

Honiton Community College  
Academy Trust



This Policy was adopted by the Governing Body of  
Honiton Community College Academy Trust  
on 20<sup>th</sup> November 2019  
and will be reviewed every 2 years.

# **BUSINESS TRAVEL (ALLOWANCES AND EXPENSES) POLICY AND PROCEDURES**

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## **GENERAL**

### **1.0 Introduction**

- 1.1 This document set out Honiton Community College's policy and procedures in relation to business travel, including the reimbursement of business travel costs (e.g. Essential User and mileage allowances, and meal and overnight accommodation expenses), necessarily incurred by employees whilst travelling on the organisation's business.
- 1.2 Employees should be aware that some payments for business travel have tax and National Insurance (NI) contribution implications. This document has been prepared in accordance with Her Majesty Revenue and Customs (HMRC) guidelines, and failure to comply may have tax, interest and penalty implications for both Honiton Community College (HCC) and an individual employee.

### **2.0 Scope**

- 2.1 This policy applies to all HCC employees.

### **3.0 General Principles**

- 3.1 Employees will be made aware of this policy and procedures, and the business travel allowances and expenses to which they may be entitled.
- 3.2 Business travel allowances and expenses are paid to employees in accordance with applicable national and local agreements.
- 3.3 Employees who necessarily incur additional costs in the course of their work in respect of business travel will be reimbursed approved allowances and expenses, where they are claimed as set out in this policy and procedures.
- 3.4 Employees should only make claims for additional business travel costs approved in advance and actually and necessarily incurred, and any deliberate contravention to this may result in disciplinary action being taken against an individual employee.

### **4.0 Equalities**

- 4.1 The Finance Office as the first line of contact, will ensure that employees are able to access a copy of the policy.
- 4.2 HCC seeks to eliminate discrimination, advance equality and foster good relations.
- 4.3 HCC is committed to the principle of equal opportunities in employment regardless of a person's age, disability, gender re-assignment, marital or civil partnership status, pregnancy, maternity status, race (including colour, nationality and ethnic or national origins), religion or belief, sex and sexual orientation.

### **5.0 Responsibilities of Managers**

- 5.1 Managers' responsibilities in relation to business travel include the following:

- making themselves aware of this business travel policy and procedures (and related information where appropriate), and that the employees whom they manage are also aware of and abide by them
- checking that all travel claims are reasonable within the guidelines given (e.g. that they are cost effective, that an appropriate mode of transport is used, the mileage is correct, receipts are submitted, and that any overnight stays are operationally necessary)
- authorising all business travel claims and being satisfied that these have been actually and necessarily incurred.

5.2 Managers have additional responsibilities in respect of employees who drive motor vehicles for business use (see 14.0 Transport Safety and Insurance Requirements etc.).

## **6.0 Responsibilities of Employees**

6.1 The responsibilities of employees who undertake business journeys include the following:

- making themselves aware of this policy and procedures (and related information where appropriate) and that they abide by them
- maintaining an official record of each business trip including:
  - full particulars (e.g. dates, start and finish times, start and finish locations) and the reason for it
  - mileage readings, where applicable
  - names of official passengers carried, where applicable
  - keeping evidence where additional expenditure has been incurred (e.g. a valid receipt, train or bus ticket, or other similar document, where appropriate). VAT receipts must be kept for fuel expenditure.

6.2 Employees who drive a motor vehicle(s) for business use have additional responsibilities (see 14.0 Transport Safety and Insurance Requirements etc.).

## **7.0 Monitoring and Audit**

7.1 Business travel allowances and expenses will be monitored and internal audit may be requested.

## **8.0 Advice and Support**

8.1 Information and advice in respect of the interpretation or application of this policy is available from the Finance Office.

# **BUSINESS JOURNEYS**

## **9.0 Definition of Business Journeys**

9.1 Business journeys are defined as journeys made from an employee's normal place of work (or other designated place of work), with the prior authority of an appropriate manager, for the purpose of carrying out work on behalf of HCC.

9.2 Business journeys **do not** include:

- ordinary commuting – when an employee travels between home (or private location that is not a workplace) and a place that counts as a normal place of work
- private journeys which are not part of an employee's job requirements.

