

Business Expenses and Travel Policy

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This policy applies across the whole of Network Rail, with the exception of those employees who transferred to Network Rail under TUPE and where their current Contracts of Employment do not provide for such amendment. In such cases, existing policies will continue to apply until changed through the normal collective bargaining arrangements, or by operation of law.

The policy also applies to templated and non templated contractors and agency staff who have been recruited through IRecruitment.

The purchasing methods prescribed in this document are mandatory for all employees, regardless of contractual terms.

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1. Statement of Purpose

This policy sets out the rules surrounding;

- the booking of business travel, hotels, conferences and external meeting rooms
- the submission of expense claims for other expenditure incurred by employees on Network Rail business

This policy applies across the whole of Network Rail, including templated and non templated contractors and agency staff, who have been recruited through IRecruitment. With the exception of those employees who transferred to Network Rail under TUPE (and are not now on role clarity contracts), existing allowances and expensible items will continue to apply until changed through the normal collective bargaining arrangements.

The purchasing methods prescribed in this document are mandatory for all employees, regardless of contractual terms.

Compliance with this policy is subject to audit.

The policy may not be circumvented by the use of company credit cards or other procurement routes.

The policy is designed to;

- provide fair and consistent arrangements across Network Rail for reimbursement of business expenses incurred
- minimise Tax and National Insurance exposure to the company and to individuals and reduce P11D (benefit in kind) reporting to the minimum
- ensure that the correct purchasing channels are used for specific types of expenditure
- ensure that the appropriate controls and authorisations are applied for all business travel

It also ensures compliance with;

- current HMRC and DSS requirements
- Network Rail's agreement with the train operating companies for residential and leisure travel facilities for safeguarded employees

2. Introduction

Authorising managers do not have the authority, irrespective of their budget, to override this policy except where there is a major incident and flexibility of the policy is required.

Employees are expected to be responsible in incurring expenditure and making expense claims, and to select from the permitted options in such a way as to minimise costs to the company.

Any questions on the definition of the Business Expenses and Travel Policy should be raised with the Director of Human Resources, via the appropriate Human Resources Manager. The decision of the Director of Human Resources on all matters of interpretation is final.

2.1. Definitions

Authorising manager: A senior employee with formal delegated authority to agree expenses reimbursement. (It is the responsibility of the Director or Head of Department to ensure that there is a delegated authority framework in place.)

Business expenses: Costs reasonably and properly incurred by employees in furtherance of Network Rail's business.

Business travel: Any travel undertaken on official Network Rail business or in the pursuit of business activity. It includes, but is not exclusively restricted to, travel;

- to business meetings
- for Network Rail interviews
- for medicals and other examination
- for briefings
- for attendance at functions in connection with Network Rail business
- for workplace inspections
- for courses
- for training and assessment
- when working away from normal place of work

- to attend at incidents

It does not include personal travel to and from the usual place of work.

If the overall journey originates from home rather than the usual place of work, and does not reasonably take the employee via their usual place of work, then business travel may include travel from home.

National call-off contract: A contract, implemented by Contracts & Procurement for use across all parts of the company, against which goods/services may be purchased and which is invoiced directly to Finance Shared Services where the costs incurred are reallocated to the relevant cost centres.

Normal place of work: The place where an employee usually and regularly carries out a significant proportion of his/her duty (this has specific taxation implications regarding expenses). A temporary workplace planned to last more than 24 months is treated as a normal place of work.

2.2. Notes for guidance

Where national call-off contracts are in place, they must be used.

Expense claims must be made either on line via i expenses or by submitting the appropriate claim form, with expenditure fully and properly explained.

All expenditure limits quoted are inclusive of VAT.

Where expenditure limits are specified in this policy, no reimbursement will be made above those limits.

All expenditure outside of national call-off contracts, and therefore to be claimed on expenses, must be authorised by a manager with the appropriate delegated authority.

A receipt must be submitted for every item of expenditure claimed. This should be a VAT receipt wherever possible.

Tips and gratuities other than standard service charges are not reimbursable.

Expenses associated with relocation are covered by a separate policy (refer to your HR Manager for details).

2.3. Methods of payment

National call-off contracts are in place for;

- business travel
- hotel accommodation
- conferences and external meeting rooms
- vehicle hire

Purchasing cards must only be used in accordance with the Purchasing Cards Policy, available on the Contracts and Procurement site on Connect and provided to card-holders at the time of issue. In summary, purchasing cards should not be used for acquiring products or services which;

- are covered by national call-off contracts
- form part of the Business Expenses and Travel Policy
- potentially have benefits in kind implications (see also section 5.4)

Pay and claim: Except where covered above, the Company's basic policy is that business expenses are to be paid by the employee and reclaimed as appropriate through the expenses procedure as described in this document.

3. Business travel

3.1. Overview

Network Rail will pay for all business travel and hotels through the national travel call-off contract. Expense claim and Rail Warrants must only be issued in exceptional circumstances.

In order to keep our travel impacts as low as possible, prior to arranging any meeting, consideration must be given to alternative methods in which the meeting could be conducted including, telephone, teleconference or videoconference (see section 5). If there is no suitable alternative to a face to face meeting, the following points must be considered:-

- Excessive travel may be avoided by the attendance of an alternative local representative.
- Rail must always be considered the preferred method of travel and therefore, where practicable, the timing of the meeting should be such that train travel can be used in preference to any other forms of travel.
- Air travel may be used for journeys where the equivalent rail travel journey would exceed 3 hours (each way).
- Rail travel via Sleeper should be viewed as an option to Air travel, when travelling to locations where available - i.e. London / Scotland and return – London / West Country and return.

