

Travel and Subsistence - UK and Overseas

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POLICY SUMMARY

The Welsh Government will reimburse employees for necessary, additional costs incurred on travel and subsistence whilst undertaking official business travel away from the normal office base. Expenses which could have been avoided by better planning or which were otherwise unnecessary to the official purpose of the visit will not be reimbursed.

The Welsh Government takes full account of the HMRC 490 Booklet on Employee Travel in its principles and procedures on travel and subsistence. All claims must be made honestly and in accordance with the principles and procedures.

The Welsh Government commits to taking into account environmental considerations when planning and undertaking official business travel. To support this, wherever possible, employees must agree their travel plans with their line manager in advance.

This policy applies to all employees wherever they are based and wherever they are travelling.

All our policies are fully inclusive of all staff regardless of age, marriage and civil partnership (both same sex and opposite sex), pregnancy and maternity, race, religion or belief, sex, sexual orientation, whether they have an impairment or health condition, are neurodivergent or use British Sign Language, their gender identity or gender expression. We acknowledge that the terms 'gender identity' and 'gender expression' are not protected characteristics as defined by the Equality Act 2010, however, we believe that Government policy which includes provision for those persons who identify within the 'trans' umbrella (rather than on the basis of binary gender) is a more inclusive approach and one which ensures the Welsh Ministers are in a position to comply with all their statutory duties related to equality and the promotion of well-being in Wales. If you have any feedback on the inclusivity of this policy, please email EqualityintheWorkplaceTeam@gov.wales

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THE PRINCIPLES

1. Scope and Application

- 1.1 These principles and procedures describe the rules and process governing the payment of travel and subsistence expenses you incur whilst on official, short business visits within the UK or overseas.
- 1.2 It applies to all employees wherever they are based and wherever they are travelling. It must also be used for reference regarding travel and subsistence claims from individuals who are not employees.
- 1.3 Where there is a difference between UK and overseas based travel or subsistence, these principles and procedures will clearly state that this is the case. In all other instances, the principles and application will be the same for UK and overseas travel and subsistence.
- 1.4 If you have any difficulty understanding your entitlements, you should contact your Operations Team in the first instance.

2. Base Principles

- 2.1 Travel and subsistence payments reimburse you for the **necessary, additional costs** that you incur as a result of official business away from your normal place of work or 'hub' (i.e. the office at which you are permanently based). You are required to use your judgement to determine whether a cost is necessary and additional to that which you would normally incur at your permanent base. Such payments are not intended to compensate you for the inconvenience of being away from your home or normal place of work.
- 2.2 You are not entitled to claim the reimbursement of expenses that could have been avoided by better planning or were otherwise unnecessary to the official purposes of the visit.
- 2.3 The reimbursement of travel and subsistence costs is based on actual costs and they are not pensionable.

3. Your Responsibilities

Obtaining best value for money

- 3.1 The aim of these principles is to help you to get best value for public money and you will have to take a range of factors into account to achieve this. In making arrangements for your journey and procuring travel services, you **must** use the travel provider and booking services contracts that the Welsh Government has in place through the National Procurement Service to book rail or air travel. (For use in relation to a secondary permanent workplace see x and Annex B.) You can book

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accommodation either via this contract or directly through the intranet if you can demonstrate that this provides better value for money. Occasionally, the best value would be a non-refundable booking but you may be unsure whether the official business in relation to which you are making the booking will definitely go ahead. In such circumstances, it may be more sensible to choose a more expensive but refundable booking. You should use your judgement, in consultation with your line manager, about which option to choose.

- 3.2 You are responsible for ensuring that you use the most effective, economical and sustainable method of travel taking into account:
- the cost of travel,
 - the cost of subsistence,
 - the saving of official time,
 - the practicality of the journey, and;
 - the shortest route to reach your business destination.
- 3.3 You should use the shortest route in terms of mileage to reach your business destination unless there are specific reasons why this isn't possible (for example, poor weather or road conditions which give rise to Health and Safety concerns – see the Driving for Work Policy). When someone encounters a difficulty en route (e.g. unexpected road works or an accident) you may claim for a longer necessary route on an exceptional basis. If such circumstances exist, you should give a written explanation for taking a longer route, obtain line management agreement to making a higher claim and retain a copy of this agreement on the divisional registered file with the relevant claim.
- 3.4 When considering the shortest route it is possible to use limited discretion in determining the relevant mileage. However, we would not expect that discretion to be significant and you cannot claim for journeys in excess of 10% of the shortest route on a routine basis. In addition, you cannot claim for journeys that are longer than the shortest route out of personal preference. If you have used satellite navigation to identify a route to a destination, you can only claim for the shortest route, unless there are exceptional reasons otherwise.
- 3.5 If you are a disabled employee, you may use a more expensive form of travel where the nature of the impairment makes this necessary.

Taking into account sustainability and environmental impact

- 3.6 You must ensure that in planning your travel, sustainability and environmental considerations are fully considered. You should balance these issues alongside the range of factors you need to take into account including time pressures, cost and other work commitments.
- 3.7 You should aim to reduce the need for and carbon emissions from business travel by:
- giving careful consideration as to whether the need to travel can be avoided or reduced e.g. by using tele- or video-conferencing facilities, Skype for business,

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amalgamation of visits, cooperation with others also needing to carry out visits or attend meetings etc.;

- exploring the possibility of using public transport before other means of travel;
- carefully considering who should be involved in visits/meetings;
- holding meetings in locations served by public transport, wherever practical;
- providing attendees with information on public transport connections;
- holding meetings in locations which minimise travel for attendees; and,
- asking attendees to consider car sharing in making their arrangements to travel to a meeting.

- 3.8 More expensive or high carbon option forms of travel should only be used when there is an overall benefit to the organisation in terms of tangible business effectiveness or when savings in overall costs can be demonstrated. If you are in any doubt as to the merits of the travel arrangements you are planning to use, you should discuss with your line manager and/or your Operations Team before committing any expenditure.
- 3.9 Air travel emissions are a significant source of carbon dioxide and other pollutants. Air travel should only be chosen rather than surface travel if there are significant savings of money and/or official time to be had.

Agreeing your travel plans

- 3.10 Before undertaking a short business visit, you must agree your travel plan with your line manager (but see 3.12 below). This will help you to meet the requirements of these principles, including demonstrating to your line manager that video/teleconferencing/Skype and other travel-free options have been explored before they agree to a business journey being made. In cases of more complicated journeys or subsistence arrangements, you can discuss any issues in advance and take advice from your manager or Operations Team.
- 3.11 There may also be certain circumstances where past experience indicates that you will not be able to comply with all the elements of these principles e.g. you may know that it has been difficult to obtain a receipt in a certain country for a journey which for health and safety reasons needs to be undertaken by taxi. You can advise your line manager of this in advance and they will be able to pre-authorise you claiming this expenditure, if, on this occasion, you are also unable to obtain a receipt.
- 3.12 Where your job involves very frequent or daily travel within the UK to the same venues or within a geographic area, travel will be an integral part of your role and your line manager will be familiar with your travel pattern. You are therefore not required to discuss every journey with your line manager in such circumstances. However, your travel patterns should be periodically reviewed with your line manager to assess future need and any issues such as work-life balance or environmental impacts of your travel.

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- 3.13 Regular travel to the same venue or geographical area is likely to indicate that a destination is a secondary permanent workplace and HMRC Regulations mean that any claims for travel to that destination will be subject to tax and National Insurance contributions (NI). For more information see paragraph 10.2 (page 28) of the procedures below and Annex B.
- 3.14 Where certain conditions are met (see paragraph 4.24 of the procedures below) staff are permitted to submit claims for management consideration for journeys associated with an interview for an alternative job within the Welsh Government. HMRC regulations dictate that any payments are subject to tax and National Insurance and must be claimed via payroll as the journey is considered by HMRC to be private travel for personal reasons.

Getting approval for overseas visits

- 3.15 In addition to agreeing your travel plan above, you must also obtain approval for your visit in line with the following and should record this approval on the sectional registered file:
- Directors General and Directors who report directly to the Permanent Secretary must obtain approval from the Permanent Secretary; and,
 - All other employees must obtain approval from their Director General or Director in the Office of the First Minister or Permanent Secretary's Group.

Acting Honestly

- 3.16 As the claimant and as a Civil Servant, you are expected to observe the highest standards of financial propriety. You must ensure that any short business visit is undertaken with the prior knowledge and authority of your line manager. You will be held to account for your claims and any instances of inappropriate or unjustified claims will lead to their being disallowed or, where payment has already been made, to their subsequent recovery.
- 3.17 If after reading these principles and procedure, you have any doubts about what you may claim, you must seek advice from your line manager or the Operations Team ideally before you travel.
- 3.18 The deliberate and wilful submission of a false claim is a serious offence and could lead to disciplinary action. Similarly, if you accept a payment knowing that you have no entitlement, it can amount to fraud. If you receive or continue to receive payments to which you know, or suspect, you are not entitled, you have a responsibility to report this to the Corporate Shared Service Centre and to repay the amounts inappropriately claimed.
- 3.19 Where evidence exists that a claim may have been made fraudulently then the Welsh Government will investigate and disciplinary procedures may be instigated as a result. If there is clear evidence of fraud, this will amount to a fundamental breach

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of trust; disciplinary procedures **will** be instigated that could not only result in a penalty up to and including dismissal but may also result in being charged with a criminal offence.

- 3.20 If line managers suspect that inappropriate claims have been submitted they must initiate discussion with the Compliance Manager in the Corporate Shared Service Centre and the HR Case Advisory Team so that the matter can be investigated and disciplinary procedures can be instigated if appropriate.

Obtaining and keeping receipts

- 3.21 When claiming the reimbursement of actual costs you must be able to support every item of your claim with valid receipts. You must ask for a receipt where one is not automatically offered. VISA receipts for purchases paid for with Government or Welsh Procurement Cards or any other credit/debit cards are not acceptable. (Cards can only be used for petrol or subsistence. Rail or air travel can only now be booked via the CTM portal). Accommodation may be booked directly through the internet if this proves better value for money. You must obtain the detailed receipt (not the credit or debit card receipt) that sets out the goods and services purchased. You are advised to check a receipt when it is given to you as dates and times are not always accurate. When you make a claim you must scan or photograph any receipts and upload them into the Divisional iShare file, given them a title which indicates the claim number (produced by the e-T&S system when you make the claim). If any details on the receipt are not clear or if you find an error, you must produce an explanatory note related to the claim and upload this to iShare too. You must **not** amend or annotate the receipt in any way. It is not necessary to place the physical receipt on a registered file once it has been scanned or photographed and placed into iShare.
- 3.22 Where a bill for subsistence is met by one person on behalf of several, then each individual should upload a copy of the scanned or photographed receipt into the Divisional iShare file and record the monies they have incurred as a result of their business trip on their claim. Where the expenditure has been met by WPC, then the cardholder must record on the transaction log, the names and pay numbers of the employees who travelled with them and for whom they paid bills for subsistence. A full breakdown of the amounts paid for each individual on each day must also be recorded and the relevant detailed receipts scanned or photographed and uploaded into iShare. This is necessary to comply with HMRC rules.
- 3.23 It is acknowledged that it may not always be possible to obtain a receipt. The absence of a receipt does not stop you claiming the expense, although you should make a note of the explanation and upload this into the Divisional iShare file indicating the reference number and date of your claim, and advise your line manager as part of the authorising process before an authorised third party checks it; this will help address possible doubts as to the authenticity of the claim. It will be clear from your journey details that you followed a particular route but you should support this with an explanation on the iShare file.

