

Requested by: Chief Minister

Objective of Review

Following media reports in February 2016 on the cost of air fares for senior officers the Chief Minister asked the Treasurer of the States to commission a review on policies relating to travel. The Review Team met on the 29th February to agree the scope of the review. This has subsequently been refined by the review team.

Scope of Review

The purpose of the review is to consider whether the States has appropriate policies in place to ensure that travel by States Members and Officers is undertaken only where operationally necessary and that the cost of travel represents best value for money.

The review will cover all air travel since January 2013 costing over £500. It will include accommodation associated with travel as well as travel costs and individual expenses over £250. It will cover all officers and States Members. Full HRG data is only available from the start of 2014. Information prior to that date is more difficult to extract and will be less accurate.

The review has been extended to cover the provision of parking at States-owned property to States officers and Members.

Specifically the review will collect the following:

- HR Codes of Practice and policies relating to travel and expenses
- The Civil Service Code of Conduct
- Existing and draft financial directions
- Departmental travel policies
- Departmental schemes of delegation
- Employment contracts and letters for senior staff (departmental SMT members)
- Management information from Corporate Procurement on costs of travel from:
 - HRG (the corporate travel contract) and
 - Other procurement methods.
- Management information from States Departments on travel costs and purposes for travel
- Any breaches or exemptions granted from corporate or departmental travel policies and rules
- Internal and external reporting of travel costs, to include:
 - Monthly and quarterly management reporting
 - States Financial Report and Accounts
 - Annual reporting to the States Assembly of travel costs for Ministers and Assistant Ministers.
- Information relating to Avios and other “points”
- Provision of parking for officers and States Members.

The documentation will then be examined to assess:

- Whether the current regulatory framework is adequate to ensure achievement of optimum value for money from travel.
- Whether adequate arrangements are in place to ensure compliance with the regulatory framework.

The report of the review team will make recommendations for improvement to the regulatory framework and assurance and compliance arrangements as appropriate.

Output from the review
A written report will be produced, including recommendations for improvement. This will be considered by CMB and subsequently by the Council of Ministers.

Review Team	Director - Employment Relations Director - Financial Planning and Performance Director - Finance and Information, H&SS
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Timing of the review
To report by 31 st May 2016 to CMB.

Public Accounts Committee terms of reference for review of Travel, Accommodation and Expenditure (issued 22nd March 2016)

It has come to the notice of the Panel that there is an element of public concern in Jersey as to the procurement process for travel, accommodation and expenses costs by officers, and whether they constitute value for money. FD 5.7 lays out the terms for expenditure on trips and the Code of Conduct indicates, amongst other things, that staff should exercise prudence when planning trips or expenditure. The Committee considered it should investigate whether such financial directives and codes of conduct were being rigidly adhered to, to ensure that good financial management occurs across the States departments.

Areas of interest would include, but not be restricted to:

- Whether the travel and accommodation policy had been adhered to in terms of the process being followed when signed off by the relevant Accounting Officer.
- How value for money had been established before embarking on the trip and/or expenses of over £500 had been incurred.
- How waste and extravagance were avoided and prudence was imposed, when spending relatively large sums of public money.
- Whether the monies spent were considered to be justified in the spirit of the guidelines and code of practice/conduct when spent.
- How follow-up value-for-money/cost-benefit analyses are undertaken to ensure stringent probative processes are carried out before committing to further expenditure.

Risks and Issues

Jersey is not alone in terms of Government travel expenditure being of great interest to the public, in March 2015 the UK National Audit Office issued a report: "Investigation into government travel expenditure" (the NAO report). This provides a great deal of useful material which has been used wherever possible to assist this review.

The following are the main risks identified in the NAO report, classified as Access Risks, Booking Risks and Payment Risks.

Access risks

- Officials automatically gain access to book travel with no prior approval.
- Officials access travel options not required to perform their duties.
- Government procurement cards have travel category enabled when officials do not require this to perform their duties.
- Access rights for officials leaving their organisation are not removed promptly.

Booking risks

- Officials do not comply with travel policies when booking or paying for travel.
- Travel policies contain ambiguous guidance open to interpretation.
- Officials book personal travel, or claim personal travel costs.
- Officials do not book cost-effective travel.
- Officials do not cancel travel no longer required.
- Bookings are not subject to sufficient scrutiny for budget holders to be assured that travel is necessary and reasonable.

Payment risks

- Officials automatically gain access to book travel with no prior approval.
- Travel management companies and government procurement card suppliers invoice incorrectly.
- Expense claims are submitted claiming incorrect amounts.
- Expense claims are authorised without appropriate consideration by approvers.

States of Jersey issues and risks

The following table shows the Issues and risks identified for the States of Jersey by the review team in the early stages of the review. It cross-references these risks to the relevant section of this report. Recommendations have been made in relation to each issue to strengthen control.

Issue	Risk	Cross-reference to report
Officers travel outside of Jersey on States business	<ul style="list-style-type: none">• Travel may not represent good value for money• Travel may not be necessary• Travel may not be appropriately authorised	Rules and processes

	<ul style="list-style-type: none"> • Travel and accommodation may be booked outside of policy • Too many officers may be travelling • Travel and accommodation may not be booked at lowest cost • Travel and accommodation may not be booked sufficiently early 	
Avios/BA Points	<ul style="list-style-type: none"> • Officers may select flights to earn personal Avios points • The States may not be making use of BA on Business points earned 	Loyalty points
Corporate contract	<ul style="list-style-type: none"> • The corporate contract may not represent best value for money • Travel and accommodation may be booked outside of the corporate contract • Staff may be booking complex travel online • Inadequate instructions may be given to HRG • HRG users may not be adequately trained 	Corporate contract
Conduct	<ul style="list-style-type: none"> • Officers may not be acting in accordance with the Code of Conduct 	Rules and processes
Policies and rules	<ul style="list-style-type: none"> • Policies and rules may not be adequate • Policies and rules may not be followed 	Rules and processes
Reporting	<ul style="list-style-type: none"> • Travel and accommodation expenditure may not be adequately reported to budget holders, managers and CMB • There may be inadequate exception reporting of bookings outside of policy 	Current reporting

Typical controls

The following tables draw upon the NAO report and list the type of preventative, detective, payment and deterrent controls that might reasonably be associated with government travel expenditure. They also illustrate which risk category those controls are designed to mitigate against. These have been taken into account when making the recommendations in this report.