All travel and hotel bookings, and external meeting and conference requests, must be made via team organisers using the travel booking systems as listed below.

All rail, air and hotel bookings, as well as external meeting and conference requests, must be made, without exception through the consortium of 3 appointed travel management companies with whom Network Rail has a national contract;

- Capita Business Travel for UK rail travel
- Portman Travel for air travel and international rail travel
- Hotelscene for hotels, conferences and external meeting rooms

Details of the Network Rail online self-booking systems can be found on the Travel Services page, which is in the Useful Resources section on Connect.

The policy does not require approval to be sought for travel or hotels, (this includes international travel and hotels). Reports are available from functional Management Accountants for audit and cost centre administration purposes. Conferences require budget holder approval (see section 5 on “Conferences and external meetings” below).

Access to the self-booking systems is restricted to registered users. Those wishing to gain access to make bookings must register on the Travel Services page on Connect.

3.2. Rail travel

The lowest cost fare for a given journey must be taken, and travel times and dates must be narrowed down as far as practicable when booking a train ticket, in order to contain cost.

Open tickets may only be requested in exceptional circumstances where the date/time of travel cannot be narrowed down, or where it represents the cheapest fare available for the required journey.

The rail self-booking system, Railooto, must be used to obtain all UK rail tickets for business travel.

3.2.1. Ticket on departure

In exceptional circumstances, where tickets cannot practicably be booked and printed on Railooto and provided to the traveller, tickets may be bought at the station by the traveller and the costs reclaimed in accordance with the Claims procedure detailed in section 6.5 of this document.

3.2.2. Rail warrants

Rail Warrants can only be used in the event of a serious incident or in exceptional circumstances where access to the Railooto booking tool is not available. They must not be used for any pre planned travel, e.g. training courses, meetings or to the workplace.

Rail warrant books may be obtained by faxing a Warrant Book Request Form (available on the Connect Travel Services page) to Finance Shared Services on (redacted). The form must be completed in full and signed by an authorised budget holder.

Warrants must be used in strict accordance with the Rail Warrants Procedures issued to the warrant book holder, (and available on Connect).

Warrant books must be kept secure at all times.

Use of warrants will be closely monitored and any misuse will be investigated.

3.2.3. Purchasing cards

Purchasing cards (company Barclaycards) must not be used to book rail tickets. All purchasing card expenditure is closely monitored.

3.2.4. Season tickets for business travel

Where a season ticket is the most cost effective ticket type, and it is used purely for legitimate business travel, then a Season Ticket Rail Warrant must be used. (Season Tickets cannot be booked through Railooto.)

Season tickets are purchased on condition that the employee never uses the ticket for private purposes including home to work, (with the exception of where specific arrangement has been put in place by Human Resources for home to work travel; e.g. in certain (but not all) cases of secondment).

A record of such transactions must be retained for tax audit purposes, and prior approval must be obtained from Human Resources.

Season Ticket Rail Warrants are different from normal rail warrants and may be obtained, on a case by case basis, by faxing a Warrant Book Request Form (available on the Connect Travel Services page) to Finance Shared Services on (redacted).

3.2.5. First class travel

Standard travel is to be used for all business journeys, except for Executive Leaders who may choose to travel first class.

In addition, where individuals travel with an Executive Leader or an important customer/supplier then, at the discretion of the functional director, they too may travel first class.

3.2.6. Residential and leisure travel facilities (Safeguarded employees)

Residential and leisure travel facilities apply to “Safeguarded” Employees (generally those in employment with a railway company prior to 1st April 1996).

Employees who receive Safeguarded Travel should note that it is for residential and leisure use only, and must not be used for business/duty travel. This applies to all rail travel (domestic and overseas) and underground travel.

This includes the use of Status Passes to upgrade to first class.

Under the scheme rules the use of Safeguarded Travel for business/duty travel is classed as a ‘Travel Irregularity’ and breach of these rules may result in the withdrawal of an individual’s travel facilities and/or disciplinary action and/or prosecution for ticket fraud.

3.2.7. Domestic air travel vs rail travel

Domestic air travel is permitted only where the equivalent rail travel journey would exceed 3 hours (each way) or the use of train is not practicable or adversely impacts other responsibilities of the employee.

Low Cost Carriers should be utilised where practical.

3.2.8. Eurostar and international rail travel

Eurostar and international rail connections cannot be booked via Railooto, and must be booked via the International Rail Booking Request Form on the Connect Travel Services page.

3.2.9. Required information

For all tickets purchased through Railooto or via the International Rail Booking Request Form, the cost centre and employee number of the traveller must be provided at the time

of booking. (See sections 4 and 3.9.5 on “Contractors” and “New employees” below.) The booker must ensure that the correct information is used. If an incorrect cost centre or employee number is quoted, then it is the booker’s responsibility to resolve any internal dispute with the cost centre charged. If an invalid or unrecognised cost centre or employee number is quoted, then the costs will be charged to the booker’s cost centre. For users booking travel in relation to project work fields have been made available to record “Project Code” and “Task number” however these fields are not mandatory.

3.3. Bus/Tram travel

Bus/Tram tickets cannot be purchased through the national contract for business travel

Bus/Tram journeys must be paid for by the traveller and claimed on expenses, (full details of the business reason for travel must be given).

For London bus travel, Oyster Pre-Pay represents the most cost effective means of purchasing bus tickets. See section 3.4 below.)

