



Expenses Policy

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Approved by: The Executive Team

Policy Owner: Head of Finance and IT

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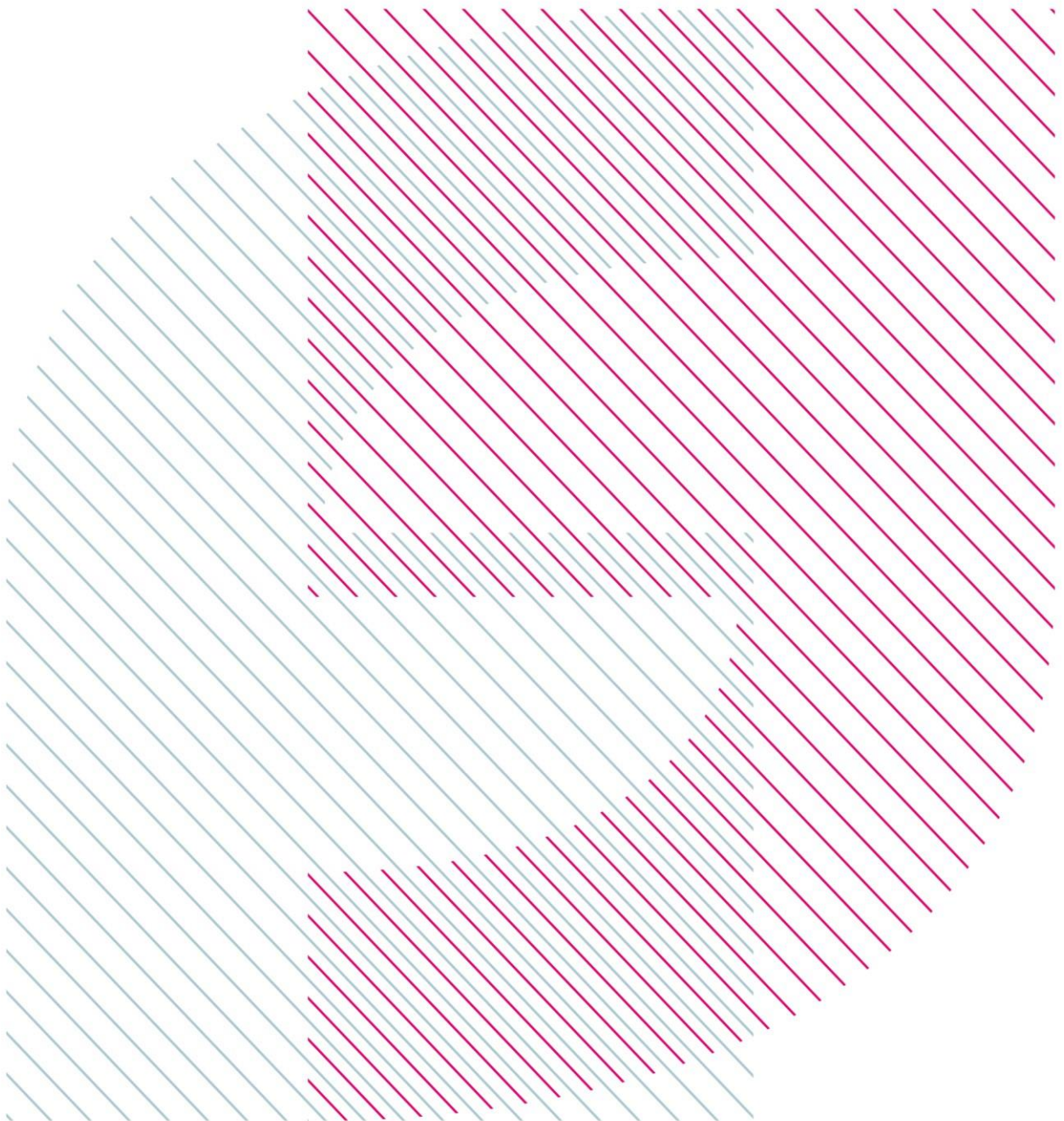