Preventative controls

Preventative controls	Controls selected to mitigate against... Access risks	Controls selected to mitigate against... Booking risks	Controls selected to mitigate against... Payment risks
Access rights should be approved by line managers/ finance/ human resources	Yes		
Access rights should be reviewed regularly, particularly when an official's circumstances change	Yes		
Officials should have the ability to book travel for themselves, others, or both as appropriate	Yes		
Officials should have access only to modes of travel that they need to perform their duties	Yes		
Officials should have travel expenditure limits commensurate with their responsibilities		Yes	Yes
All travel expenditure should be associated with a travel budget or cost centre		Yes	
Automated controls should be used to minimise off- policy bookings		Yes	
Travel management systems should show a full range of cost options for any journey		Yes	
Expense claims should categorise transactions, and be supported by travel documentation			Yes

All off-policy travel should be justified by the booker and approved by their line manager		Yes	Yes
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Detective controls

Detective Controls	Controls relating to Access risks	Controls relating to Booking risks	Controls relating to Payment risks
Reconciliations between government procurement card statements and transaction logs should be performed by cardholders and reviewed by finance teams			Yes
Finance teams should interrogate transaction-level data to identify, investigate and review off-policy and suspicious bookings		Yes	Yes
Finance teams should conduct random, stratified and risk-based testing on a sample of transactions		Yes	Yes
Finance teams should provide detailed reports to budget managers so they can hold officials to account		Yes	
Finance teams should compare a sample of travel bookings and claims relating to travel on the same day to identify duplicate claims			Yes
Summary data should be reported upwards to provide a travel expenditure overview, and to hold budget managers to account		Yes	
Internal audit should complete reports on travel expenditure for senior managers	Yes	Yes	Yes

and audit and risk committees. How regular these reports are should be commensurate to the risks posed by the organisation's travel expenditure			
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Payment controls

Payment controls	Controls relating to Access risks	Controls relating to Booking risks	Controls relating to Payment risks
Reconciliation of travel management company invoices to transaction-level data			Yes
Expense claims should be approved at an appropriate level before funds are released			Yes
Reviewer should review all the supporting documentation for expense claims to ensure it is adequate			Yes
Reconciliations between government procurement card statements and transaction logs should be performed by cardholders and reviewed by finance teams			Yes

Deterrent controls

Deterrent controls	Controls relating to Access risks	Controls relating to Booking risks	Controls relating to Payment risks
Organisations should publish a clear and comprehensive travel policy, and ensure that officials are familiar with it. The policy should set out clear sanctions for the misuse of public money in relation to travel, including disciplinary action		Yes	
Finance teams should remove government procurement cards for non-adherence to travel policy	Yes		
Organisations should publish government procurement card transactions online (transactions of more than £500)		Yes	

Corporate contract

In 2011 a full review of travel expenditure (air, rail, hotels, car hire and sea travel) was undertaken as part of the Comprehensive Spending Review (CSR) to identify if savings could be achieved. It was estimated that the States were spending £3.3m per annum overall. The approach to managing travel varied from department to department and consequently led to a variation in prices being paid and policies being followed, so it was exceptionally difficult to establish expenditure information for travel. Travel bookings were either processed directly with websites or via the States appointed Travel Management Company (TMC), with payment methods varying from using purchase cards or staff expense claims.

This led to a duplication of effort, excess time spent processing invoices, poor management information and little coordination of suppliers, which resulted in a piecemeal approach when negotiating with suppliers. The States was not acting as one and was missing opportunities to leverage better pricing based upon volume of spend and transactions.

Within the States of Jersey, travel bookings are complicated in nature with varying requirements across departments including provision for prisoner transport, school trips, police cases, visiting consultants (management and medical), staff training and interview candidates.

The Transformation Board (a subset of Corporate Management Board) reviewed options for ways in which travel could be managed more effectively to reduce expenditure and improve efficiency. Options included creating an in house travel agent, outsourcing to a TMC and a hybrid of the two. A decision was reached to undertake a tender process to appoint a States wide TMC (excluding patient travel) with a savings target in the region of £200,000.

A fully open and transparent tender process was undertaken, with States wide representatives with extensive travel booking experience, appointed to carry out the evaluation process. Three suppliers were shortlisted; two local and one off island. HRG, the off island supplier, not only scored the highest in terms of quality but also provided the most favourable commercial terms and were therefore appointed as our preferred TMC. As HRG were an off island supplier the decision was ratified by the Transformation Board and the Chief Officer for Economic Development, with Ministerial consultation. It is important to note that despite the contract being awarded to an off island supplier, the actual commercial benefit for the TMC is low as the majority of the expenditure is passed directly to the travel providers (e.g. airlines and hotels).