## **10.0 Principles in Relation to Business Journeys**

- 10.1 The basic principle which applies to all business journey claims is that costs/allowances must be claimed only for **additional** costs/ mileage which has actually been incurred when performing duties on official HCC business.
- 10.2 Costs/mileage will be paid according to the shortest practicable route for any journey, except when travel by a longer route has been authorised to reduce the journey time. Where an employee does not take this route, perhaps for personal reasons, any additional costs must be met by the individual employee.
- 10.3 Decisions regarding the mode of transport chosen for each business journey should be made between the employee and his/her manager as appropriate. (See 13.0 for more detailed information).
- 10.4 All rail travel, overnight accommodation and car hire must be booked through the Finance Office.

## **11.0 Travelling Centre**

- 11.1 The travelling centre from which costs/mileage may be claimed will be the employee's normal place of work or their permanent home address (whichever is the shorter distance), and this will be notified in his/her Statement of Particulars/contract of employment.
- 11.2 In normal circumstances, employees are themselves responsible for any costs incurred in journeys between their home and their normal place of work, and any such journeys are outside the HCC definition of business journeys (see 9.0). However, where a business journey is made from home for duty outside an employee's normal working hours, home will be regarded as the base for the occasion and all mileage incurred in making the journey may be claimed (as set out in 15.2).

## **12.0 Environment**

- 12.1 HCC is committed to green travel and with the support of employees, the number of miles travelled and harm to the environment can be reduced and money saved. Employees are therefore required to think before they travel and ask themselves:
- is this journey necessary?
  - could this meeting be held in another way (e.g. telephone/video conferencing)?
  - what mode of transport is most appropriate for the destination(s), distance or time of travel? (See 13.0. below).
- 12.2 In many cases business travel can be substantially reduced by a little forward planning and co-ordination with other colleagues.

## **13.0 Modes of Transport**

- 13.1 Decisions regarding the mode of transport chosen for each business journey should be made between the employee and his/her manager as appropriate. Where it is not reasonably practicable for an employee to walk or cycle, public transport must be used on all appropriate occasions. However, as well as environmental considerations, decisions should reflect all aspects of a situation including health, safety, any disability of

the individual, destination(s), distance(s), time(s) of travel and value for money. The mode of transport must be reasonably practicable and meet business needs.

- 13.2 Employees must not travel independently on business journeys when there is room in one of HCC's cars or in the car of another employee making the same journey on the same business. As far as possible, journeys over the same route by other employees should also be arranged so as to synchronise.
- 13.3 HCC has the right to require an authorised car user to carry "official passengers" (i.e. those who need to be carried for the purpose of HCC's business) within the insured capacity of the vehicle, for which a passenger allowance may be claimed (see 14.0 Transport Safety and Insurance Requirements etc. and 16.0 Business Journey Allowances).

13.4.1 Walking

HCC supports walking to sites/ places of business where appropriate.

13.4.2 Employee Bicycles

Employees who provide a bicycle for business journeys may claim a mileage allowance.

13.4.4 Public Transport (excluding Rail)

Where the employee travels by public transport, the cost of the lowest available day rate or other cheap fare may be claimed.

13.4.5 Public Transport (Rail)

Standard/ restricted class rail travel is the HCC norm for employees and the most cost effective ticket must be purchased (e.g. "open" tickets may only be booked if an employee has no way of knowing what time his/her visit to another site/ place of business will finish).

Employees are also expected to take advantage of all types of "saver" tickets and special promotions (e.g. on occasions when a first class ticket can be purchased cheaper than standard/restricted ticket). The most effective way of ensuring minimum HCC expenditure is by booking as far in advance as is practicable.

The cost of any upgrade must be met by the individual employee.

All rail travel must be booked through the Finance Office.

13.4.6 Taxis

Taxis should only be used for short journeys or where this is the most cost effective option (e.g. where three people share or where public transport is unavailable due to the time of day).

#### 13.4.7 Car Hire

For business journeys in excess of 400 miles where an employee (including an Essential User) would otherwise use a privately owned motor vehicle that he/she provides, it is more cost effective for them to use a hire car instead.