3.4. London underground and London buses

Where a rail journey includes travel across or through London, the London Underground element of the journey should be included in the rail ticket at the time of booking.

For London Underground travel where the journey does not form part of a wider rail journey, or for London bus travel, Oyster Pre-Pay represents the most cost effective means of purchasing tickets.

For such journeys, the traveller must purchase and top up their own Oyster Pre-Pay card, and reclaim the cost of any business journeys on expenses, (full details of the business reason for travel must be given). (See section 3.4.1 below.)

Safeguarded travel facilities must not be used for business/duty travel on London Underground. (See section 3.2.8)

3.4.1. Oyster

Oyster cards are the convenient and cost-effective way to travel around London, and can be used on tubes, buses and some suburban rail services.

Oyster cards cannot be booked through the travel system or on purchasing cards, and the cost of business journeys should be reclaimed through the expenses system as outlined below.

Oyster-paid journeys will be reimbursed for travel on Company business, in line with Network Rail's normal policy of reimbursing reasonable actual expenses at the most cost-effective rate.

Queries or issues relating to reimbursement of Oyster-paid journeys (or any other expense claims) should be referred to Human Resources.

3.4.1.1. Pre-pay

Employees who do not have a season ticket should obtain a Pre-Pay Oyster card in order to benefit from the cheaper fares for private and business journeys.

The £3 cost of the initial Oyster Card is not claimable as this is a refundable deposit.

The cost of business journeys will be reimbursed on an 'as incurred' basis.

No receipt will be required for occasional journeys, but the employee should prepare a simple claim (to be included in or attached to the expenses claim form) which describes:

- Date of journey
- Start and finish stations
- Cost
- Business reason for journey

The Oyster Card 'caps' costs at less than the cost of the relevant daily travel card; in these circumstances, the capped figure should be claimed.

Where significant sums are claimed (over £10 per period), a statement of journeys (obtainable from Oyster by calling 0845 330 9876 or visiting www.sales.oystercard.com) should be attached to the claim.

3.4.1.2. Season tickets

Employees with season tickets, where there is no extra cost for additional journeys within the authorised zones, may not claim for business journeys within the area covered by the season ticket. However, any additional costs (e.g. journeys outside the zones covered by the season ticket) are of course reimbursable on an actual cost basis, as described in 'Pre-pay' above.

3.5. Taxis

Wherever practical, employees are required to use public transport for local journeys except where a company vehicle is available.

The use of taxis will be permitted and costs reimbursed only in exceptional circumstances.

Costs properly and reasonably incurred will be reimbursed through the expenses procedure. Full details of each journey are required to be shown and receipts provided.

When travelling to Westwood training centre a rail ticket must be bought to Tile Hill Station. You can arrange for the Westwood shuttle to collect you by calling Westwood reception on (redacted).

Normal opening hours for the shuttle are as follows:

07.30 – 09.30 Monday – Friday

15.30 – 18.00 Monday – Friday

Should the shuttle service need to be used outside of the normal operating hours then Westwood reception should be contacted beforehand to see whether it is possible.

Each vehicle can carry six passengers, for larger parties please arrange in advance directly with Westwood.

PLEASE NOTE THE SHUTTLE SERVICE DOES NOT OPERATE AT THE WEEKEND.

If you are booking for anyone who may want to use the shuttle service please contact Westwood to make sure that they can accommodate your traveller.

Taxis required within Central London should be booked through a registered booker with Computer Cab. Please email travelservices@networkrail.co.uk if you wish to become a registered booker.

3.6. Cars

3.6.1. Personal-issue cars

The Company does not issue new personal issue cars to managers, and instead makes available a car allowance from which managers are expected to have available a personal car which can be used on Company business when necessary.

3.6.2. Job requirement cars

Job requirement cars are provided to certain employees because the nature of their job requires regular access to a road vehicle. Currently a job requirement car may be issued to an employee who is likely to be required to travel more than 10,000 business miles in the relevant tax year.

The company expects employees issued with a job requirement car to use it for all normal business travel. Where it is not practical to do so, e.g. because of journey duration, an alternative mode of travel may be used but only with the authority of an authorising manager who is expected to consider the nature, cost and circumstances of that business travel.

If job requirement cars or vans are provided to individuals and these are available for personal use, there is likely to be a personal tax implication. Users of such vehicles are required to record details of personal use of the vehicles (see page 20 of the Drivers' Handbook) and reimburse personal mileage.

3.6.3. Pool cars

The company has a number of pool cars available for business use in strategic locations. Managers authorising travel should maximise the use of these vehicles when available as a cost effective alternative to other modes of travel.

Use of these cars is strictly for business journeys only. They should not be used by one employee exclusively. They should not be taken home unless one of the following criteria is met: -

- The vehicle is required for a business journey the following morning where road transport is the most appropriate method of travel. No one individual may use a vehicle in this manner on more than 40% of his or her working days.

- The user is rostered on call. If this is the case, on call rosters should be retained to validate log sheet entries in the event of an audit.

For each vehicle there is an additional restriction regardless of the number of drivers;

- The vehicle should be kept at work overnight for at least 40% of the total year.

All users are responsible for completing the vehicle logbook with full details of each journey made (see page 20 of the Drivers' Handbook). Failure to do so, or failure to comply with the above, may result in a tax liability against the user.

3.6.4. Company Vans

These should be used in accordance with the Drivers' Handbook. Personal use is prohibited except for home to work when specifically authorised.

