Annex 11 - 15
Annex 11: Additional freedoms for NHS foundation trusts in England

Additional freedoms for NHS foundation trusts in England

1. Where NHS organisations acquire earned autonomy or foundation trust status in England, they will have greater autonomy in relation to the use of specified local freedoms under this agreement. In these areas:

(i) NHS foundation trusts will be able to act independently, consistent with their licence;
(ii) three-star NHS organisations will be able to act independently, but will be required to consult with local or neighbouring employers before final decisions are taken on the use of these freedoms;
(iii) all other NHS organisations will be able to act only as permitted by guidelines agreed through the NHS Staff Council.

2. The specified local freedoms which can be exercised with greater autonomy are outlined in the below sections

 Freedoms which require good management

(i) the ability to offer alternative packages of benefits of equivalent value to the standard benefits set out in this agreement, among which the employee can make a personal choice (e.g. greater leave entitlements but longer hours)

(ii) the ability to negotiate local arrangements for compensatory benefits such as expenses and subsistence, which differ from those set out in this handbook
(iii) the ability to award recruitment and retention premia above 30 per cent of basic pay where that is justified, without prior clearance by the NHS Staff Council.

**Freedoms which must be part of a properly constituted reward scheme for individual, team or organisational performance related to genuinely measurable targets, offering equal opportunities for all staff in the relevant organisation, unit or work area**

(i) the establishment of new team bonus schemes and other incentive schemes

(ii) the establishment of schemes offering additional non-pay benefits above the minimum specified elsewhere in this agreement

(iii) accelerated development and progression schemes.

*Pay circular (AforC) 2/2013: amendment number 28*

**Annex 12: Motoring costs**

**Motoring costs**

1. **This annex is effective from 1 July 2013.** Each year the Automobile Association Trust (AA) produces illustrative guides of motoring costs. These set out the elements of costs involved in running a car for a typical car owner using his or her vehicle for normal "domestic" purposes e.g. travel to and from work, shopping trips and holidays. The NHS Staff Council has used this as the source of its estimates of the costs of business mileage.
2. Table 17 shows the costs at the time the rates in Table 7 in Section 17 were last set.

3. The AA guides provide different illustrative costs for private car use based on a range of different annual mileages and cars in different price ranges. In order to obtain the figures in Table 17 the NHS Staff Council has taken the figures in the guides for cars in the middle price range and an assumed annual combined private and business mileage of 10,000 miles, on which all the cost items in Table 17 are based.

4. The rates of reimbursement implemented on 1 January 2023 will be those resulting from the review of the 12-month average price of fuel that took place in October 2022, in line with Section 17.14 and paragraph 14 of this Annex. These rates apply to all journeys undertaken from 1 January 2023.

5. In line with the AA guides the annual values for “standing charges” in Table 17 are shown as whole numbers. This means that the value in row six for “total annual cost of standing charges,” which is calculated on unrounded numbers, is not the sum of the values in rows one to five in Table 17.

6. In line with the AA guides the values in the costs per mile of “running costs” in rows seven to ten in Table 17 and the “total of running costs” in row 11 are calculated to two decimal places. (See the notes on rounding in row 12).

7. The average price of fuel in row 7 in Table 17 is a calculation of the combined average price of petrol and diesel which is in line with the method used by the AA to take account of fluctuations in fuel prices.

**Table 17**

**Amended motoring costs as at 1 January 2023**

<table>
<thead>
<tr>
<th>Rows</th>
<th>Items of cost</th>
<th>Annual cost (£)</th>
<th>Cost per mile (pence)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standing charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Row 1</td>
<td>Road tax</td>
<td>180</td>
<td></td>
</tr>
</tbody>
</table>
8. There are two types of motoring costs:

- standing charges: the costs of keeping a vehicle on the road including depreciation, tax, insurance, breakdown cover and the loss of interest on capital (money) which may otherwise be invested if it had not been spent on the vehicle; and

- running costs: fuel, tyres, servicing and repair costs, parking and tolls.
9. The figures in the AA guides are:

- based on how much it is likely to cost the average private car user to run a petrol or diesel powered car;
- based on the purchase price of a new car, which is replaced after 5 years;
- based on an analysis of the running costs of the 60 top selling models in the UK car market.

**Motor cycles**

10. The NHS Staff Council has agreed that the standard rate of reimbursement for motor cycle users in Table 7 will be 50 per cent of the unrounded rate for car users in row 12 in Table 17. This rate will apply to all eligible miles travelled (see paragraph 17.15 and Table 8). Paragraphs 12 to 15 explain how rates will be reviewed.