All hire cars should be booked through the Finance Office, the invoice for the car will be settled by HCC. Fuel costs only will be reimbursed on production of receipts.

### **14.0 Transport Safety and Insurance Requirements etc.**

14.1 Driving at work includes the use of privately owned or leased vehicles, motorcycles and bicycles. For many employees the most significant risk to which they are exposed at work is driving and it is necessary for HCC, in common with other UK employers, to ensure that the risks of injury and loss through driving incidents are eliminated or minimised as far as is reasonably practicable.

14.2 It is therefore a requirement that employees who drive at work and their managers read in full the following DCC HS0056 Transport Safety Guidance Note in order that they are aware of their responsibilities, available from the H&S co-ordinator via the OSHENS system

The above documentation sets out, for example:

- managers' responsibilities for carrying out checks, both on appointment and for certain categories of work related journeys on an annual basis to ensure that each driver has the following:
  - a current full (not provisional) driving licence that is valid for the type of vehicle being driven
  - a roadworthy vehicle, where an employee drives a privately owned vehicle
  - a current MOT certificate, where an employee drives a privately owned vehicle
  - insurance cover that includes employer's business use, where an employee drives a privately owned vehicle.\*
- employees' responsibilities including:
  - that in claiming for business mileage that they are continuing to confirm that they have all of the above arrangements and documents in place\*
  - informing their manager immediately when there is a change in circumstances (e.g. in respect of medical issues, their insurance, license or vehicle).

\* Where employees drive their own vehicle on HCC business, they must ensure that they have insurance cover that includes work related use e.g. "in connection with work or business including carrying passengers".

14.3 HCC cannot be held responsible for fines relating to traffic offences on HCC business.

## **15.0 Different Types of Business Journeys from and to Home**

### **15.1 Journeys from Home in Substitution for a Journey from the Normal Place of Work**

Where a business journey is made from home in substitution for one from the normal place of work, the employee is entitled to claim only the **additional** costs (e.g. mileage) which have been incurred in excess of his/her normal commuting costs, as set out in the examples below.

The above principle applies to any such journey, including those which partially cover the route from home to base, those that include visits to multiple sites/places of business on the same day, and whichever mode(s) of transport are used.

(In exceptional circumstances and where authorisation is given to an individual employee by his/her manager, any additional costs (e.g. mileage) incurred to visit a site or other place of work may be claimed in full (e.g. where an employee normally commutes by public transport and when they have purchased a season ticket to do so)).

#### **15.1.1 Public Transport**

Where an employee's home to normal place of work commute is made by public transport and he/she also travels by public transport to undertake a business journey, only the **additional** costs which have been incurred in excess of his/her home to normal place of work commuting costs may be claimed.

Alternatively, where an employee's home to normal place of work commute is made by public transport but he/she uses his/her own transport (e.g. bicycle or car) instead to undertake a business journey, only the **additional** mileage which has been incurred in excess of his/her home to normal place of work commute may be claimed at the respective rate (see 16.0).

#### **15.1.2 Employee Bicycles**

Where an employee's home to normal place of work commute is made using his/her own bicycle and he/she uses it to undertake a business journey, only the **additional** mileage which has incurred in excess of his/her home to normal place of work commute may be claimed at the bicycle mileage rate (see 16.0).

Alternatively, where an employee's home to normal place of work commute is made using his/her own bicycle but he/she uses his/her own motor vehicle (car or motor cycle) instead to undertake a business journey, only the **additional** mileage which has incurred in excess of his/her home to normal place of work commute may be claimed at the respective mileage rate (see 16.0).

#### **15.1.3 Employee Motor Vehicles (and Leased Cars)**

Where an employee's home to normal place of work commute is made using his/her own motor vehicle e.g. car or motorcycle (or a leased car) and he/she uses it to undertake a business journey, only the **additional** mileage which has been incurred in excess of his/her home to normal place of work commute may be claimed at the respective rate (see 16.0).

Therefore:

- 1) Where an employee travels from home to visit a site/ place of business that involves a deviation before travelling to his/her normal place of work, only the **additional** mileage may be claimed (i.e. not the full journey from home).