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- 3.24 If you cannot provide the evidence to support a claim, there will inevitably be a question over whether the claim is genuine. It will lead to further investigation and you will be required to demonstrate other evidence to support the claim.
- 3.25 It is not the intention of these principles that genuine mistakes should be punished in the same way that deliberate fraud would be. Should you lose your receipts, you should try and support the claim in the same way as above for receipts not being available. Should the loss of receipts not come to light until your claim is requested for checking, you will still be required to find the best evidence you can. Those making the checks will not be unreasonable, but the Welsh Government reserves the right to reclaim expenses paid that cannot be supported and to instigate disciplinary procedures if required. Clearly, persistent failures will be regarded less sympathetically than single mistakes.

Keeping Records

- 3.26 You are responsible for ensuring that a hard copy of **all** claims which include elements requiring original receipts and supporting documentation (including Government Procurement Card transaction logs) are retained on the Divisional iShare file. You do not need to retain copies of claims for yourself as they will be retained electronically only.
- 3.27 Where claims are European Union funded, it is not necessary to place the physical receipt on a registered file once it has been scanned or photographed and placed into iShare.
- 3.28 All records must be retained for a period of at least 7 years after the end of the tax year in which the claim is paid and 12 years from the date of the closure of the relevant programme if the claim is paid from an EU funded programme. (The tax year always ends 5 April.) These records must be produced for inspection if requested by any authorised person. This may be an internal inspection team, a Welsh Government or Wales Audit Office auditor or any other authorised official such as a line manager. Claims and receipts can also be demanded by Her Majesty's Revenue & Customs (HMRC) who have statutory powers of inspection.
- 3.29 For overseas based staff who don't have access to iShare, copies of all claims, including mileage only claims, must be retained on a registered file. You (or your Head of Office) must also send a copy of the claim form and a copy of all receipts and associated documentation, including any Government or Welsh Procurement Card Transaction Logs, to your Deputy Director based in the UK for filing on the sectional registered file.

4. Helping You Manage Your Costs

Advance of Expenses

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- 4.1 Normally you will claim your expenses after the completion of your short business visit. However, if you require some help with this outlay you may claim an advance (known as a temporary imprest) of up to 90% of your likely expenditure.
- 4.2 If the total claim is less than the amount of the advance you must refund the balance without delay. In such cases a cheque for the balance should be submitted to Department B, Welsh Government, Cathays Park or another payment method (e.g. via personal debit/credit card) must be arranged. Advances should be cleared within two months of completion of your business visit.

Welsh Procurement Cards

- 4.3 If you are a regular traveller you may apply for a Welsh Procurement Card (WPC Card). These cards are welcomed globally at establishments (i.e. restaurants, hotels, car hire and garages). Cardholders must not use the card to cover the cost of rail or air travel (which must be booked using the CTM portal) but you can use it to purchase accommodation if that proves to be better value for money, even if this is at a secondary permanent workplace (see also 3.1). Otherwise, WPC Cards can only be used for subsistence or fuel. Further information on how to apply can be obtained from the Corporate Shared Service Centre. You should ensure that you complete a transaction log for every purchase and that you complete the spreadsheet for expenditure relating to a secondary permanent workplace so that the tax and NI can be correctly calculated and attributed to your pay accordingly.
- 4.4 Where a WPC Card has been used, all the provisions of these principles continue to apply. Particular attention should be paid to subsistence limits, the provision to reimburse the costs of non-alcoholic drinks only (and no alcoholic drinks, including when accompanying evening or other meals) and the need to retain and attach to a WPC receipt additional original receipts for specific elements relating to the short business visit.
- 4.5 Employees must not use a WPC Card for certain elements of travel and subsistence expenses and the electronic claim system for others, unless line management are aware of and have agreed to their intention to do this in advance so that they can monitor the expenditure via both means and ensure that claims comply with these principles. Where the expenditure relating to a business journey is split in this way, a note and copies of relevant documentation should be scanned or photographed and uploaded into iShare for record keeping and audit purposes.
- 4.6 Employees must not use a WPC card for any private expenditure as indicated in the guidance issued with the card.

Making payments for official goods and services when overseas

- 4.7 Remember when travelling overseas that some countries/establishments do not accept credit cards, so you may need to request a temporary imprest to cover your costs.

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- 4.8 You should also check in advance of your trip whether the organisations you are dealing with accept credit cards. If they do not, then you may need to arrange for an invoice to be forwarded and payment made in advance of your booking. The Corporate Shared Service Centre will be able to help you do this.
- 4.9 If you are overseas and unexpectedly find that an organisation does not accept credit cards, you may ring the Corporate Shared Service Centre, arrange for the invoice to be forwarded electronically and they will arrange for payment to be made as soon as possible. When contacting the Corporate Shared Service Centre, please bear in mind the time difference between the UK and your location which may mean that no one is available to immediately answer your call.

5. Tax and National Insurance

- 5.1 A short business visit may simply be a day trip to attend a meeting at another location or may involve one or more overnight stops. HMRC allow employers to pay employees for any necessary and reasonable business expenses that they incur while on such visits and there is no tax or Employers Related National Insurance Contributions (NI) liability. However, care needs to be taken where a short business visit becomes prolonged as there may be a liability. Please refer to Annex A for some examples and Annex B for further information on the HMRC Regulations on Employee Travel.
- 5.2 HMRC will look particularly closely at any case where an employee appears to have been sent by their employer to a temporary workplace in order to be able to claim travel expenses that are not subject to tax and NI. If that happens, HMRC will consider the scope of taking actions against employers to reclaim PAYE or, if appropriate, recovering tax, interest and penalties from the employee. HMRC advises line managers and employees to bear in mind that it is a serious offence to make a false statement or claim. Further information can be found at Annex B.

6. Submitting Your Claim

- 6.1 Claims made via the e-T&S system, in hard copy or via payroll where applicable, can only be made for mileage, parking, tolls, food and non-alcoholic drink or accommodation if you have paid for that directly.

UK travel and subsistence

- 6.2 You must submit your claim for UK travel and subsistence using the electronic travel and subsistence system as soon as possible after completing the business visit **but, in any case, within two months**. Your claim is likely to be disallowed if it is submitted late without good reason. Pressure of work is not considered a valid excuse.
- 6.3 For UK claims, Personal Assistants may complete and submit claims for their line managers.

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Overseas travel and subsistence

- 6.4 For Overseas claims you should submit the hard copy form attached at Annex C.
- 6.5 Business mileage in your own car, whether incurred within the UK or overseas as part of a business trip, should be claimed using the electronic travel and subsistence system. You should cross reference all the details including the reference number for this travel on the hard copy claim form and the e-payments system. If you are based overseas and do not have access to the electronic system, you should record business mileage on the hard copy claim form.
- 6.6 If any part of your claim has been paid for using a WPC, you should cross reference this on the hard copy claim form and the card statement.
- 6.7 This will enable all your journeys for the entire trip to be easily identified for checking by you, your manager and your Operations Team.

7. Authorisation of Claims

UK Travel and Subsistence Claims

- 7.1 All claims submitted via the electronic system must be submitted to your line manager (or someone else **in your upward line management chain** in the case of their absence) via the online drop down list for authorisation. (Guidance exists on the electronic claim system about redirecting claims where necessary.) Where Personal Assistants have completed a claim on behalf of their line manager they should submit it to the person who would normally authorise the claim if the line manager is not able to self-authorise. G6/Executive Band 1 and SCS staff may self-authorise.
- 7.2 Although line managers authorise claims, the claimant retains responsibility for the claim and its supporting documentation.
- 7.3 Line managers must review claims and ensure their appropriateness and validity before authorising them.
- 7.4 All claims related to secondary permanent workplaces must be submitted via the Secondary Permanent Workplace form which will automatically be directed to your line manager for authorisation.
- 7.5 Line managers must inform Operations Teams if their staff have secondary permanent workplaces so that Operations Teams are able to maintain records for consideration by auditors and HMRC if requested.

Overseas Travel and Subsistence Claims

- 7.6 All claims for overseas travel and subsistence, together with original receipts and any supporting documentation including WPC transaction logs should be submitted

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using the hard copy claim form to your line manager for authorisation, unless you have access to iShare (in which case see 3.20 to 3.28 above).

- 7.7 For employees based overseas, your claim should then be submitted for payment in the normal way either to the Corporate Shared Service Centre or using your local overseas arrangements.

8. Monitoring and Auditing Claims

UK claims

- 8.1 Checks will be undertaken on a risk basis on a sample of claims by the Compliance Manager in the CSSC.

Overseas Claims

- 8.2 Where employees travel more than three times a year, a random sample of all such claims will be checked. Deputy Directors should ensure these checks are made.
- 8.3 UK and overseas samples will be based on a combination of random and targeted selection. Targeted selection will be based on previous history and on the size and patterns of claims going through the system, so employees making frequent or high value claims can expect to be checked a little more frequently than others.

9. Travel Benefits

- 9.1 Air miles and other benefits earned through official expenditure, other than when they are minimal (for example, access to special departure lounges or booking arrangements which go with membership of Regular Flyer Clubs), should be used for undertaking travel to carry out Welsh Government business or foregone.

10. Insurance

- 10.1 Employees travelling on official business are covered against injury benefits under the Principal Civil Service Pension Scheme (PCSPS), whether or not they are PCSPS members. Employees who are members of PCSPS are covered for death benefits under the PCSPS arrangements. Employees who are members of a pension scheme other than PCSPS are covered for death benefits under their individual pension scheme arrangements.
- 10.2 Airlines also pay compensation for death and injury although the amounts may differ. Any compensation paid by airlines will not affect any award made under the PCSPS or other pension scheme.
- 10.3 In addition, the Welsh Government has a contract for personal accident and travel insurance for employees travelling on official business. This covers travel abroad but also travel within the UK which involves an overnight stay. Employees are advised to familiarise themselves with the details and the AIG Lifeline Plus employee

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travel card pack. The details **must** be downloaded from the travel insurance page on the intranet.

- 10.4 Whilst the Welsh Government has no liability to pay compensation for the loss of or damage to personal property either in this country or abroad whilst travelling on official business, cover has been provided under this personal accident and travel insurance.
- 10.5 Foreign Nationals are not covered under this contract and will need to purchase their own insurance for official travel for which they will be reimbursed. Advice on this can be sought from the Overseas Operations Officer, International Relations Team, Office of the First Minister.

11. Combining Business Travel and Annual Leave

- 11.1 An employee who is required to make a journey for official purposes, and then wishes to take leave or spend a weekend in the same area before or after the official business, may be allowed the full return fare at the appropriate class or rate for the distance which would have been travelled for the official business alone. Written approval of the Deputy Director is necessary before the journey starts and this authority should be retained electronically with the relevant claim.
- 11.2 When an employee wishes to travel directly from a business visit to start annual leave or to return directly from annual leave to a business visit from a location that is not their normal office base or home, they will not be able to claim any costs. All costs are the responsibility of the employee. This is because the primary purpose of the journey is personal rather than business related.

