



ESRC Travel Policy and Guidance

Issued by ESRC Finance and Awards Management (FAM) Accounts Section
21 October 2009

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Introduction

This document sets out ESRC's policies, regulations and procedures relating to travel on official business and the reimbursement of expenses incurred whilst on such business away from the office. Except where indicated otherwise, the statements apply to all staff, Council, Committee & Panel members and also visitors to the Council. They include for staff, attendance at training courses and costs to invited corporate events as well as the normal run of business meetings and visits. Hospitality (ie the entertaining of special visitors, which is not directly connected with normal operations) is subject to the specific approval and control of the Chief Executive and Directors, and is not covered by these policies and regulations.

Policy

The following rules apply to employees, Council, Committee and Panel Members, visitors to ESRC, and anyone else incurring travelling and subsistence costs when undertaking work for the Council. It is the policy of the ESRC that claimants are reimbursed the actual cost of expenses incurred wholly, exclusively and necessarily in the performance of their duties for ESRC, up to the limits prescribed in Appendix 1. Individuals are expected both to minimise costs without impairing the efficiency of the ESRC and to avoid any unnecessary costs to the Council. All journeys must be justified and should only be undertaken when it is essential for the conduct of ESRC business and **the most efficient and economic method of travel should be used at all times**. In general, reimbursement will be made only on the production of receipts or invoices and these must be attached to the claim forms when submitted. Copies of credit card slips are **not acceptable** for this purpose. Receipts for meals must show a breakdown of the items purchased, rather than just the total paid. As a public funded body, there is a duty of care on individuals to protect the best interests of the ESRC and to obtain value for money.

Exclusions

ESRC will not be responsible for any fines incurred by claimants whilst working on ESRC business. These include parking fines, fines incurred for failure to pay the congestion charge or any other type of motoring offence. All such fines are the responsibility of the traveller and will not be recoverable from ESRC.

Exceptions

It is recognised that the meeting of necessary expenses cannot be satisfied in every case by the rigid application of rules and guidelines. Where the normal application of the rules might lead to a claimant being out of pocket, special arrangements may be considered. Specifically, there may be rare occasions when it is not possible to restrict expenditure to the indicative upper limits for subsistence, for example, a shortage of accommodation caused by some special event in a city or high "captive audience" meal prices in a remote location. The written authorisation of a Head of Section should accompany any claims that exceed guidance limits, and wherever possible, be obtained prior to travel. Both the individual concerned, and their line management, are accountable for such decisions, and

every effort should be made to organise business in such a way that the necessity for incurring excess expenditure is avoided.

Dispensation

ESRC has obtained a dispensation from HM Revenue and Customs (HMRC), which means that the Council does not have to report claimants' expenses to the HMRC and claimants are not therefore required to pay tax or claim tax relief themselves for business journeys. The dispensation covers only "actual business expenditure fully supported by receipts". In order to minimise costs and control expenditure, ESRC as a Government Funded Body, has set its own limits for reimbursement and these are detailed in Appendix 1. These rates are the maximum amounts payable in all cases and will only be paid on production of receipts or invoices. FAM Accounts Section has further guidance on this if required.

Pre-approval of expenditure

ESRC staff **must** get approval in advance of travel from their Line Manager or Authorising Officer for all journeys and related expenditure. Council, Committee, Panel members and other claimants should ensure that any unusual expenditure not covered by this guidance is agreed in advance by their ESRC contact or Committee secretary. Examples would include overnight stays where travel on the day of the meeting is inappropriate. (See Overnight Expenses Exceptional Circumstances)

Claim forms

Receipts

Expenses incurred on behalf of the Council (including travel costs to invited corporate events) are to be recorded on Form TS1. Claims should be submitted within two months of the expense being incurred and must be fully supported by **itemised** receipts. Receipts for meals must show a breakdown of the items purchased, rather than just the total paid. **Credit card slips are not acceptable as receipts.** If receipts are lost or genuinely unobtainable, such as items purchased from a vending machine, claims **may** be allowable depending on the circumstances. In these cases, however, full details of the item must be provided including:

- the nature of the item and why it was required
- from whom and where it was purchased
- the cost of the item
- the time and date of purchase.

The decision on allowing such claims will rest with FAM Accounts Section, whose decision will be final. For expenditure above £5.00, original or replacement receipts must always be provided or the item will be disallowed.

Departure and arrival times

Departure and arrival times for all journeys should be recorded on the form. This is to ensure that the correct rate of subsistence is being claimed for the length of time being spent away from the normal place of work on ESRC business.

