

27 June 2017

Wellington House
133-155 Waterloo Road
London SE1 8UG

T: 020 3747 0000
E: nhsi.enquiries@nhs.net
W: improvement.nhs.uk

By email

Dear [REDACTED]

Request under the Freedom of Information Act 2000 (the “FOI Act”)

I refer to your email of **1 June 2017** in which you requested information under the FOI Act from the NHS Trust Development Authority (TDA).

Your request

You made the following request:

“Can you please provide me with an electronic or hard copy of the Trust Development Authority guidance on NED Expenses which was until recently available at this url:

<http://www.ntda.nhs.uk/wp-content/uploads/2013/04/20170315-Expenses-NEDInfoSheet-updated-150317.pdf>

The guidance refers to Non Executive Director Expenses information and the earlier TDA guidance on the HMRCs “Special Arrangements” for Trusts on taxation of NED home to base mileage expenses.”

Decision

NHS Improvement holds the information you have requested and has decided to release the information it holds.

Please see the information attached to this decision letter. Please note that this information will soon be made available on the NHS Improvement website.

Review rights

If you consider that your request for information has not been properly handled or if you are otherwise dissatisfied with the outcome of your request, you can try to resolve this informally with the person who dealt with your request. If you remain dissatisfied, you may seek an internal review within NHS Improvement of the issue or the decision. A senior member of NHS Improvement's staff, who has not previously been involved with your request, will undertake that review.

If you are dissatisfied with the outcome of any internal review, you may complain to the Information Commissioner for a decision on whether your request for information has been dealt with in accordance with the FOI Act.

A request for an internal review should be submitted in writing to FOI Request Reviews, NHS Improvement, Wellington House, 133-155 Waterloo Road, London SE1 8UG or by email to nhsi.foi@nhs.net.

Publication

Please note that this letter and the attached information will shortly be published on our website. This is because information disclosed in accordance with the FOI Act is disclosed to the public at large. We will, of course, remove your personal information (e.g. your name and contact details) from the version of the letter published on our website to protect your personal information from general disclosure.

Yours sincerely,

Ness Clarke

Senior non-executive development manager

Non-executive Information Sheet

Expenses

This information sheet has been prepared for NHS Trust chairs and non-executives 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. It has been agreed that from 1 December 2013 the rates of expenses and subsistence payable to chairs and non-executive directors of NHS trusts will mirror the rates set under Agenda for Change (AfC) and will be amended automatically as and when the rates under Agenda for Change are amended.
- c. When claiming expenses, chairs and non-executives are required to certify that:
 - Travelling expenses were actually incurred on NHS business and
 - Subsistence expenses were necessarily incurred and that the periods of absence and details of meals taken were specified in the claim.
- d. There is no local discretion to pay at rates other than those detailed below.
- e. All claims must be made via the local payroll system using local claim forms.
- f. 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

- Chair and non-executives are entitled to receive payment of 'home to office' expenses.
- 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. More information on this is available from the [HMRC website](#).

b. Mileage rates

Type of vehicle	P per mile	Up to	Then p per mile
Car (all fuel types)	56p	3,500 miles pa	20p
Motor cycle	28p	-	-
Pedal cycle	20p	-	-
Passenger	5p	-	-
Reserve rate	28p	-	-
Carrying heavy or bulky equipment	3p	-	-

c. Public Transport

- 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.
- In addition, the cost of any seat reservation, storage of luggage and sleeping accommodation on any overnight journey will be met.
- 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.
- 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.

Subsistence

a. Day subsistence

- The following allowances are payable to chairs and non-executives if they have been away from home on NHS business for more than 5 hours, except where appropriate meals and refreshments were provided:

Period of absence	Rate payable
Lunch allowance (more than 5 hours away from base including	£5
Evening meal allowance (more than 10 hours away from base and	£15

b. Overnight absence

- 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
Meal allowance per 24 hour	£20
Night allowances in non-commercial accommodation per 24 hour	£25
Incidental expenses per 24 hour period	£4.20

- 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.

3 Carer expenses

- 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.
- The inland revenue deem payments made under these arrangement as a taxable benefit and will require tax to be deducted at source.

4 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 reimbursed 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.

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 of 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. Is it possible for me to receive an annual payment from which I could meet such expenses?

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. On no account should this include the provision of alcohol.

Q What is the tax liability on mileage expenses?

A The Inland Revenue will continue to tax anything over 45p per mile for the first 10,000 miles.

- Q** Under the (AfC) arrangements a potential issue has been identified for those who are required to use a car to travel more than 5,200 miles a year on NHS trust business. This relates to the threshold for moving to the reduced mileage rate which is currently set at 7,500 miles. The threshold for (AfC) is set at 3,500 miles. Ministers have therefore agreed that if the (AfC) arrangements would leave chairs financially worse off, they can elect to remain on the old arrangements for the remainder of their current term of office. Is this option also available to non-executive directors?
- A** We would not expect non-executive directors would travel more than the 5200 business miles needed to make the old arrangement more advantageous. For the rare occasions where it is, however, it would not be fair for them to be disadvantaged by the new rates and thresholds. Therefore we are content to extend the transition arrangements to include non-executive directors.