3.6.5. Car hire

UK car hire should be arranged through Network Rail's Vehicle Hire service on Connect (in the Useful Resources section), and not via the appointed travel management companies.

International car hire in conjunction with a flight or Eurostar journey can be arranged via Portman Travel.

In all circumstances, the use of hire cars requires the agreement of an authorising manager with the appropriate delegated authority.

Employees must hold the appropriate driving licence for the type of vehicle requested.

3.6.6. Personally owned cars

For some journeys, the most cost-effective method of travel will be the use of the individual's private car. In determining whether this is the case, authorising managers should take into account the cost of mileage reimbursement compared to the cost and ease of other means of transport.

The car must have a current MOT if more than 3 years old and must be roadworthy. It must also be covered by an insurance policy authorising business use. The cost of providing this insurance extension will not be borne by Network Rail as the mileage allowance includes an element to cover insurance.

Employees using private vehicles on company business must be aware that damage to their own vehicle, contents or to a third party will not be paid for by Network Rail.

Network Rail conforms to the HMRC Approved Mileage Allowance Payments Scheme for motor vehicles, which provides tax-free allowances for business travel. The allowances vary with the business mileage covered in each tax year. At present, they are currently 45p per mile for the first 10,000 miles then 25p per mile thereafter. Mileage claims should be exact and never rounded upwards.

3.6.7. Fuel

If employees using a company car do not have a fuel card and claim for business mileage they should claim at the pence per mile rates below;

Rate Applicable for fuel costs incurred wef 1 April 2012

Engine size (cc)	Petrol	LPG
1400 or less	15p	10p
1401 to 2000	18p	12p
Over 2000	26p	18p

Engine size (cc)	Diesel
1600 or less	13p
1601 to 2000	15p
Over 2000	19p

The same rates can be used for employees who need to reimburse the company in respect of fuel for private mileage undertaken in their company car, for example when a fuel card is provided.

Where employees are required to make good the cost of all fuel for private motoring, this must be done on a monthly basis, with forms completed and submitted to the Payroll team as soon as possible after the end of the calendar month. In order to satisfy HM Revenue & Customs requirements, forms covering the end of the tax year from the 1st to the 5th of April must be completed and submitted as soon as possible after 5th April. April is the only exception to the requirement to account for private mileage on the basis of a calendar month.

Private motoring includes “Ordinary Commuting” between an employee’s home and his/her Network Rail base location, including when rostered on call.

These rates are also applicable in the limited circumstances where employees have fuel cards but no company cars, and are required to reimburse the company in respect of fuel for private mileage undertaken in their personally owned cars, where those fuel costs are initially paid for using company fuel cards.

3.6.8. Congestion charges

The company will reimburse congestion charges where these are incurred in the course of a duty journey, but do not cover any fines incurred due to non payment (see 3.6.9). Where receipts cannot be obtained, full details of the journey undertaken and reason for the journey must be provided.

3.6.9. Traffic Offences

To ensure prompt payment of fines local Finance teams will initially settle all civil traffic offence fines (e.g. parking and congestion) for any cars where there is not one principal driver (e.g. a pool car). However employees will be required to reimburse in full, any costs incurred as a result of a driving related offence, including parking and non-payment of congestion charging fees.

In the case of criminal offences (e.g. speeding fines) the name and address of the driver will be provided to the relevant authority and the driver will be contacted directly by that authority.

It is the driver’s responsibility for upholding the laws of the road and the Highway Code. Network Rail will bear no responsibility for driver related traffic offences and will not act on the driver’s behalf where a prosecution occurs.

3.6.10. Road Toll charges

The company will reimburse road toll charges where these are incurred as a result of a duty journey. Where receipts cannot be obtained full details of the journey undertaken and reason for journey must be provided.

3.6.11. Car Parking charges

The company will reimburse car parking charges where these are incurred as a result of a duty journey.

3.7. UK air travel

The online air booking system, GetThere, must be used in preference over telephone bookings.

UK air travel should be used where it represents the most cost effective option compared to the relevant train fare, when taking into account the total cost of the journey (including taxi fares etc).

Low cost carriers should be utilised where practical.

Electronic tickets (e-tickets) must be used where offered, as paper tickets may incur a surcharge from the airline.

3.7.1. Business class travel

Economy class travel is to be used for all business journeys, except Executive Leaders who may choose to travel business class.

In addition, where individuals travel with an Executive Leader or an important customer/supplier then, at the discretion of the functional director, they too may travel business class.

3.7.2. Required information

The cost centre and employee number of the traveller must be provided at the time of booking. (See sections 3.10 and 3.11 on “Contractors” and “New Employees” below.) The booker must ensure that the correct information is used. If an incorrect cost centre or employee number is quoted, then it is the booker’s responsibility to resolve any internal dispute with the cost centre charged. If an invalid or unrecognised cost centre or employee number is quoted, then the costs will be charged to the booker’s cost centre. For users booking travel in relation to project work fields have been made available to record “Project Code” and “Task number” however these fields are not mandatory.

3.8. International air travel

The air self-booking system, Get There, must be used for all short haul international flight bookings.

Long haul flights should be booked via the Offline Air Booking Request Form (on the Connect Travel Services page), rather than through Get There, as Portman Travel may be able to obtain even better long haul deals than are available online.

Low cost carriers should be utilised where practical.

Electronic tickets (e-tickets) must be used where offered, as paper tickets may incur a surcharge from the airline.

