



## RESOLUTION OF THE REMUNERATION AND REVIEW COMMITTEE

### Director's Expenses Policy

The Remuneration and Review Committee **resolve** to adopt the attached Policy on Director's Expenses.

By my signature below I approve the above resolution and confirm that I am eligible to vote as a member of the UHBFT Remuneration and Review Committee in accordance with its Terms of Reference and the Trust's Standing Orders and Constitution

**Signature:**

**Date:**

14/1/05

### **POLICY AND PROCEDURE FOR DIRECTORS' TRAVEL, ACCOMMODATION AND OTHER EXPENSES**

#### **1. Introduction**

The Trust will reimburse directly to individual Directors and/or approve expenditure incurred via Director credit cards in accordance with the policy described herein. A separate section of the policy provides for the reporting and authorisation of expenditure incurred via credit cards. Other expenditure is reimbursed via submission of claim forms. The Director Credit Cards have been introduced as a cost effective means of meeting necessary travel, accommodation and business expenses incurred in the course of fulfilling Trust responsibilities.

For the purpose of this policy, Directors (ie full time employees) include both voting Executive Directors and non-voting Directors who sit on the Board of Directors ex-officio.

#### **2. Eligible Expenses**

Expenses eligible for reimbursement or purchase via credit cards include:

##### *Travel*

The cost of car, train, air, public transport and taxis will be met whilst on Trust business subject to conditions.

##### *Overnight Accommodation & subsistence*

Accommodation costs will be met by the Trust where necessary and as linked to business activity and/or for courses and conferences. These costs are subject to limits and regional variations.

##### *Hospitality Provided*

Hospitality provided by Directors in the course of business is reimbursable or chargeable to credit cards subject to conditions and limits. Hospitality expenses must be directly related to, or associated with, the active conduct of official Trust business. When a Trust Director acts as an official host, the occasion must serve a clear Trust business purpose, with no personal benefit derived by the official host or other Trust employees. In addition, the

expenditure of funds for hospitality should be cost effective and in accordance with the best use of public funds.

#### *Incidental Business Expenses*

Additional costs associated with postage, phone calls and stationery necessary to the work undertaken.

Please note:

- The receipt of hospitality by Directors is covered by a separate Hospitality and Gifts Policy applicable to all employees of the Trust.
- Costs linked to the provision of private or lease car business travel are also covered by a separate policy.

### 3. Travel

#### 3.1 General

Business related travel will be reimbursed or may be charged to Director credit cards (excludes the purchase of car fuel) subject to the provisions below. Where reimbursement is sought via expense claim forms, they must clearly show the destination, timing and purpose of each journey (this information is called for on Trust standard expense claim forms). Failure to do so will result in the claim not being paid and being returning to the claimant.

In accordance with this Policy, Directors are asked to use a private vehicle rather than public transport only after taking into consideration:

- the availability of public transport in relation to the proposed journey;
- the amount and weight of any luggage to be transported;
- time constraints;
- personal security, eg. late evening travel

#### 3.2 Public Transport

##### 3.2.1 *Train, bus, coach or Tube*

- a) The costs of an ordinary fare (or, where there is more than one class, the first class fare) will be reimbursed, provided that Directors take advantage of any reduced fares which might be available. First class travel is justifiable only in those instances where the Director is conducting business, requires a working surface and certainty of a reserved seat.

b) Where appropriate, additional claims may be made in respect of:

- the cost of a seat reservation
- Pullman or similar supplements
- storage of luggage
- sleeping accommodation on an overnight journey.

### 3.2.2 *Taxi*

The cost of using a taxi (including a reasonable gratuity) may be claimed:

- in a case of urgency
- Where equipment or heavy baggage is being carried;
- When no public transport is available, especially in the early morning or late at night when public transport is either not running or running irregularly;
- Where the claimant is pregnant;
- Where the claimant has a temporary or permanent disability;
- When it is important to save official time.