HRG bring considerable expertise and influence in the wider market. The contract was awarded in 2012 for a 2 year period with an option to extend for a further 3 years (expiry July 2017), which was approved by the then Treasurer in 2014. The contract delivers the following: -

- ✓ A proprietary online web portal with award winning technology branded for the States enabling bookers and travellers to manage their requirements for air, hotels, car hire, rail travel and airport parking. This site is populated with the latest web fares and States specific negotiated rates, in addition to a reporting facility for the procurement team to access management information immediately
- ✓ Training for users and Super Users
- ✓ A classic travel service for all booking requirements with a States dedicated team accessed by email or telephone
- ✓ 24hr / 365 day per year out of hours service for travellers in urgent need

- ✓ A dedicated account management team who manage the States travel business plan and assist with the negotiation of rates with providers (e.g. airline route deals, hotel rates, car hire etc)
- ✓ A centralised payment method with electronic interchange for bill payment, negating the need for processing individual purchase card transactions and expense claims

HRG was deployed to all States departments with the exception of HSSD by August 2012. HSSD went live in September 2013.

Since the contract was introduced the following cash saving benefits have been realised: -

- ✓ Up to 40% reduction on Blue Island and Flybe route deals
- ✓ Reduction on Condor Ferry ticket web fares and consolidated account
- ✓ Up to 25% reduction on local hotel rates
- ✓ Jurys Inn, Copthorne and Millennium corporate rates, in addition to access to UK Government programme rates
- ✓ Enterprise car hire agreement – vast discounts on web rates & users now adequately insured (UK Government rates)
- ✓ BA On Business points collected corporately
 - Trips funded to Beijing, Tokyo, Cape Town, Bermuda
- ✓ Management fee structure improved
- ✓ On-going account reviews with suppliers leveraging further rate reduction with improved management information
- ✓ £200,000 savings estimate assessed as reasonable by C&AG in 2013¹

In addition to the cash benefits the following efficiency savings have been achieved: -

- ✓ Time Saving
 - All airline fares are visible within one screen shot comparing route deals with web last minute rates or agent negotiated prices
 - Booking time – expert advice available when required
 - Reorganisation of travel when fog, delays etc
- ✓ Risk management
 - Improvements & clearer information for insurers
 - HRG notify when multiple SOJ travellers on one flight
- ✓ Management Information
 - Consolidated monthly invoice for travel bookings traceable to booker / date
 - Ability to view savings lost for online bookings (i.e. where higher fare rate chosen)
 - JDE Module provides more information than ever previously captured
 - Electronic report issued to budget holders once HRG has been processed and hit ledger
- ✓ Purchase card reduction
 - Introduction of a central lodge card (rebate received for card use)
 - Improved efficiency for users who do not need to process invoices for travel booked using the lodge card
- ✓ Reduced administration time
 - Invoices, expense claims and purchase card admin time reduced significantly
- ✓ Demand Management
 - Accurately managed and policy decisions implemented accordingly

¹ Jersey Audit Office “Review of Procurement” 27 March 2014

Since the CSR savings were agreed the recording of contractual savings has been less formalised. By nature of the timings of bookings it is very difficult to record contract savings for travel day to day, as they are time critical. For example to accurately recording a flight saving you would need to visit the supplier website to identify the web fare and then at the same time review the HRG rate, prior to booking to understand the difference. As bookings are de-centralised procurement cannot undertake this task.

This is undertaken as part of the contract management process to ensure that best value is being achieved by HRG. The contract management process includes the following: -

✓ **Price benchmarking**

188 live flight comparisons completed between July 2015 and March 2016. If the flights had of been booked via HRG they would have cost £134,339.53.

4 were more expensive totalling £15.40 extra

74 were cheaper totalling £4,456.20

110 were equal in value

✓ **Benchmarking with other HRG clients**

✓ **Analysis of management fees**

✓ **Annual business plan agreed with HRG**

✓ **Quarterly reviews where management information is presented comparing previous annual and quarter figures, for example:**

5889 calls were made to HRG in 2015 by the States

9263 were emails sent to HRG in 2015 by the States

✓ **Service Issue Log calls to update on actions arising**

✓ **Weekly contact with the Account Manager for day to day queries**

Observations

- There is inconsistency in how departments use HRG. Some departments book travel outside of the corporate contract. Some departments make bookings online when they should be telephoning HRG, and vice versa.
- Some HRG users have not received training.
- Some HRG travellers and bookers have more than one HRG account they can use to make bookings.
- Some bookings appear as though they could have been made cheaper using international travel "hubs" such as Amsterdam. The current processes may not automatically direct users to these options.
- There are currently a large number of staff who are able to book travel via HRG. Some may do so infrequently. This situation means optimal choices may not be made.
- The Health and Social Services Department has a very high volume of travel bookings, for good operational reasons. Use of a centralised resource based I Cyril Le Marquand House may not be appropriate.

Recommendations

- All UK travel must be booked online unless it involves more than two legs and/or groups over three travellers.
- No traveller or booker to have more than one active HRG account they can use to make bookings.
- No officer to be permitted to use HRG without having received training.

- Online booking for travel beyond the UK is not permitted. This must be booked by phoning the HRG team.
- HRG to be requested to provide users with options including non-UK hubs, where it would be cheaper to take this option.
- Exception reporting to be provided by HRG to Corporate Procurement and accounting officers where options chosen are not the recommended ones. These are to be reported to CMB quarterly.
- Booking for beyond Europe must only be made by designated staff in Cyril Le Marquand House, based in Corporate Procurement (except for Health and Social Services).
- Health and Social Services to maintain separate dedicated travel booking officers – who must use HRG for all bookings.