3.8.1. Business class travel

Economy class travel is to be used for all business journeys where flight duration is less than five hours, except for Executive Leaders who may choose to travel business class.

In addition, where individuals travel with an Executive Leader or an important customer/supplier then, at the discretion of the functional director, they too may travel business class.

If the flight duration exceeds five hours, business class is permitted.

3.8.2. Foreign currency

Currency and travellers cheques required for any overseas journey are to be purchased directly by the employee and appropriate costs recovered through the expenses procedure.

Employees reclaiming costs for credit card transactions must provide supporting evidence of the exchange rate at date of purchase. In the event that this is not possible the exchange rate taken from www.travelex.co.uk will be used.

3.8.3. Required information

The cost centre and employee number of the traveller must be provided at the time of booking. (See sections 3.9.5 on “New Employees” and 4 on “Contractors” and below.)

The booker must ensure that the correct information is used. If an incorrect cost centre or employee number is quoted, then it is the booker’s responsibility to resolve any internal dispute with the cost centre charged. If an invalid or unrecognised cost centre or employee number is quoted, then the costs will be charged to the booker’s cost centre.

For users booking travel in relation to project work fields have been made available to record “Project Code” and “Task number” however these fields are not mandatory.

3.9. Hotel and B&B accommodation

All hotel bookings must be made through Hotelscene. The online hotel self booking system, My Stay, must be used in preference over telephone bookings.

3.9.1. Preferred hotels

Network Rail has a list of Preferred Hotels in the UK, at which preferential rates have been negotiated. These hotels must be booked whenever possible unless a cheaper alternative can be found.

3.9.2. Accommodation limits

If no preferred hotel is available or appropriately located, an alternative hotel may be booked, but the following maximum rate limits apply (per person per night, including VAT):

	B&B	B&B & Dinner
London (and certain surrounding satellite towns)	£130	£155
Major cities (e.g. Glasgow, Birmingham, Manchester, Bristol, Leeds, York)	£90	£115
Smaller cities and certain large towns	£80	£100
Other locations	£65	£90

Hotelscene will automatically book B&B unless advised otherwise

The maximum rate limits are set in the hotel self-booking system, and Hotelscene has been instructed to adhere to them wherever possible. If it is necessary to exceed these limits, a justification will be required at the time of booking.

3.9.3. Meals in hotels

Where evening meal is required in the hotel, an inclusive rate must be booked if available (e.g. Dinner Bed & Breakfast).

If a dinner-inclusive rate was not available at the time of booking, and the guest requires an evening meal in the hotel, then the guest may instruct the hotel to add the cost of the meal (to include food, room service charge if applicable, and soft drinks only - no alcoholic drinks), up to a maximum of £30 per night, onto the final account. Hotelscene will not accept additional evening meal charges in excess of this limit. Any evening meal costs over and above this limit must be paid by the guest.

3.9.4. Personal incidental costs

All other incidental hotel costs outside of accommodation and meal costs (e.g. newspapers, movies, etc), subject to a maximum of £5 per night must not be added to the final account, and must be paid by the guest.

If appropriate, certain costs may be reclaimed in accordance with section 6.1 of this policy ("Daily subsistence and out-of-pocket expenses").

VAT must be specified on any invoice or receipt provided by the hotel.

3.9.5. New employees

If you want to make a booking for an employee but do not have a valid employee number please contact HR Shared Services on 0161 880 1100 (085 51100).

4. Contractors & Agency Staff

The processes and procedures as detailed within this policy document applies without exception to templated and non templated contractors and agency staff, who have been recruited through IRecruitment.

All travel, hotel bookings, external meeting and conference requests, must be made without exception via team organisers, using the travel booking systems (see section 5).

The Company will under no circumstances reimburse travel costs from home to/from a designated normal place of work.

Network Rail does not reimburse any payments associated with car parking, congestion charges or toll charges in respect of travel from home to/from an employee's normal place of work.

Network Rail forms must be used to provide a detailed explanation of each claim, together with a business reason. Full supporting documentation should be retained, and made available on demand.

5. Conferences and external meetings

5.1 Internal meeting rooms

Meeting rooms should be booked wherever possible at a Network Rail location, including:

- Any Network Rail offices other than your immediate location
- Westwood leadership development centre (based in Coventry)
- Any Network Rail managed station
- Network Rail maintenance and safety training centres(Larbert, Paddock Wood, Bristol)
- Network Rail signalling training centres (Watford and Leeds)

Please note that any Network Rail employee can book a meeting room at another Network Rail location if there is no space in your usual place of work.

To help you locate an appropriate meeting room near you, [please click here for a spreadsheet of meeting rooms, training centres & managed stations](#) throughout Network Rail. You can search by a number of criteria, including large meeting rooms, location, or facilities available.

Every room has a booking owner, email address and phone number for you to contact to check availability and book the room. Where a room is booked in an office or training centre that is not the requestors usual place of work, the building reception (usually the main contact) will need to be informed of the names of any attendees. A temporary pass will be issued to all meeting attendees.

If for any reason a room booking needs to be cancelled, it is the responsibility of the room requestor to cancel the booking as soon as possible. If no meeting attendees have arrived within 15 minutes of the scheduled start time, the room will become available again.

5.2 External meeting rooms

If there are no suitable Network Rail meeting rooms or training centres available for a meeting, you must also consider holding the meeting at the office of a third party (such as a train operator, stakeholder etc) if it is appropriate to do so.

If all other options have proved unworkable, then external meeting rooms can be booked through Hotelscene. As the room booker, it is your responsibility to demonstrate that you have exhausted all Network Rail locations before booking a room through Hotelscene.

