by BACS electronic transfer to the individual's bank account and will be paid into that account on the following Tuesday. However, to prevent advances being used inappropriately, payment will not normally be made more than 2 weeks before the earliest date of travel.

Recovery of Advances

- 7.6. Recovery of an advance is made by deducting the amount of the advance from the next claim for reimbursement of business expenses and subsistence (relating to the travel for which the advance was granted). This claim should be submitted (authorised and receipted as necessary) as soon as practical after the visit to ensure prompt clearance of the outstanding amount.
- 7.7. The value of the advance must be clearly stated on the claim form. If the value is less than the reimbursable amount claimed then the net claim will be paid. If the value of the advance exceeds the value of the claim then a cheque for the balance, made payable to 'GBS Re Parl/Health Svc Ombuds', must be attached to the claim and forwarded to the Finance team. Retention of the balance to set against future expenditure is not permitted.

- 7.8. Further applications for advances may be rejected by the Finance team if an outstanding sum has not been cleared within six weeks of the intended travel date for the earlier advance, and recovery may be considered against other claims or direct from salary. Note that PHSO may demand repayment of advances at any time.
- 7.9. Advances under this Chapter of the Code are issued solely to be used for necessary expenses arising from travel on specified official business for PHSO. The use of these advances for other purposes is a serious offence and could lead to disciplinary action.

8. CLAIMING EXPENSES

General

- 8.1. Attention is drawn to the general policies and principles contained in [chapter 2](#) of this Code which must be applied by PHSO employees when considering the claiming of subsistence and expenses in respect of their business travel and official duties.

Timeliness of Claims

- 8.2. For reasons of good financial management and to enable accurate control of local budgets, expenses claims must be submitted promptly, which means:
- at a maximum of monthly intervals for regular travellers; or
 - as soon as possible, and not later than one month, after the visit in the case of casual or occasional travel.
- 8.3. Late claims may not be accepted unless there is a good reason for the delay.

Claim Forms

- 8.4. All claims for travel and subsistence expenses must be submitted on PHSO's official claim form which is available to its employees via the PHSO Intranet. The form contains a worked example and supporting notes to aid completion.
- 8.5. Other expenses claims should be submitted by using the Reimbursement of miscellaneous expenses form and, sent to the Finance team via the relevant authorised signatory.

Claim Details

- 8.6. Claims should detail all actual expenses incurred and any flat-rate subsistence allowances payable under the terms of the PHSO Travel & Subsistence Code.
- 8.7. Deductions are required for:
- any costs relating to a partner or spouse that accompanied the PHSO employee or to travel upgrades for personal reasons ([paragraphs 4.9 to 4.12](#)); and
 - any advances against future expenses outstanding ([chapter 7](#)).

Evidence and Declaration

- 8.8. All claims (T&S forms or memos) should be supported by original, relevant documentary evidence (invoices and receipts). Sometimes the evidence will not be available (travel tickets are often retained by automatic barriers) in

which case an explanation for the lack of supporting documents is required (for audit purposes).

- 8.9. If payment was by personal credit card and the receipt includes the credit card number, this should be removed before submitting the claim for certification and payment in order to minimise the risk of fraudulent use of the card details.
- 8.10. Claims for unusual items of expenditure (excess accommodation costs, travel upgrades, non-standard classes of travel, emergency use of taxis etc), must have supporting evidence of the prior authority from the authorised signatory and an explanation of the reasons for the expense.
- 8.11. Reimbursement cannot be guaranteed for claims containing unvouched (ie without supporting documentary evidence such as a receipt or invoice) accommodation costs ([paragraph 5.18](#)) or in cases of other unevidenced costs in excess of £5.00. Payment will be at the discretion of the Budget Manager in consultation with the Finance team.
- 8.12. All claims must be original and must include a signed and dated declaration by the claimant confirming that, **to the best of their knowledge and belief, the details of the claim are correct**. This is a binding statement and claims subsequently found to be fraudulent will result in disciplinary action.

Authorisation

- 8.13. **IMPORTANT:** Under the terms of PHSO's financial management system, **it is the responsibility of the authorised signatory to ensure that claims that they authorise are legitimate and have been completed accurately before they certify the claim as suitable for payment**. This cannot be the responsibility of Finance team staff processing the subsequent payment who are not authorised to amend duly certified payment requests and who will be acting in good faith on the basis of the certification and evidence provided.
- 8.14. Certification of expenses claims is subject to the delegations and restrictions for authorisation of travel and subsistence contained in the mandate at [paragraph 2.20](#). This means that for most PHSO employees the authorised signatory will generally be the line manager of the employee travelling. For PHSO management grades, authorised signatories will normally be at Band E1 or above.
- 8.15. In authorising claims, authorised signatories must satisfy themselves that the principles and policies of PHSO have been followed, in particular that:
 - the journey or other expense has actually been incurred on official business;
 - the claim is correctly completed and all necessary receipts etc. are attached;

- the travelling arrangements were the most efficient and economical.
- 8.16. Where claims in excess of usual amounts or for unusual items are being made, the authorised signatory should confirm that prior authority was given and that the additional expense was necessary.
- 8.17. Once authorised, claim forms must not be returned to the claimant to prevent fraudulent tampering and alteration of the claim.