Approach in other jurisdictions

Policies

UK Government Departments

The UK Civil Service Code states that civil servants 'must make sure public money and other resources are used properly and efficiently'. Further the Civil Service Management Code principles (see Appendix 1) require that there must be a clear business reason where travel is other than standard class. All travel in and out of policy should be pre-approved and departments are required to agree a single set of standards for all staff based on business need i.e. that there should be no grade based entitlements, except where these are justifiable on grounds of value for money. There is a complete ban on first class air travel except where there are no standard class facilities to accommodate disabled or other special needs requirements or when travelling with a Minister who is themselves using First Class.

Despite this HM Treasury did not ban such travel. **However, the principles are clear that UK government departments should not allow first class air or rail travel under any circumstances.**

UK Civil Servants are also asked to ensure that they adopt more sustainable travel behaviours. This includes considering whether other means of achieving the business aims of the trip have been considered. This would include telephone or video conferencing, use of shared email folders etc. When looking at travel options this is extended to sustainable modes of transport such as train, tube or bus in preference to taxis or hire cars. The challenge is also to ensure that the best travel option balances:

- Financial cost
- Personal convenience and comfort, and
- Environmental impact.

Despite the ban on first class travel in the Civil Service Management Code, the following departments allow their staff to travel first class when travel is cheaper or the same cost as travel at the standard fare or the total journey time on the same day is more than 5 hours assuming there is a business benefit:

- Department for Communities and Local Government
- Department for Culture, Media and Sport
- HMRC, Home Office, and
- Ministry of Justice

Some departments also allow ferry travel either (business) club or first class.

Some UK Civil Service Departments allow variation in class of rail and air travel in exceptional circumstances to allow for staff with disabilities, illness or for security reasons. Obviously allowing travel by non-standard or economy fares has a significant cost implication.

The breakdown of departments allowing non- standard class rail and non-economy class air travel based on journey duration is shown below:

Right to non-standard class rail travel and non-economy class air travel, based on journey duration

13 departments allow non-standard class rail travel and non-economy class air travel based on journey duration

Department	For a journey over	Officials can travel...		
		Premium economy	Business class	First class
Rail travel				
Department for International Development	5 hours		Yes	
HM Revenue & Customs	2.5 or 5 hours ¹			Yes
HM Treasury	3 hours			Yes
Air travel				
Cabinet Office Business Travel Policy Principles	8 hours	Yes	Yes	No
Business, Innovation & Skills	5 hours	Yes	Yes	
Cabinet Office	5 hours	Yes	Yes	
Department for Environment, Food & Rural Affairs	10 hours		Yes	
Department for International Development	5 hours	Yes	Yes	
Department for Transport	8 hours	Yes	Yes	
Department of Health	4 hours		Yes	
Department for Work & Pensions	2.5 hours		Yes	
Foreign & Commonwealth Office	10 hours	Yes	Yes	
HM Revenue & Customs	2.5 hours ²	Yes	Yes	Yes
HM Treasury	6 hours	Yes	Yes	
Home Office	10 hours	Yes	Yes	
Ministry of Defence	4 hours	Yes	Yes	
Ministry of Justice	8 hours	Yes	Yes	

Notes

- 1 HM Revenue & Customs actively discourage first-class rail travel, but allow first-class travel for a single journey of more than 2.5 hours, or when total journey time (within a day) is more than 5 hours.
- 2 HM Revenue & Customs officials are only permitted first-class air and rail travel if there is no availability in other classes and travel at that time is essential.
- 3 While not incorporated within its departmental travel policy, for contractual reasons, the Department for Business, Innovation & Skills has introduced measures and a set of principles that prevent members of staff booking first-class travel and limit business-class flights to journeys in excess of 5 hours.
- 4 'Other non-standard class' rail refers to various classes of rail travel available outside the UK.

Source: National Audit Office analysis of departmental travel policies

Only the following UK departments do not allow first class travel:

- Department for Business Innovation and Skills
- Department for Energy and Climate Change
- Department for International Development
- Department of Health
- Department for Work and Pensions
- Foreign and Commonwealth Office
- HM Treasury

- Ministry of Defence

While most UK departments use a centralised booking system, rate caps for hotels are also applied by the system. These are shown in the following table:

Hotel rate-caps by department

	London (£)	Major cities (£)	Elsewhere (£)
<i>Cabinet Office Business Travel Policy Principles, 2011</i>	115	75	70
BIS	125	85	85
CO	115	75	70
DCLG	110	85	85
DCMS	115	75	70
DECC	125	85	85
Defra	115	75	75
DE	110	75	75
DIID	150	90	90
DfT	115	90	90
DH	115	85	85
DWP	130	80	80
FCO	–	–	–
HMRC	120	80 to 90	80
HMT	140	100	100
HO	125	90	90
MoD	65 to 135	63 to 105	35 to 100
MoJ	115	85	70

Notes

- 1 The FCO travel policy does not specify hotel rate-caps.
- 2 The Cabinet Office's Principles define London as within the M25. Major cities includes: Aberdeen, Belfast, Birmingham, Bristol, Cardiff, Coventry, Edinburgh, Glasgow, Harlow, Leeds, Liverpool, Manchester, Middlesbrough, Newcastle, Oxford, Portsmouth, Reading, Sheffield and York.
- 3 The MoD specifies a room rate for 368 different places within the UK, so the range indicates the minimum and maximum room rates within the Cabinet Office's three defined locations (London, major cities, and elsewhere).
- 4 BIS – Department for Business, Innovation & Skills; CO – Cabinet Office; DCLG – Department for Communities and Local Government; DCMS – Department for Culture, Media & Sport; DECC – Department of Energy & Climate Change; Defra – Department for Environment, Food & Rural Affairs; DE – Department for Education; DfT – Department for Transport; DIID – Department for International Development; DH – Department of Health; DWP – Department for Work & Pensions; FCO – Foreign & Commonwealth Office; HMRC – HM Revenue & Customs; HMT – HM Treasury; HO – Home Office; MoD – Ministry of Defence; MoJ – Ministry of Justice.