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Latest update

Briefly list the changes that have been made to the previous version. Minor changes such as correcting spelling and grammar will not need to be mentioned.

| Version | Date (mm/yy) | Summary of Changes | Actioned by (role) |
|---------|--------------|---|------------------------|
| 4.0 | 11/2020 | Minor changes | Head of Finance |
| 5.0 | 01/2022 | Major rewrite of the policy | Head of Finance |
| 6.0 | 03/2023 | Minor changes: removal of COO job reference, Taxi section clarification (UBER / Private Hire) | Head of Finance and IT |
| 7.0 | 03/2024 | Reimbursement of Expense Annex added and rates updates | Head of Finance and IT |

Purpose

The Legal Ombudsman (LeO) Expenses Policy provides guidance to employees who are required to travel and work away from their normal place of work. The Policy ensures that travel expenditure is consistent with the business objectives of LeO. It also provides guidance to ensure fair and equitable treatment of employees by defining procedures for authorised business travel and guidelines for expense reimbursement.

The overarching principles for business travel are the need for economy, efficiency and effectiveness, environmental sustainability, and the requirements for appropriate standards of travel and accommodation.

Staff are required to act at all times with honesty and integrity and to utilise public money in a responsible manner. The purpose of this policy is to ensure that LeO complies with the Civil Service Code and HM Treasury's Managing Public Money guidelines.

This Policy is based on and aligned with the Ministry of Justice's (MoJ's) Travel and Subsistence Policy and Guidance (April 2015). The rates have been adjusted for inflation in line with the rates at other ALBs. If specific circumstances are not covered by the LeO Expenses Policy, the presumption is that the Legal Ombudsman will follow the MoJ's Travel and Subsistence Policy and Guidance. A copy of the MoJ Policy is held by the Head of Finance and IT from whom advice should be sought prior to booking travel in these circumstances.

Scope

This policy applies to all staff who may incur travel and subsistence expenditure whilst fulfilling their responsibilities on behalf of LeO. It explains the responsibility each person has when committing expenditure and submitting expense claims. It also explains the approval process required depending upon the value of claim being made and how authorised claims should be submitted in order to receive re-imbursement.

Responsibilities

It is the responsibility of each person to comply with the requirements of this policy, including employees when submitting a claim for travel and subsistence expenditure incurred, and managers for the approval of employee claims.

All travel requirements should be discussed with the employees' line manager before any costs are committed. Travel should be by the most economical but appropriate means for the journey being made. Proper receipts should always be obtained and submitted whenever making a claim. Claims should be authorised in accordance with the approvals table, before being submitted to HR for payment.

Policy statement

The essential elements of this policy are that:

- All travel needs should be discussed in advance with the employees' line manager;
- An employee can only claim and be reimbursed for expenditure that has been incurred whilst acting on behalf of LeO, and which has been incurred wholly, necessarily and exclusively for its business purposes;
- All expense claim forms must be authorised in accordance with the approval requirements;
- Journeys should be planned and booked in advance in order to minimise costs and to use the most cost effective and efficient means of travel, for example the advanced booking of trains and accommodation; and
- First class travel is not allowable (unless specific circumstances warrant its use).

1.0 Authorisation

1.1 Who can approve expenditure?

All travel requirements should be discussed with the employees' line manager before costs are incurred.

