

Expenses policy for Members of the Board of the Pension Protection Fund

1. Introduction

- 1.1 Board Members may claim reimbursement of reasonable out-of-pocket expenses incurred in carrying out their duties as Members of the Board of the Pension Protection Fund.
- 1.2 Board Members will be entitled to claim a full refund of their actual travel expenses and, providing arrangements are made in line with this policy, the actual reasonable cost of overnight accommodation, meals and refreshments¹.

2. Travel Costs and Associated Expenses

- 2.1 Travel costs between a Non-Executive Board Member's home and locations for approved business purposes will be reimbursed as long as the claim is made in accordance with the guidance set out within this policy.

Travel costs between an Executive Board Member's home and normal place of work will not be met by the Pension Protection Fund but travel costs to other locations for approved business purposes will be claimable.

- 2.2 The Pension Protection Fund will reimburse expenditure incurred during business travel including:

- travel
- overnight accommodation
- refreshments², evening meals and breakfasts during overnight stays
- telephone calls to home during overnight stays
- telephone calls to the office during periods of business travel
- other incidental additional expenses, depending on the length of stay

provided such expenses are reasonable and can be justified in the context of the business travel being undertaken.

3. Claimable Travel Expenses

- 3.1 When planning a business journey, choose the most cost-effective method of travel after taking time and fares or mileage costs into account.
- 3.2 The following expenses are claimable:

Rail Travel	Standard class unless it makes business sense to use first class – e.g. due to the length or difficulty of the journey, or to enable work to be done. In the case of international travel (e.g. Eurostar) anything other than standard class should be pre-authorized by the Accounting Officer for all Board Members, except in the case of the Chairman where it should be pre-authorized by the Chairman of the Remuneration Committee.
Private Car	Individuals are responsible for ensuring their motor insurance covers business travel.

¹ Excluding alcoholic beverages.

² Excluding alcoholic beverages.

Appendix 5 Board Manual

Mileage for use of a private car will be reimbursed at the tax free rates published by HM Revenue and Customs. At the time of writing these rates are:

- 45p per mile for the first 10,000 business miles,
- 25p per mile thereafter.

An additional 5p per business mile for each passenger may be claimed.

Mileage in excess of 300 miles in one day will not be allowed. Individuals are expected to use public transport or stay overnight if their journey would necessitate driving more than 300 miles in one day.

Taxi	A taxi should only be taken if public transport is difficult or where a Board Member is travelling between meetings and needs to take a taxi in order to arrive at the next meeting on time. Receipts must be produced and may include a 10 per cent tip.
Air Travel	It is normal to fly Economy Class. However, Business Class can be considered depending on the length of the journey and the need to do work. In the case of international air travel anything other than Economy class should be pre-authorised by the Accounting Officer for all Board Members except in the case of the Chairman where it should be pre-authorised by the Chairman of the Remuneration Committee.
Hotel Expenses	<p>The Pension Protection Fund uses a booking agency for hotel accommodation. Contact the Board Secretary to make the necessary arrangements.</p> <p>If this is not possible, pay the bill and submit an expense claim form to the Board Secretary with a supporting receipt.</p>
Associated Expenses	Reasonable expenses for meals and refreshments ³ , car parking and similar incidentals will be paid – see section 4, associated expenses.

Except for car mileage, please attach receipts to your expenses claim. Claim forms will be provided by the Board Secretary, as per Annex 1.

4. Associated Expenses

4.1 The Pension Protection Fund acknowledges that Non-Executive Board Members are:

- part-time;
- for most of the time not based at the Pension Protection Fund's office at Renaissance in Croydon;
- and that both Non-Executive and Executive Board Members are more likely if meeting with third parties or other Board Members during the day to do so away both from home and the Pension Protection Fund's offices.

4.2 It is therefore acknowledged that it can be an efficient use of Board Members' time for discussions to be held occasionally over a weekday meal. For example, it

³ Excluding alcoholic beverages.

Appendix 5 Board Manual

would be reasonable to claim reimbursement for the cost of a lunch where two Board Members need to meet to discuss Board matters, or to carry out mentoring.