It is the company policy that all external meeting rooms and venue hire for conferences must be booked through Hotelscene, by completing the external venue hire request form. It is not acceptable to book venues via purchasing card, i-procurement or via expenses. The booking of meeting rooms will be audited on a monthly basis by a functional director.

NB if you plan to hold a conference whether it is with an internal (and/or) external audience, then approval must be sought in principle from Government & Corporate Affairs via conference@networkrail.co.uk. See conference section 5.3 below.

5.2.1 Confirmation and authorisation

The Conference Authorisation Form (which is provided by Hotelscene during the booking process) acts as both the booking confirmation and the authority to incur expenditure, and must be signed by the budget holder and returned to Hotelscene by fax. This replaces the need to pay on a purchasing card or a purchase order.

Once the booking has been confirmed and authorised, the conference venue will send a Conference Agreement to the booker (via Hotelscene, who will highlight the important sections). The booker must familiarise themselves with the terms of this agreement, obtain the budget holder's signature, and return it to Hotelscene.

5.2.2 Payment

Costs will be settled by Hotelscene and invoiced back to Finance Shared Services who will reallocate to cost centres.

Conferences should not be paid directly to the venue. There should be no need to use purchasing cards or purchase orders.

5.2.3 Required information

The cost centre must be provided at the time of booking. The booker must ensure that the correct information is used. If an incorrect cost centre is quoted, then it is the booker's responsibility to resolve any internal dispute with the cost centre charged. If an invalid or unrecognised cost centre is quoted, then the costs will be charged to the booker's cost centre. For users booking travel in relation to project work fields have been made available to record "Project Code" and "Task number" however these fields are not mandatory.

5.3 Conferences

5.3.1. Using an external venue to organise a Network Rail led external (and/or) internal conference

If you plan to hold a conference whether it is with an internal (and/or) external audience then approval must be sought in the first instance from the public affairs team before venue hire and other expenditure is incurred. Please complete the conference approval form on Connect and email to conferences@networkrail.co.uk. This rule also applies to 3rd party conference requests.

5.3.2. Speaking at, presenting or attending an external/internal conference

In addition all speaker, presentation and attendance opportunities must also be approved by the public affairs team and your line manager before agreement to undertake the activity is made and expenditure is incurred. Please complete the external conference approval form on Connect and email to conferences@networkrail.co.uk

5.3.3. Sponsorship of a conference

Turn the request down. In principle Network Rail does not sponsor any conferences. If you feel there is an exceptional case for sponsoring a certain event contact the public affairs team at conferences@networkrail.co.uk. Never agree to sponsor events before you have received approval from the public affairs team and your budget holder.

5.3.4. Conferences abroad

Attendance at any conference or seminar that is held abroad needs to be approved and signed off by a member of the Executive Committee (Peter Henderson, Patrick Butcher, Paul Plummer, Robin Gisby, Simon Kirby).

5.3.5. Q12 planning / team engagement days (team build and away days)

These activities should take place at a Network Rail corporate office, at Westwood, or at a Network Rail training centre. These days need to be planned in advance in order to ensure that an appropriate meeting room is available at a Network Rail site (see above sections 5.1). Additionally activities such as paint-balling, cooking courses, out door pursuits etc are against company policy and must not be booked under any circumstances, Hotelscene have also been instructed to decline requests of this nature.

5.3.6. Awards ceremonies

You must not book tables for awards ceremonies via Hotelscene or via any other method. All requests to enter and attend awards ceremonies must be sent using the awards approval form on Connect to awards@networkrail.co.uk. Please [click here](#) to go to the Awards Policy page.

5.4. Residential training courses/continual personal development

The sponsor of any course is responsible for ensuring expenditure is reasonable, good value for money, and in accordance with the principles of this policy.

The sponsor must ensure that participants are informed of which charges will be met by the sponsor and which are personal.

Hotelscene should be used to arrange hotel accommodation etc, in accordance with the sections 3.9 on "Hotel accommodation".

6. Business expenses

6.1. Daily subsistence and out-of-pocket expenses

Subsistence in the context of this policy means food, refreshments and incidental expenses when working away from the normal place of work, which are properly and reasonably incurred on Network Rail's business and which are not covered as part of a booking (eg hotel) made under a national contract.

Observance of the limits set out below will ensure that individuals do not incur a personal tax liability on reimbursement. These limits will be reviewed regularly.

Where subsidised canteen or restaurant facilities are available these should be considered as an alternative to using external outlets.

6.1.1. Breakfast

Where an employee is working at least five miles away from their normal place of work for at least five hours, the cost of breakfast will be reimbursed free of tax provided it was not practical to have breakfast before leaving home. Practical for this purpose means before 06.00 hours.

In all cases reimbursement is subject to a limit of £7.50.

Breakfast costs may also be reimbursed following an overnight sleeper journey.

6.1.2. Lunch

When an employee is working at least five miles from their normal place of work for a minimum of five hours, the reasonable cost of lunch, up to a maximum of £10, will be reimbursed free of tax if lunch is not provided at the temporary place of work.

6.1.3. Meals at meetings

All meals at meetings must be capped at a maximum £5 per person.

For corporate offices, where corporate caterer present, to be procured via the corporate caterer using the e-catalogue for working lunches.

For other locations, where separate arrangements apply, all catering requirements in respect of a Team Lunch for working meetings must be procured via a company purchasing card, completing the request form, which is available on the How do I buy guide on connect.