Expenses should be approved by the employees' manager. Peer approval between employees at the same grade/role is not allowed. The table below outlines the approval hierarchy. Please note that the values expressed relate to the total value of any claim being made.

| Employee making an expense claim | Approved by |
|---|---|
| All employees other than Head of Department, Chief Ombudsman, Chief Operating Officer | <ul style="list-style-type: none"> Up to £250 – approved by Head of Department or Chief Operating Officer (<i>dependent on reporting lines</i>) Over £250 and up to £1,000 – approved by Head of Department and Head of Finance and IT Above £1,000 - approved by Head of Department, Head of Finance and IT and Chief Ombudsman |
| Head of Department | <ul style="list-style-type: none"> Up to £1,000 – approved by Chief Operating Officer/Chief Ombudsman (<i>dependent on reporting lines</i>) Over £1,000 – approved by Chief Ombudsman |
| Chief Operating Officer | Chief Ombudsman |
| Chief Ombudsman | OLC Chair |
| OLC Non-Executive Board Members* | OLC Chair (for approval by LSB*) |
| OLC Chair* | Head of Finance (for approval by LSB*) |

* The expenses of the OLC Chair and OLC Non-Executive Board members are approved by the Legal Services Board (LSB) and must therefore be in line with the LSB's own Expenses policy. The approvals process for OLC Chair and OLC Non-Executive Board members is included for completeness.

2.0 Expense Claims

It is the responsibility of each employee to make sure that they comply with the requirements of the Expenses Policy. Expense claims must be signed by the employee and authorised by their line manager before being submitted to HR for payment. Claims which have not been properly completed will not be processed for payment. Claims should be submitted within one month (30 days) of incurring the relevant expenditure.

Before authorising a claim, the line manager must ensure that:

- the Expenses Policy has been complied with;
- the expense form has been correctly completed;

- original receipts and train tickets are attached, credit card receipts alone are not acceptable, and claims will not be processed without valid tax receipts

(copies or images of tickets will be accepted if originals are retained by train companies, but originals should be provided when possible and practicable).

If a claim is not completed correctly, it may be sent back by the HR team and will not be paid until it has been submitted with all of the correct information and attachments. Late claims or claims where tickets or receipts are missing will be dealt with on a case-by-case basis at the discretion of the line manager and Head of Finance.

Payment of approved expense claims are made via payroll on a monthly basis. In order to be paid, copies of approved claims (along with copies of all receipts) should be forwarded to HR in accordance with HR's monthly payroll cut-off date. The precise date for which may vary each month, but details of this can be found via the Payroll and Expenses calendar on LINK. Expenses received late (i.e., after the monthly payroll cut-off date) will not be paid until the following month. It is recommended that employees keep a copy of the claims and receipts they submit for their personal records and in case any queries subsequently arise.

3.0 Travel

The following definitions apply to this policy:

'Home' means where an employee normally resides when based and working at their Permanent place of work.

'Permanent place of work' means the Legal Ombudsman's office (currently Edward House, Edward Street, Birmingham, B1 2RA), any other location as set out in the individual's contract of employment as their Permanent place of work, including any other office of the Legal Ombudsman from time to time.

Employees are responsible for ensuring that their line manager is aware of any planned business travel. Consideration should be made as to whether:

- travel is necessary;
- whether other options could be used, such as conference calls; and
- whether the correct people are travelling.

Employees are responsible for booking their own travel requirements in accordance with the terms of this policy.

Employees are responsible in full for the cost of daily travel between their Home and Permanent place of work (their "ordinary commute") irrespective of the mode of travel (i.e., whether by rail, road or flight).

Employees are also responsible in full for the cost of travel between their Home and any other place of work that is not part of their ordinary commute (including but not limited to travel for business meetings), in circumstances where:

- the cost of their ordinary commute has not already been incurred by travel from their Home to any other place of work/business meeting; and
- they are unable to demonstrate that the journey between their Home and other place of work/business meeting is significantly different from their ordinary commute.

However where necessary, and for the efficient conduct of LeO business, (for example to allow for early meeting timings or to avoid overnight stays and subsistence costs), approvers may authorise the reimbursement of all travel costs in full, from an employee's Home direct to a business meeting (where not part of their ordinary commute), even where the actual cost of such travel exceeds the equivalent cost of travel from Home to their Permanent place of work.