12. When Entitlements Cease

- 12.1 Line managers must inform their HR Business Partner Team and the Corporate Shared Services Centre as soon as a resignation/retirement date is known so that any outstanding advances can be recovered.
- 12.2 Unless explicit provision is made to the contrary, entitlements cease when an employee retires, resigns or is dismissed.
- 12.3 Entitlements also cease for the duration of any period of unauthorised absence, absence which results from being sent home without pay and absence on unpaid leave. Such absences do not count in determining break periods for subsistence allowances. Part day absences will be ignored.

13. Carer's Costs

- 13.1 On occasion, it may be necessary for a carer to accompany an employee undertaking a business visit. In such cases, the carer's costs will be reimbursed.

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THE PROCEDURE

1. Official Travel

- 1.1 Official Travel means travel for the purpose of official business away from your normal place of work. Some examples of official travel are attendance at:
- approved training courses
 - business meetings
 - business visits to other establishments
- 1.2 Normally, there will be no circumstances under which family members or personal friends who do not work for the Welsh Government can accompany an employee on official travel. The only exceptions to this would usually be in the situations that follow and the particular arrangements at 4.7 below:
- Staff may be accompanied on return flights and UK travel for employees based overseas and their accompanying family to renew contacts with family and friends and update their business knowledge of Wales. Further information is contained in the Working Abroad policy.
 - We recognise that occasionally, whilst there may be no business related reasons for a member of staff to be accompanied on official travel, it may be necessary, for example, when the business travel is to be immediately followed by a holiday. Where such a situation arises for personal reasons, all additional costs incurred must be covered by the employee. (Please see also paragraph 11.1 of the principles above.)

2. Travel By Public Transport

- 2.1 When planning a short business visit, your first question should always be, “Can the journey be made by public transport?”
- 2.2 In deciding this, you will need to take into account such things as the:
- likely travel time and duration;
 - available routes;
 - requirement to carry bulky documents or equipment;
 - personal mobility;
 - overall cost effectiveness; and,
 - personal safety, depending on the route and time of day or night.
- 2.3 In the case of overseas travel, you will also need to consider your:
- familiarity with the area and the public transport system
 - language skills, should you need to check timings, directions, etc.

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- 2.4 If after considering the above, public transport can meet your business need, then this should be the first choice. If, taking all these factors into account, public transport does not seem a sensible option you should choose an alternative form of travel.
- 2.5 In some circumstances, the journey itself by public transport might be cheaper but if the train/bus times, or personal requirements such as an impairment, necessitate an extra overnight stop or would result in arrangements for time off in lieu of travelling time this should be taken into account when considering the overall cost effectiveness.
- 2.6 Similarly, if travelling by hire car (or a private car) might enable other work colleagues to travel with you for business purposes, thereby reducing the overall cost of the total business travel to below the public transport cost, then this option may be selected. (Remember to take into account any parking charges, tolls, etc. in your calculation).

3. Car Hire

- 3.1 If public transport is unavailable or its use is not practicable then you may have to travel by car. Where available, and where it would be more cost-effective to do so, you should use a hire car to undertake your journey. Low emission vehicles should always be used unless there are clear defined reasons as to why another car should be used, for example, personal safety or a reason related to an impairment. Details of the Car Hire booking procedure are available on the Finance pages of the intranet.
- 3.2 The point at which it becomes cost effective for an individual to use a hire car varies depending on the length of the journey, possible delivery charges and mileage, the timing and the duration of the journey or journeys. Employees are therefore asked to make this judgement taking into account all the factors as they are relevant to them, bearing in mind value for money and the justification of the use of a private car if challenged.
- 3.3 **Should you choose to use your own car when there is a clear benefit to the organisation in using public transport or a hire car, and no good reason (such as an impairment or safety) for using your own car was agreed with your line manager in advance, your claim may be disallowed (although you are entitled to claim what would have applied had you used public transport or a hire car).**
- 3.4 **You must not use a hire car if the journey is one which is subject to tax and National Insurance contributions under the HMRC regulations relating to homeworking or secondary permanent workplaces. This is because such journeys are considered equivalent to ordinary commuting by HMRC. We do not allow hire cars to be used for ordinary commuting journeys. Similarly hire cars must not be used to attend recruitment interviews, boards or assessment centres as HMRC considers such journeys to be private travel rather than business journeys. For further information see Annexes A and B.**

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- 3.5 You must have a valid driving licence to be able to hire a car whether in the UK or overseas. You must produce your driving licence for inspection by your line manager on request. You must notify your line manager if your driving licence is revoked for any reason. You will not be able to hire a car if your licence is revoked.

Hiring a car in the UK

- 3.6 We aim to hire cars with emissions below 150g CO₂/km and have a car hire contract which allocates low emissions vehicles as default. Employees may request an alternative vehicle only if there is a justifiable business need agreed in advance with their line manager. This reason should be noted on the Car Hire form, which should be scanned or photographed and uploaded into iShare and made available for scrutiny by internal environmental audit if requested.
- 3.7 Further information on car hire arrangements for travel within the UK can be found on the Finance pages on the intranet.

Overseas Car Hire

- 3.8 If you are based abroad or undertaking overseas travel, there is no car hire contract or preferred provider that you may use. You should therefore use normal procurement procedures. Guidance on these procedures can be found on the intranet. You should also contact the local overseas office (if there is one in the country you are visiting) as they may have negotiated a competitive local rate with car hire providers.

UK and Overseas Car Hire

- 3.9 When using a Hire Car and there is a need to purchase fuel and you do not hold a WPC, then receipts must be kept, scanned or photographed and uploaded into iShare and produced when making a claim.
- 3.10 Cars hired in the UK must be refuelled before returning to the provider, as there is a substantial, additional cost to bear should the fuel tank not be full on return. If you wish, you may apply for a temporary imprest to cover the likely cost of refuelling a hire car.**

When hiring a car overseas, you should always check if the same applies and if so ensure that you return the car with a full tank to avoid charges. However, if for health and safety reasons, you know that it will be hazardous to do so e.g. you will need to refuel the car at night in an unfamiliar and possibly unsafe location, then you may opt for the "purchase the tank of petrol" option.

It is advisable that due regard is taken as to the route taken and you record it in case of any future queries from the hire firm.

- 3.11 When hiring a car abroad, you must ensure that the insurance provided covers: driver liability, theft, damage to the vehicle and a collision damage waiver. The

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Welsh Government contract for Personal Accident and Insurance will not cover injury by car and you should ensure that this is in place before hiring the car.

4. Using Your Private Vehicle

4.1 The term private vehicle means:

- motor car
- motor cycle
- pedal cycle

4.2 Your vehicle may be regarded as private if it is:

- owned by you or being bought on hire purchase by you and registered in your name; or
- privately hired by you and the insurance requirements at paragraphs 4.14 to 4.18 are met and the policy specifically covers you to use the vehicle on official business. NOTE: vehicles connected to the Tusker Green Car Scheme are classed as company cars; or
- registered in the name of your spouse or partner provided that the insurance requirements at paragraphs 4.14 to 4.18 are met and the policy specifically covers you to use the vehicle on official business.

4.3 If you use a private vehicle you must ensure that you hold a full valid driving licence and produce this for inspection by your line manager on request. You must notify your line manager if your driving licence is revoked for any reason. You will not be able to drive a private vehicle on official business if your licence is revoked.

Rate of Mileage Allowance

4.4 If you use your private vehicle to undertake a business journey, you will be reimbursed a motor mileage allowance (standard rate see Annex D) which is based on a review of current fixed and variable costs of motoring, and on HMRC AMAPs (Her Majesty's Revenue & Customs Approved Mileage Allowance Payments).

4.5 HMRC guidance states that: AMAPs cover any general or mileage-related expenses in relation to the car itself (such as fuel, servicing, tyres, road fund licence, insurance and depreciation), plus interest on any loan to buy the vehicle. No additional claims can be made for expenses of that type. AMAPs are not meant to reflect the actual costs of running any specific car, as one rate cannot cover all the different aspects of using a private car for business journeys. Rather, they are set at a rate that the UK Government considers a reasonable reimbursement for driving on business. We have reviewed the HMRC approved rates and consider them to be consistent with the costs of using a car of low emissions for business use, with a few exceptions for certain types of essential car user.

4.6 In accordance with Her Majesty's Revenue and Customs regulations, payment of the approved standard rate can only be made for business travel totalling 10,000 miles in

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any single tax year. Any mileage claimed over this limit can only be paid at the lower AMAPs rate (Annex D).

Car being driven by someone else

- 4.7 Normally motor mileage allowance will be paid to the employee driving their own private vehicle. However, payment of motor mileage allowance may also be given in the following circumstances:-
- when an employee is travelling on official business in a vehicle which he owns but on that occasion is being driven by another person; or,
 - subject to the insurance provisions, when an employee's car is being used solely on official business but the employee is not present on either the outward or return journey (e.g. when it is used to take them to or from an airport).

Motorcycle Rate of MMA

- 4.8 There is only one rate for motorcycles. Consequently, whether you use a motorcycle through personal choice or necessity the same rate is claimed. There is no limit on the number of miles that may be paid free of tax in any single tax year. Please see Annex D for details of the rate.

Pedal Cycle Allowance

- 4.9 If you use your pedal cycle for a short business journey you may claim pedal cycle mileage allowance at the rate published in Annex D.

Passenger Supplement

- 4.10 If you carry official passengers in your vehicle on official business you may be paid a supplement for each passenger per mile. To claim this supplement, HMRC Regulations state that your passengers must be either Welsh Government employees or employees of any other organisation. The rates of passenger supplement are published at Annex D.

Equipment Supplement

- 4.11 Employees who necessarily carry inside their private car, equipment which may cause abnormal deterioration to the interior of the car will be entitled to an equipment supplement. (Rate at Annex D covers any number of pieces of equipment that may be carried)
- 4.12 No equipment supplement can be authorised where the equipment could be carried in the boot or on the luggage rack of a normal car or is carried in a utility or similar type vehicle or in a trailer. The equipment supplement is taxable and therefore paid via payroll. The supplement can only be claimed for each journey, not for each piece of equipment carried.**

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- 4.13 Claims for an Equipment Supplement must be submitted within two months of the relevant journey(s) on the Equipment Supplement and Rough Road Allowance claim form.

Insurance and Ownership Declaration

- 4.14 When you use your vehicle on official business you must ensure that prior to undertaking the journey you have read and understood the ownership and insurance requirements detailed below.
- 4.15 Furthermore, your vehicle must be in a roadworthy condition (including covered by a MOT certificate if appropriate), regularly serviced and suitable for the journey. When submitting a travel claim you will have to make a declaration to certify that your vehicle is appropriately insured and suitable for use so that each claim can proceed.