Authorisation

All claims are required to be personally signed by the person seeking reimbursement; this certification includes confirmation that they have incurred the expenses claimed on approved ESRC business and that they are entitled to claim reimbursement from ESRC within agreed rules. The claimant's Line Manager for ESRC staff, or the nominated supervisory officer for Council, Committee or Panel members, is also required to certify the claim to the effect that the business undertaken etc was valid and approved. The claim should be checked and authorised by the officer holding appropriate delegated authority from the budget holder.

Reimbursement

Method of payment

Payment will be made directly into claimants' bank accounts via the BACS system. It is the individual claimant's responsibility to ensure that up to date bank details are held by FAM Accounts Section. ESRC staff should where possible avoid submitting individual claims for less than £5.00, and should retain their receipts until the amount to claim exceeds this amount.

Currency conversion

Reimbursement of expense payments to staff will always be in sterling. The rate of exchange to be used will be the rate as stated on the Financial Times website for the day when the claim is submitted to Finance or the date when the currency is purchased. Please enter the conversion factor used on the claim form. However, where it can be demonstrated that the actual cost of conversion has been incurred, payments will be made at that rate of exchange. Proof of conversion will be required, eg credit card statements etc. The person checking and authorising the claim should ensure that the conversion rate is reasonable. For non-staff, overseas individuals will be paid by bank transfer in the currency of the country to which payment is sent.

Advance of funds

In some circumstances, it may be possible to allow an imprest to be paid. Each case is considered individually but may be requested when estimated subsistence costs may cause financial hardship for a claimant. Application forms can be requested from FAM Accounts Section.

UK Travel

General policy

As previously stated in Paragraph 2, when travelling on ESRC business, the most efficient and economic method of travel should be used at all times. For environmental as well as economic reasons, public transport should be used wherever practicable. This can include air travel within the UK, but only if it can be demonstrated that a significant saving in overall costs, including official time and/or subsistence costs can be achieved. Internal air travel within the UK is only really worth considering for journeys that would take more than three hours by train. The time needed to travel to the airport and to check in, as well as at the other end of the journey getting from the airport to the destination, all need to be taken into account. Fundamental issues of health and safety, and the need to be ready for work at the destination in a fit condition, appropriately rested, and ready for business should also be considered. The cost of air travel in the UK has fallen greatly with the growth of "budget airlines". Budget airline fares can sometimes be cheaper than rail travel especially when booking early. **All UK air travel should be approved in advance by budget holders. This includes that undertaken by Committee and Panel members travelling on ESRC's behalf and expense.** ESRC staff should discuss with their line managers; external individuals with their ESRC contact or the Committee Secretariat. In all cases every effort

Booking travel - ESRC staff only

Except in exceptional circumstances, staff travel should be pre-booked through the Research Councils' appointed travel agent (currently Key Travel) <http://www.keytravel.com/> Rail tickets are ordered on-line and tickets are printed on-site and can be collected from Polaris House Reception. Domestic flights can also be booked on-line, but for more complicated itineraries staff are advised to call Key Travel on 0845 122 0102 and speak with a travel consultant.

Domestic rail travel mode and class

Normally, the lowest cost method of domestic travel will be by train. Standard class should always be used and every effort should be made to procure the cheapest ticket. This will normally be a period return, but claimants are expected to investigate the possibility that day return tickets or "savers" may be available at lower cost and that in some cases it is cheaper to purchase two single tickets. In exceptional circumstances it may be possible to travel first class, but this must be pre-authorized by the Divisional Director. Circumstances may include where the individual is required to work on Committee papers before a meeting or where the journey is in excess of two hours **and** on a congested route.

Travel by motor vehicle -see also driving policy document

General policy

Car travel can be economical, particularly where more than one person is making the journey. ESRC members of staff are expected to make use of official transport or car hire agreements. For return journeys made within one day and totalling less than 150 miles, staff may use their own private vehicle. Also, in exceptional circumstances (eg disabled drivers who cannot travel by public transport and have to travel by car), private vehicles may be used. Journeys should normally be taken by the shortest route. If a longer route is taken in order to save travelling time (eg to avoid road works), an explanation should be provided to support any subsequent claim for mileage. Any other costs necessarily incurred in the course of travel, for example parking and toll costs, will be reimbursed in accordance with actual receipted expenditure.

Individuals using their own cars

Staff using their own private cars on ESRC business should seek prior authority to do so from their manager. External individuals should check with their relevant ESRC contact. Individuals must ensure before making the journey that:

- their motor insurance cover extends to business use
- the vehicle is roadworthy and if over 3 years old has a valid MOT certificate
- they hold a valid UK driving licence
- there are no medical reasons they are aware of why they should not drive
- the vehicle has a valid excise licence.