Travel direct from an employees' Permanent place of work to another location in order to attend a business meeting or event is generally reclaimable in full (irrespective of the mode of transport used), provided that certain conditions are met, including that the method of travel is the most efficient and effective for the specific journey being made. Other scenarios are discussed under the relevant section of this policy.

Where business travel or onwards travel to any other place of work or business meeting involves crossing through any of the mainline Birmingham stations (or equivalent if travelling by other means), only the cost of the journey travelling out of Birmingham from one of the mainline stations (i.e. New Street, Moor Street or Snow Hill) to its ultimate business destination is reclaimable.

Business journeys which do not require or necessitate travelling into or through Birmingham are claimable in full, provided the actual cost is cheaper than an equivalent journey made from one of the Birmingham mainline stations or a journey from the Permanent place of work by other means. In order to justify this, a price comparison for both journeys should be obtained and the cheaper of the two ticket prices is reclaimable.

Where a journey made is greater (in terms of the distance and/or cost) than an equivalent journey made from Birmingham to a business destination, then only the cost (or its equivalent) of travelling from Birmingham to the business destination is allowable. In order to justify this, a price comparison for both journey's should be obtained.

Travel should be by the most economical method available with regard to both time and cost. This usually means by public transport. Employees may use their private motor vehicles, but this option should be restricted to journeys not readily available by public transport.

Should international travel be deemed necessary, approval is required by the Chief Ombudsman and in accordance with the principles of this policy.

Employees must ensure that appropriate travel insurance is in place prior to any international travel. The cost of travel insurance may be reclaimed, but only for the specific journey being made (not the cost of an annual travel insurance policy).

3.1 Rail

Business travel should be booked as far in advance as possible in order to achieve the most competitive fare.

All employees must travel by the cheapest practicable method available. Travel by first class is not allowable unless an exception or reasonable adjustment applies, which should be approved in advance by the member of the senior management team appropriate to the employees' role within line management structure.

Employees are required to attach supporting documents (including tickets) as specified in section 2 (Expense claims) when submitting their claim for authorisation. Claims submitted without this information may not be authorised. Claims where tickets or receipts are missing will be dealt with on a case-by-case basis at the discretion of the employees' line manager and Head of Finance.

3.2 Private car

Where public transport is not appropriate, or a cost-effective option, an employee may use their own (or hired) vehicle for business purposes provided that the driver and the vehicle being used are insured for business use. The employee must provide a copy of their valid driving licence as well as a copy of their current motor insurance certificate relating to the vehicle to HR before travel takes place. If this information has not been provided, a copy of these documents must be submitted along with the mileage claim. Anyone using their own (or hired) vehicle is responsible for ensuring that they have appropriate insurance cover for business use.

Insurance must cover without financial limit against claims in respect of:

- Bodily injury to or death of any passengers or third parties
- Damage to the property of third parties

If the insurance policy meets the above requirements but has an excess clause, this is acceptable but in the event of a claim, the employee cannot seek recovery of the excess from LeO.

Mileage cannot be claimed for driving between an employees' Home and their Permanent place of work.

When making a mileage claim, the distance from Home to the employees' Permanent place of work must be deducted. It is only the mileage in excess of their normal commute which is claimable.

Mileage can be claimed in accordance with HMRC mileage rates which are detailed on the Reimbursement of Expenses Annex below.

Any mileage claims must document the start and end points of the journey (including addresses and postcodes), in order to substantiate the distance travelled and cost of the mileage being claimed.

If an employee chooses to travel by vehicle when there is an adequate public transport alternative, the value of the claim may not exceed the cost of the public transport option.

If the journey could have been made as a passenger in a vehicle with another member of staff covering substantially the same route, then mileage may only be claimed at the reduced rate. Where a public transport option is not available, the full cost of business travel is claimable when travelling from the Birmingham office to another place of work/business meeting.