Source: National Audit Office analysis of departmental travel policies

Example travel and expenses policies have been compared in the table below for the following UK Civil Service departments (these are available on the internet):

- HM Treasury Group
- Ministry of Justice
- National Offender Management Service.

In addition, the sampling of policies has included the Independent Parliamentary Standards Authority (IPSA) Expenses policy for staff.

ITEM	HM TREASURY GROUP	MINISTRY OF JUSTICE	NATIONAL OFFENDER MANAGEMENT SERVICE	IPSA
Scope		All staff	All staff	All staff employed or contracted to work for IPSA
Authorisation	Authorising managers	Managers authorised to approve.	All travel must be authorised by certifying managers. Overseas travel must be supported by a business case in advance of travel.	Prior approval of Chief executive or Director
Booking system	HRG	Approved travel contractor	Approved travel contractor	Not specified
Air travel	Economy up to 6 hours, business class for journeys over 6 hours.	Ban on all first class travel, business class or premium economy only for journeys exceeding 8 hours or by exception via a pre-approved business case.	All staff must use economy/standard class for internal (UK) flight except where the employee has a disability or is pregnant.	All air travel economy class
Accommodation	Must be booked through HRG, expense rate caps apply.	Have to be booked on the central booking contract subject to published rates.	Have to be booked on the central booking contract subject to published rates.	London £130, Outside London £105 Overseas £130 any higher rate must be met by the employee personally.
Sea Travel	Exceptionally staff may	Not specified.	Standard class	Not specified

ITEM	HM TREASURY GROUP	MINISTRY OF JUSTICE	NATIONAL OFFENDER MANAGEMENT SERVICE	IPSA
	travel by sea. Standard or economy otherwise same principles of rail/air class.			
Rail travel	Standard class pre-booking tickets on specific timed trains. First class only if the train journey exceeds 3 hours (not including waiting time or changing trains or journeys to or from the station.	Standard except where for disabled staff.	Standard class	Standard Class unless First Class is cheaper
Hire cars	Not specified	Not specified.	Not specified	Not specified
Taxis	Only where no other suitable public transport is available, or in an unknown locality where public transport is infrequent. Use of a taxi must be pre-authorised.	Not an entitlement only for heavy luggage.	For reasons of personal safety, late night travel, carrying heavy luggage or where no other suitable method of transport.	Permissible only when no other reasonable method of transport is available or when working late.
Private arrangements	Not specified*	Not permitted* to book travel personally for business, has to done via approved contractor	Not specified.*	Not specified.*
Loyalty cards	Air miles and similar	Not specified.	Not specified.	Frequent travellers are

ITEM	HM TREASURY GROUP	MINISTRY OF JUSTICE	NATIONAL OFFENDER MANAGEMENT SERVICE	IPSA
	benefits earned through official travel should not be used for private purposes, but can be used to purchase enhanced facilities such as seat upgrades			encouraged to sign up for any relevant loyalty card schemes, but points accrued on IPSA business have to be used for further IPSA business travel.
Publication	(Yes)	(Yes)	(Yes)	Yes
Comment	Civil servants must make sure public money and other resources are used properly and efficiently. Principle of do I need to make this	Exemptions for class of travel where individual has a disability and approved by the Director General.	Subject to 'regularity and propriety'. Travel has to be by the most economical or cost effective method available, when balanced against official time and taking into account any personal safety concerns.	Travel has to be by the most economical method available

- Wrap around business/personal travel not permitted only employee can book via booking system.

UK Local Authorities

On review most Local Authority travel and expenses policies refer to travel within the authority's area, and therefore refer to local travel arrangements by car, bus or occasionally rail which would be expected to be at the standard class fare.

Guernsey/Isle of Man

Guernsey

Each department in Guernsey has its own policy for travel, accommodation and expenses, which vary slightly. Their policies typically have an emphasis on value for money. Bookings for trips are made via the States of Guernsey Travel Management Company. No mention is made about personal travel arrangements. All air travel off island is subject to prior authorisation from either a line manager or director and is expected to be purchased at best value, only permitting economy class travel. There is apparently no discretion to use business class. This is the same for rail travel.

The preferred option for hotels is Premier Inns or Travel Lodges as it is recognised that this provides best value for money. In one policy, the room rate allowance was not to exceed £90 for outside London and £110 in Central London which compares more favourably to the most recent HSSD Policy (May 2016) of £200.

Isle of Man

Travel and subsistence is covered by the IoM Government Financial Directions FD:9. This is very general in nature and does not cover specific details relating to travel. All domestic travel within the British Isles is required to be authorised either by their Accounting Officer or other senior officer in writing. For worldwide travel beyond the British Isles the approval of the Accounting Officer has to be given. If the Accounting Officer is travelling, then the prior approval of the Minister of the Board has to be obtained and the decision recorded. Details of all travel has to be recorded.

International

The following policies were sampled and the comparison is shown in the table below:

Alberta, Canada

Federal Travel Regulation (FTR), US

Ontario, Canada

Queensland, Australia

Victoria, Australia

(These policies are freely available on the internet.)

Common items covered in all the overseas policies revolve around providing value for money and ensuring public money is spent wisely and prudently. With the exception of Queensland, there is no time limit associated with whether someone can fly business class. All policies as would be expected require formal authorisation by an accounting officer or equivalent to approve the travel. The US FTR code allows for subordinate policies but these can only apply more stringent requirements not lesser ones. In North America, there is greater availability of more economical accommodation and the options are not restricted to, for example, Premier Inns or equivalent providers of hotel accommodation as would be the case in the UK. There is

also greater use of personal vehicles for travel as opposed to rail, bus, etc. Travel inter-state is predominantly via air.