Insurance Requirements

- 4.16 If you are using your vehicle and claiming standard rate you must hold comprehensive motor insurance with business use. If the vehicle is owned and insured by your spouse or partner you must ensure that you are insured to drive it for the purposes of your employment and that the insurance cover is fully comprehensive with business use. If the vehicle is privately hired by you or is a loan or courtesy car (perhaps provided to you while your own vehicle is being serviced or repaired) you must ensure you are insured to use that vehicle for your own business use.
- 4.17 Employees, while using their private motor vehicle on official business or travelling as an official passenger in another employee's car are deemed to be on duty for the purpose of the Principal Civil Service Pension Scheme [section 2(1) of the Superannuation Act 1972] unless they are members of another occupational pension scheme which makes similar provision. Employees are also covered by the Social Security Act 1975 subject to the decision of the Statutory Authorities in a particular case. In other respects, provision for injury or death due to an accident while an employee was using their vehicle on official business is the employee's own responsibility.
- 4.18 If you are required to carry equipment or cash in your vehicle you may need to notify your insurance company. Any loss of Welsh Government equipment or cash will remain a Departmental liability. Consequently, your insurance policy will not be expected to cover this risk. However, the presence of any Welsh Government equipment or cash may make your vehicle more attractive to car thieves, thereby increasing the risk to break in and consequent damage. If you have an accident while driving your own vehicle on official duty, you cannot seek reimbursement of any excess charged as a condition of your policy.

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Motor Mileage (Cars)

4.19 Mileage allowance will only be payable if you have normal comprehensive insurance with business use for your motor car; i.e. you are insured against claims in respect of:-

- bodily injury or death of any third party;
- bodily injury or death of any passenger;
- damage to the property of third parties and passengers;
- damage to or loss of the vehicle.

Private motor cycles

4.20 Private motor cycles must be insured against claims in respect of:

- bodily injury to or death of third parties;
- bodily injury to or death of any passenger;
- damage to the property of third parties.

Total abstainer clause

4.21 If your insurance cover is restricted by a total abstainer clause or endorsement you may qualify for mileage allowance provided that the insurance gives normal comprehensive cover in every other respect.

Loss or damage

4.22 Subject to the provisions of the following paragraph, the Welsh Government will not reimburse you for any loss or damage resulting from the use of your private motor vehicle on official business whether or not the cost of such loss or damage can be claimed under your insurance policy. In exceptional circumstances, contact your HR Business Partner Team when any cases will be considered on merit.

Rural Inspectorate Wales (RIW) Field Officers

4.23 A flat-rate annualised payment is available to field officers to cover the additional wear and tear that their vehicles have to endure when travelling for business purposes across rough terrain. RIW Field Officers should contact their Operations Team for details. Claims must be made on the Equipment Supplement and Rough Road Allowance claim form.

Journeys to attend recruitment interviews

4.24 Staff are permitted to submit claims for management consideration for journeys associated with an interview for an alternative job within the Welsh Government where both the following criteria are met:

- if the journey is substantially different to the normal commuting journey (i.e. at least 10 miles longer).
- if the journey is between two different Welsh Government offices.

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When such claims are submitted, management are expected to approve them. HMRC regulations dictate that any payments for these purposes are subject to tax and National Insurance and must therefore be claimed via payroll via the Secondary Permanent Workplace form. This is because HMRC does not consider such journeys to be business journeys but private travel undertaken for the applicant's personal reasons.

5. Travel By Taxi

- 5.1 Occasionally it may be necessary to use a taxi whilst on official business and these can be used under the following circumstances:
- when there is no convenient public transport available;
 - where luggage, equipment or sensitive documents have to be transported;
 - where the saving of time is of paramount importance;
 - when the person travelling has a mobility problem and is unable to use public transport;
 - journeys within London or in overseas locations should normally be undertaken by underground/public transport rather than by taxi, where these facilities are available. However, consideration will be given to allowing the use of a taxi where you would be placed at personal risk. This can also apply at other locations if there is a risk to personal safety; and,
 - where you have to make multiple journeys on the same day in an overseas location and where it is cheaper to hire a taxi for these journeys.
- 5.2 **If you are transporting luggage or equipment to or from your normal office base and it is not possible to use your normal mode of transport, you must seek agreement in advance from your line manager to use a taxi. If your line manager approves the use of a taxi, you cannot claim reimbursement of the cost under the normal Travel and Subsistence procedures. There is no tax relief on journeys to and from home to your normal office base. You must therefore make such claims via payroll via the Secondary Permanent Workplace form so that the appropriate level of tax is deducted.**
- 5.3 Employees may use a hotel transfer car to transport them from an overseas airport to their hotel if there is a risk to personal safety.

Hiring a car plus driver overseas

- 5.4 In some overseas locations you may hire a car plus driver when,
- driving may pose a risk to personal safety; or,
 - you have to make multiple business visits in a day meaning that time is a prime consideration and it is more economical than hiring multiple taxis

Local overseas offices may be able to provide you with details of negotiated, competitive local rates for car hire plus drivers.

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- 5.5 If you anticipate that you will need to use a taxi or hire car plus driver, you should make your manager aware of this when discussing your travel plans, prior to your trip. Where you may unexpectedly need to use these modes of transport, then you should do so and make your line manager aware on your return.
- 5.6 An explanation must always be scanned or photographed and stored with your claim form in cases where use of a taxi or a hire car plus driver was considered necessary.

Taxi for late working

- 5.7 In line with HMRC guidance, where you are required to work late at the office, you may arrange for a taxi to take you home provided that **both** the following conditions are satisfied:-
- you are sometimes obliged to work until after 21.00 hours: that is, your late working is obligatory and not a matter of your choice but this does not follow any predictable pattern and does not arise on more than 60 occasions in a tax year for you; and
 - by the time you can go home;
 - public transport has stopped, or
 - it would not be reasonable for the organisation to expect you to use public transport, for example, where the low level of availability or reliability of services at that time of night mean that a journey using public transport would be likely to take much longer than a normal journey between work and home. In addition, where you are placed at personal risk e.g. a late night journey that could involve waiting at a lonely bus/railway station

6. Travel By Rail

Class of Travel

- 6.1 Standard class travel is the standard of travel normally permitted for staff of the Welsh Government. However, in exceptional circumstances, such as needing to accompany a Minister on a rail journey or requiring privacy to undertake particular work, First Class travel may be permitted. Wherever possible, advance tickets should be purchased through the CTM portal to obtain best value from the ticket options available. Line managers will need to be assured that First Class travel is genuinely a requirement for the journey, making a judgement on each request taking all circumstances into account.

Seat Reservation

- 6.2 You may be reimbursed the additional cost of a seat reservation if this is necessary.

Economy of Travel

- 6.3 You should always ensure that your journey is organised in the most cost effective method. Choosing train times in advance provides significant savings on fares. Also if

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you hold a season ticket that covers part of or the entire journey, it should be used. Similarly, savings may be achieved by the use of other appropriate rail cards.

- 6.4 For regular journeys to a particular location, it may be more cost-effective for the organisation to purchase a season ticket to cover the cost of travel. This includes the purchase of an Oyster card if you travel regularly to London and the use of an Oyster card would be cost-effective. (Reimbursement of the cost of any travel card may be subject to tax and NI if the destination is considered to be a secondary permanent workplace. See x and Annex B.) If this is the case, you should make a business case via your line manager to your Head of Branch (please refer to 6.6 below for information on what to include in a business case). If they agree, you must not use this ticket for personal journeys and you should advise your Operations Team so that they are aware of the situation before you submit a claim for the cost of the ticket. However, before presenting the business case, the line manager should consider whether the regular travel is to another office and, if so, should consult the Corporate Shared Service Centre Helpdesk to check whether this might be considered a secondary permanent workplace under HMRC rules.

For further information, see the section in Annex A, “Examples of a short business visit which may be prolonged and potentially lead to a tax and national insurance liability”.

Rail cards

- 6.5 Some staff may have a personal entitlement to purchase rail cards which can reduce the cost of rail travel considerably. Entitlement may be based on age e.g. young person’s rail card, senior rail card or to a geographical area e.g. Cambrian card. The cost of rail cards will vary. More information on costs and entitlement can be found on national rail and individual train operating company web sites.
- 6.6 As rail cards are a personal entitlement, the Welsh Government may reimburse the purchase cost at a point when it can be evidenced that savings on business travel have at least covered the cost of the card and that future business travel will show ongoing savings of T&S during the life of the card (normally one year from the date of purchase). Evidence of these factors should be provided in a short business case via your line manager to your Deputy Director to consider reimbursing the cost.

Overnight Sleeper

- 6.7 If you travel overnight on official business you are entitled to occupy a sleeping berth.

Booking Rail Tickets

- 6.8 UK travel train tickets, including those to secondary permanent workplaces (see x and Annex B), and Eurostar tickets can be ordered using the CTM portal. When booking rail tickets of a high value, you must select Ticket on Departure (TOD) and collect from a station (free) or have them delivered by Special Delivery (additional cost). You

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must not have them posted to you using normal posting arrangements as, should the ticket(s) go missing, there is no way of recovering their cost.

Tickets must be purchased from the station nearest to your normal place of work except where the journey from your home station is shorter or your normal place of work is not on the direct route from your home to your destination.

- 6.9 Where you have used CTM to book travel to a secondary permanent workplace, you must complete the spreadsheet for expenditure relating to a secondary permanent workplace [insert link when available] so that the tax and NI can be correctly calculated and attributed to your pay accordingly.

7. Travel By Sea

Class of Travel

- 7.1 All staff are entitled to first class travel when you necessarily travel by sea on business.

Sleeping Berths

- 7.2 You are entitled to occupy a standard single-berth cabin when it is necessary for you to travel overnight.

8. Travel By Air

Class of Travel

- 8.1 All air travel, regardless of the duration of the flight or whether the flight forms a segment of a longer journey, will normally be at economy class rates. (This may also be referred to by particular airlines as Tourist, Budget etc.) In exceptional cases involving long haul flights, business cases may be made for consideration of allowing business class or equivalent travel for business journeys. Such cases must be approved by Directors General or Directors in the Office of the First Minister or Permanent Secretary's Group. (This does not include outward or return journeys at the beginning or end of a posting or annual leave journeys relating to staff who are based abroad.)

Economy of Travel

- 8.2 As with other forms of travel, our air travel contractor has fare agreements with most major airlines and will always offer the cheapest option. Bookings can be made through the CTM portal, which will include considering whether you have any flexibility in terms of timing as considerable savings can sometimes be made by returning on a different day or flying slightly earlier/later.

Environmental impact of air travel - Data Capture

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- 8.3 Employees should be aware that the Welsh Government will need to report on the environmental impact of its activities. To do this, data on air travel will be captured by CTM at the point of booking and included in reports to Welsh Government.

9. Meals

- 9.1 Whichever mode of transport you use, if your journey involves an exceptionally early start from home (before 6.30 am) or a late return to home (after 8pm), you may claim reasonable actual receipted costs within the stated limits for breakfast or an evening meal necessarily purchased while travelling on Welsh Government business within the parameters set out in Annex E.

