Engineering UTC
Northern
Lincolnshire

Expenses Policy

May 2026

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Approved by the Engineering UTC Northern Lincolnshire Board May 2026

Document control table

Document title:	Expenses Policy
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Acknowledgement	
Version number:	3 September 2020
Date approved:	Approved May 2026
Approved by:	UTC Board
Date of review:	May 2028

Document History

Version	Date	Author	Note of revisions
V2	February 2018	Marc Doyle	
V3	May 2026	Jo Wilby	Amendment to mileage rate per HMRC

1.0 General Introduction

1.1 As a guiding principle, Engineering UTC Northern Lincolnshire would not want any employee to be subsidising their own employment by having to pay additional expenses to enable them to fulfil their employment requirements. This policy sets the rates and means by which such expenses should be paid to all employees (except where otherwise specified).

1.2 Because payments under this scheme will vary according to the claims submitted, which in turn is dependent on the different projects/assignments a member of staff is asked to undertake, amounts paid will be variable and cannot be regarded as part of an employee's consolidated pay. Normal tax arrangements as determined by HMRC shall apply and the college shall adhere to these arrangements.

1.3 This policy relates to all college employees and, where applicable, Governing Body members travelling on official college business.

1.4 The college will reimburse all reasonable expenses incurred wholly, exclusively and necessarily for business purposes. Consideration should be given to whether travel is necessary or whether the business need could be met some other way.

1.5 All employees are responsible for ensuring that they achieve the best value for money for the college when booking or claiming any expenses. The rates quoted in this policy are maximum rates and where cheaper rates are available then these should be taken in all cases.

1.6 This policy will be the responsibility of the Principal who in turn will delegate its application to the Business Manager.

1.7 This policy includes the requirements of the HMRC and elements of best financial practice procedures. It will be subject to annual review by the Governing Body and will be updated following each annual review.

2.0 Process for Making a Claim

2.1 VAT receipts must support all claims.

2.2 Claims must be made within 3 months of the end of the month that the expense is incurred but should normally be made monthly. Claims will only be accepted via the claim form, which will be made available via the Business Manager.

2.3 Claims for periods more than 3 months in arrears will not be paid without the approval of the Principal, who reserves the right to refuse any claims from staff who have previously submitted claims outside the 3-month limit.

2.4 Incomplete, incorrect or claims that do not comply with this policy will be returned to the claimant. An explanation as to why it cannot be processed will be included.

2.5 Staff who claim expenses that are not in accordance with the policy and not wholly and exclusively for business purposes may be deemed to have committed gross misconduct. These will be referred to the authoriser in the first instance and the Business Manager for individual review.

3.0 Definitions

3.1 Ordinary commuting is defined as travel between the employee's home and a permanent workplace.

3.2 Private travel is defined as travel between two places neither of which is a workplace (for example multiple homes of one employee).

3.3 An employee's permanent workplace is a place which the employee attends in the performance of the duties of the employment and is not a temporary workplace.

3.4 An employee's temporary workplace is a place which the employee attends in the performance of the duties of the employment either:

- For the purpose of performing a task of limited duration, or
- For some other temporary purpose.

A workplace cannot be temporary if it is attended as part of a period of continuous work at that workplace which lasts for more than 24 months or if it is attended for the entire period of the employment. If the period of attendance at the workplace is for more than 24 months, HMRC will also have regard to the proportion of time spent working at that workplace and if this is more than 40% of the employee's working time, the workplace will generally not be treated as temporary.

In broad terms, the HMRC definitions of permanent and temporary workplaces assume that no more than 40% of an individual's time is spent at another organisation. Should this threshold be breached, the permanent place of work may change. HMRC will look at a number of factors, and the position would need to be considered on an individual basis. It is a requirement that individuals who are involved at various organisations monitor their days spent at each site and regularly check that the 40% threshold is not breached with guidance from the Business Manager if necessary.

3.5 An employee will only have one permanent workplace. In general, an employee's permanent workplace will be obvious: it will be their college base. For staff working across organisations, HMRC's assessment of the permanent base will depend on several factors including the proportion of time spent at each organisation, an employee's "main office" and the employee's administrative base. The assessment for these individuals will be carried out by the Principal (or by the Governing Body in the case of the Principal), based on HMRC guidance.

3.6 Individuals who are involved at multiple sites should monitor their days at each site. If there is any uncertainty as to an employee's permanent base they should seek confirmation from the Business Manager.

3.7 Should an employee's permanent workplace be changed by the employer part way through their contract of employment, then the employee will be entitled to claim travel and subsistence based on their previous permanent workplace for a period of 2 years from the date of the change of their workplace.

4.0 Travel Expenses

4.1 For tax and National Insurance ("NIC") purposes, employees are entitled to relief for the full cost of expenses they are obliged to incur in travelling in the performance of their duties or travelling to or from a place they have to attend in the performance of their duties as long as the journey is not ordinary commuting or private travel (see definitions above). Travel expenses will be processed in accordance with this principle.