ESRC accepts no liability where employees undertake journeys without satisfying the above criteria.

Mileage rates policy

Subject to the conditions in paragraph 'Individuals using their own cars' above, and where prior authority has been granted by the ESRC, mileage expenses incurred whilst on ESRC business will be reimbursed as follows.

ESRC will pay the lower mileage rate per mile, for journeys where the individual prefers to use their own car rather than public transport.

Where operational and cost considerations make the private car the most effective option ESRC will pay the standard rate per mile for journeys up to 150 miles in a single day.

Journeys over 150 miles are deemed to be more cost effective by hire car, but if an individual uses their own car for such journeys, the mileage rate for the whole journey will be the lower rate. Passenger supplements will also be paid.

Journeys should normally always be taken by the shortest route. If a longer route is taken in order to save travelling time (eg to avoid road works), an explanation should be provided to support any subsequent claim for mileage. When an ESRC employee starts a journey from their home, rather than the Office, payment will be restricted to the equivalent mileage from the Office, if this distance is shorter.

In order to comply with HMRC guidelines, the standard rate can only be paid for the first 10,000 business miles in the tax year and the lower rate per mile thereafter. The maximum rate is an HMRC Approved Mileage Rate and is intended to cover petrol costs and depreciation.

The claim form should contain the following details:

- full details of the journey, including date and reason for the journey
- starting, finishing and intermediate points and destinations must be recorded for each journey
- business mileage claimed
- amount claimed per mile.

Mileage rates

Details of rates payable, including passenger supplements can be found in Appendix 1.

Health and safety considerations

In the interests of safety, staff and others driving on ESRC business should not drive more than 400 miles in a single day. Business trips should be organised in such a way as to avoid any excessive length of time driving, making use of public transport wherever possible and/or staying away overnight in order to break journeys. Full details can be found in ESRC's Driving Policy obtainable from Paula Bishop in the Policy and Resources Directorate (PRD).

Mobile phones

The use of mobile phones whilst driving is not acceptable except where a legally compliant hands-free unit is installed, and even then it is strongly advised against. More details are given in ESRC's Driving Policy.

The London congestion charge

The congestion charging operating hours are 7.00 to 18.00. The charging days are Monday to Friday (excluding bank holidays). The payment can be made in advance or on the day of travel before, during or after the journey or by midnight the following charging day. If payment is made in advance or by midnight on the day of travel the cost will be £8.00. This will rise to £10.00 if payment is made by midnight on the following charging day. (Payment on the following day can only be paid via the call centre or website). Failure to pay by midnight the following charging day will attract a fine of £120 - this will be reduced by 50 per cent if paid within 14 days but increased to £180 if not paid within 28 days. If a hire car is being used, it is also likely that the car rental companies will impose a handling charge in the event of having to forward fines on to travellers.

All staff, Council, Committee and Panel members and also visitors to the Council, should be aware that any fines incurred as a result of not paying the charge will be the responsibility of the traveller and will not be recoverable from ESRC.

The official web site on the London Congestion Charge (address below) contains further details including a section on how to pay. Please note that it would be acceptable for payments to be made on-line using the Government procurement Card – see web site for details.

- <https://www.cclondon.com>

Hire car policy - ESRC staff only

Hire cars for ESRC employees should always be booked on-line with one of the Research Councils' preferred suppliers - Enterprise Rent-A-Car.

Full instructions can be obtained from the Accounts Section. Care should be taken to avoid additional costs by collecting the car from, and returning it to, Polaris House. The usual standard of hire vehicles will be Group B (1100-1600cc), but Group C (1800-2000cc) vehicles will be allowed when three or more employees are travelling together.

Annual check of driving licences - ESRC staff only

In order to comply with the terms of the Hire Car Insurance policy, ESRC will require all employees intending to use a hire car for ESRC business to submit their driving licence for examination by FAM: Accounts Section annually in April. An emailed reminder will be sent at the time.

Checking the vehicle - ESRC staff only

Before driving hire vehicles, employees should check the external physical condition of the vehicle and ensure that this is consistent with the check form in the vehicle. Any anomalies identified (eg additional dents or scratches in the bodywork) should be entered on the check form.

Refuelling - ESRC staff only

At the end of hire, employees should refill the fuel in their hire vehicle. Failure to do this results in the levying of additional costs (in the form of premium charges for petrol) by the hire company. Receipts should be obtained for petrol and claims submitted for reimbursement. Alternatively staff with GPC cards should use these to refuel.