10. Business Trips Which Start and End at Home

- 10.1 When setting off on a business trip, and the journey starts and/or ends at home, you should first consider whether the journey can be classed as substantially ordinary commuting (see 10.5 and its footnote below). If not, and you have fulfilled the requirement of the journey having incurred **necessary, additional costs** (see paragraph 2.1 of the principles), the Welsh Government will reimburse your full mileage for each leg of the journey i.e. home to business destination and/or business destination to home.
- 10.2 **Some journeys are considered by HMRC to constitute substantial ordinary commuting to destinations classed as secondary permanent workplaces and are therefore subject to tax and National Insurance contributions and claimed via payroll. This includes journeys by homeworkers to their linked offices. Where this applies, whilst you are able to claim the full mileage, claims will be subject to tax and National Insurance contributions and must be claimed via payroll using the payroll claim form.** Please see Annex B for further information on the HMRC Regulations on Employee Travel.
- 10.3 For a journey undertaken by public transport which starts or ends at home, you should calculate the cost and claim reimbursement, using the same principle as for travel using a private vehicle (for each leg of the journey).
- 10.4 Where someone has been required to move permanently to a different office location as a result of a managed move but has to travel regularly to another office to undertake their normal duties, this second office becomes a secondary permanent workplace. Claims for travel to another office must be claimed using the payroll claim form.
- 10.5 You cannot claim for a journey where the travel to the business destination is not **significantly different** to an ordinary commuting journey i.e. home to the permanent

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office base¹. Daily travel between your home and office (ordinary commuting) is your responsibility.

- 10.6 Regular audits of travel and subsistence claims, whether via the e-T&S system or subject to tax and National Insurance and so via payroll, have identified that some employees are claiming for journeys to Welsh Government offices for purely personal reasons. Where you are travelling for reasons of personal choice or convenience, as part of a Flexible Workstyle Agreement or for other reasons, you are not able to claim. This includes not being able to claim for any car parking charges that are incurred as a result of travelling there for personal reasons.

Effect on homeworkers

- 10.7 For **formal** homeworkers (i.e. those who work at home for all of their contracted hours), full mileage can be claimed for all journeys but those to their linked office or another secondary permanent workplace will be subject to tax and NI and must be claimed via payroll.
- 10.8 For those who are using smart working principles (i.e. those who work some of their contracted hours at home and some at a permanent office base or who work at home from time to time), claims cannot be made for the normal commuting journey to the office base. Claims for mileage can be made for all other journeys from and to home in the same way as for staff who are not homeworkers (i.e. some claims will be via e-T&S and journeys to secondary permanent workplaces will be claimed via payroll).

Effect of Excess Fares Allowance

- 10.9 If you have moved location to another office and are receiving Excess Fares Allowance for your new journey, you cannot claim mileage allowance for a journey from home to the former location or from the former location to home during the period that the Excess Fares Allowance is in payment. (Excess Fares Allowance is subject to tax and NI and is claimed via payroll using the Excess Fares Allowance e-form **not** the Secondary Permanent Workplace payroll form for grossing up tax and NI.)

Exceptional circumstances when normal home to office costs are paid

- 10.10 You can only claim mileage allowance when you use your private vehicle for the normal home to office journey in exceptional circumstances.

- 10.11 The principal exceptions are when:-

¹ HMRC considers that a journey is not significantly different if it follows your normal commuting route and, in terms of distance, is either up to 10 miles less or up to 10 miles more than your normal commuting journey. Further information can be found in HMRC's 490 Booklet on Employee Travel, paragraphs 4.10 and 4.11.

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- you are required to make an additional attendance outside normal working hours (paid via payroll and subject to tax and National Insurance contributions)
- Your manager foresees that you will be required to stay exceptionally late at the office (i.e. after 9.00 pm) and public transport has ceased to run or the service is severely restricted (paid via payroll and subject to tax and National Insurance contributions).

In certain circumstances the above payments will not be liable for tax and National Insurance contributions. Paragraphs 15.7 and 15.8 below explain these situations.

Leaving home, then calling into work on the way to your short business visit

- 10.12 Journeys should be considered very carefully as to what constitutes an ordinary commuting journey.
- 10.13 Should you start from home, call into the office to perform substantive duties, and continue on your short business visit, then there are two journeys – ordinary commuting between home and your office and a business journey between your office and the business destination. You can only claim for the second journey.
- 10.14 Mileage incurred on wholly private diversions cannot be claimed although reasonable diversions to find a place to take refreshments and accommodation during your business journey can.

For full guidance on what can and cannot be considered as actual business mileage see Annex A.

Travelling daily rather than staying overnight during your short business visit

- 10.15 If you choose to travel to a temporary workplace (which is far enough away from your home to warrant an overnight stay) on two or more consecutive days, your claim for reimbursement must not exceed the cost which would have been incurred had you stayed overnight in that area. Should you choose to incur this additional mileage, then tax relief may be claimed on the difference between your actual mileage costs and the amount that is reimbursed to you. To obtain this tax relief, you should contact HMRC at the end of the relevant month.
- 10.16 Exceptions can be made where there are legitimate reasons why you should travel daily e.g. a requirement to be home overnight to look after a dependent relative. In these circumstances, your claim will be met in full.
- 10.17 You should discuss any such problems or concerns with your line manager before undertaking the visit.

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11. Subsistence

- 11.1 Subsistence is defined as “food, drink and temporary living accommodation” and is intended to reimburse you for such necessary additional costs of working away from your normal place of work or home on official duty. You must only claim subsistence for a meal(s) and refreshments **that would not normally have been bought** if you were closer to your normal place of work.
- 11.2 Subsistence comprises the following:
- Day subsistence – reimbursement for breakfast or an evening meal in exceptional circumstances **Lunch can only be claimed for in the particular circumstances outlined at paragraphs 11.09 and 11.10.**
 - Night subsistence – reimbursement for bed and breakfast
- 11.3 **Subsistence costs will be reimbursed as long as they are actually incurred, are supported by receipts and are within the overall limits for the area visited.**
- 11.4 Any subsistence costs which relate to a business journey to a secondary permanent workplace are subject to tax and NI contributions and must be claimed using the Secondary Permanent Workplace payroll claim form. As for the travel element of such a claim, subsistence elements will be grossed up.

Subsistence Rates

- 11.5 All employees are entitled to claim subsistence within the same ceilings as set out in Annex E.
- 11.6 UK based employees should claim for actual receipted expenditure in accordance with the limits in Table 1 of Annex E.
- 11.7 Employees based or travelling overseas should claim for actual receipted expenditure in accordance with the limits for the country you are visiting as set out [in the Worldwide Subsistence Rates](#) on the HMRC website. These rates are used as a guide by many organisations and are therefore shown as allowances. However, employees should view the amounts **not** as allowances but limits up to which they can claim for expenditure actually incurred and receipted. Please note that, although the rates will include a reference to the purchase of (non-alcoholic) drinks separately to meals, the Welsh Government does not reimburse the costs of drinks which do not accompany permitted meals. A guide to understanding the Worldwide Subsistence Rates is at Annex F. If you need further information on overseas subsistence, contact the Corporate Shared Service Centre.

What you can and can't claim

- 11.8 To qualify for reimbursement, expenses claimed must:

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- be reasonable in nature and value (i.e. not excessive in terms of quantity or cost and within the maximum amounts in Annex E)
- relate directly to the short business visit
- be expenditure that would not have been incurred but for the visit.

11.9 You can claim expenditure on food and a non-alcoholic drink in accordance with **all** of the following:

- You must be absent from your normal place of work or from home, for at least 4 hours and at a distance of more than 5 miles away from your permanent base or home.
- Breakfast – where your short business visit necessitates an exceptionally early start from home (i.e. before 6.30am) at a time when it would be unreasonable to take breakfast and you buy breakfast during your journey.
- **Lunch cannot be claimed when your business visit takes place and is completed in one day. If your visit involves an overnight stay, you cannot claim for lunch on the first day of your journey but you can for the second and any subsequent days providing the general provisions regarding claiming subsistence are met.**
- **In addition, lunch can be claimed if one of the particular circumstances outlined at paragraph 11.10 apply.**
- Dinner or main meal – if away from place of work for more than 10 hours (outside the 5 mile radius) and arriving home after 20:00
- To accompany breakfast or dinner you may purchase tea, coffee or a non-alcoholic drink but the overall cost of the meal and drink should still be within the limits allowed for each meal as detailed in the UK limits in Annex E and the limits set out in the Worldwide Subsistence Rates (Annex F). Please note that when travelling overseas, you cannot claim for any drinks that are not purchased to accompany a meal.

Exceptional circumstances when you can claim for lunch on a business visit taking place and completed in one day

11.10 There are two exceptional circumstances in which you may be able to claim for lunch on a business journey takes place and is completed in one day:

- A working lunch, where provided, will normally have been paid for already but if an employee is required to pay (e.g. when visiting an establishment for inspection purposes and sampling the food is a requirement of the inspection process), that cost can be claimed, regardless of where the meeting is held.
- When you have had an exceptionally early start from home (i.e. before 6.30 am) and find that you are unable to purchase breakfast during your journey such as,

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for example, you are on a train which does not have buffet facilities), you may claim for **either** breakfast **or** lunch. **Line management has discretion as to the meal for which you will be reimbursed.** Under **no** circumstances can you claim for both meals.

Other expense issues

- 11.11 You cannot claim for expenses which are purely personal in nature and/or which do not further the purposes of the official business you are engaged upon. For example, you cannot claim for expenditure on items of a recreational nature such as visits to the cinema, pay TV in a hotel, books or magazines or recreational/leisure drinks, including alcoholic drinks.
- 11.12 You cannot claim for any meals or accommodation with which you are provided at no expense to yourself, for example, if this was included in an overall hotel booking or these were provided as part of a conference package.
- 11.13 When staying in London alone and, for reasons of personal security, you prefer to eat at your hotel, there is a higher subsistence limit for an evening meal. **This cannot be claimed if eating outside your hotel.** You should include details of the reason why you are claiming the cost of a meal which is between the normal and the higher limit on the claim form before submitting it to your line manager for consideration. When staying elsewhere in the UK alone and, for reasons of personal safety, you prefer to eat at your hotel, you can also do so but the normal limit for an evening meal will apply (see Annex E).
- 11.14 If there are exceptional circumstances and you find that you have incurred costs above the UK or overseas limits (as set out in the worldwide subsistence rates), you should explain this to your line manager on your return. You should scan or photograph the explanation, receipts and your line manager's authorisation and upload the documents to the iShare file. An example of exceptional circumstances might be where you are in the company of external business associates who choose to dine at a restaurant which is more expensive than the limit for dinner and you need to accompany them as part of your official duties.

12. Night Subsistence

- 12.1 Night Subsistence is the bed and breakfast (B&B) element of subsistence. It is intended to reimburse you for the cost of temporary overnight accommodation and breakfast when absent from your normal place of work or home on official business and where an overnight stay in a hotel is necessary.

Eligibility

- 12.2 You must be absent overnight from your normal place of work or home and necessarily have incurred extra costs on hotel accommodation and breakfast.