Use of airline loyalty cards and points is also more routinely accepted in North America, with the proviso that travel cannot be restricted to particular carriers otherwise the employees would gain personal advantage. In general wrap around business/personal travel is not covered in the policies other than in the associated US Ministry of Justice policy which is subordinate to the FTR code. This may be specifically excluded because it is not permitted other than at equivalent ministerial level (Queensland).

Travel in the areas covered by the policies involves much greater distances than are involved for Jersey employees, but it is interesting to note that other than for Queensland there is no entitlement to travel business class just because of the length of the flight (hence distance) involved.

ITEM	ALBERTA, CANADA	FEDERAL TRAVEL REGULATION , US	ONTARIO, CANADA	QUEENSLAND, AUSTRALIA Premier and Cabinet Offices	VICTORIA, AUSTRALIA (Principles)
Scope	Premier, Ministers, associate Ministers, senior officials, all other employees under the Public Service Act	All employees	All ministries and employees, classified agencies and their employees and appointees all consultants and contractors to ministries and to classified agencies	Ministers and employees, plus guests of the Minister and partner of the Minister	Public Sector Employees
Authorisation	Delegated approvals depending on the level of the traveller	Authorising official	Written approval prior to travel. No discretion to depart from the principles in the policy. Subject to delegation /approval schedule.	Appropriate authorised officer	All domestic and overseas travel to be approved by the appropriate senior person with necessary financial delegation and authority
Booking system	Not specified	Not specified	MyOPS travel Online	Whole of Government Contracted Travel Provider	Not specified
Air travel	Economy air travel unless medical condition necessitating upgraded travel or for a demonstrated business reason	Coach class / City Pair programme to obtain lowest fares.	Economy (coach) class. Business class travel has to be approved in advance by the Minister or CEO for limited circumstances.	If accompanying Minister or Assistant Minister travelling business or first class, employee can travel first or business. If plane trip is in excess of 3 hours in Australia employee can travel business class.	Class of travel and standard of accommodation is to be determined by the relevant approving officer, but should be reflective of the grade/seniority of the traveller, business needs and work-life balance of employees.
Accommodation	Reimbursed to the value of the receipt	Not specified	Single accommodation in a single room. No hotel suites, executive floors	Reasonable standard with regard to economy.	See above.

ITEM	ALBERTA, CANADA	FEDERAL TRAVEL REGULATION , US	ONTARIO, CANADA	QUEENSLAN D, AUSTRALIA Premier and Cabinet Offices	VICTORIA, AUSTRALIA (Principles)
			or concierge levels when travelling. Have to use hotels in the accommodation directory		
Sea Travel	Not specified	Not specified	Not specified	Not specified	Not specified
Rail travel	Not specified	Not specified	Not specified	Not specified	Not specified
Hire cars	Permitted	Not specified	Compact or equivalent size only – has to be the most economical method of transfer.	Not specified	Not specified
Taxis	Not specified	Not specified	Requires prior approval: group travel or to meet tight deadline schedules.	Not specified	Not specified
Private arrangements	Not specified	Strict rules around the boundaries between personal and business travel although may be combined (See US Dept. of Justice Policy Statement 1400.04)	Not specified	Staff may take 'recreational' leave if the official trip is over a week long and has prior approval from the Minister. The leave may not be longer than the trip.	Not specified
Airline or other Loyalty cards	Not specified	Any promotional benefits or materials received from a travel service provider in connection with official travel may be retained for personal use. Can be used to upgrade to a	Not specified	Staff can access the corporate rate for memberships	Not specified

ITEM	ALBERTA, CANADA	FEDERAL TRAVEL REGULATION , US	ONTARIO, CANADA	QUEENSLAND, AUSTRALIA Premier and Cabinet Offices	VICTORIA, AUSTRALIA (Principles)
		higher class of service. Cannot use a particular loyalty card just to get the benefits.			
Comment	'taxpayer dollars are to be used prudently and responsibly'		'.. they need to follow strict rules, outlining what can be repaid with public funds and what maximum amounts can be claimed.' '... necessary travel... during the course of ordinary work.'		'Officials when travelling will take account of the need for appropriate financial prudence'

Appendix 1

The Cabinet Office's Business Travel Policy Principles

Most	Principle
Only using taxis in London when it is absolutely necessary	O
Lowest cost rail and air travel should be the default choices	A and E
Hotels should be booked within a rate-cap	K
That all travel should be necessary	P
Least	
Flying premium economy on flights over eight hours with senior management agreement	I
Where premium economy is unavailable, flying business class on flights over eight hours, with senior management agreement	J

Principle	Full wording of Principle
A	Lowest cost option for travelling by rail should be the default option. Departments should monitor exceptions for not choosing lowest cost options.
B	Personnel should travel in standard class for all rail journeys, irrespective of grade, entitlement or distance.
C	Rail tickets purchased should have date and time restrictions where possible.
D	Rail tickets should be purchased in advance of travel, through departmental contracts.
E	Lowest cost option for air travel should be default option. Departments should monitor exceptions for not choosing lowest cost options.
F	All domestic air flights should be economy class without exception.
G	All air tickets to be purchased in advance of the date of travel.
H	No public sector personnel should be travelling first class, irrespective of grade, entitlement or distance.
I	For international flights of over eight hours flying time, personnel should be provided with cost options for flying premium economy but may only be used with senior management agreement.
J	If premium economy is unavailable, the use of business class travel after eight hours flying time may only be used with senior management agreement and should not be deemed as an automatic choice irrespective of grade, entitlement or distance.
K	Departments should ensure a consistent rate cap is used and that personnel should not exceed this rate. Departments should report on exceptions to agreed rate caps.
L	Hotel rate cap, London: £115
M	Hotel rate cap, major cities: £75
N	Hotel rate cap, elsewhere: £70
O	The use of taxis in London should only be undertaken as a real necessity, e.g. not during normal working hours or where the underground is available etc.