Private use - ESRC staff only

Under no circumstances should hire cars be available for private use or used to make private journeys, including commuting to or from work.

Insurance - ESRC staff only

ESRC holds an insurance policy with The National Farmers Union Mutual Insurance Society Limited. The policy document is held in FAM: Accounts Section. Staff are advised to take a copy of the policy with them when driving a hire car on ESRC business.

Taxis

General policy

Taxis should normally only be used for short, local journeys (eg transport to or from a railway station), where no public transport is available or where the use of public transport would be difficult (eg the transportation of heavy luggage), potentially dangerous (eg travel late at night) or not cost effective (eg because of the extra travel time it would entail). Justification for the use of taxis should **always** be provided on claim forms. Claimants will be reimbursed the actual receipted cost of taxis. The use of taxis to travel to and from airports, particularly when returning home from abroad on a long-haul flight, may also be allowable but should be agreed in advance of travel.

Late at night

Reimbursement of claims for taxis taken late at night will only be allowed in cases of unavoidable delays. In cases where claimants have delayed their journey for personal reasons and have returned to their home station either late at night or when public transport has stopped, taxi costs will not be reimbursed. This applies also to ESRC staff taking taxis from Swindon station to the multi-storey car park at Polaris House. **ESRC Staff are reminded that they can borrow a bridge key from JBOS, or if they travel frequently can have their own key.**

Accounts - ESRC staff only

ESRC has taxi accounts with two local firms, United Radio Cars 01793 611111 and V Cars Ltd 01793 701701. Details of how to book, passwords etc can be obtained from Betty Portsmouth.

Chauffeur-driven cars - ESRC staff only

Chauffeur-driven cars or taxis for longer (ie non-local) journeys may only be used with the prior approval of a Director or the Finance Officer and only then in exceptional circumstances such as:

- same day travel back to the Office/home after the return leg of a long-haul flight
- the accompanied transport of heavy/bulky goods (and only when this is the most cost-effective option).

Details of joint council agreements with Cottle's Chauffeured Travel and V Cars Ltd may be found on RCPO's website:

<http://www.rcpo.ac.uk/members/rcpo/travelinfo.asp>

For ESRC staff only - policy on reimbursement/funding of travel costs from home to temporary workplaces

Rail travel

ESRC will allow full reimbursement or provision of rail tickets from the nearest station to their home for staff travelling on ESRC business. Where travel to London via Swindon is involved this entitlement is however not available to those who normally travel by rail to Polaris House.

Where the entitlement exists, ESRC will also reimburse the following:

- Parking charges at rail stations.
- **Excess** car mileage costs to such stations to the extent that the mileage exceeds normal home/ Swindon mileage (this is subject however to a condition that such a journey must involve a cheaper rail fare than Swindon- London).
- For cross country rail journeys, not via London, the same principles as above are expected to apply.

Road journeys

This notice re-confirms that when claimants use their own cars for visits mileage claims will be restricted to the lesser of home/temporary workplace compared to office to temporary workplace.

Annual travel declaration

To ensure that all travel claims are processed in accordance with ESRC's travel rules and within the guidelines set by HMRC, FAM Accounts Section will require all staff to complete an annual travel declaration.

Taxable benefits

With the re-statement / change of policies as above it is appropriate to restate the **tax relief** to which staff may be entitled in respect of travel which is not wholly reimbursed by ESRC. See below:

- For staff who **normally** travel to Swindon by train, (and who are thereby excluded from the new policy concession), if they actually undertook the home / Swindon component at their expense for a particular London visit they can claim **tax relief** on such actual costs. They are **not** however able to claim a notional value in respect of a day's use of an **existing season ticket** to Swindon;
- Other staff who undertake visits by rail, but where the initial part of the journey from home involves unfunded mileage (as at 'Taxis late at night' above), may claim **tax relief** on such mileage at the standard HMRC approved mileage rate of 40p per mile (or bus fares if appropriate).

- Staff may also claim **tax relief** for **excess** mileage (ie excess by reference to the terms at 'Rail travel' above) when they use their own cars for travel to temporary work places.

Any claims for tax relief have to be made by staff themselves to the appropriate Tax Office. FAM Accounts Section is able to offer advice in respect of the basis for such claims including the provision of the appropriate HMRC forms.