A Director must approve Team Lunches where all team members are based on-site,

6.1.4. Evening meals

Where an employee is working at least five miles away from their normal place of work and will not reach home before 21.00 hours, the cost of an evening meal not exceeding £25 will be reimbursed. To avoid tax implications on the individual, the meal must also be taken at least five miles from the normal place of work or five miles from home.

If taken in a hotel where the employee is staying overnight, the evening meal up to a maximum of £30 should be added to the hotel bill rather than claimed on expenses, (see also section 3.9.3 on “Meals in hotels”).

6.1.5. Personal Incidental costs

Personal out-of-pocket expenses incurred when away from home overnight on business, such as a telephone call, newspaper, refreshments or other reasonable expenditure will be reimbursed subject to a maximum of £5 per night. Receipts are to be provided for all such expenditure. Such reimbursements will be free of tax.

6.1.6. Accommodation/subsistence – Relatives/Friends

When working away from home temporarily, and with the prior approval of their line manager, an employee may opt to stay with friends or relations rather than in a hotel. In these circumstances, the employee may claim for receipted expenses for a meal, flowers, or other appropriate gift up to a value of £25. A receipt for this cost must be provided and full explanation must be given as to the business reason why accommodation was required.

6.1.7. Scale allowances

Scale expenses apply to certain employees. The amounts which may be claimed are detailed in the relevant circular, which is available from Local HR Managers.

6.2. Other reimbursable expenses

6.2.1. Professional functions

Expenses incurred in paying to attend functions of professional institutions and other such business functions will be reimbursed free of tax only where the attendance is in an official capacity and is authorised in advance by a Director and where reasonable.

This does not include the hire or purchase of dinner dress.

6.2.2. Professional subscriptions/Membership

One professional subscription per annum may be reimbursed free of tax for an employee where membership is agreed to be relevant to their post or their personal development. A second subscription may be reimbursed in exceptional circumstances where it is a specific requirement of the job and approved by a Director. Joining and registration fees are not reimbursable.

Charitable/political donations etc will not be made.

6.2.3. Telecoms - Business calls

The original itemised telephone bill (home phone or personal mobile) must be presented in support of an expenses claim for business calls made from home. This applies for Supervisors on call, those whose base location is home, and those employees who are authorised to work from home by their line manager and who do not have access to a company mobile phone. All business calls must be highlighted and the original bill will be retained by Network Rail.

Any reimbursement of rental charges for those on call and where specifically authorised will be taxable, but itemised calls are treated as non-taxable.

Reimbursement for phone cards will not be made.

6.2.4. Mobile telephones

6.2.4.1. Company Issue

The company's appointed agent will issue only standard model telephones. There will be no reimbursement for mobile phones purchased outside of this system. Where a mobile phone has been issued, costs of all private calls will be reimbursed by the individual. This is normally achieved through payroll deduction.

The Company's policy on Company Mobile phones can be found on Connect.

6.2.4.2 Personal Mobile Phone

Reimbursement will be made for business calls made on employees' own mobile phones. An original itemised bill must be presented with the relevant calls highlighted. If high usage develops a company mobile may be issued.

6.2.5. Staff Rewards, gifts & welfare

Managers wishing to reward employees must not purchase vouchers or gifts. Recognition for reward must be discussed with HR Business Partner.

The purchase of flowers (employee welfare/maternity) etc is permitted up to a value of £40.

6.3. Entertainment

6.3.1. Business Entertaining

There should be a clear business objective behind the reason to entertain. Full details of those present, their employers and the purpose of the entertainment are to be provided by the claimant to establish a claim, otherwise the claim will be rejected. A 'Hospitality Request form' needs to be completed by all employees offering or receiving corporate hospitality (see the Business Conduct Policy for more details).

Entertainment arises when one or more of those present is not employed by Network Rail. The number of Network Rail employees should normally not exceed the number of guests and should be strictly limited to essential personnel only.

Entertainment must be commensurate with business circumstances. VAT incurred on business entertaining is not recoverable.

6.3.2. Staff Entertainment

Entertainment of Network Rail employees by other Network Rail employees is not a reimbursable business expense other than in exceptional circumstances, such as a retirement presentation. In all such cases, entertaining of Network Rail employees requires the specific approval of a Director and will result in a tax liability on individual participants. Full details of those present and the purpose of the entertainment must be provided by the claimant to establish a claim, otherwise the claim will be rejected.

Team Development/Building does not fall within this category and any such claims will be rejected. Please refer to section 5.3.5.

6.3.3. Long Service & Retirement Presentations

In all such cases, entertaining of Network Rail employees requires the specific approval of a Director and will result in a tax liability on individual participants. Full details of those present and the purpose of the entertainment must be provided by the claimant to establish a claim, otherwise the claim will be rejected.

6.4. P.A.Y.E. settlement

A number of categories of expenditure will be taxed on the employee and reported on P11D. Others may attract a liability on the company to make PAYE contributions through an annual settlement declaration.

It is very important that expenses in these categories are recorded correctly. These include:

- Gifts to employees costing more than £15 are taxable (gifts for an act of gallantry are tax free).
- Gifts of flowers (employee welfare) etc, to the extent that they exceed £40 per incident per individual, are taxable.
- Employees entertaining is taxable unless it is at an exhibition or product launch for business purposes or an occasion to entertain customers.
- Meals at meetings held on Network Rail premises are tax free, except where they cost more than £5 per head in which case they are taxable.

