

**The Scottish Government**  
Health Workforce Directorate  
Employment and Retention Division



Dear Colleague

## MILEAGE ALLOWANCES

### Summary

1. This circular informs NHSScotland employers of agreed changes to the rates of mileage allowances as contained in Annex L of the Agenda for Change terms and conditions of service handbook. Reference is also made to reimbursement of fuel costs for lease cars (Annex M).

2. The new rates of allowances are effective from 1 July 2008 and should be paid from that date. The rates are applicable to the following staff where they are required to use their own cars for NHS business and receive the allowances set out in Section 17 and Annex L of the handbook:

- Staff who are covered by Agenda for Change terms and conditions;
- Staff who are covered by Agenda for Change terms and conditions but are yet to assimilate to the new pay bands; and
- The Executive and Senior Management cohorts.

### Review of Mileage Allowances

3. The NHS Staff Council has agreed that these new rates should apply immediately in order to ensure staff are adequately compensated for the current cost of their work related travel. The Council is reviewing the whole system of reimbursement of travel costs, including the system of reimbursing staff who use their own cars on NHS business. Further joint work will be undertaken in partnership, in the mileage allowance sub-group, to develop a system of reimbursement meeting the needs of managers and staff. The sub-group will explore the possibility of a new structure for the reimbursement of travel related expenses which can be supported by managers and staff. Working in partnership the sub-group

7 July 2008

#### Addresses

##### For action

Chairs, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)  
Chief Executives, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)  
Directors of Finance, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)  
Directors of Human Resources, NHS Boards and Special Health Boards and NHS National Services Scotland (Common Services Agency)

##### For information

Members, Scottish Partnership Forum  
Members, Scottish Terms and Conditions Committee  
Members, Scottish Workforce and Governance Group

#### Enquiries to:

Mr Colin Cowie  
Scottish Government Health Directorates  
Health Workforce  
Ground Floor Rear  
St Andrew's House  
EDINBURGH EH1 3DG

Tel: 0131-244 3778  
Fax: 0131-244 2837

E-mail:  
[Colin.cowie@scotland.gsi.gov.uk](mailto:Colin.cowie@scotland.gsi.gov.uk)

will consult managers and staff in the NHS on any proposals it may develop for a new structure of allowances, once these are sufficiently worked out in draft form and adequately costed. The target date for the completion of this work is the end of December 2008.

### **Lease Cars**

4. Fuel reimbursement for lease car users is covered by Annex M (paragraph 2). It states that “*Where arrangements are based on reimbursement of fuel paid for by the employee on a mileage basis, mileage rates should be subject to regular review to take account of significant changes in fuel costs.*” The NHS Staff Council has agreed to remind Employers to ensure such reviews are conducted regularly, on a partnership basis, during this time of rising fuel costs.

5. HMRC publishes “advisory fuel rates” for “company cars” and it reviews these twice a year. Any changes in “advisory fuel rates” are normally effective on 1 January and 1 July. Employers who set rates of reimbursement for staff using cars under “lease car” arrangements by reference to the HMRC “advisory rates” should note that new HMRC rates take effect from 1 July 2008. Exceptionally, this time, HMRC announced that it was content for the new rates to be implemented from 1 June, where this was possible. Full details of “advisory fuel rates” and the taxation of travelling expenses are on the HMRC web site at [www.hmrc.gov.uk](http://www.hmrc.gov.uk). Employers should ensure that they refer regularly to HMRC advisory fuel rates so that the requirements in paragraph 2 are fulfilled.

6. Attached to this circular is an Appendix listing the changes to the Agenda for Change Terms and Conditions flowing from this agreement. Revised sections containing these amendments are also attached for ease of reference.

### **Cabinet Secretary approval**

7. Employers should implement this agreement, which has been approved by Scottish Ministers under Regulation 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (S.I. 1991 No.537). A copy of the formal approval is attached.

### **Action**

8. NHS Boards, Special Health Boards and NHS National Services Scotland should ensure that this circular is implemented from 1 July 2008.