**Reserve rate**

11. The NHS Staff Council has agreed that the reserve rate in column 4 of Table 7 will be 50 per cent of the unrounded value of the standard rate for car users in row 12 in Table 17. This rate will apply to all eligible miles travelled (see paragraph 17.15 and Table 8). Paragraphs 12 to 15 explain how rates will be reviewed.

**Review**

12. The NHS Staff Council will review the standard rate in Column 2 in Table 7 twice each year. The first review will take place soon after the new AA guides to motoring costs are published, normally in April or May.

Each item of cost in Table 17 will be updated using the appropriate new values in the latest AA guides. The new unrounded value in row 12
in Table 17 will be compared with the unrounded value in the same row at the time of the last change in the standard rate of reimbursement (Column 2 in Table 7 in Section 17). If the difference between these two values is 5 per cent or greater, up or down, the standard rate of reimbursement will change in line with the new value in row 12 in Table 17. Rounding, as described in row 12 in Table 17, to obtain the new whole number values for Table 7, will be the last procedure to be performed. If a change in the standard rate of reimbursement is produced by this procedure the rate for motor-cyclists in Column 4 in Table 7 in Section 17 and the reserve rate will also be reviewed, in line with the provisions in Section 17.

13. If there is a change in the standard rate of reimbursement (Column 2 in Table 7) the rate in column 3, for mileage over 3,500 miles per year, will be adjusted in line with the new value in row 13 in Table 17 and the provisions in Section 17. Rounding, as described in row 12 in Table 17, to obtain the new whole number values for Table 7, will be the last procedure to be performed.

14. A second review of the rate in Column 2 in Table 7 will take place in November each year. This check will look at the average fuel price in the twelve month period ending in October. The value of the entry in row 7 in Table 17 will be updated using information published by the AA on the average price of fuel in the twelve month period ending in October. The new unrounded value in row 12 in Table 17 will be compared with the unrounded value in row 12 at the time of the last change in the standard rate of reimbursement (Column 2, in Table 7, in Section 17). If the difference between these two values is 5 per cent or greater, up or down, the standard rate of reimbursement will change in line with the new value in row 12 in Table 17. If a change in the standard rate of reimbursement is produced by this procedure the rate for motor-cyclists in Column 4 in Table 7 and the reserve rate in Column 4 will also be reviewed, in line with the provisions in Section 17. Rounding, as described in row 12 in Table 17, to obtain the new whole number values for Table 7, will be the last procedure to be performed.

15. If there is a change in the standard rate of reimbursement (Column 2 in Table 7) as a result of this second review, the rate in column 3 for mileage over 3,500 miles per year will be reviewed in line with the provisions in
Section 17. Rounding, in line with the note in row 12 in Table 17, will be the last procedure to be performed.

Pay Circular (AFC) 3/2014: amendment number 32

Annex 13: Lease vehicle policies

Lease vehicle policies

1. **This annex is effective from 1 July 2013.** In the NHS the default position is that employees use their own vehicles for travel in the performance of their duties, except where the employer has made specific alternative provision. This Annex refers to vehicles provided to employees under a lease agreement, allowing them to use the vehicle for both NHS business and private purposes. Also, it refers to vehicles leased or owned by the employer and made available to employees for NHS business use only.

2. The details of written lease vehicle policies, will be for local partnerships to design and agree.

3. The possibility of using a lease vehicle should be considered whenever it is expected that the business miles travelled in a year will exceed 3,500 miles 1.

4. These schemes should take into account the following principles:
   - lease vehicle schemes are voluntary;
   - are offered to eligible employees;
   - employees bear the full cost of their private use of the vehicle;
   - schemes should provide for lease cars to be accepted on the basis of business only use or a combination of business and private use. Where cars are accepted for business use only these cars should be classed as "pool" cars;
   - the employer will be responsible for any excess insurance charges incurred during business use of the vehicle;
• the tax implications of using a lease vehicle must be explained to the employee before the arrangements start; “eligible miles” as set out in paragraph 17:15 and Table 8;

• reasonable recognition of the individual circumstances of the employee.

5. Whenever lease vehicle schemes are operated the vehicles chosen will be consistent with the:

• proper use of public money;

• needs of NHS business;

• recommended safety standards, and

• policies in each of the UK countries relating to the prudent use of scarce natural resources, including carbon reduction strategies and safeguarding the environment. All of these policies are often described as coming within the “green agenda”.