UK subsistence

Subsistence

General policy

Individuals who are required to travel in the course of their work are entitled to claim the additional cost of meals taken on route where the cost is above and beyond the cost they would normally incur. Only the costs of meals taken in the course of business journeys will be borne by the ESRC. Individuals should claim the actual reasonable costs of food and refreshments taken en route supported fully by receipts and subject to the rates allowable. (See Appendix 1)

Subsistence rates

The **maximum** rates allowable are set out in Appendix 1. The allowable expenses can include the cost of a reasonable level of refreshments taken with a meal and refreshments such as tea, coffee or soft drinks taken between meals. Alcoholic drinks may only be taken with a full meal and in all cases should be a reasonable amount eg 2 glasses of wine or beer. Expenditure on pre-dinner drinks purchased by a claimant out of their own pocket will not be reimbursed. The ESRC funding of after-dinner drinks is not allowed under any circumstances. Individuals should note that no alcohol should be consumed when driving on ESRC business.

Gratuities

Discretionary gratuities to hotel, restaurant staff, taxi drivers etc. cannot be claimed. If a service charge is a compulsory part of the bill this should be claimed but it should be clearly indicated that it was inclusive in the charge. These charges should not normally exceed 10 per cent. In exceptional circumstances if this is exceeded, an explanation should be given.

Overnight expenses

General policy

In general, claims for overnight subsistence are allowable in respect of stays at a temporary workplace location which involve conduct of official ESRC business requiring the claimant being in attendance on consecutive days. Claims may also be made for overnight subsistence where the overnight stay is essential to allow the claimant to be at the temporary workplace location at the start of the working day. This is in cases where it is not possible or reasonable to expect the journey to take place on that morning.

Exceptional circumstances

Overnight stays at public expense will be permissible at the end of a visit where the ESRC business ends late in the day and return to normal place of work and/or home is not possible that day. Exceptionally, even though return to home/normal place of work is feasible, a claim for one additional night's hotel accommodation may be justifiable if a

significant and demonstrable saving on long distance travel costs can be achieved through deferring departure. This is strictly in cases where the claimant has been necessarily engaged in conduct of ESRC business at the temporary workplace location for part of the day. Any proposal to justify a claim on this basis must be cleared in advance by ESRC's Finance Officer or Head of Accounts.

Rates

The rates of overnight subsistence are shown in Appendix 1 and must not be exceeded. As with other expenses, receipts are required to support the claim.

Advice regarding hotel bookings

If it is not possible to obtain a hotel that falls within ESRC's limits in the immediate vicinity of your meeting, then please seek alternative accommodation in an adjacent area. Should it be necessary to use the tube or taxis (should heavy luggage or meeting papers need to be carried, the costs should be included as part of your overall claim).

If it is essential that a hotel is used within the immediate vicinity, or if you are unable to secure accommodation in an adjacent area that is within our limits, you should contact FAM Accounts Section in the case of internal staff, or your ESRC contact in the case of other claimants, before the booking is made. If it is not possible to make contact prior to the booking, the circumstances should be clearly detailed in your subsequent T&S claim.

Various internet websites exist to assist the search for hotels that fall within ESRC rates. Examples include:

- www.hotels.com
- www.expotel.com
- www.lastminute.com
- www.travelodge.co.uk
- www.opodo.co.uk

Hotel bookings - ESRC staff

The Research Councils have access to the same set of Government rates through an agreement with Key Travel. Reservations may be made online, by telephone or by email. Full details may be found on Key Travel's Page: <http://www.keytravel.com/>

ESRC has negotiated membership of The Goodenough Club in London, which maintains close links with the Higher Education sector and where staff may stay for a cost that is well within our rates. Bookings may be made on-line at: www.club.goodenough.ac.uk

ESRC also has a membership of the Civil Service Club in Westminster in London. The club has 26 bedrooms, which can be booked from as little as £60 per person per night including breakfast. Also they have conference rooms for hire: part day from £95. The day delegate rate is £40 including coffee/tea on arrival, mid morning coffee/tea and biscuits, finger buffet lunch and afternoon tea etc. All prices are inclusive of VAT.

Website: www.civilserviceclub.org . Please contact Francesca Stec in the Chief Executive's Office for further details.

Personal incidental allowance

Claimants for overnight subsistence are also eligible to claim for a personal incidental allowance (PIA). This is intended to cover items such as a newspaper, telephone call home etc. This allowance is for each 24-hour period and is paid in addition to the overnight allowance. (No receipts are required for this allowance). The allowance is set within the HMRC'S tax dispensation and is not treated as a taxable benefit. See Appendix 1 for current rates.

