



Expenses

This information sheet has been prepared for NHS chairs and non-executives by the Appointments Commission from source material provided by the Department of Health. In the event of any dispute about entitlement to expenses payments, reference should be made to the relevant order or authority.

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1. General

- a. Expenses are paid to NHS chairs and non-executives at rates set by the Secretary of State for Health.
- b. When claiming expenses, chairs and non-executives are required to certify that:
 - i. travelling expenses were actually incurred on NHS business; and
 - ii. subsistence expenses were necessarily incurred and that the periods of absence and details of meals taken were specified in the claim.

- c. There is no local discretion to pay at rates other than those detailed below.
- d. All claims must be made via the local payroll system using local claim forms.
- e. Local procedures and timetables may apply to processing claims. Chairs and non-executives are advised to seek advice locally.

2. Travelling expenses

a. Home to office expenses

- i. Chairs and non-executives are entitled to receive payment of “home to office” expenses,
- ii. Home to office travelling expenses are wholly taxable. The Inland Revenue has, however, agreed to “Special Arrangements” for NHS bodies to enable them to meet the resulting tax liability. This is similar to a PAYE Settlement Agreement (PSA) about which more is available in the Inland Revenue’s IR155 leaflet.
- iii. It is expected that the “special arrangement” or a PSA will be implemented for all non-executives.

b. Mileage rates

i. Own private vehicle

Engine size	p per mile	up to	then p per mile
Up to 1500cc	43p	7,500 miles	18.3p
Over 1500cc	53p	7,500 miles	20.5p

ii. Motor cycles

Engine size	p per mile	up to	then p per mile
Up to 125cc	16.2p	7,500 miles	6.1p
Over 125cc	25.3p	7,500 miles	9p

iii. Private use lease vehicle

<p>Cost of 1 litre of Premium unleaded petrol (Relevant local price at time of travel)</p> <hr style="width: 30%; margin: auto;"/> <p>Vehicle’s mile per litre on Urban Cycle (Manufacturers information)</p>

c. Public transport

- i. The cost of up to first class travel by rail, bus and / or coach will be met. Chairs and non-executives should take advantage of any reduced fares available.
- ii. In addition, the cost of any seat reservation, storage of luggage and sleeping accommodation on any overnight journey will be met.
- iii. Where there is a need for urgency, there is no public transport reasonably available or the chair or non-executive has a disability which would make the use of public transport impractical, the cost of any taxi fare and any reasonable gratuity will be met.
- iv. Where there is a cost benefit (in term of travel and subsistence) or the organisation decides that the saving in time is so substantial as to justify travel by air, the costs of a flight and any airport taxes will be met.

3. Subsistence

a. Day subsistence

- i. The following allowances are payable to chairs and non-executives if they have been away from organisation on NHS business (e.g. training events, joint working) for more than 5 hours, except where appropriate meals and refreshments were provided.

Period of absence	Rate payable
5 – 10 hours (1 meal)	£5
10 – 12 hours (2 meals)	£10
Over 12 hours (3 meals)	£15

b. Overnight absence

- i. Overnight accommodation costs and expenses can be met in line with the table below;

	Rate
Bed and breakfast	Receipted costs up to £100 per night Receipted costs up to £120 per night in Central London
Meal allowance	£22.50
Non-commercial arrangement (e.g. staying with friends or relatives)	£27.50

- ii. Higher accommodation costs can be met when appropriate, at local discretion. In this circumstance, it is recommended that authorisation is received before the expense is incurred.

4. Carer expenses

- a. Chairs and non-executives can claim re-imbusement of expenses incurred while on NHS business in relation to the provision of a carer for any relatives for whom he / she is responsible. The carer responsibility may be for a child or an elderly or infirm relative. The expenses must be receipted and in line with costs of providing such care in the locality.
- b. The Inland Revenue deem payments made under these arrangements as a taxable benefit and will require tax to be deducted at source

5. Frequently asked questions

Q. I am losing out financially by serving on my board. Can I be paid a “financial loss allowance” in addition to my expenses to compensate me?

A. No – a “financial loss allowance” is only payable to those in unpaid posts, usually as committee or sub-committee members and is limited to ensure that non-executives are not disadvantaged.

Q. When I am working for the NHS, I have to employ a deputy to cover my absence from my business. Can I be re-imbursed for this expense?

A. A deputising allowance can only be paid to those in unpaid posts, again, usually as committee or sub-committee members and it too is limited to ensure that non-executives are not disadvantaged.

Q. I have to travel many miles on behalf of the NHS – can I be provided with a lease car for this?

A. Yes, if it represents better value for money in comparison with other ways of meeting your travel costs. If any car provided is then made available to you for private use, you will have to make a significant personal contribution to the NHS. This is calculated as the equivalent of the taxable benefit attributed to the private use of the car, calculated using the Inland Revenue’s formula. This is set out in EL(96)49 which can be obtained by ringing the Appointments Commission’s Helpline on **0870 240 3801**.

Q. Does a different mileage rate apply if I am training?

A. No. Training agreed by your organisation is part of your NHS business and you are entitled to expenses in the normal way. There is no provision in the order determining the expenses payable to chairs and non-executives for any mileage rates other than those set out above.

Q. As Chair I have to entertain regularly on behalf of the NHS. I have heard that it is possible for me to be paid an annual payment, from which I could meet such expenses. Is this true?

A. There is no provision for chairs to be given a special payment to cover the costs of providing hospitality. It may be appropriate for your body to allocate you a specific "hospitality budget", from which such costs could be met but all expenditure should be receipted and accord with your organisation's guidelines on the use of hospitality budgets. See EL(96)49 for more information, a copy of which can be obtained by ringing the Appointments Commission's Helpline on **0870 240 3801**.