Travel by taxi should be kept to a minimum and should definitely not be used for long journeys. Claimants should obtain an official receipt from the taxi driver to substantiate their travel expense claim.

### 3.2.3 *Air*

- a) Where there is a cost benefit for the Trust (in terms of travel and subsistence) or the saving in time is so substantial as to justify travel by air to a Trust event, the costs of a flight and any airport taxes will be met. In order to minimise the cost implications for the Trust, all journeys by air travel within the UK should be arranged on economy-class basis. Claimants should seek to minimise the cost of air travel by booking tickets in advance, taking advantage of early booking discounts where available.

- b) In the case of overseas travel, particularly where the costs are to be funded by the Trust, it is necessary to justify the journey. Please notify either the Chief Executive or CFO before tickets are purchased for agreement as to whether the Trust will reimburse the cost or allow it to be charged to a Director's credit card, which will normally be on economy-class basis. The CFO is required to notified the Chief Executive Officer and vice versa. These measures do not override international travel approvals as set out in section 15 [Personnel & Pay] Paragraph M [Study Leave] within the Scheme of Delegation.

The Trust will need to give consideration as to how the journey fits with the Trust's overall strategy and what outputs/outcomes are expected to be achieved/delivered.

For flights exceeding 4 hours, the fare class above economy may be purchased (which shall never be 1st class). 1<sup>st</sup> class travel could only occur in instances where a business/club/world class seat is purchased and is subsequently upgraded at no cost to the Trust. This is anticipated to be a very rare event.

### 3.3 Private Vehicles

#### 3.3.1 *Cars owned by or under lease to Directors*

The costs of travel on Trust business are reimbursed in accordance with mileage rates stipulated in the lease car policy as amended from time to time (**see appendix 1, section 1**).

#### 3.3.2 *Rented vehicles*

It is expected that Directors will require rented vehicles in very rare circumstances. Where required, mileage will be reimbursed on the same basis as above. Authorisation for a rented or hire car requires the prior authorisation of the CFO.

#### 3.3.3 *Incidental Expenses*

Costs of incidental travel expenses e.g. parking, tolls etc. will be reimbursed upon satisfactory completion of the official expenses claim form with attached receipts.

## 4. Overnight Accommodation And Subsistence

### 4.1 Booking accommodation

Directors requiring overnight accommodation for Trust business must seek NHS or public sector rates. Claimants may stay in 3 or 4-star accommodation, according to local availability. Claimants are reminded of the need to demonstrate value for money and reasonableness of expenditure when selecting accommodation.

Cost of overnight accommodation and breakfast should not exceed the Trust accommodation rates. These are set out in two categories:

- Central London, (see **section 5, appendix 1**)
- Elsewhere, (see **section 5, appendix 1**)

### 4.2 Courses and Conferences

Directors may incur accommodation and course/conference fees provided these are consistent with a personal development plan and are relevant to the duties of their role. It is expected that these would be discussed with their line manager prior to committing any expenditure.

If accommodation and subsistence is incurred as a result of speaking at a conference/course (ie, the Director is assisting at an income generating event), every effort should be made to have costs settled by the organisation hosting the event and/or reimbursing the Trust for reasonable costs.

### 4.3 Day subsistence allowance

Directors may claim a day subsistence allowance for refreshments when absent from home on Trust business for more than 5 hours when appropriate refreshments have not otherwise been provided. The current rates are shown in **section 3 of Appendix 1**.

### 4.4 Overnight subsistence

4.4.1 Accommodation charges (bed and breakfast) will normally be paid via Director credit cards. In cases where Directors have themselves paid for overnight accommodation, the cost will be reimbursed upon satisfactory completion of the official expenses claim form with attached receipts.

4.4.2 The cost of meals other than breakfast during a period involving an overnight stay on Trust business will be claimable on a flat rate basis as shown in **section 4 of Appendix 1**.

## 5. Hospitality Provided

- 5.1 Hospitality offered to individuals in the course of conducting business is subject to the provisions set out below. The hospitality provided must be for a genuine business occasion. It must involve a current or potential business partner or other business connection from outside of the organisation.