Personal items

Items of a personal nature such as discretionary gratuities to staff, mini-bar drinks or video hire **will not** be reimbursed by ESRC. Where these items are included in a hotel bill settled directly by the claimant, the costs should be deducted prior to submission of the claim. Where the bill is to be settled by ESRC, the claimant should pay for those items before checking out. ESRC will cover only the cost of prepaid items (bed and breakfast).

Staying with friends or relatives - ESRC staff

When an employee spends a night away from home whilst on business, he or she may choose to stay with a friend or relative instead of staying in a hotel. The employee may show gratitude to the host by taking a gift or by paying for an evening meal. The cost of the gift or meal replaces the hotel expenses which the claimant would have incurred otherwise. In these cases, ESRC pays a flat rate overnight allowance. It is not intended that this allowance should be similar in amount to the expense of staying in a hotel, nor that the allowance should necessarily meet the full cost of a meal for two as only the cost of the employee's meal would be classed as a qualifying business expense. Please refer to Appendix 1 for the latest rate, which has been increased to take into account the fact that tax and national insurance will be deducted.

No receipt is required when claiming this allowance, but the overnight address should be indicated on the claim form. The personal incidental allowance may also be claimed. Please note that HMRC has removed the flat rate Friends and Family allowance from ESRC's dispensation with effect from 1 April 2009 and any claims made after that date will be paid via the payroll and will be subject to tax and national insurance. In order to claim the allowance, staff should complete the form called 'Claims for Friends' found on the Oracle Knowledge Base under HR Forms. The completed form should then be signed by your line-manager and sent to the ESRC Risk and Governance team for submission to SSC for processing.

Residential course allowance for ESRC staff

ESRC staff may claim the personal incidental allowance for each 24 hour period when attending a residential training course. (See Appendix 1 for the rate payable).

Long term absence and frequent visits ESRC staff

Any case in which a claimant is likely to spend 30 nights in any location within 6 months should be referred to the Accounts Section for further guidance.

Overseas travel and subsistence - General policy

Overseas air travel

When using air travel, all those travelling on ESRC business should take the most efficient and economic means of travel, subject to fundamental issues of health and safety and the need to be ready for work at the destination in a fit condition, appropriately rested, and ready for business. It should also include the use of reputable economy airlines where most economical. On long haul flights of 9 hours or more business class travel may be considered, but only where this is necessary because appropriate rest either side of the flight is not possible. This should include overnight stays and breaks at the destination, wherever appropriate, rather than use of business class. Normally travel should still be standard or economy class. Business class should only be considered in the circumstances of flights over 9 hours where the business schedule is unavoidably tight and where appropriate breaks between flights and business appointments of at least 6 hours on arrival, either outward or return, cannot be arranged. Business class may also be considered exceptionally where flights are less than 9 hours but where the unavoidable flight / travel time and subsequent business appointment time exceeds normal travel within the UK. (This may be taken as the journey for a daily return flight to Belfast or Edinburgh, which might in total, be up to 15 hours.) However in such circumstances, again, the alternative of overnight stays should be considered rather than the presumption of business class flight. Business class may be allowed for medical reasons, but only where it is medically certified that this is required. In ALL cases where business class travel is being considered, whether for members of staff or for external travellers, prior agreement should be obtained from FAM.

Booking air tickets - ESRC staff

It is ESRC's policy that staff should use Key Travel, the Research Councils' travel agent. <http://www.keytravel.com/>. This is to ensure that our staff can always be traced in the event of an emergency and also because of the special deals that Key Travel have negotiated with airlines. Travel bookers are encouraged to use this website to check flight timetables and costs and to book domestic flights and uncomplicated trips. For long haul flights and more complicated itineraries staff are advised to contact a Key Travel consultant by telephone. Contact telephone numbers may be found on RCPO's travel page. <http://www.rcpo.ac.uk/members/rcpo/travel.asp>

Passports/visas

All those travelling abroad on ESRC business must ensure that they hold valid passports and, where applicable, visas. The costs of obtaining visas (including photographs) will be reimbursed if they are obtained specifically in connection with ESRC business. The cost of any unavoidable medical expenses (eg inoculations) incurred specifically for overseas

business trips may also be refunded, but claimants should check with ESRC Accounts Section before any expense is incurred.

Travel insurance

ESRC has an insurance policy for its employees travelling overseas on ESRC business. The policy is with AIG Europe (UK) Ltd. and provides cover for accidental bodily injury which results in death, loss of limbs and eyes, permanent disability and temporary disability, medical and emergency travel expenses, rescue expenses, travel assistance, legal expenses, personal liability, personal property, money, cancellation and curtailment and hijack. Cards advising how to seek help in a medical emergency are available to members of staff travelling overseas. These can be obtained from FAM Accounts Section.