6. If an employee chooses a vehicle which is not on the employer’s list of vehicles approved for this purpose any extra costs, over and above those incurred by employees using approved vehicles, will be paid for by the employee.

7. The arrangements for reimbursing the employee the costs of using the vehicle on NHS business must be made clear to the employee. When the employee is reimbursed fuel costs at a rate per mile travelled on official business the rate per mile must be reviewed regularly to ensure that it takes account of fluctuations in fuel prices.

8. HMRC publishes “advisory fuel rates” for “company cars” which it reviews regularly. Employers which set rates of reimbursement of fuel costs for employees using vehicles under “lease vehicle” arrangements, by reference to the HMRC “advisory rates,” should ensure that they refer regularly to HMRC “advisory fuel rates.” Full details of “advisory fuel rates” and the taxation of travelling expenses are on the HMRC web site at www.hmrc.gov.uk.
9. Local policies should set out details of early termination costs and the circumstances in which these would apply. Whenever it is possible, the employer and employee should explore opportunities for the employer to keep the vehicle and avoid the costs associated with the premature termination of the lease agreement. An example of circumstances when this may be appropriate is when an employee with a lease vehicle transfers to a job with another NHS employer in which there is a continuing need for significant official travel.

**Hire vehicles**

11. Local partnerships should agree the circumstances in which hire facilities are to be used and the arrangements for reimbursing employees the costs they incur.

12. The use of pooled, hire and lease vehicles and the reimbursement of associated costs, will be in line with rigorous principles of effective and prudent use of public money, the NHS Carbon Reduction Strategy in England and its equivalents in the other UK countries.

**NHS Carbon reduction strategies**

13. The NHS carbon reduction strategies set out how and why the NHS can and should make an important contribution to the ambition of making us its “carbon footprint” by 10%, by 2015.

14. The strategies place important responsibilities on NHS organisations. Two of these are that:

- all organisations should have a board approved travel plan as part of their sustainable development board management plan, and that

- mechanisms to routinely and systematically review the need for employees, patients and visitors to travel, need to be established in all NHS organisations.
15. The Sustainable Development Unit (SDU) is keen that organisations should make use, whenever it is possible and practicable, of low carbon lease vehicles in line with relevant legislation.

1 See the question and answer guidance in Annex 28 (England and Wales) or Annex 28 (Scotland and Northern Ireland).

*Pay circular (AforC) 2/2014: amendment number 31*

## Annex 14: Subsistence allowances

### Schedule of recommended allowances

<table>
<thead>
<tr>
<th>Night allowances: first 30 nights</th>
<th>Actual receipted cost of bed and breakfast up to a maximum of £55 (subject to the provisions of paragraph 18.3 if this is exceeded for genuine business reasons).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals allowance</td>
<td>Per 24 hour period: £20.00</td>
</tr>
<tr>
<td>Night allowances in non-commercial accommodation</td>
<td>Per 24 hour period: £25.00</td>
</tr>
<tr>
<td>Night allowances: after first 30 nights</td>
<td>Maximum amount payable: £35.00</td>
</tr>
<tr>
<td>Day meals subsistence allowances</td>
<td></td>
</tr>
<tr>
<td>Allowance</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Lunch allowance</td>
<td>(more than five hours away from base, including the lunchtime period between 12:00 pm to 2:00 pm) £5.00</td>
</tr>
<tr>
<td>Evening meal allowance</td>
<td>(more than ten hours away from base and return after 7:00 pm) £15.00</td>
</tr>
<tr>
<td>Incidental expenses allowance</td>
<td>(this allowance is subject to a tax liability) Per 24 hour period: £4.20</td>
</tr>
<tr>
<td>Late night duties allowance</td>
<td>(this allowance is subject to a tax liability) Per 24 hour period: £3.25</td>
</tr>
</tbody>
</table>

Pay circular (AforC) 4/2014: amendment number 33

**Annex 15: Other terms and conditions**

**Other terms and conditions**

1. For the purposes of Section 19 of this Handbook, other terms and conditions will include:

   - arrangements for carry over of annual leave – existing arrangements (as provided by GWC Section 1) will continue to apply, unless or until new arrangements are agreed
   - special leave
   - removal expenses and associated provisions
• reimbursement of telephone expenses

• the resolution of disciplinary matters and disputes procedures

• health awareness for NHS staff

• protection of pay and conditions of service – local arrangements should be in place for protection in circumstances of organisational change (previously required by GWC Section 48)

• preparation for retirement

• minimum periods of notice.

*Amendment number 43*

*TCS Advisory Notice (01/2021)*