4.2 **Rail Travel -** All rail travel should be booked via the Business Manager where possible. Claims for rail travel via expenses will only be permitted in exceptional circumstances. Staff travelling by rail on behalf of the college should travel using standard class fares.

4.3 **Foreign & Air Travel -** Prior to making arrangements for foreign travel, for conferences etc, a foreign travel business case should be authorised by the Governing Body. All foreign travel and air fares must be booked via the Business Manager.

4.4 **Public Transport –** Travel will be paid for all journeys made at standard class public transport rates. In all cases these will only be paid on the production of a ticket or receipt.

4.5 **Use of Taxis -** In certain cases (usually in combination with travel by public transport), a taxi may be used. Such journeys should be kept to a minimum and in each case the practicalities of a public transport option should always be considered before opting for a taxi. When a taxi is used the claim must be supported by an original receipt.

4.6 Staff cannot claim travel expenses if they have not incurred a cost to themselves.

4.7 **Motor cars (where staff are using their own car)**

Mileage will be reimbursed at the appropriate rate if a private car or a college car is used on college business and the following conditions apply:

- you have adequate insurance for business use,
- the car is properly maintained with a valid MOT certificate, and
- you hold a valid driving licence.

Misuse of this policy will be treated as a disciplinary offence.

The mileage rates will be as determined by the Governing Body from time to time. The current mileage rates (being in line with HMRC's approved rates) are set out below:

Up to 10,000 business miles per annum 55p per mile
For every mile thereafter 25p per mile

Clearly, where other sites are the permanent workplace then the same principles apply but the allowable/disallowable journeys will be different.

To avoid confusion on the application of the above provision staff should claim mileage using the following examples:

1. Home to UTC and return journey – not claimable.
2. UTC to course/home visit etc and back to UTC - claimable.
3. Home to course/visit etc and back to home – claimable but must deduct normal commute mileage.

- All mileage claims will be scrutinised and will be reduced where they exceed this rule.
- In all cases travel shall be paid at the relevant 'casual' user rate (calculated according to mileage done) adopted by the college.

4.8 **Staff with no fixed base.**

For those staff who do not have an obvious fixed base, the Principal will designate the nearest site to their home as being their fixed base for purposes of claiming travel expenses in accordance with this policy.

A copy of the list of staff so designated shall be maintained by the Business Manager for Governing Body/Audit Scrutiny.

4.9 **Multiple Homes**

HMRC allows mileage claims made from one or more homes, should this be the case for an employee. To ensure best practice is also being followed, and mileage claims are reasonable, if an employee is to claim mileage from multiple homes, then the situation should be subject to prior approval and authorisation by the Chair of Governors.

5.0 Lease Car Scheme

5.1 Should an employee be provided with a lease car by the college, this will be subject to a detailed Car Lease Policy. This policy will determine employee's eligibility and how expenses relating to costs incurred through travel will be claimed.

6.0 Hotel and Subsistence Expenses

6.1 Bills for accommodation and cost of meals (excluding alcoholic drinks and service charges) will be met by the college in accordance with the rates set out below. However personal items, including personal telephone costs, will not be paid by the college. You are reminded that the accuracy of bills for hotel and related costs is your responsibility.

6.2 The rates are set out below:

- **Breakfast** – Maximum Claim £6.50 (Employees must leave home before 7.00am). This is where breakfast is not claimed as part of an overnight stay. Where it is part of an overnight stay then it should be claimed within the inclusive Bed and Breakfast rate below. A higher rate of £12 is allowed for inner London.
- **Lunch** – Maximum Claim £9.00 (employees must be working away from their authorised base between 11.30 and 1.45pm and no college meal is available) No claim for alcohol is permitted. A higher rate of £15 is allowed for inner London.
- **Dinner** – Maximum Claim £25, including VAT (Employees must be required to be away from home until 8.30pm). No claim for alcohol is permitted. A higher rate of £32 is allowed for inner London.
- **Bed and Breakfast** – Up to £100 per night (including VAT) outside London
  Up to £150 per night (including VAT) in outer London
  Up to £250 per night (including VAT) in inner London

No claim for alcohol is permitted.

6.3 In all claims for items above, staff are required to provide original receipts of costs incurred (not credit/debit card slips) The simple maxim – **'No receipt, no payment'** shall apply.

6.4 The college will not reimburse items of a personal nature, such as alcohol, mini-bar drinks, newspapers, phone calls, room service charges, video hire or laundry.

6.5 N.B. Where an employee is asked to deliver or work on behalf of another organisation and this includes overnight accommodation, then the expectation is that all accommodation arrangements and bookings, including payment, will be made by that organisation and not the college.

7.0 Spouses/Partners

7.1 It will only be in very exceptional circumstances that the Governing Body will approve for a spouse/partner to attend. The college will not meet any costs relating to the spouse/partner of an employee who accompanies an employee on a business trip.

7.2 If a spouse/partner accompanies a member of staff then this should be made clear, in writing, at the time of booking and authorised by the Principal (Chair of the Governing Body in the case of the Principal). This authorisation must be given in advance of the trip taking place. Costs incurred

during the course of the trip by the employee's spouse/partner, which cannot be paid separately at the time, must be reimbursed as soon as practicably possible on return.