Planning itineraries

In planning itineraries, employees should allow for adequate periods of recuperation between the stages of long-haul flights, and before they commence duty after such flights.

Flight socks for DVT protection

The cost of flight socks, for DVT protection, will be reimbursed to any claimant undertaking long-haul flights of 9 hours or more on ESRC business. A maximum of

Air miles

Regular travellers may qualify for one of the “air miles” schemes of the major airlines. However, individuals should not benefit personally from accumulating air miles but should use them to offset the costs of official journeys. The use of air mile credits for private travel is an unacceptable personal benefit from expenditure of public funds.

Overnight expenses - overseas subsistence rates

Worldwide Overseas Subsistence rates are set by the Foreign and Commonwealth Office and cover each period of 24 hours. The amount paid depends upon the city or area visited in a particular country and is meant to cover accommodation at a good but not luxury hotel, three meals a day plus service charges and taxes. As with other subsistence, actual expenditure up to the indicative limits will be reimbursed and claims should be fully supported by receipts. The rates are available from FAM Accounts Section.

Overnight expenses – overseas personal incidental allowance

Claimants for overnight subsistence overseas are also eligible to claim for a personal incidental allowance (PIA). This is intended to cover items such as laundry, a newspaper, telephone calls home etc. This allowance is for each 24-hour period and is paid in addition to the overnight allowance. (No receipts are required for this allowance). The allowance is set within the HMRC'S tax dispensation and is not treated as a taxable benefit. See Appendix 1 for current rates.

Hospitality

Hospitality guidance

These rules do not cover claims for hospitality. All hospitality must be agreed in advance at Director level, or by the Finance Officer or Chief Executive. Detailed guidance and pre-approval forms are available from your Travel and Subsistence representative or FAM Accounts Section.

Key points

It should be noted that public expenditure on hospitality (eg lunches, dinners or similar) **is not permitted** where the function wholly or mainly involves ESRC executive staff, Council or Committee members. Hospitality is strictly reserved for occasions where the event supports the conduct of ESRC business and objectives **and** the number of external persons present (ie excluding Staff, Council and Committee members) is equal to or exceeds ESRC staff, Council or Committee Members.

Working lunches or dinners

Claims cannot be made by one ESRC member of staff, Council or Committee Member for the cost of reimbursing lunches or dinners or similar, which wholly or primarily involve provision of meals or refreshments to other Staff, Council or Committee Members. The exception is where a working lunch is held. This will normally be at a formal ESRC business meeting, and a lunch or dinner is provided at the location where the meeting is being held, and the meeting either starts or finishes with the lunch or dinner, or runs across the whole period. Exceptionally, expenses for events outside these terms may be allowable under other appropriate circumstances, but only with the formal approval of the Chief Executive.

Honoraria

Honoraria - rates and guidance

Please see Appendix 1 for rates payable and Appendix 2 for guidance.

Abbreviations

List of abbreviations used in this report

- ESRC Economic and Social Research Council
- T&S Travel and Subsistence
- HMRC Her Majesty's Revenue and Customs
- BACS Originally Bankers Automated Clearing Services, the payment method ESRC uses to pay directly into claimants' bank accounts.
- MOT Motor Ordnance Test

- FAM Finance and Awards Management
- PIA Personal Incidental Allowance
- PRD Policy and Resources Directorate
- RCPO Research Councils' Procurement Organisation

Appendix 1

UK allowance and expenditure guideline limits

Day subsistence indicative upper limits for claiming of actual supported by receipts

- 5-10 hours - £8.00
- Over 10 hours- £17.00

Note: the 5-10 hour limit relates to a single meal/refreshment break and the > 10 hour limit relates to two meal/refreshment breaks. If a meal is provided at public expense (ie at no cost to the traveller) within a period of less than 10 hours, no additional claim for subsistence expenses will be allowed.

Overnight subsistence indicative upper limits for claiming of actuals supported by receipts

- London (Bed and Breakfast) - £120.00
- Elsewhere in the UK (Bed and Breakfast) - £100.00

Maximum amount of subsistence payable for accommodation, meals, refreshments and personal incidental allowance in any 24 hour period with all expenditure fully supported by receipts

- London - £142.00
- Elsewhere in the UK - £122.00

Overnight subsistence - flat rate allowances

- Personal Incidental Allowance UK (see paragraph 'Personal incidental allowance' above) - £5.00
- Personal Incidental Allowance Overseas (see paragraph 'Overnight expenses personal incidental allowance overseas' above) - £10.00
- Staying with family or friends (see paragraph 'Staying with family or friends' above) - £30.00

Residential course allowance (ESRC Staff only)

- The personal incidental allowance of £5.00 per 24 hour period may be claimed by ESRC staff when attending a residential training course.