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Amount that you may claim

- 12.3 Annex E sets out the maximum amount of actual expenditure that may be reclaimed when staying overnight in the UK. For overseas overnight accommodation, you should use the limit in the World Wide Subsistence Rates for the country(ies) that you are visiting. UK and overseas rates are revised periodically to allow for inflation.
- 12.4 If, exceptionally, accommodation expenditure has had to exceed the ceilings, providing a comparison from the CTM Portal will help demonstrate the best efforts to get value for money in unusual circumstances.
- 12.5 If, for exceptional business reasons, you need to stay in a hotel that exceeds the ceilings, you should agree this in advance with your line manager and ensure that an explanation is scanned or photographed and uploaded into the iShare file. Examples of such exceptional reasons might be that:
- you are accompanying a Minister to a conference and need to stay at the same hotel to conduct meetings and undertake other official duties to support the Minister
 - you are attending a conference within a hotel and can book an alternative hotel within the price ceilings but taking public transport (or other means of transport) to and from the conference will result in a higher overall cost than if you had stayed at the hotel in which the conference was taking place.
- 12.6 Where an overnight stay is necessary, overnight accommodation should normally be within a reasonable travelling distance of the location of the short business visit. Reasonable travelling distance is defined as 5 miles or less.

Staying with Family or Friends

- 12.7 A flat rate allowance is payable when staying overnight with friends or relatives when you are away from your permanent place of work on official duty or when you stay in accommodation owned by them but which is not their prime residence, i.e. second home. The rate can be found at Annex E. HMRC Regulations mean that this rate is subject to tax and National Insurance contributions so any claim has to be made using the Secondary Permanent Workplace payroll claim form. The net amount you will receive will depend on your tax rate.

Staying in rented accommodation

- 12.8 There may be rare occasions when a number of Welsh Government employees are involved in a short business visit (e.g. to carry out an inspection or audit requiring two or more employees to attend) and renting accommodation for a night or nights is more cost-effective than staying at a hotel or in Bed and Breakfast accommodation. If this is the case, a business case should be made via the line manager to the Deputy Director to agree this in advance. If it is agreed, the documentation should be scanned or photographed and uploaded into iShare with the relevant claim. In such circumstances, each individual should claim the appropriate proportion of the

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overall cost on their claim e.g. if there are two employees, each should claim half the total cost.

13. Gratuities/Tips

- 13.1 Gratuities or tips can only be reimbursed where a non-discretionary service charge is added to the bill. However, whilst claims for reimbursement of gratuities to railway and hotel staff, etc. are inadmissible, when heavy/bulk luggage has to be handled and portage is charged, a reasonable portage charge may be allowed.

14. Internal And External Training Courses

- 14.1 Attendance at these courses is regarded as official business and you will be eligible to claim subsistence allowance under the normal rules.

Residential Training/Conferences etc.

- 14.2 Employees cannot claim subsistence when the subsistence charges are met by the Welsh Government or are paid as part of an inclusive cost for a course or conference. In other cases, subsistence may be claimed under the normal rules, unless the special provisions for meeting abnormally high expenses apply.

15. Additional and Late Attendance – Travelling Expenses

Eligibility

- 15.1 Normally you are responsible for meeting the cost of travel between your home and normal place of work. In certain circumstances, however, the additional cost of home to office travel necessarily incurred on top of normal commuting costs can be reimbursed as below. These payments are taxable.
- 15.2 If you are required exceptionally to make an:
- additional attendance outside your normal working hours, or
 - late attendance.
- 15.3 However, you are not eligible for reimbursement if you are:
- attending as a matter of choice or on a voluntary basis, or
 - attending as part of a regular or irregular (but anticipated) commitment, or
 - in receipt of shift allowance which takes account of irregular attendance or hours (unless you work an extra shift over and above that rostered).
- 15.4 Payment of overtime and “on call” allowance do not affect your eligibility for reimbursement. You should note that you will not be able to claim for the cost of a meal if working overtime (except in the circumstances outlined below). You are, however, allowed a paid meal break dependent on the number of overtime hours worked (as outlined in the Overtime and Travel Time Policy, Guidance and Procedures).

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Payment

15.5 You may claim:

- the actual public transport fares unless you already hold a season ticket which covers the journey; or
- the standard rate of motor mileage allowance or the actual receipted taxi fare for your journey.

15.6 If you normally participate in an assisted travel scheme and you make an additional attendance you may claim your additional costs as above.

Taxation

15.7 Payment of these home to work expenses are normally liable to tax and National Insurance Contributions and will, therefore, be paid with your salary/wages. In line with HMRC guidance, however, they are not subject to tax and national insurance contributions when:

- you work late at the office, but that occasion is irregular **and**
- by the time you can go home:
 - public transport has stopped, or
 - it would not be reasonable for the employer to expect the employee to use public transport. For example, where the low level of availability or reliability of services at that time of night mean that a journey using public transport would be likely to take much longer than a normal journey between work and home.

15.8 Where **all** these conditions are met the employee is not taxed if the employer provides a taxi or hire car to take you home:

- 'work late' means working until 9.00 pm or later;
- 'irregular' means a pattern that is not predictable – for example, if late night transport is provided every Friday, this is not irregular
- No more than 60 journeys in the tax year

16. Working Late or Sleeping at the Workplace

Eligibility

16.1 If, having worked your normal conditioned hours that day, you unexpectedly have to work late or sleep at the office and you incur additional costs on an evening meal and/or breakfast you may claim your receipted costs in the normal way. However, you may not claim such expenses where:

- you undertake night duty instead of day duty;
- you sleep at your workplace for your own convenience; or
- your job requires you to be on-call or stand by in addition to your normal day duties.

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Hotel Accommodation

- 16.2 If, because you work late and it is then too late to return home for the night you may stay in a hotel and claim Night Subsistence. Such costs should only be incurred after you have discussed and agreed the overnight accommodation with your line manager.

Taxation

- 16.3 **The payments referred to in 16.1 and 16.2 are subject to tax and National Insurance Contributions.**

17. Phone Calls Home When Travelling Abroad On Official Business

- 17.1 Employees are allowed to make a reasonable amount of phone calls to home from personal mobiles and re-claim the cost through the E-Payments system. Line managers will be responsible for assuring that costs are proportionate and must check the details of calls on claimants' bills before authorising claims. The bill (suitably redacted to remove reference to other calls) should be retained on file.
- 17.2 A "reasonable amount" will normally be one phone call home per day to immediate family of between 5 to 10 minutes duration. If an employee has exceptional circumstances where they need to make more than one call per day, e.g. a close relative being critically ill or a domestic emergency, line management may use discretion to allow more calls to be reclaimed.

How to claim

- 17.3 If the cost of calls is less than £10 on any day, this must be reclaimed via **e-payments, not eT&S**. If the cost on any one day **exceeds £10**, then the whole amount will be liable for tax in line with HMRC rules and so must be reclaimed via **payroll, not e-payments**. To reclaim via payroll, you must use the Secondary Permanent Workplace payroll claim form.

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Annex A

Guidance on Business Mileage

These principles and procedures, in line with HM Revenue & Customs guidance, give relief for:

- Journeys which employees have to make in the performance of their duties – broadly, journeys between two workplaces in respect of the same employment; and
- Journeys which employees make, to or from a place they have to attend in the performance of their duties but not for journeys that are ordinary commuting or private travel.

Ordinary commuting is any journey between an employee's home, (or any other place they do not have to attend for work purposes), and a permanent workplace and no claim can be made even if the journey is made outside an employee's normal working hours unless it is paid through payroll where it will be liable to tax and national insurance deductions.

A permanent workplace is a place which the employee regularly attends in the performance of the duties of the employment and which is not a temporary workplace.

Any journey which an employee makes in the performance of their duties from home to a temporary workplace or from a temporary workplace to home can be claimed (in accordance with these procedures), unless the journey is substantially ordinary commuting in which case no mileage is payable at all. You must also have incurred necessary, additional costs when compared to your normal commuting journey (see paragraph 2.1 of the principles).

Travelling expenses: qualifying journeys: private travel

Claims cannot be made for journeys which are for practical purposes substantially private travel. Claims cannot be made where the business purpose is merely incidental to some private purpose or the journey is made substantially for private purposes rather than business purposes. Private travel is a journey between an employee's home and any other place they do not **have to** be for work purposes, or any two places an employee does not **have to** be for work purposes. This includes travelling between Welsh Government offices for the purpose of attending a recruitment interview or assessment centre.

Example 1

Guy is an administrator. He has a permanent workplace in Aberystwyth. At certain times of the year he has work to do over the weekend. Generally, he takes it with him to his holiday cottage in Pembrokeshire where he goes with his family most weekends. Working in Pembrokeshire does not make his holiday cottage a temporary workplace. His journey there is private travel and he is not entitled to claim for any cost.

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Claims cannot be made for travel that is made for private rather than for work purposes, even if it is to or from a workplace which, in other circumstances, would be a temporary workplace.

Example 2

As part of her duties as a supervisor for a chain of supermarkets, Hannah has to visit different outlets. She claims for her travel. However, in addition Hannah is usually invited to the Christmas parties held at these outlets. She cannot claim for this travel because it is not for work purposes.

Examples of a short business visit which may be prolonged and potentially lead to a tax and national insurance liability

Where a short business visit is prolonged and there may be a tax and national insurance liability, each case needs to be looked at individually by Finance and HR in consultation with HMRC.

For example: **Working at another office on a temporary basis**

Employees who work at another office (which may mean living at temporary accommodation or a new journey to work) for an agreed period of between 30 calendar days and three years may be eligible to receive "Detached Duty" expenses. If the temporary move is less than 30 calendar days, then the normal arrangements for travel and subsistence in these principles will apply.

If a period of Detached Duty is two years or less, payments are non-taxable and claims are made through the e-payments system. If it is known at the outset that a period of Detached Duty will be for more than two years, or as soon as it is known that the period will exceed two years, then payments are taxable and should be made through payroll.

Full information is contained in section 4 of the Moving to Another Office policy.

Hot Desking/smart working

(NB The ability to claim when hot desking or smart working, whether taxable or not, does not apply under Welsh Government's procedures where you work at another office out of personal choice or convenience.)

If an employee is **required** to hot desk permanently at an office other than their own permanent workplace regularly then this is likely to result in the hot desking location being considered to be a second permanent workplace, for which any mileage or subsistence would be subject to tax and National Insurance contributions and would have to be claimed via payroll.

This provision also applies to an employee who works permanently from more than one office. Permanently means regular attendance following a pattern or the place an

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employee usually attends for all or almost all of the period for which they hold or are likely to hold the employment.

Home Working

If a Home Worker travels regularly between home and the office that would normally be their workplace ('hub') were they not working from home, then this office too becomes a secondary permanent workplace for which any mileage or subsistence would be taxable and would have to be claimed via payroll.

Duties defined by reference to a particular area

A very small number of employees do not have a single site as a permanent workplace but have a job where their duties are defined by reference to a particular geographical area. (HMRC have confirmed that the only Welsh Government staff to whom this applies are CADW stonemasons.) For these employees the geographical area is their permanent workplace. If they live outside that area the journey between home and the edge of the geographical area is ordinary commuting. Therefore, no mileage is payable for that element of any journey.

Where any doubt exists as to whether or not a claim is eligible for tax and national insurance, please contact your Operations Team in the first instance.