Where business travel involves crossing through Birmingham (and where a public transport option is not available), the cost of the journey travelling from the Birmingham office to another place of work/business meeting is reclaimable.

Business journey's which do not require travelling into or through Birmingham (and where a public transport option is not available), are claimable in full.

Employees may choose to travel by motorcycle

or bicycle but should ensure that the cost of their claim does not exceed the total cost of the public transport cost alternative.

The Legal Ombudsman will not pay for parking fines or other motoring related penalties. Congestion zone charges will only be paid where an alternative route, (in order to avoid the congestion zone), is not available, or where to do so would add significant mileage and or cost to the journey.

3.3 Taxis (including UBER / Private Hire vehicle)

Taxis should only be used when time and efficiency means that this is the most appropriate method of travel; for example, when practical alternative public transport is not available, or when the cost of sharing a taxi is less than the equivalent combined cost of using public transport. Other circumstances where the use of a taxi may be appropriate are:

- early in the morning or late at night in order to safeguard personal safety
- when carrying heavy equipment or baggage for business use
- when an employee has a temporary or permanent health condition or disability which makes other methods of transport impractical

This is not intended to be an exhaustive list. Any clarification should be obtained in advance from an employees' line manager.

In certain circumstances, the use of a taxi may result in the charge of Tax and National Insurance (NI).

3.4 Air travel

Air travel throughout the UK is only permitted where there is an advantage in terms of both time and cost (including the cost of subsistence) or if urgency justifies this means of travel. Travel should be by economy class and approved by the employees' line manager in advance.

3.5 Late travel bookings and cancellations

Employees should ensure that they fully understand the cancellation terms and conditions when purchasing travel tickets.

Line managers must ensure that their staff seek to make bookings by the most economical means possible, promoting the booking of tickets well in advance of travel. Line managers should also monitor cancellation costs so that they are kept to an absolute minimum.

3.6 Other Travel costs

Employees using their own vehicles for business purposes may be reimbursed the cost of parking fees and or Tolls. Overnight parking will only be reimbursed if the employee is entitled to the payment of overnight subsistence.

4.0 Overnight accommodation and meals

In the event that it is necessary, to stay overnight in a hotel to meet business requirements, authority must be obtained in advance from the Budget Holder.

Please refer to the Reimbursement of Expenses Annex below for the allowable rates.

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. If it is not possible to find suitable accommodation for these amounts the lowest cost suitable alternative should be used and confirmation of this should be obtained with the employees' line manager, as well as being documented on the expense claim when submitted.

Please note that any confirmation of booking issued by a hotel (typically when bookings are made online), does not provide LeO with a valid receipt for tax purposes, as VAT is only due at the point of sale (i.e., when goods or services are actually provided). It is therefore essential that an employee obtains a VAT receipt for the total costs incurred (including accommodation and meals) when checking out of the hotel.

These costs must be paid when checking out of the hotel and any expense claim must include original copies of VAT receipts. Please note that film or bar costs are not reclaimable.

LeO employees may choose to stay with friends or family instead of commercially let accommodation. In these circumstances the employee is entitled to claim the overnight subsistence flat rate for each 24-hour period spent away from home in the UK. Such claims do not need to be supported by receipts, but such payments will be subject to the payment of Tax and NI.

Personal Incidental Expenses Allowance (PIE) is payable when an employee is away on LeO business for absences of five consecutive days or more in the UK. PIE is payable for every night an employee is away overseas on LeO business. The payment of PIE is to help cover the cost of miscellaneous expenditure which may be incurred whilst staying away from home (e.g., laundry, phone calls, medical supplies).

Receipts are required to support all PIE claims. Employees may claim up to

5.0 Travel Subsistence claims

LeO recognises that an employee may spend more on food and drink whilst working away from their Permanent place of work. Claims can be made, depending on how long an employee is away from their Permanent place of work.