Examples of business occasions include:

- Lunches etc. for business contacts or potential at which business is discussed.
- Evening dinner meetings with potential joint venture partners
- There may be instances at the CEO's discretion where it is necessary to arrange an out of hours meeting with clinical leads, where meals and refreshments are provided to discuss the future strategy and development of key services. This represents the only acceptable departure from the principal of business meetings requiring attendance of individuals from outside of the organisation (see below\*\*). Any resultant costs must be properly recorded and meet with Inland Revenue rules concerning taxable benefits in kind.

Entertainment expenses **do not** cover the following:

- Entertaining personal friends or business acquaintances where there is no business obligation to entertain them.
- Entertaining colleagues and/or employees of the same organisation (save for the above exception\*\*)
- Entertaining occasions when there is no customer, client, supplier or other business contact present.
- Additional costs relating to spouse, partner, or family accompaniment.

Details of why the expenditure was necessary, the nature of the entertainment and a list of the persons entertained must be disclosed to the CFO. This is to be written directly onto monthly statements or appended to the statements with a clear reference made to the charge appearing on the statement (see Section 7.0 procedure for approving Director credit card expenses).

- 5.3 Expenditure on alcoholic drinks will be reimbursed when purchased with a meal when providing hospitality. Expenditure on meals and drink must be reasonable and must not exceed amounts stipulated in **Appendix 1, section 6**.

- 5.4 Directors, like staff, should accept entertainment or hospitality offered by external individual or groups only in the circumstances set out in the Trust's Policy on Gifts and Hospitality

## 6. **Business Expenses**

Directors may claim the cost of postage, faxes and other incidental business expenditure on Trust business on the basis of the actual costs incurred (ie. additional cost settled personally by the Director). Details of the expenditure should be included on the official claim form and receipts attached.

## 7. **Procedure for approving credit cards**

- 7.1 Total expenses are paid by direct debit each month following authorisation from the Deputy Chief Executive/Chief Finance Officer.
- 7.2 Card holders will receive individual statements for information and are required to provide confirmation to the DCE/CFO that expenses have been incurred in the course of Trust business and in accordance with the policy above. This is evidenced by a signature from each Director directly onto his/her statement prior to submission to the DCE&CFO.
- 7.3 In addition to a signature, for any expenses involving 3<sup>rd</sup> parties which constitute business hospitality, Directors are required to disclose with their statement:
- Nature of the expense, eg. conference, business meeting
  - Named external persons or organisation involved
  - The number of individuals attending the meeting which has given rise to a cost. This is necessary to ensure that expenditure limits have not been breached.

It is not anticipated that the additional information will make the current process overly onerous.

With certified statements held on file, it is proposed to provide the Audit Committee with a once yearly report showing gross expenditure by director and expense type.

## 8. **Procedure for approving expenses where upfront costs borne personally by Director**

The normal Trust travel and expenses claim form is to be used with receipts attached and authorised signature obtained from the line manager.

All expenses covered by this policy may be claimed via the Trust's standard expenses claim form as processed by UHBFT payroll department.



## APPENDIX 1

### DIRECTORS' EXPENSES: RATES PAYABLE FROM 1 JUNE 2005

#### Section 1: Cars owned/leased by Directors

11p/mile as per the car policy.

#### Section 2: rented vehicles

As above

#### Section 3: Day subsistence allowance

| Period of absence       | Rate |
|-------------------------|------|
| 5-10 hours (1 meal)     | £10  |
| 10-12 hours (2 meals)   | £20  |
| Over 12 hours (3 meals) | £30  |

#### Section 4: Allowance for meals other than breakfast when staying overnight

£22.50

#### Section 5: Accommodation Rates

- Central London - £180 per night (excl VAT);
- Elsewhere - £120 per night (excl VAT);

#### Section 6: Meals & refreshments

- Maximum cost per person £60 (including VAT)