- 4.3 However as public funds are involved, Board Members should to be aware of the need to avoid an appearance of extravagance, which could give rise to criticism that they are benefiting at the levy-payer's expense. You should note that a parliamentary question could be asked, or a request under the Freedom of Information Act be made, seeking figures for The Board of the Pension Protection Fund's expenditure on expenses or hospitality.
- 4.4 Hence it is important that a culture of 'business lunches' does not become the norm when Board Members are carrying out their Pension Protection Fund duties. In particular, Board Members are referred to the following paragraphs from the Framework Document:
- 4.41 "As the Accounting Officer of the Board of the Pension Protection Fund, the Chief Executive is personally responsible for safeguarding the public funds for which he/she has charge; for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the Board of the Pension Protection Fund."
- 4.46 "The Accounting Officer has particular responsibility to see that appropriate advice is tendered to the Board of the Pension Protection Fund on all matters of financial propriety and regularity and more broadly as to all considerations of prudent and economical administration, efficiency and effectiveness. The Accounting Officer determines how and in what terms such advice should be tendered, and whether in a particular case to make specific reference to the Accounting Officer's duty to justify the use of funds to the Public Accounts Committee."
- 4.5 The Pension Protection Fund will reimburse reasonable expenses incurred, so that you are not out of pocket while working on behalf of the Pension Protection Fund away from home and away from Renaissance. For example, if you were attending an all-day training course in Birmingham, you could claim the cost of lunch if the training provider did not offer lunch.
- 4.6 Expenses claimed should be reasonable and modest - for a working lunch or dinner the Board Member should incur expenses as appropriate to the situation.
- 4.7 Where Board Members are meeting each other, or Pension Protection Fund staff, away from home and away from the office, each Board Member should normally claim reimbursement of the cost of their own refreshments or meal, subject to this guidance, as a personal expense. Alternatively, if one member pays for a meal, s/he may claim on behalf of other members and staff present. However, where a more formal meeting is proposed during which a meal is to be consumed (e.g. a meeting of a number of Board Members has been arranged in the evening to facilitate attendance) the expense associated with this should be authorised in advance by the Accounting Officer.
- 4.8 Board Members should refer to the Gifts and Hospitality policy (Appendix 6 of the Board Manual) for guidance on providing hospitality to third parties and associated expenses.

5. Making a claim for reimbursement of expenses

- 5.1 Claims should be made on a Board Expense Claim Form (available from the Board Secretary both electronically and in hard copy form) and should in the case of Non-Executive Board Members be submitted to the Board Secretary with the

Appendix 5 Board Manual

supporting receipts. These receipts will be retained by the finance team for audit purposes. Where expense claims total less than £500 they may be approved by the Board Secretary, where they exceed this sum they must be approved by the Accounting Officer. The Board Secretary will process claims as they arrive to ensure they are included in the next payment run.

Executive Board Members' expense claims are authorised by the Accounting Officer and their on-line expenses and a hard copy of these with receipts need to be submitted to the Accounting Officer.

- 5.2 Pension Protection Fund finance colleagues will undertake random checks of travel expense claims to ensure the organisation's policy and procedures are being adhered to.

6. Payments

- 6.1 Refund of travel and subsistence expenses will be made directly into the Board Member's nominated bank account on the last working day of the month (with their month end salary payment). Deadlines for meeting the next payroll run are set out in paragraph 5.1 above.

7. Insurance

- 7.1 The Pension Protection Fund has travel insurance in place to cover those undertaking journeys of business travel (but not including privately owned vehicles). "Journey" means; business trips outside the United Kingdom and air travel within the United Kingdom and trips within the United Kingdom involving an overnight stay. The cover includes death/personal injury whilst travelling, medical, loss or damage to personal belongings, business equipment, money, disruption, personal liability and legal expenses.
- 7.2 The Pension Protection Fund has also purchased Directors' and Officers' Liability insurance under which Board Members and officers would be covered for losses and costs which they may suffer as a result of carrying out (in good faith) their statutory functions.

Full details of the level of cover, and other terms, conditions and exclusions, are available from the Risk, Programmes and Facilities team.

Version	Recommended by:	Approved by:	Effective from:
V1	Executive	Board	July 2005
V2	Executive	Board	13 March 2008
V3	Executive	Board	27 January 2010
V4	Executive	Board	1 August 2011
V5	Executive	Board	12 May 2014
V6	Executive	Board	25 March 2015