Further information on the HMRC Regulations that cover travel and subsistence claims relating to hot desking, smart working, secondary permanent workplaces, homeworking and duties defined by reference to a particular area can be found in the Guidance on HMRC Regulations at Annex B. The Guidance includes examples to illustrate situations which are covered by the Regulations.

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Annex B

GUIDANCE: HMRC REGULATIONS ON EMPLOYEE TRAVEL AND IMPLICATIONS FOR TRAVEL CLAIMS

1. HMRC (Her Majesty's Revenue and Customs) Regulations govern the ability to claim travel and subsistence for journeys in certain circumstances. The regulations allow tax relief (i.e. to claim travel and subsistence expenses without them being subject to tax and National Insurance contributions (NI)) for certain business journeys but not for others. The regulations have implications for those who:
 - Are homeworkers;
 - Travel regularly to a specific office;
 - Have staff at or travel regularly to various offices or business destinations;
 - Cover a particular geographical area as part of their duties; or
 - Undertake temporary work or projects.

If you fall within any of these categories, you will need to be aware of this guidance before claiming travel and subsistence expenses so that you can claim using the appropriate mechanism (e-T&S or the payroll claim form).

2. The Welsh Government took a decision on 18 July 2019 that any claims via payroll for business journeys will be 'grossed up' for tax and NI purposes. This means that Welsh Government will pay the tax and NI for you so that you receive the full amount you have spent rather than a reduced amount.
3. HMRC do not define what is meant by 'regular' travel. You have to make a decision based on your pattern of travel as to what constitutes regular. In doing so, you must bear in mind that, when HMRC inspects travel records held by Welsh Government, if they determine that tax and NI have not been paid when they should have been, not only Welsh Government but also you as an individual will be subject to a fine. It is therefore in your interests to be absolutely certain and scrupulous in determining whether your business journeys are regular so that the correct deductions are made. You should discuss what might make a journey to a business destination subject to tax and NI with your line manager.

Homeworkers

4. **The HMRC definition of homeworkers differs from that used by the Welsh Government.** HMRC defines homeworking as applying when **all** the following conditions apply:
 - You carry out the substantive duties of your employment at home;
 - Your duties cannot be performed without the use of appropriate facilities and no such facilities are available on the employer's premises; and,
 - At no time is the employee able to choose between working at the employer's premises or elsewhere other than their home.
5. The Welsh Government conditions for homeworking differ from that of HMRC in the following respects:
 - any member of staff can work at a designated hot-desk or any available desk at any Welsh Government office; and,

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- homeworkers work at home on the basis of a request to management that they can do so. Management decide whether this arrangement would enable business objectives to be met and, if so, the arrangement is normally agreed. Formal homeworking or utilising the flexibilities offered by smart working to work at home from time to time 'are voluntary, flexible working arrangements that require mutual continuing agreement between employees and their line managers.' (Welsh Government Homeworking procedures, paragraph 3.2). They therefore include an element of choice which takes them out of scope of the HMRC definition.

The impact of these differences is that, in order to comply with the HMRC Regulations, certain travel and subsistence claims for Welsh Government homeworkers are subject to tax and NI and have to be claimed via payroll so that appropriate deductions can be made.

6. When homeworkers attend their linked office (normally the office at which their line management is based – see Section 18 of the Homeworking procedures) for any purpose, HMRC consider these journeys to be ordinary commuting. We do not normally pay ordinary commuting costs. However, we will continue to pay claims for those who have been used to receiving them but claims will have to be made via payroll.
7. Homeworkers may visit other Welsh Government offices or business destinations on a regular basis to attend management meetings or for other reasons. Whenever you visit another office on a regular basis, it is considered to be a secondary permanent workplace, regardless of the reason for or purpose of the visit.
8. To make a claim for a taxable journey you must use the Secondary Permanent Workplace payroll claim form which will be processed by the Corporate Shared Service Centre. Claims will be paid with salary, normally in the month following receipt. It may be possible to apply for a temporary imprest from the Corporate Shared Service Centre in advance of taking a journey/series of journeys.

Regular travel from home to another office or business destination

9. Staff based at one office may be required to travel regularly **from home** to another office for business meetings. Visits do not have to take place on the same day each time or on the same topic in order to be considered regular. The purpose of the visit does not need to be considered. Any visit could be captured. If the visits relate to a normal part of your duties and it is known, at the outset, that they are expected to take place over a period of two or more years, or as soon as it is known that they will, the office visited is considered to be a secondary permanent workplace. Such journeys are equivalent to ordinary commuting and so travel and subsistence costs for travel to a secondary permanent workplace are subject to tax and NI and must be claimed via payroll (please see paragraph 8 above for information on the mechanism for claiming). **However**, in line with paragraph 2.1 the Travel and Subsistence principles and 10.5 of the Travel and Subsistence Procedures, if the journey to the secondary permanent workplace is the same distance as or **not significantly different**² to the normal commuting journey, no claim can be made regardless of whether or not the destination is a secondary permanent workplace. This includes not being able to claim for car parking charges where they are incurred.

² HMRC considers that a journey is not significantly different if it follows your normal commuting route and, in terms of distance, is either up to 10 miles less or up to 10 miles more than your normal commuting journey. Further information can be found in HMRC's 490 Booklet on Employee Travel, paragraphs 4.10 and 4.11

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10. HMRC advise that things that would point to a workplace being a secondary permanent workplace include:

- the employee regularly performs a significant part of their duties there
- people expect to be able to contact the employee at the second location
- the employee has an office, or desk, and support services at the second workplace which they regularly use
- the employee performs similar tasks at each workplace

Having staff at or regular travel to various offices or business destinations

11. If an individual has staff based at various offices that they visit regularly or they travel regularly to the same destinations **from home** on business, they could find they have several destinations that are considered to be permanent workplaces. (Please see paragraph 8 above for information on the mechanism for claiming.)

Regular travel from the normal office to another office or business destination for any purpose

12. If the journey to another office or destination starts at the individual's normal office base or hub they can claim the full mileage for that journey via e-T&S as it will not be subject to tax and NI. But they must not travel from home to their normal office or hub to carry out a minor task such as pick up papers or make telephone calls on the way to another office in order to be able to claim for the journey as normal business travel rather than being subject to the conditions in 9 and 11 above re taxable journeys. Should they need to visit the normal office base to undertake substantial business such as attend a meeting or write a paper, onward travel would count as normal travel and subsistence and be claimed via e-T&S.

Coverage of a geographical area

13. If someone has a geographical responsibility written into the job advertisement or their job description, travel within the bounds of this area are normal business travel and claims are made via the e-T&S. If someone lives within the geographical area there will be no implications from the HMRC regulations. However, if someone lives outside the area, they cannot claim for travel to the border of the area without it being taxable as it is considered to be a normal commuting journey. They therefore claim for that element of a journey via payroll as it is subject to tax and NI.

14. In order to satisfy the HMRC definition of working in a geographical area, **all** the following criteria must be met:

- the employee has no single place that is his or her permanent workplace and
- the employee attends the area regularly and
- the duties of the employee's employment are defined by reference to that area and
- if the area was to be treated as a workplace it would be a permanent workplace.

Using these criteria HMRC has determined that, within Welsh Government, only CADW stonemasons have a geographical workplace.

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Temporary arrangements/temporary project work

15. Particular considerations apply to temporary arrangements for working at another office or business destination to carry out a task or project work which encompasses all the normal duties of a role:
- If the arrangement lasts for less than 24 months, they claim travel and subsistence via e-T&S.
 - If the arrangement is for more than 24 months and at least 40% of the individual's contracted working hours are spent at the secondary workplace, claims are subject to tax and NI and must be paid via payroll.
 - If the arrangement is originally expected to last less than 24 months and is over 40% of the individual's contracted working hours but is extended to more than 24 months, it is subject to tax and NI and must be claimed via payroll **from the date that the extension is known**.
16. Some staff have roles the duties of which are to undertake successive projects, many or all of which may take place at the same location but not at the normal office base or hub. Where this is the case, the individual projects are not considered to be separate pieces of work but a continuous project and the office at which they are carried out becomes a secondary permanent workplace regardless of the 24 month timescale.

General

17. Staff whose journeys fall within scope of the Regulations must not use a hire car to travel from their home to their linked office or secondary permanent workplace for a taxable journey. This is because such journeys count as ordinary commuting within the terms of the regulations and we do not allow staff to use hire cars for ordinary commuting. However, if, after spending some time in the office on business, someone has a further business journey to undertake, they may use a hire car for that separate journey (i.e. from the office) if it is the most cost effective means of travel, having taken all other factors into consideration.
18. As with claims for travel and subsistence made via the electronic system, claims made via payroll do not count towards pensionable pay.
19. Depending on the value of an individual's claims via payroll, their salary and personal circumstances, they may find that their tax coding is decreased and they move into a higher tax band as a result. This is a matter for HMRC to consider and the Welsh Government is not able to provide advice on this point nor make any changes to prevent or mitigate against it.

ILLUSTRATIVE EXAMPLES FROM THE HMRC WEBSITE³

NB: References to relief in the examples below mean the following:

- a payment being entitled to relief means that tax and national insurance contributions are not payable and a claim can be made through the electronic travel and subsistence system (e-T&S);
- a payment not being entitled to relief means that it is subject to tax and national insurance contributions and claims have to be made via payroll (Secondary Permanent Workplace payroll claim form).

³ The examples have been changed only to include places of names in Wales (where place names have been used). The principles in each example follow the HMRC Regulations and examples exactly.

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EXAMPLE 1

Amir has worked for the same employer for 7 years. He is sent by his employer to work full-time on a site for 26 months. Amir expects to spend more than 40% of his working time at the site, so his attendance there falls in a period of continuous work. He expects to be there for 26 months, so the period of continuous work is expected to be for more than 24 months. This means that the site is not a temporary workplace, it is a permanent workplace. Amir's journey from home to the site is therefore an ordinary commuting journey for which he is not entitled to relief.

EXAMPLE 2

Sue has worked for the same employer for 5 years. She is sent to work full-time in an office for 15 months. Sue expects to spend more than 40% of her working time at the office, so her attendance there falls in a period of continuous work. She expects to be there for 15 months, so the period of continuous work is expected to be for less than 24 months. This means that the office is not a permanent workplace. Sue's journey from home to the office is not, therefore, an ordinary commuting journey and she is entitled to relief.

WHAT HAPPENS WHEN EMPLOYEES DO NOT WORK AT A PLACE FULL-TIME?

Where an employee spends less than 40% of his or her working time (contracted hours) at a place the employee's attendance does not form part of a period of continuous work so the 24 month rule cannot be used to decide whether that workplace is a temporary workplace. An employee is not entitled to relief for travel between home and a place simply because they spend less than 40% of his or her working time there. In these circumstances the question of whether the place is a permanent or a temporary workplace, and, therefore, whether travel between home and the place is ordinary commuting, has to be answered by reference to the basic definitions of permanent and temporary workplaces mentioned above.

The following examples show how the 24 month rule applies where employees do not work at a place full-time:

EXAMPLE 3

Effie is employed as a food scientist by a manufacturer of ice cream cones. She lives in Porthmadog and works in Dolgellau. Her employer opens a new plant in Llandrindod Wells. Effie is sent to work there 4 days a week and expects to be there for 30 months. She is not entitled to relief for travel from home to Llandrindod Wells because she is spending more than 40% of her time at the new plant and expects to be there for more than 24 months. It is therefore a permanent workplace. Effie is not entitled to relief for travel from home to Dolgellau for the one day a week she goes there because the Dolgellau plant remains her permanent workplace.