Costs

States spending on travel, accommodation and related expenses for 2014 and 2015 total £7.8 million. Of this, £1.3 million relates to the Independent Jersey Care Inquiry, leaving £6.5 million as the cost of travel relating to “ordinary” business of the States - £3.3 million in 2014 and £3.2 million in 2015. This information has been retrieved from the JDE (JDEdwards financial system) General Ledger.

TOTALS	2014	2015	Totals
	£	£	£
Travel	1,659,863	1,528,902	3,188,765
Accommodation	779,890	1,067,638	1,847,528
Expenses	328,528	259,503	588,031
Health	1,112,552	1,067,425	2,179,977
TOTALS	3,880,832	3,923,468	7,804,300

Independent Jersey Care Inquiry (IJCI)

	2014	2015	Totals
	£	£	£
Travel	312,473	259,554	572,026
Accommodation	186,054	448,649	634,703
Expenses	49,211	23,772	72,984
Grand Total	547,737	731,975	1,279,713

TOTALS LESS IJCI

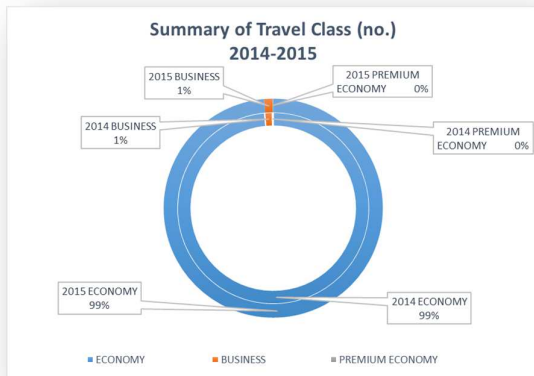
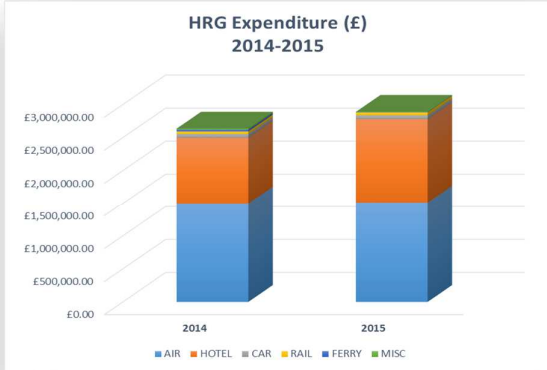
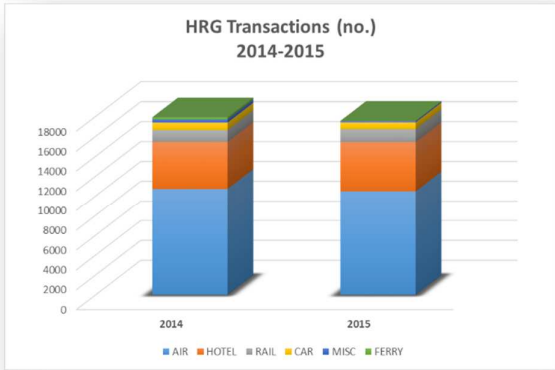
	2014	2015	Totals
	£	£	£
Travel	1,347,390	1,269,348	2,616,738
Accommodation	593,837	618,989	1,212,825
Expenses	279,316	235,731	515,047
Health	1,112,552	1,067,425	2,179,977
TOTALS	3,333,095	3,191,493	6,524,587

A full list of totals by department is included as Appendix G. Also attached are:

- List of purchase card expenses >£500 2014-2015 (Appendix H)
- List of HRG travel bookings >£500 2014-2015 (Appendix I)
- List of HRG accommodation bookings >£500 2014-2015 (Appendix J)

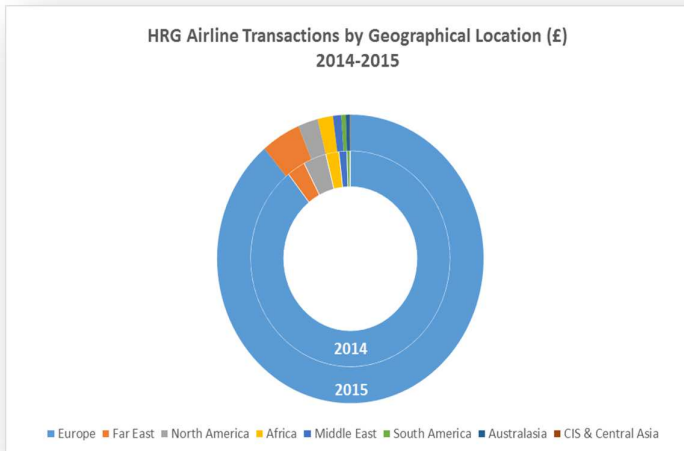
Total budgeted revenue for the States in 2014 and 2015 was £1.296 billion (£641.3 million in 2014 and £653.3 million in 2015). The expenditure considered in this review therefore represents 0.5% of total revenue spending over the period.

The review was prompted by concerns over non-economy, international travel. Each of these, respectively, amounts to approximately £150,000 per year, or £300,000 over the two-year period examined. Therefore the travel which is highest cost per trip (and arguably therefore highest risk in terms of controlling expenditure) represents:



£3M of the £5.5M was spent on airline tickets of which Business Class travel represented 1% of the volume of transactions or 9-10% of the value (£).