Example: An employee lives in Tiverton and their normal place of work is in Exeter, a commute of 16 miles each way. The employee travels from home to Cullompton and then on to his/her normal place of work, a total distance of 20 miles. The employee may claim only the **additional** mileage of 4 miles.

- 2) Where an employee travels from home to a site/ place of business that is of a longer distance than his/her home to normal place of work commute, only the **additional** mileage may be claimed (i.e. not the full journey from home).

Example: An employee lives in Exeter and his/her normal place of work is in another part of Exeter, a commute of 3 miles locally each way. The employee travels to Exmouth and returns home, a distance of 10 miles each way. The employee may claim only the **additional** mileage i.e. 7 miles each way.

- 3) Where an employee travels from home to a site/ place of business that is of a shorter distance than an employee's home to normal place of work commute, mileage may not be claimed.

Example: An employee lives at Crediton and his/her normal place of work is at Exeter, a commute of 10 miles each way. The employee travels to Newton St Cyres and returns home, a total distance of 8 miles. This mileage may not be claimed.

## **15.2 Cases of Recall Outside of Normal Working Hours**

- 15.2.1 Where a business journey is made from home for duty outside an employee's normal working hours (that may include a weekend or public holiday), home will be regarded as the base for the occasion and all mileage incurred in making the journey may be claimed, subject to the agreement of a Head of Service.

Recall outside of normal working hours refers to a period of work that is additional to an employee's usual pattern of working periods in any day/week etc. Examples include:

- a call out to deal with an emergency
- attendance at an evening meeting after an employee has completed his/her normal work for the day, and has gone home for the day
- a journey from home for duty on a day when an employee is not normally required to work (e.g. Saturday and Sunday) - provided that time off in lieu is not taken.

All claims of this type must be submitted as taxable. (To avoid significant tax penalties, employees with a leased vehicle should not claim for these journeys).

Recall outside of normal working hours does not apply to journeys starting early from home or finishing late at home on an employee's ordinary working days when he/she visits a site/ place of business other than his/her normal place of work. Business journeys of this kind are covered under 15.1.

## **16.0 Business Journey Allowances**

- 16.1 The Essential User and business mileage allowances that apply are determined by HCC, as amended from time to time:
- **Cars** - The rates for cars are determined by the engine capacity, within the bands 451 - 999cc and 1,000 cc and over.
  - **Car Hire and Pool Cars** – any fuel purchases must be submitted in the normal way as set out in this policy (see 22.0).
  - **Three Wheeled Vehicles** - For three wheeled vehicles, the rate for motor cars of 451 - 999 cc applies.
  - **Motorcycles** - The rates for motorcycles are determined by the engine capacity, within bands up to 49, 50 -149, 150 - 249 and 250cc and over.
  - **Bicycles** – A bicycle rates applies.
  - **Training** – The training rate is the same as Cars (see above).
  - **Passengers** - Car users may claim an additional amount per mile per “official passenger” within the insured capacity of the vehicle.

16.2 For the current allowances, see Appendix 1.

### **17.0 Car Parking**

- 17.1 When an employee necessarily incurs a parking fee when visiting a site or other place of work, reasonable car parking fees may be claimed.
- 17.2 HCC cannot be held responsible for any parking fines incurred.
- 17.3 Car parking fees claimed for each day should be recorded on the normal claim form and must be supported by the respective ticket/ receipt (see 22.0 How to Claim and Taxation Implications).

## **MEALS, OVERNIGHT ACCOMODATION AND OUT OF POCKET EXPENSES**

### **18.0 Principles in Relation to Meals, Overnight Accommodation and Out of Pocket Expenses**

- 18.1 Employees are only eligible to claim reimbursement for expenses incurred in the course of their work where **additional** expenditure has been incurred and where evidence of the expense is provided in an acceptable form such as a valid receipt or other similar document, where appropriate.
- 18.2 The maximum amount of any claim shall not exceed the amounts set out in the rates Annex

(In exceptional circumstances, and where authorisation is given to an individual employee by his/her manager, additional expenditure supported by a receipt may be claimed).