Mileage rates

- Lower rate (formerly known as Public Transport Rate) - 25p per mile
- Standard rate (conditions apply) - 40p per mile

- Passenger rate - 2p per mile

Honoraria for ESRC Council members with effect from 1 April 2011

- Council members - £6,850 per annum
- Council members who chair Policy Committees - £9110 per annum

Payments to Committee members with effect from 1 April 2011

- Vice Chair of Research Committee - £1,800 per annum
- Committee members - £1,200 per annum
- Members of Evaluation Committee - £800 per annum
- Members of Audit Committee - £600 per annum

Appendix 2

Honoraria - (ESRC Council and Policy Committee members only)

1. Members of Council and its Committees may be entitled to receive an honorarium to cover all work for the Council including membership of Committees. The payment of Honoraria is administered by the Shared Service Centre and paid through the payroll system.
2. The basis of entitlement for Honoraria is that members attend meetings. Occasional absence does not prejudice this, but where attendance is infrequent or irregular, the ESRC may need to review the level of individual remuneration.
3. The honorarium, which is additional to the allowance payable to members for travel and subsistence while on Council business is not paid automatically. Members must indicate formally if they wish to receive payment by completing a Payment Declaration Form. Rates are listed in Appendix 1.
4. For members not requiring Honoraria, it is nevertheless important to complete and return the Payment Declaration Form as this has an effect on their Income Tax arrangements.
5. Honoraria are **not** payable to members who are:
 - Civil Servants
 - ESRC employees
 - Full time employees of organisations whose funds are derived from Votes of Parliament (eg Government Departments, UKAEA, BBC, other Research Councils)
6. University academic staff, retired Civil Servants and Local Authority employees are eligible to receive Honoraria.
7. In cases of doubt, the ESRC staff responsible for the meeting should be consulted. The Department for Business, Innovation and Skills (BIS) will be consulted if necessary. The current rates of Honoraria are shown in Appendix 1.

Method of payment

8. Honoraria for Council Members is paid monthly in arrears via ESRC's payroll, directly into a member's bank account. Honoraria for other committee members are paid annually in March of each year, also through the payroll. Travel and subsistence expense claims should be submitted promptly to the ESRC member of staff responsible for organising the meeting. The claims are checked, authorised for payment and passed for processing to the Shared Service Centre. Payment runs are carried out on a weekly basis, all payments being made via BACS directly in the claimant's bank account.

Income tax

9. Under Income Tax law, tax is payable on and deducted from Honoraria. In some cases, income tax is also due in respect of reimbursed travel and

- subsistence expenses, but this is dealt with under bulk arrangements by the ESRC.
10. Honoraria payments are taxable under PAYE procedures at the time of payment, unless the ESRC receives instructions to the contrary from HMRC.
 11. Members wishing their tax on Honoraria payments to be dealt with in any other way should make the necessary arrangements with their own Income Tax Inspector.
 12. Where there is entitlement to Honoraria but a member does not apply for or take them, the appointment is nevertheless considered “paid”. Although there is no payment to be taxed, there may be Income Tax liability on any travel and subsistence payments (see paragraph 14).
 13. Where a member agrees in advance not to receive any Honoraria then the appointment is considered to be “unpaid” and no tax liability will arise on his travel and subsistence payments.
 14. All expenses reimbursed to Council Members in respect of the cost of travelling to and staying at the place where Council meetings take place are taxable as part of their income. However, under a special arrangement Council may account to HMRC for any tax due in respect of these taxable expenses without any deductions being made from a members income and should therefore not be included in tax returns. Travel and subsistence expenses paid in respect of Committee members are not taxable.

National insurance

15. National Insurance contributions (Class 1) are payable on each employment in which earnings, including Honoraria, are above the minimum limit. A maximum limit to contributions is however applied and as a member may be paying the maximum contributions on other emoluments, he/she may avoid paying excess contributions by applying for deferment of deductions in respect of income derived from Council or Committee membership. Leaflet CA72, which is obtainable on-line at: www.hmrc.gov.uk/leaflets/index.htm explains the procedure. Any member wishing to apply for deferment should complete form CA72A and/or CA72B which can be found at the end of the guidance and send it to:
 - Inland Revenue NI Contributions Office
Deferment Services
Benton Park View
Newcastle-upon-Tyne
NE98 1ZZ