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EXAMPLE 4

Shakira is employed as a seal doctor at a zoo on the North Wales coast. She is sent to St Davids to supervise a seal sanctuary for one day each month. She has done this for 5 years. Although Shakira goes to St Davids for more than 24 months she does not spend more than 40% of her working time there and she retains a permanent workplace on the North Wales coast, so she is entitled to relief for her travel from home to St Davids.

EXAMPLE 5

Adam is employed as a technical expert on aspects of the brewing process. He lives in Burry Port and works at a brewery in Llanelli. Occasionally problems arise in his employer's other brewery in Newport and he has to go there to examine fermentation. On average Adam goes to Newport once a week but he never knows when he will have to go and he always goes to deal with a specific problem. He has been doing this for 15 years. Adam is entitled to relief for the cost of his travel between home and Newport because it is a temporary workplace.

EXAMPLE 6

Ahmed lives in Port Talbot and has a part-time job working two days a week in Swansea as a telephonist for an insurance company. He is asked to spend one of his two working days covering for a colleague at a branch in Cardiff for a period of 32 months. Ahmed is not entitled to relief for travel between home and Cardiff because, while he spends only one day a week in Cardiff, this is more than 40% of his working time and he expects to be there for more than 24 months. Ahmed is not entitled to relief for the journey he makes between home and Swansea on the other day he works because Swansea remains a permanent workplace.

A period of continuous work can remain continuous even where there is a break in attendance.

EXAMPLE 7

Erica is employed as a computer consultant. She works full-time at a site for 18 months developing a new computer system. The work is then extended for another 18 months at the same workplace, for the roll-out of the new computer system. The roll-out is subject to a separate contract between the employer and client.

As long as Erica did not expect to be working on the site for more than 24 months she is entitled to relief for the cost of travelling from home to the site. Once her employer enters into a new contract Erica expects to be working on the site for more than 24 months. From that point she is not entitled to relief for her journey from home to the site.

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Annex C

Overseas Claim form

See separate document on the intranet Travel and Subsistence page.

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Annex D

MILEAGE ALLOWANCE RATES & SUPPLEMENTS

MILEAGE ALLOWANCE RATES (with effect from 6 April 2011)

STANDARD RATE OF MILEAGE ALLOWANCE PAYABLE FOR USE OF PRIVATE MOTOR CARS⁴ INCLUDING PRIVATELY OWNED ELECTRIC AND HYBRID VEHICLES

Mileage threshold per annum

All Vehicle Sizes (including electric vehicles)

Up to 10,000 miles in the tax year 45p

Over 10,000 miles in the tax year 25p

VEHICLES OBTAINED THROUGH THE GREEN CAR SCHEME (TUSKER)

Fully electric – 5p per mile (all annual business mileage)

Hybrid diesel and petrol company car mileage rates are regularly reviewed by HMRC and are available here: [Advisory fuel rates - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

MILEAGE ALLOWANCE FOR USE OF PRIVATE MOTOR CYCLES

24 pence per mile

EXCESS FARES ALLOWANCE (with effect from 1 January 2014)

40 pence per mile

PEDAL CYCLES

20 pence per mile

EQUIPMENT SUPPLEMENT

(NB This is paid via payroll)

2 pence per mile (irrespective of the number of items of equipment)

PASSENGER SUPPLEMENT

⁴ These rates are known as AMAPS (Her Majesty's Revenue & Customs Approved Mileage Allowance Payments) and are set by HMRC, not Welsh Government.

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5 pence per mile per passenger

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Annex E

SUBSISTENCE LIMITS

Note that, where circumstances dictate that accommodation cannot be obtained within the ceilings noted below, e.g. because of personal impairment or seasonal extraordinary pressure on local hotels, employees are expected to agree departures with their line managers and document how value for money was ensured, ready for inspection.

Location	Meals Limits			Overnight B&B Limits
	Breakfast	Lunch ⁵	Dinner	Overnight
Elsewhere UK	£9	£9	£27	£95
London UK	£9	£9	£27 (£35 ⁶)	£200

World Wide Subsistence Rates can be found at

<http://www.hmrc.gov.uk/employers/emp-income-scale-rates.htm>

Friends and Family Allowance overnight rate: £30 gross⁷.

⁵ Can only be claimed in three particular circumstances – see paragraphs 11.9 and 11.10. Please note that one of these circumstances is at line management discretion.

⁶ Can only be claimed in one circumstance – see paragraph 11.13 above.

⁷ This allowance is subject to tax and National Insurance contributions and must be claimed via payroll.

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Annex F

GUIDE TO THE WORLD-WIDE SUBSISTENCE RATES

Please note that you will only be able to claim for lunch in the circumstances in 11.9 and 11.10 of the procedures.

See separate document on the intranet travel page

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ANNEX G

ROLES AND RESPONSIBILITIES

Employees are responsible for:

- Considering whether travel is necessary to achieve business goals and looking at alternatives to travel such as video- or tele-conferencing or Skype for business;
- Wherever travel is undertaken, ensuring that sustainability and environmental issues have been taken into account, alongside other factors such as best use of official time and the shortest route to reach the business destination (see paragraph 3.4);
- Always seeking to ensure that the means of travel (and expenditure incurred) is the most economical and effective. Only claiming for the shortest route by car, motorbike or bicycle, unless there are exceptional reasons and even where, for example, a satellite navigation system suggests a quicker route by time;
- Not undertaking travel to a temporary workplace solely to be able to claim travel expenses that are not subject to tax and National Insurance contributions (NI), to avoid tax and NI or to ensure eligibility to claim subsistence;
- Not claiming for travel and subsistence, including parking costs when incurred, when they work at an alternative location other than their normal office base ('hub') **for reasons of personal choice or convenience** rather than business;
- Not claiming for travel to their hub as this constitutes ordinary commuting (unless they are a formal homeworker in which case they can claim through payroll as mileage claims are subject to tax and NI);
- Obtaining their line manager's approval in advance of each short business visit (wherever possible) for which a claim is to be made (see paragraph 3.12);
- Ensuring and confirming that they have in place a valid driving licence if they wish to use a hire car to undertake official travel, plus fully comprehensive car insurance for business use and a roadworthy vehicle subject to regular servicing and routine checks if they wish to use their private vehicle to undertake official travel;
- Notifying line management if their driving licence is revoked for any reason;
- Having claims authorised by their line management (except for G6/Executive Band 1 and SCS staff who are able to self-authorise);
- Submitting claims as soon as possible after completing the business visit and in any case within two months;

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- Uploading scanned copies or photographs of all original receipts and any supporting documentation for claims relating to them on the Division's iShare travel and subsistence file;
- Completing travel and subsistence claims accurately, honestly and appropriately in accordance with these principles and procedures
- Identifying where they may have a secondary permanent workplace and discussing with their line manager and, if agreed, notifying the Shared Services Compliance Manager about it in order to update the central record;
- For accommodation at a destination which **is** a secondary permanent workplace, booking and paying directly and reclaiming the cost via payroll using the relevant form;
- Using the CTM online portal available on the internet to book all routine rail and air travel and considering its use for overnight accommodation and the offline booking option for more complex or large group bookings if this provides the best value for money (see paragraphs 3.1 and 4.3 of the principles and 6.1, 6.8, 8.2, 8.3 and 12.4 of the procedures)
- If CTM is not cost-effective, notifying Corporate Procurement Services via the Business Travel & Accommodation mailbox;
- Reporting any payments received to which they are not entitled to the Corporate Shared Service Centre and returning the relevant amounts, once a repayment schedule has been agreed;
- Familiarising themselves with the provisions of the First Assist personal accident and travel insurance scheme; and,
- Observing the provisions of the Driving for Work policy when travelling in their personal vehicle or that of a colleague on official business.

Line Managers are responsible for:

- Agreeing all business travel and likely associated travel and subsistence costs in advance (but see paragraph 3.12);
- Monitoring their team members travel patterns with a view to identifying potential secondary permanent workplaces;
- Where a proposal is made for more than one officer to share rented accommodation, considering this proposal and making a case to the Deputy Director for approval as appropriate;
- Ensuring that documentation relating to such agreements is kept on a registered file;

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- Agreeing unavoidable, additional expenditure as soon as possible following the visit, if appropriate, and providing evidence to support that decision for retention on the iShare file;
- Notifying their HR Business Partner and the Corporate Shared Service Centre when an employee's service ends so that any outstanding advances for business travel can be recovered;
- Considering whether travel is necessary to achieve business goals and satisfying themselves that employees have considered alternatives to travel, such as video- or tele-conferencing or Skype for business, and that the journey has been planned in the most cost-effective way;
- Wherever they agree that travel is undertaken, ensuring that sustainability and environmental issues have been taken into account, alongside other factors such as best use of official time and the shortest route to reach the business destination;
- Ensuring that employees are not visiting a temporary workplace or that they are sending an employee to a temporary workplace just to be able to claim travel expenses that are not subject to tax and NI, to avoid tax and NI or to ensure eligibility to claim subsistence;
- Satisfying themselves that, where claims are submitted for journeys to an individual's preferred working location, they are for justifiable business reasons and meet all normal requirements of the Travel and Subsistence policy, principles and procedures before authorising payment;
- Ensuring, where the use of a hire car is agreed to undertake a short business visit, that the vehicle used has the lowest emissions that would meet needs, taking into account the numbers of people travelling; and,
- Authorising claims to ensure their appropriateness and validity within the terms of these principles and procedures.

Divisions are responsible for:

- Opening files in iShare for the retention of scanned and photographed copies of all receipts and any supporting documentation for employees who have undertaken short business visits;
- Allowing access to the iShare file for inspection by any authorised person;
- Authorising in advance and in writing, arrangements for two or more officers travelling together to share rented accommodation where this is more cost effective than other options; and,
- Authorising in advance and in writing, arrangements for a travelling employee to take leave or spend a weekend in an area travelled to on official business.

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Corporate Shared Service Centre is responsible for:

- Advising on and issuing Government and Welsh Procurement Cards to employees who regularly travel on business as appropriate.
- Dealing with notifications from employees who have received monies to which they are not entitled and arranging repayment; and,
- Dealing with notifications from line managers when an employee's service ends.
- Operating and arranging maintenance of and revisions to the e-T&S System
- Processing claims for travel to and accommodation at secondary permanent workplaces, booked individually and via CTM

VAT and TAX Team is responsible for:

- Liaison between departments, individuals, line managers, HR and HMRC;

The Travel Systems Compliance Manager in the Corporate Shared Service Centre is responsible for:

- Checking on a random and/or targeted basis, a sample of all claims submitted;
- Providing advice to claimants on the application of these principles and procedure,

Operations Teams are responsible for:

- Maintaining records of staff who have secondary permanent workplaces;
- providing general advice to staff about travel and subsistence.

HR Policy team is responsible for:

- Producing and revising the policy, principles and procedures in response to legislative changes and policy decisions.