Subsistence may be claimed for the actual cost of meals, excluding alcohol and service charges or gratuities (tips), up to the appropriate subsistence limit detailed on the Reimbursement of Expenses ANNEX below. Receipts must be provided to support each claim. Credit card receipts are not acceptable without the inclusion of a valid VAT receipt.

6.0 Other Expenses

6.1 Business entertainment or hospitality

Employees must ensure that any entertainment or hospitality provided complies with the Gifts and hospitality policy. There are very few instances where an employee should offer gifts or hospitality. If unclear, the employee must check with their line manager before committing to or receiving any potential benefits. Any entertainment provided (or received) must be declared in accordance with the Gifts and hospitality policy.

6.2 Mobile phones

In exceptional circumstances, it may be necessary to use a personal mobile phone whilst on business.

Given that most network providers include relatively generous or unlimited usage of airtime, the cost of any business calls can only be reimbursed where it can be demonstrated that there has been an additional cost to the employee. Details of any such calls must be documented on the expense claim including copies of itemised bills showing the calls made, the purpose and recipient of each call, along with the duration and cost of each call.

6.3 Other items

The Expenses Policy is intended primarily for the reimbursement of expenditure incurred by employees whilst travelling on LeO business. This Policy is not intended for the purchase of goods or services required by LeO and should not be used as an alternative to the Purchase Ordering system normally used for the purchase of goods and services. In exceptional circumstances it may be deemed an appropriate means for the purchase of goods or services, but only following approval from a member of the executive team.

Eye tests

The cost of eye tests and a contribution toward the cost of new prescription glasses may be claimed in accordance with the 'Eye tests and glasses contribution procedure.'

Professional subscriptions

Professional subscriptions can only be reclaimed if membership is deemed essential for the conduct of an employees' business. An employee may only claim for the membership to one professional body and must be an approved membership as listed on HMRC's Approved professional organisations and learned societies (list 3).

[Approved professional organisations and learned societies \(list 3\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/hmrc-approved-professional-organisations-and-learned-societies)

Reimbursement of Expenses ANNEX

Current Rates of Travelling and Subsistence – All amounts are inclusive of VAT

This Annex may be re-issued, from time to time, to reflect any alterations in the rates paid.

1. Travel ([Travel — mileage and fuel rates and allowances - GOV.UK \(www.gov.uk\)](https://www.gov.uk))

a) By car: rates per mile: (in a tax year)

- First 10,000 miles 45p

- Over 10,000 miles 25p

b) Motorcycle allowance: 24p per mile

c) Bicycle allowance: 20p per mile

d) Passenger payments: 5p per passenger per mile for carrying fellow employees in a car or van on journeys that are also work journeys for them.

e) reduced rate of 25p per mile up to but not exceeding the cost of the public transport alternative where a car share could have been used.

2. Subsistence (based on actual receipts)

a) Day

1) One meal 5-hour rate - up to £7.50.

This rate may be paid where a person has been undertaking qualifying travel (i.e., travel and business away from their normal place of work for which a claim for subsistence would be paid) for a period of at least 5 hours and has incurred the cost of a meal

2) Two meal 10-hour rate - up to £15

This rate may be paid where a person has been undertaking qualifying travel (i.e., travel and business away from their normal place of work for which a claim for subsistence would be paid) for a period of at least 10 hours and has incurred the cost of a meal or meals

3) Late evening meal rate - up to £22.50 - Night Subsistence

This rate may be paid where the employee has to work later than usual, finishes work after 8pm having worked their normal day and has to buy a meal before the qualifying journey ends which they would usually have at home.

b) Commercial Accommodation

Hotels in London

Actual expenditure up to a ceiling of £150 for bed and breakfast costs (£135 room only) plus if away for at least 24 hours up to £28 for lunch and evening meal unless this is provided.

