



National Audit Office

Report

by the Comptroller
and Auditor General

Cross-government

Investigation into government travel expenditure

Summary

Key findings

6 Travel expenditure is a small proportion of central government expenditure, but is of high public interest and misuse can cause serious reputational damage. The government has introduced measures to reduce travel costs and, in 2013-14, the overwhelming majority of officials travelled standard class by rail and economy class by air. We found little evidence that departments are actively managing demand and the centre of government does not consider this to be part of its role. The numbers of individual rail journeys and flights recorded by central government departments have increased between 2009-10 and 2013-14, despite advancements in video and teleconferencing technology and headcount reductions, although the number of overnight hotel bookings has decreased over the same period.

Findings on what central government spends on travel

7 **Although it has put systems in place to capture travel data, government has incomplete knowledge of what it spends on travel.** In 2013-14 central government identified £546 million of travel expenditure through travel contracts, and some government procurement card expenditure. However, this analysis does not routinely capture expenditure claimed by officials as expenses. Analysis of central government data suggests that travel expenditure has increased by at least 11% in real terms since 2010-11.² We found that publicly-available travel expenditure data are not complete and prepared on an inconsistent basis.

² Figures have been adjusted by the government's GDP deflator to account for inflation.

Findings on how and where officials travel

8 Most central government travel is standard class by rail and economy class by air.³ In 2013-14:

- **Rail**

Central government departments booked 1.2 million rail journeys costing £75.7 million, of which 99% were standard class. However, 41% of rail tickets were anytime flexible tickets, the most expensive standard-class tickets available.

- **Flights**

Central government departments booked 304,000 flights costing £105.4 million, of which 94% were economy class. The most common international flight destinations were the USA and Germany (together 25% of all international flights). The Foreign & Commonwealth Office used business class most often (25% of its international flights). Of only 259 first-class flights in 2013-14, 207 (80%) were by Ministry of Defence officials.⁴

- **Hotels**

Central government departments made international and domestic hotel bookings worth £57.6 million. Of the 621,000 hotel room nights costing £41.1 million booked in the UK, the average cost was £66 a night. However, average hotel costs vary by department, even for the same location. For example, £82 to £127 for hotels booked in London.

Findings on how government seeks to control travel expenditure

9 Travel expenditure is a small proportion of central government expenditure, but is of high public interest and misuse can cause serious reputational damage. In 2012-13 central government recorded £489 million of travel expenditure.

This is 0.3% of the £163 billion government spent on goods and services. Although it represents only a small proportion of overall government spending, inappropriate travel expenditure can seriously damage reputations. Parliament and the public expect officials to travel cost-effectively, and for this public spending to be carefully controlled.

3 The figures quoted below show travel booked by the 17 central government core departments through Crown Commercial Services (CCS) framework contracts. Throughout the report we have focused on expenditure on hotels, rail and air tickets as these are the main areas of government expenditure.

4 A significant portion of Ministry of Defence first-class flights were internal flights in the USA and Middle East, where only first and economy class is offered. These first-class tickets are equivalent to business class on international flights. Owing to the manner in which the data is presented, we are unable to quantify the exact number of these flights.

10 Despite the reputational risk, the centre of government has little oversight of official travel although it does seek to manage the price of travel purchased.

It lacks comprehensive travel expenditure and usage data, and makes limited use of the data it does have to monitor and analyse trends and variation both between departments and for government as a whole. It developed a set of Business Travel Policy Principles (the Principles) to inform departmental travel policies, but we found varying degrees of awareness of the Principles at the 10 government organisations we spoke to. The Principles were not integrated with other cross-government initiatives such as the Greening Government commitments. The centre of government focuses on managing the price of travel purchased and has achieved savings through the introduction of central procurement frameworks for goods and services. It does not monitor overall demand for travel as it sees this as departments' responsibility.

11 Based on our interviews with officials in 5 departments, we conclude that departments are not managing demand for government travel sufficiently actively.

We would expect departments to have a sophisticated understanding of what level of travel is required for them to conduct their business, but found that in general departments have focused on reducing costs rather than actively managing overall demand. The numbers of individual rail journeys and flights recorded by central government department increased between 2009-10 and 2013-14, despite headcount reductions and advancements in video and teleconferencing technology. We note, however, that the number of overnight stays has decreased over the same period.

12 There is considerable variation between departmental travel policies and between travel expenditure controls. For example, there is no standardisation among departments as to when officials can travel non-standard class by rail and non-economy class by air. Hotel rate-caps vary in the same location, for example from £110 to £150 a night in London. Departments employ a range of preventative, detective, payment and deterrent controls over travel expenditure. Preventative controls may be minimised to facilitate travel. However, flexibility is not consistently balanced with robust detective controls to identify off-policy or fraudulent travel, or both.

13 We found that 4 out of the 100 transactions we tested at central government organisations did not comply with travel policies, which suggests that these organisations need to strengthen controls. Our limited testing at central government organisations identified 4% of transactions as non-compliant with travel policies, indicating controls were absent or not operating as intended. This suggests that several central government organisations need to strengthen their controls.