

## Clarification Document 17 24/09/21

### HPC Periodic Travel Arrangements

#### Purpose

To provide clarity regarding the allocation of, payment for and taking of periodic leave on the HPC Project.

#### Scope

Those employed under the HPC Civil Engineering (CESA) and Engineering Construction (ECSA) sector agreements in receipt of accommodation allowance.

#### Background

Following some confusion in the relation to periodic leave under the Engineering Construction Sector Agreement (ECSA) this clarification has been produced to assist current and future contractors apply the agreements in the spirit that they were developed.

#### Relevance of current National Agreements

To enable the HPC Project to utilise existing tax dispensations made available from the HMRC the HPC Project has utilised arrangements currently contained within the Working Rule Agreement for the Construction Industry (WRA) and the National Agreement for the Engineering Construction Industry (NAECI) to enable those employed under CESA and ECSA to benefit from tax free payments for travel fares, accommodation allowance and travel expenses.

These National Agreements are long standing, and the rules and conditions associated with the payments have been agreed with the HMRC so in producing this clarification full consideration has been given to the wording and application of the WRA and NAECI.

#### Taxation Treatment

Currently under the CESA and ECSA employees may be entitled to tax free payments, due to them being classified as expenses by the HMRC, for:

- Accommodation Allowance
- Travel expense
- Travel fares

Employees may also receive additional payments that are taxable because of the payment being considered time spent travelling by the HMRC but are intrinsically linked to the tax-free payments above.

**CESA Appendix 1 states** – *The allowances set out in this appendix follow the provisions of the CIJC WRA and apply to workers who work on site. The HMRC recognises the HPC Agreements as supplementary to the national construction working rule agreement.*

**ECSA Appendix 3 states** – *The allowances set out in this appendix follow the provisions of the engineering construction national working rule agreement and apply to workers who work on site. The HMRC recognises the HPC Engineering Construction Agreements as supplementary to the engineering construction national working rule agreements.*

## Guidance:

The CESA Agreement makes direct reference to the CIJC WRA and the ECSA utilises wording from the NAECI so this guidance therefore reflects those National Agreements.

NNB produce, in agreement with the trade unions, a periodic weekend schedule for each year for employers to follow. The schedule can be amended by the employer in consultation with the signatory trade unions should critical works need to be undertaken on a scheduled weekend. Where it is amended an alternative weekend will be selected either the week before or week after.

## Civil Engineering Sector Agreement (CESA)

Under WRA 16.2 where an employee is recruited or sent to a job which necessitates them living away from a place which they normal reside they shall be entitled to:

- Periodic leave in accordance with the published schedule on 13 occasions within the year.
- Payment of fares and time travelling on commencement, when returning to the job after periodic leave and on termination of employment.
- Where the employer does not exercise the option to provide free transport, fares in accordance with **HPC Clarification Document No.13**.
- Travel time calculated in accordance with the travel time calculation within CESA and summarised in the table below up to a maximum of 8 hours **only** measured using the fastest route on the RAC Route Planner.

The following conditions apply:

- Employees will forfeit payments if they resign or are dismissed within one month following commencement or following periodic leave. The termination payment will be forfeited if they are dismissed for misconduct.
- WRA 16.2(d) stipulates that the time spent in periodic travelling is not to be reckoned as part of the normal working hours and payment is at their normal hourly rate.

At the sole discretion of the employer travel time may be permitted during working hours or part thereof while returning to work or leaving work early subject to any conditions stipulated by the employer.

## Engineering Construction Sector Agreement (ECSA)

ECSA Appendix 4 describes the entitlement to periodic leave for workers in receipt of accommodation payments. Unlike the WRA and NAECI the ECSA does not clearly state where travel time is taken and only states that the worker works up to normal finishing time prior to periodic leave and returns to work on time the next working day. NAECI has similar wording but quantifies that travel is "during the course of their normal shift", highlighting that employees should travel in company time, so therefore NAECI should be followed in this instance. Employees shall be entitled to:

- Periodic leave in accordance with the published schedule on 12 occasions within the year.
- A single rail fare on commencement and on termination of employment and a return rail fare for periodic leave in accordance with **HPC Clarification Document No.13**.
- Travel time calculated in accordance with the travel time calculation within ECSA and summarised in the table below measured using the fastest route on the RAC Route Planner one-way only.

- Travel time shall be permitted during working hours on the first working day following periodic leave. Subject to agreement with the trade unions travel will be permitted during working hours on the working day prior to the periodic leave.
- Employers are recommended to provide written details of the time permitted for travel and advise employees when they are permitted to leave site or must return to site. Employees should not be required to request leave as periodic leave is a contractual entitlement.
- Where suitable air services are available, the employer, at their discretion, may agree to travel by air. Where agreed the worker shall receive the standard air fare, rail fare and travel time as per Appendix 4.

The following conditions apply:

- Periodic travel expenses and travel time payments are payable on the condition that the worker works up to their normal finishing time and returns to work following the allotted travel allowance or vice versa if the travel day is the working day prior to periodic leave. For example, an employee whose normal shift start is 6.30am that travels 59 miles would be required back at work by 8.30am.
- If a worker resigns from their job travel expenses and time are not automatically payable. Employers will use reasonable discretion where the resignation arises from health or family reasons.

**Travel Time calculation table (applicable to both CESA and ECSA)**

Miles	Time Allowance
0 ≥ 30	1 hour
30 ≥ 50	1 hour 30 minutes
50 ≥ 70	2 hours
70 ≥ 90	2 hours 30 minutes
90 ≥ 110	3 hours
110 ≥ 130	3 hours 30 minutes
130 ≥ 150	4 hours
150 ≥ 170	4 hours 30 minutes
170 ≥ 190	5 hours
190 ≥ 210	5 hours 30 minutes
210 ≥ 230	6 hours
230 ≥ 250	6 hours 30 minutes
250 ≥ 270	7 hours
270 ≥ 290	7 hours 30 minutes
290 ≥ 310	8 hours*

**\*NOTE:** CESA limits travel time to a maximum of 8 hours. Employees that are employed under the ECSA are entitled to an additional 30 minutes of travel time for each subsequent 20 miles travelled.