Hotels elsewhere

Actual expenditure up to a ceiling of £120 for bed and breakfast costs (£105 room only) plus if away for at least 24 hours up to £28 for lunch and evening meal unless this is provided.

c) Staying with family

Subsistence flat rate of £30 for each 24-hour period spent away from home

d) Personal Incidental Expenses Allowance (PIE)

£5 per night in the UK, effective from the fifth night of absence onwards, or £10 per night for all nights spent outside of the UK on LeO business.

Related documents

The Expenses Policy is based on and aligned to the MoJ's Travel and Subsistence Policy Guidance (the current version of which is dated April 2015). Any specific circumstances not covered within LeO's Expenses Policy should be referred to the MoJ's Travel and Subsistence Policy for further guidance.

Specific reference is made in this policy to LeO's Gifts and hospitality policy and the Eye tests and glasses contribution procedure. Full details of which can be found on LeO's Policy page of the Intranet.

Further information

Further information and clarification of any issues raised in this policy can be obtained from the Head of Finance and IT.

Appendix A

Frequently Asked Questions

Should I travel by car or public transport?

You are expected to travel in the most cost-effective way when on Legal Ombudsman business, so it depends on what the cheapest and most practical option is.

I plan to travel from home to attend a business meeting, after which I will travel on to the office. Can I claim for both journeys?

This may depend upon the circumstances and location of the meeting in question and also whether the cost of travel is cheaper or more expensive than the cost of an ordinary commute from Home to an employees' Permanent place of work.

For example, if the meeting is substantially enroute between an employee's home and permanent place of work. In which case, it would not be considered significantly different from the cost of their ordinary commute and therefore not allowable.

If the journey is not covered above, then the normal travel rules (reference section 3) apply. In this instance, the full cost of the journey can be claimed, if it is less than the cost from Birmingham. If it is more expensive, then the lower of the cost of the journey from home to the meeting, or from Birmingham to the meeting can be claimed. In this instance, evidence of the equivalent cost must be submitted.

The journey from the meeting to the LeO office in Birmingham can be claimed in full.

Should clarification be required in any given situation, advice should be obtained from the Head of Finance.

What can I claim for meals when I am on Legal Ombudsman business?

Please refer to section 5 of this policy, "Travel subsistence claims".

How do I book a hotel, and which should I use?

Please refer to section 4 of this policy, "Overnight accommodation and meals".

I have booked business travel, but the meeting has been cancelled. Will I get my expenses back?

We will reimburse your expenses as long as you provide evidence of cancellation, including why the meeting was cancelled and what costs have been incurred.

What mileage can I claim if I use my own car?

Mileage claim rates for all forms of transport have been provided on the Reimbursement of Expenses Annex.

How do I get reimbursed for expenses?

By completing an expenses form, ensuring that it has been correctly authorised and sending the completed form along with all receipts (as required by this policy) to HR in accordance with the HR monthly payroll cut-off timetable (which is available via LINK).

What is the deadline for submitting claims for expenses?

You need to submit your claim within a month (30 days) from the date of travel / when the expenses were incurred. Claims are paid once a month via payroll. To ensure payment, make sure that your claim has been authorised and submit it to HR in accordance with the monthly payroll cut-off timetable (details of which are available via LINK).

Do I need a receipt when claiming business expenses?

Yes. We need to see all original receipts, except where not available, as specified in this policy. Credit card slips alone are not acceptable. Copies of all original receipts are required wherever possible.

How do I claim if I have used my personal mobile phone for business reasons?

See section 6.2 of this policy "Mobile phones".

References

[Expenses and benefits: incidental overnight expenses: What to report and pay - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/expenses-and-benefits-incidental-overnight-expenses-what-to-report-and-pay)

[Travel and subsistence costs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/travel-and-subsistence-costs)

[Approved professional organisations and learned societies \(list 3\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/approved-professional-organisations-and-learned-societies-list-3)

Ministry of Justice's (MoJ's) Travel and Subsistence Policy and Guidance (April 2015)

Legal Services Board Policy on Reimbursement of Expenses (November 2023)