Submission and Payment of Claims

- 8.18. All authorised claims and supporting documentation should be sent by the authorised signatory to the Finance team for processing. All unauthorised claims will be returned to the claimant and payment will be delayed.
- 8.19. Any claims for which there is a tax and National Insurance liability will be forwarded by the Finance team to the HR Operations section for payment via the next available payroll run.

9. EXTENDED-STAY AND RELOCATION ALLOWANCES

General

9.1. This Chapter covers the situations where;

- from time-to-time, a PHSO employee may need to work away from their normal workplace for an extended period of time; or
- a person is temporarily seconded to PHSO on loan from their permanent employer and significant additional travel or absence from home is required; or
- a new employee is appointed and PHSO has agreed to meet relocation expenses.

9.2. PHSO's policy is to review the circumstances of each individual case and to arrange a package of compensation and/or remuneration accordingly. This may involve:

- agreement to a temporary increase in the rate of pay to cover any additional interim costs in respect of travel and accommodation;
- agreement over extended periods during which standard subsistence allowances are payable;
- PHSO agreeing to meet certain vouched (ie supported by invoices or receipts) actual expenses and costs.

Some of these changes may be limited by tax regulation and/or have significance tax and National Insurance implications.

9.3. Individual compensation packages will need to be arranged and agreed before any costs are incurred. Agreement will require consultation with: the individual employee; HR Operations (on pay and conditions); the Finance team (on allowances, benefits and expenses); and the relevant Budget Manager (on funding). Consultation will be co-ordinated by HR Operations.

9.4. Each individual compensation package can only be authorised and paid with the explicit written agreement of the Chief Operating Officer on the recommendation of the Head of HR Operations.

ANNEX A: Travel Allowances

1. Standard Rate of Motor Mileage Allowances (Effective date: 1 October 2011)

Private cars

Up to 10,000 miles 45p per mile

Over 10,000 miles 25p per mile

Motor cycles and motor cycle combinations

24p per mile

2. Passenger Supplement (Effective date: 1 April 2006)

5p per mile for each passenger carried on official business

3. Pedal Cycle Allowance (Effective date: 1 April 2002)

20p per mile

ANNEX B: Subsistence Rates

1. Night Subsistence Allowance (Effective date: 1 October 2012)

Rate per night: £28.80 per 24-hour period.
(This includes a personal incidental expense allowance of £5.00.)

(HM Revenue & Customs has confirmed that this is the maximum that PHSO can provide without incurring a taxable liability.)

Vouched (ie supported by invoices, bills or receipts) costs of accommodation and business expenses may also be claimed.

2. Residential Course Allowance (Effective date: 1 August 2008)

Rate per night: £5.00 per 24-hour period.

3. Overnight allowance when staying with friends, relatives or colleagues

Under HMRC rules, this allowance is no longer permitted.
Rate per night: £0.00 per 24-hour period.

No accommodation costs may be claimed.

4. Overnight allowance when staying in a second home

Vouched actual expenses up to a maximum of £25.00

No other allowances may be claimed.

5. Vouched Accommodation Cost Limits (per night) (Effective date: 27 October 2012)

All accommodation bookings should be made through the tRIPS system operated within PHSO. This ensures that the best room rates for government employees are obtained at the time of booking. Varying rates can occur dependent upon seasonal factors and advanced booking. This system replaces the previous standard rates across government and includes competitive pre-agreed pricing including access to Government Hotel Programme rates. All bookings must be agreed in line with the authorisation process ([paragraph 2.22](#)).

6. Day Subsistence Allowances (Effective date 1 October 2012)

Period of absence	
More than 5 hours	- £5.00
More than 10 hours	- £11.00
More than 12 hours	- £16.10

Please note that when calculating entitlement to DSA, the duration of the normal home to office journey must be deducted from the total time away.

7. Late Working Allowances

Overnight allowance	£8.50 per night
Meal allowance	£4.25 per meal

These two allowances are taxable.

ANNEX C: Use of Private Motor Vehicle on Official Business

Parliamentary & Health Service Ombudsman

Undertaking on the Use of Private Motor Vehicle on Official Business

I have read and understand the insurance requirements (PHSO Travel & Subsistence Code, Chapter 5 (dated September 2012)) and undertake that I am insured without financial limits against claims in respect of:

- a) Bodily injury to or death of third parties; and
- b) Bodily injury to or death of any passenger; and
- c) Damage to the property of third parties.

I also confirm that the policy contains a clause permitting the use of the vehicle by me on official business.

I undertake not to seek to recover from PHSO any amount which I may be called upon to pay in the event of any insurance claim.

I confirm that I am covered for damage to or loss of the vehicle.

I agree to notify PHSO of any change which leaves me with less coverage than the rules require.

Name:
(BLOCK CAPITALS)

Signed:

Date:

Vehicle details

Make and model of vehicle:

Registration No:

Insurance company:

You must notify the PHSO Finance team if you change your car and/or any of the above details. You will be sent a new form to complete.

PHSO Travel & Subsistence Code v3.0 2012

Date Approved: October 2012

Review date: September 2013

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