- Long service/retirement parties are taxable.
- Relocation costs over £8,000 of receipted expenditure are taxable.
- Long service awards are taxable unless the employee has exceeded 20 years service.
- Travel expenses home to work for secondments expected to last over 24 months are taxable.
- Travel expenses for injured employees are taxable.
- Vouchers and awards events are taxable (including “you make a difference”).

If these items pass through the expenses system, they will be recorded for the PAYE Settlement by the team processing expenses. If, however, they are paid for by an invoice or by use of a purchasing card, the person requesting the expenditure is required to maintain full details of any such expenditure. The cost centre, the name of the claimant, the amount claimed and a full description of the expense and reason for the expenditure is needed.

6.5. Claims procedure

Expense claims must only be made for expenses necessarily and reasonably incurred in the furtherance of Network Rail business. The business reason for incurring the expenditure must always be stated

Claimants and those authorising claims are reminded that Network Rail’s Alcohol and Drugs Policy precludes the consumption of alcohol whilst on duty. Falsification of an expenses claim is a disciplinary offence and will normally lead to dismissal.

Employees must ensure that they use the correct process for claiming expenses. Every claim must be clearly documented and supported by the relevant proof of purchase.

6.5.1. Instructions to authorising managers

Authorising managers must be fully aware that their approval warrants that

- the expenditure received approval from the budget holder for the cost centre being charged, before it was incurred.

- The claim complies with the policy or there are exceptional circumstances which justify non compliance. Any justified non compliant claims, that are deemed to be exceptional circumstances by the authorising manager, will be escalated to the next level of authority (B1 or above) for final approval.
- the expenditure was incurred on Network Rail business and was necessary to perform the claimant's duties, and that the business purpose is clearly stated and accurately described in sufficient detail to establish the tax treatment
- the expenditure represents value for money and that the claimant took steps to ensure this
- the claim is fully supported by original documentation (copies are not acceptable)
- the claim is arithmetically correct

No individual may authorise their own claim, or the claim of a higher-level employee or where they have personally benefited under a claim.

6.5.2. Instructions to claimants

Individual claimants are responsible for providing the correct documentation and a full explanation to support each expense claim. Failure to do so will result in the expense claim being rejected by the authorising manager or Finance SS with potential delays in reimbursement and, in some instances, refusal to pay.

The claim will be treated for tax and National Insurance purposes as appropriate in line with current legislation.

A deliberate misrepresentation of the nature of business purpose to achieve a favourable tax outcome, even if the expenditure represents bona fide business expenditure, constitutes falsification of an expense claim.

The instructions and monetary limits detailed within this and other supporting documents are to be strictly followed without variation.

Expenditure improperly or falsely claimed will result in disciplinary action. Where expenditure is subsequently found to have been improperly claimed, appropriate disciplinary action will take place. The company will recover overpayments from pay.

6.5.3. Claims

6.5.3.1 i-expenses (expenses claimed on line)

Employees must follow the guidelines and use the correct expenses category codes. Expenditure improperly or falsely claimed will result in disciplinary action. Where expenditure is subsequently found to have been improperly claimed, appropriate disciplinary action will take place. The company will recover overpayments from pay.

6.5.3.2 Non i-expenses Claims (expenses claimed using paper based form)

An original of the appropriate claim form must be used and the guidance notes followed thereon. Employees must follow the guidelines and use the correct expenses category codes. Faxed claims will not be accepted.

The individual column totals and grand total are to be arithmetically correct.

Correction fluid is not to be used. Any errors must be visibly amended, signed and countersigned by the authorising signatory. Any unused lines on the claim form must be ruled through.

Expenditure improperly or falsely claimed will result in disciplinary action. Where expenditure is subsequently found to have been improperly claimed, appropriate disciplinary action will take place. The company will recover overpayments from pay.

6.5.4. Payment

i-expense claims: Payments will be made weekly directly to an employee's bank account.

Non i-expense claims: Payments will be made 4 weekly. Claimants should familiarise themselves with the deadlines.

Payment by any other method will not be made in any circumstances.

It is the individual's responsibility to ensure that expenses are claimed in a timely manner and certainly no later than the period following the date they were incurred.

Claimants should keep copies of all expense claims for personal taxation reasons.

7. i-expenses categories

There are a number of categories of expenses that appear within i expenses all of which are out of policy, and for which you should use the standard purchasing process unless specifically authorised by your local HR Manager. These categories are:

Sundry – Office/Depot supplies

Sundry – Materials and equipment

Sundry – Other

Books/Journals for work purposes

8. Other sources of information

Other relevant documents which relate to this policy include:

- Network Rail Employee Handbook (on Connect)
- Personal Delegated Authorities (refer to line manager)
- Network Rail VAT Guide (refer to Group Tax)
- Claim for Expenses Form (on Connect)
- Meal, Lodging and Associated Allowances Circulars (refer to local HR Manager)
- Business Code of Conduct (on Connect)
- Purchasing Card Policy (on Connect)
- The Network Rail Drivers' Handbook (provided to all company drivers)
- Mobile Phone Policy (on Connect)
- i expenses support model

9. Appendix A

Business Expenses & Travel Policy April 2012 Updates

Below are the summaries of changes that have been made to the Business Expenses Policy for April 2012. The policy applies to templated and non templated contractors and agency staff who have been recruited through i-recruitment.

Section	Current	Amendment
3.6.7	Fuel rates 1 April 2012	Updated fuel rates effective from 1 April 2012 . Diesel rates for 1600cc or less changed to 13p and Over 2000cc changed to 19p