## **19.0 Meals**

- 19.1 In order to qualify for the reimbursement of expenses for meals, an employee must demonstrate:
- that his/her official duties have led to him/her actually and necessarily being absent from their normal place of work for the qualifying periods in 19.2 below, and
  - that this has prevented him/her from following his/her normal meal arrangements or taking reasonable steps so to do. (In this context consideration of what constitutes normal meal arrangements will have regard to the working patterns of the individual, as well as the nature of the meal arrangements they normally make), and
  - that, as a result, he/she has necessarily had to incur additional expenditure that they would not otherwise incur.
- 19.2 The qualifying periods referred to in 19.1 above are:
- breakfast - where the employee leaves home before 6.00am
  - lunch - in determining whether claims are reasonable, regard should be had to the practicality of returning to the place where lunch is normally taken during the normal (flexitime) lunch period
  - dinner - where the employee is travelling or working as part of a normal, continuous day, after 8.30pm
  - in the case of a split duty or call-out, the employee will be eligible for:
    - dinner if his/her evening duty comprises at least three hours work and finished after 8.30pm.
- 19.3 In submitting a claim, the employee is expressly certifying that he/she has satisfied the eligibility criteria set out in 19.1 and 19.2.
- 19.4 If the criteria in 19.1 and 19.2 are not fully satisfied, the employee may be required to justify why and how his/her normal meal arrangements needed to be varied and to explain what additional expenditure he/she had, necessarily, to incur. Receipts will be required to justify the additional expenditure incurred.
- 19.5 When authorising claims, the manager is expressly certifying that the employee has satisfied the criteria.

## **20.0 Overnight Accommodation**

- 20.1 All overnight accommodation, with the exception of stays with friends or family (see 20.2 below), must be booked through the Finance Office. The maximum rate is shown in the rate annex below. Any departure from this rate will need approval by the Director of Finance prior to booking.
- 20.2 Where an employee stays overnight with friends or relatives and so avoids commercial overnight accommodation costs, a claim may be submitted supported by receipts (e.g. to cover actual costs incurred in connection with the stay) up to the limit of the "Family/Relatives" rate.

## **HOW TO CLAIM AND TAXATION IMPLICATIONS**

### **22.0 How to Claim and Taxation implications**

- 22.1 Monthly claims for all business travel allowances and expenses should be submitted promptly each calendar month. Excessive delay in submitting claims may result in payment being refused, or delayed pending further investigation.
- 22.2 Employees should be aware that taxation impacts upon some payments for business travel expenses, and failure to comply may have tax, interest and penalty implications for both HCC and an individual employee.

Appendix 1 to Travel policy

**RATES**

**Cars**

Essential Users (Code E)	451-999cc	1000cc and over
First 10,000 miles	45.0p	45.0p
Over 10,000 miles	25.0p	25.0p
Monthly lump sum	£33.13	£37.75
Casual Users (Code C)	451-999cc	1000cc and over
First 10,000 miles	45.0p	45.0p
Over 10,000 miles	25.0p	25.0p
Appendix E (Code AP)	451-999cc	1000cc and over
All Mileage	33.6p	37.1p
Passenger Miles (Code P)		
All Mileage	1.0p	

**Motorcycles**

Essential Users (Code MM)	Up to 49cc	50-149cc	150-249cc	Over 250cc
All mileage	24.0p	24.0p	24.0p	24.0p
Monthly lump sum	4.96p	6.63p	11.58p	16.58p
Motorcycle Casual Users (Code MC)	All			
All mileage		24.0p		
Appendix E (Code MA)	Up to 49cc	50-149cc	150-249cc	Over 250cc
All mileage	8.4p	13.44p	16.8p	21.84p

## Bicycles

Bicycles (Code B)	
All Mileage	20.0p

You can only claim for meals when your normal arrangements cannot be followed due to work commitments. Consideration of what constitutes normal meal arrangements will have regard to your working pattern, as well as the nature of the meal arrangements you normally take.

The following table shows the **maximum** allowable claim for meals and overnight accommodation but see para 20.1:

Breakfast	£6.76
Lunch	£9.47
Evening meal	£13.50
Friends/family	£50.00
Overnight Accm	£81.06
Out of pocket (overnight)	£5.00