9. Employers are asked to make their own arrangements for additional copies of this letter which can be viewed at [www.show.scot.nhs.uk/sehd/publications.asp](http://www.show.scot.nhs.uk/sehd/publications.asp).

Yours sincerely

### **COLIN MCGOWAN**

Acting Deputy Director for Health Workforce  
Employment and Retention

**The Scottish Government**  
Health Workforce Directorate  
Employment and Retention Division



**NATIONAL HEALTH SERVICE  
APPROVAL OF REMUNERATION AND CONDITIONS OF SERVICE**

In accordance with regulations 2 and 3 of the National Health Service (Remuneration and Conditions of Service) (Scotland) Regulations 1991 (S.I. 1991/537) the remuneration and conditions of service set out in the attached Scottish Government Health Workforce Directorate circular of 7 July 2008 – PCS(AFC)2008/5 – in respect of salary scales and allowances for NHSScotland staff covered by the Agenda for Change agreement and terms and conditions handbook are hereby approved for the purposes of the said Regulations.

The approval has effect from 1<sup>st</sup> July 2008

COLIN MCGOWAN  
Acting Deputy Director for Health Workforce  
Employment and Retention  
Scottish Government  
Health Directorates  
St Andrew's House  
EDINBURGH  
EH1 3DG  
7 July 2008

## Appendix

### Changes to the Agenda for Change NHS Terms and Conditions of Service Handbook

1. The Changes made effective by this circular are:

#### **Annex L: Mileage allowances**

2. In Annex L the changes are:

#### **Public transport rate**

23p per mile is deleted and replaced by **24p per mile**

#### **Regular User allowance**

3. In line 5 the value 27.0p is deleted and replaced by **29.7p**

In line 5 the value 33.5p is deleted and replaced by **36.9p**.

In line 5 the value 40.0p is deleted and replaced by **44.0p**.

In line 7 the value 16.2p is deleted and replaced by **17.8p**.

In line 7 the value 18.3p is deleted and replaced by **20.1p**

In line 7 the value 20.5p is deleted and replaced by **22.6p**

#### **Standard Rates**

4. In line 5 the value 34.0p is deleted and replaced by **37.4p**:

In line 5 the value 43.0p is deleted and replaced by **47.3p**

In line 5 the value 53.0p is deleted and replaced by **58.3p**

In line 7 the value 16.2p is deleted and replaced by **17.8p**

In line 7 the value 18.3p is deleted and replaced by **20.1p**

In line 7 the value 20.5p is deleted and replaced by **22.6p**

#### **Pedal Cycles**

5. The sentence:

“For local agreement, subject to a minimum of 6.2p per mile” is deleted and replaced with:

**For local agreement subject to a minimum of 10p per mile.**

#### **Passenger allowances**

6. The title “Passenger allowances” is deleted and replaced with **Passenger allowance**.

In the first line “Each passenger 2p per mile” is deleted and replaced with:

**Each passenger 5p per mile.**

**ANNEX L****MILEAGE ALLOWANCES****1. Public transport rate**

24p per mile

**2. Regular user allowance**

Cars:

Engine capacity:	Up to 1000cc	1001 to 1500cc	Over 1500cc
Lump sum	£508	£626	£760
Up to 9000 miles	29.7p	36.9p	44.0p
Thereafter	17.8p	20.1p	22.6p

**3. Standard rates**

a. Cars:

Engine capacity:-	Up to 1000cc	1001 to 1500cc	Over 1500cc
Up to 3,500 miles	37.4p	47.3p	58.3p
Thereafter	17.8p	20.1p	22.6p

b. Motor cycles:

Engine capacity:	125 cc or less	Over 125cc
Up to 5,000 Miles	16.2p	25.3p
Over 5,000 miles	6.1p	9.0p

c. Pedal cycles: For local agreement, subject to a minimum of 10p per mile.

**4. Passenger allowances: Each passenger 5p per mile.**

As amended by PCS(AFC)2008/5