283 international flights were undertaken in 2014-2015 totalling £328k (11% of value or 1% of airline transaction total).



HRG Cost Recording

The HRG contract is billed in two ways. Transactional costs e.g. air and hotel bookings are captured utilising the States Lodge Card and billed electronically on a monthly basis. The CSV file is uploaded to JDE and transactions filed to the corresponding business unit. Once this has processed

the business unit budget holder will receive a report identifying the transactions lodged. There is usually a time lag for travel transactions from the time of booking. For instance a hotel stay may be booked in January but for a stay in May. Where billback is available the hotel invoices HRG who then bill via the Lodge Card. Depending upon the hotel this can happen 1-3 months after the stay has occurred.

In addition to this a quarterly bill is issued for service provision, account management and banking fees.

Travel Expenditure Management Information

Management information is gathered in two ways in order to understand expenditure patterns; from the JDE Ledger (as above) and the HRG booking information (transaction reports).

The HRG Transaction Reporting Module is not a fiscal tool but designed to capture all bookings. This varies from the ledger for a number of reasons: -

- The information is captured at the point of booking so we can see transactions before an invoice is issued
- It's exclusive of management fees and in some cases hotel taxes
- The transaction value at the time of booking is recorded. This can sometimes vary from the invoice. For example a room may be booked for £100 but at the point of stay the traveller needs to pay an additional amount for breakfast. Therefore the bill is higher than the booked price. There can also be price variations if the room is booked in a foreign currency. An estimated exchange rate is applied at the time which may differ from the time of stay. It is an industry standard for some geographical locations to exclude local taxes until the point of stay, so they are not charged a percentage rate on the tax that they cannot recover.

The information generally utilised for contract management purposes is the HRG Transaction Data as it is more full in content to understand patterns of change.

T&R

	2014	2015
Travel	90,835	26,694
Accommodation	21,665	28,565
Expenses	13,106	12,537
Grand Total	125,606	67,796

CMD

	2014	2015
Travel	253,632	264,342
Accommodation	137,695	131,711
Expenses	70,618	20,657
Grand Total	461,945	416,710

EDTSC

	2014	2015
Travel	111,706	74,193
Accommodation	54,246	29,099
Expenses	39,657	8,022
Grand Total	205,608	111,314

Bailiff's Chambers

	2014	2015
Travel	42,476	34,673
Accommodation	23,407	18,937
Expenses	52,355	77,835
Grand Total	118,237	131,445

C&AG

	2014	2015
Travel	11,781	17,525
Accommodation	5,719	5,490
Expenses	90	18
Grand Total	17,590	23,033

Data Protection

	2014	2015
Travel	18,374	20,668

Accommodation	-	1,448
Expenses	234	- 208
Grand Total	18,608	21,907

Judicial Greffe

	2014	2015
Travel	29,403	40,046
Accommodation	20,632	21,278
Expenses	5,655	2,697
Grand Total	55,690	64,022

Lt Governor

	2014	2015
Travel	4,640	2,047
Accommodation	1,864	559
Expenses	2,317	1,514
Grand Total	8,822	4,119

Law Officers

	2014	2015
Travel	61,807	26,034
Accommodation	16,097	24,225
Expenses	1,943	1,601
Grand Total	79,847	51,861

Official Analyst

	2014	2015
Travel	2,222	2,420
Accommodation	427	495
Expenses	35	-
Grand Total	2,683	2,915

Probation

	2014	2015
Travel	8,668	13,553
Accommodation	2,957	7,299
Expenses	520	889
Grand Total	12,145	21,741

Viscounts

	2014	2015
Travel	6,576	6,072
Accommodation	3,225	1,132
Expenses	85	723
Grand Total	9,886	7,927

States Assembly

Excluding HCAE

	2014	2015
Travel	13,094	33,912
Accommodation	7,127	15,520
Expenses	8,423	24,354
Grand Total	28,644	73,786

HCAE

	2014	2015
Travel	312,473	259,554
Accommodation	186,054	448,649
Expenses	49,211	23,772
Grand Total	547,737	731,975

STATES ASSEMBLY TOTAL

	2014	2015
Travel	325,567	293,466
Accommodation	193,180	464,169
Expenses	57,635	48,127
Grand Total	576,382	805,762

JOAC

	2014	2015
Travel	4,284	3,135
Accommodation	6,201	6,263
Expenses	1,585	1,993
Grand Total	12,070	11,391

CCA (HA)

	2014	2015
Travel	340,324	325,393
Accommodation	138,272	167,634
Expenses	29,482	31,762
Grand Total	£508,078	£524,788

Education

	2014	2015
Travel	£243,837	£279,910
Accommodation	£82,035	£81,224
Expenses	£20,647	£16,856
Grand Total	346,519	377,990

Environment

	2014	2015
Travel	35,914	33,966
Accommodation	28,610	29,522
Expenses	22,376	23,049
Grand Total	86,901	86,537

Infrastructure

CAPITAL	2014	2015
Travel	11,184	10,097
Accommodation	3,471	5,290
Expenses	1,397	1,010
Grand Total	16,053	16,399

Infrastructure

REVENUE	2014	2015
Travel	44,896	39,170
Accommodation	29,563	35,851
Expenses	5,606	9,162
Grand Total	80,065	84,184

Social Security

	2014	2015
Travel	11,736	15,498
Accommodation	10,624	7,447
Expenses	3,185	1,259
Grand Total	25,545	24,204

HSSD

Non-Patient	2014	2015
Staff (SoJ)	721,913	751,477
Locums, interims, agency, etc	390,639	315,948
Grand Total	1,112,552	1,067,425

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	£	£	£
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