7.3 The employee will be required to pay any difference in accommodation costs and will be required to cover the full costs relating to any subsistence for their spouse/partner e.g. meals or travel expenses.

8.0 Leased/ Rented accommodation

8.1 In long term arrangements agreement can be reached whereby up to a maximum £1000 per calendar month can be paid for accommodation.

8.2 If in receipt of rented accommodation, no further subsistence can be claimed, including travel, with the exception of one return journey per week to the employee's normal home.

8.3 All arrangements for Leased/Rented Accommodation must be approved by the Principal (or the Chair of Governors if it relates to the Principal) before any agreement is confirmed.

9.0 Parking Costs

9.1 Parking costs incurred in the course of business travel may be claimed as actual cost incurred on the production of a ticket or valid receipt.

9.2 The simple maxim – **'No receipt, no payment'** shall apply.

10.0 Parking fines and motor offences

10.1 Staff will be responsible for the payment of all fines/penalties arising from parking or other motor offences e.g. speeding fines. There will be no exception to this rule.

11.0 Mobile Phones.

11.1 Re-imbursement for calls made to those staff who use their mobile or home telephones for college business can be authorised by the Principal. In making such a claim, the member of staff should submit a claim with the original phone bill itemising the calls being claimed. Re-imbursement shall be made at the actual cost of the call.

11.2 Certain staff as determined by the Principal will be provided with Mobile Phones to enable them to carry out their duties. There will be no charge to staff for this facility. Such phones can be used privately but not be used for purposes that would bring the college into disrepute.

11.3 There is no charge to the individual employee for the use of such phones with the exception of foreign calls which will be paid for by the employee unless authorised by the Principal. Employees will, of course, be responsible for the payment of any additional costs incurred e.g. I-tunes, I-phone applications etc unless specifically authorised, in writing, by the Principal.

11.4 Private use will be monitored by the Business Manager via itemised telephone bills and where it is deemed excessive it will be challenged. Such phones are the property of the college and will be retrieved should the employee's contract end or change. These phones can be withdrawn from the employee by the Principal at any time to meet the needs of the college or where misuse has taken place.

11.5 A copy of the list of staff receiving mobile phones shall be maintained by the Business Manager for Governing Body/Audit Scrutiny.

12.0 Technical Equipment

12.1 Technical Equipment other than Mobile Phones e.g. Portable computers, I Pads etc may be issued to staff by the Principal to support them with their duties and responsibilities.

12.2 Such equipment is the property of the college and will be retrieved should the employee's contract end or change. This equipment can be withdrawn from the employee by the Principal at any time to meet the needs of the college or where misuse has taken place.

12.3 Such equipment can be used privately in accordance with the college's procedures, but no additional payments shall be made for home installation/broadband etc which should be at the employee's own expense.

12.4 A copy of the list of staff receiving technical equipment shall be maintained by the Business Manager for Governing Body/Audit Scrutiny.

13.0 Approval Process

13.1 All original receipts should be provided to the Business Manager to coincide with claims. The claim must be completed in full, specifying the journey or subsistence being claimed.

13.2 As a general rule, all claims will be authorised by the Principal. However, for further clarity:

- Chair of Governors for the Principal
- Principal for SLT members/all staff

(SLT – Senior Leadership Team as defined by the Principal).

13.3 Once received by Finance, claims will be processed unless there is information missing or receipts have not been received. Where they have not been authorised, they will be returned to the claimant.

13.4 No individual may be responsible for approving expenses which they are claiming or for the expenses claimed by a family member.

14.0 Excess Travelling Expenses

14.1 An employee whose place of work is changed by the college will receive an allowance equal to the mileage claimable if travelling from home to their new place of work, for a period of up to three years. If the place of work is changed again whilst in receipt of excess travelling expenses, they will be able to claim excess mileage still based on their original place of work for three years from the date of the subsequent move.

14.2 For casual users who use their own car for home to work transport, the relevant company car rates will be paid.

15.0 Other Matters

15.1 Payment of all staff expenses should be processed through the finance system. In exceptional circumstances, claims which miss the normal payments cycle can be paid as a cash advance providing the claim is properly authorised with receipts attached as appropriate.

15.2 Whilst it is illegal for governors to receive remuneration for their work, they may be reimbursed for reasonable out of pocket travel, accommodation or other expenses legitimately incurred by them in connection with their attendance at meetings, acting in their capacity as a member of the Governing Body. Any such expenses shall be paid in accordance with the rates and conditions set out in this policy, but obviously, not paid via payroll. Expenses in these circumstances should be claimed in line with this policy.

15.3 Any issues or exceptional circumstances relating to expenses or subsistence, not covered by this policy, must be considered and determined by the Governing Body.

15.4 Random samples of expense claims will be audited for accuracy. Where inaccurate claims have been made, any overpayment will be deducted from the following month's salary and investigations undertaken into whether this claim has been made fraudulently.

15.5 This policy will be reviewed every two years.