

## **Scottish Parliamentary Corporate Body**

**Thursday 11 June 2026 (Session 7)**

### **Reimbursement of Members' Expenses Scheme – New HMRC Approved Mileage Rate**

#### **Executive summary**

1. The SPCB is invited to consider an increase to the mileage rate for private car use for Members and their staff following an increase to the HMRC Approved Mileage rates.

#### **Issues and options**

2. The previous SPCB carried out its normal sessional review of Members' Expenses at the end of Session 6 for introduction in Session 7. At that point, the HMRC Approved Mileage rate remained at 45p per mile for the first 10,000 miles travelled and 25p per mile thereafter. We were aware at that time that the mileage rate had not been increased since 2011 but there were no known plans on when or if it would be reviewed.
3. The SPCB decided at the time to stay with the Approved Mileage Rate of 45p and 25p but to introduce a new additional separate taxable payment for mileage above 11,000 miles. This was in recognition that the mileage rate above 10,000 miles drops to 25p per mile, the rates overall had not been increased in quite some time and that there were some Members with larger constituencies and regions who regularly travelled more than 10,000 miles each year. Members are required to apply for the additional mileage payment, and it is not paid automatically. We would therefore recommend continuing with this additional payment for those Members who go above 11,000 miles each year, however if the SPCB were minded to change this then this would require a change to the Scheme and the updated Scheme would need to be laid before Parliament for consideration.
4. HMRC have now reviewed the mileage rate and on 21 May 2026 announced an increase from 45p per mile for the first 10,000 miles to 55p per mile. The remainder of the mileage rates remain unchanged. The SPCB is invited to consider if it wishes to implement this new rate with immediate effect.
5. In considering whether to apply the increase, the SPCB will wish to note that the rate paid has always matched the HMRC approved rate which business can pay for business travel tax free. However, should the SPCB decide not to implement the increase, then we can continue to pay the 45p per mile. Members could then claim tax relief on the difference direct from HMRC.

## Reference: SPCB (2026) - Paper 42

- At present, the Travel and Expenses Office have put on hold all mileage claims dated from 6 April onwards (approx. 55 claims) until such time as the SPCB have considered the matter. The My Expenses System is set up to automatically update to the new rate and we did not wish any cost to go through at 55p prior to any SPCB decision on the changed cost and similarly we did not wish claims currently sitting at the 45p to be underpaid should the SPCB wish to implement the increased rate.
- Looking at the mileage incurred up to 10,000 miles for all claimants across the organisation in 2025/26 and what the increase to 55p will likely mean financially for the organisation, the following table provides information on the impact of the increase and the potential additional cost to the organisation should mileage levels be similar in the coming years.

Year	Claimant Group	Mileage incurred up to 10,000 miles	Cost@ 45p (rounded to nearest £)	Cost at 55p	Additional cost
2025/26	MSP/MSP staff	507,916	£228,562	£279,353	£50,791
2025/26	SPS staff	11,250	£5,062	£6,187	£1,125
<b>Total</b>		<b>519,166</b>	<b>£233,624</b>	<b>£285,541</b>	<b>£51,916</b>

- HMRC have backdated the increase to the beginning of the tax year i.e. 6 April 2026. The system has been adjusted to take account of the date and any claims submitted from now on for any travel which has occurred from 6 April onwards will automatically be reimbursed at 55p per mile if the increase is agreed by the SPCB.
- At present there are 6 claims paid out at 45p per mile prior to the increase that if the SPCB were to implement the increase and backdate it to 6 April, would require additional payments to the claimants to ensure the 55p per mile was paid for these journeys. This can be managed by the Travel and Expenses Office.
- We would recommend that the SPCB adopt the updated mileage rate for all Members and their staff and that the new rate also be applied to SPS staff in line with the increase to Members mileage rates as per normal practice.

## Governance

- The SPCB can make any change to the rates and provision limits within the Scheme at any time as they see appropriate. Increases to limits etc do not need to be amended in the overall Scheme so no need to take the matter to the whole parliament for consideration but to apply in the same way annual increases to the provision limits are applied.

## **Reference: SPCB (2026) - Paper 42**

12. However, should the SPCB wish to make changes to the Scheme in relation to the additional mileage payment, this will mean a change to the Scheme and laying a revised Scheme before Parliament.

## **Resource implications**

13. The potential increase to costs if mileage is similar in nature to 2025/26 would mean an additional £51,916 approximately. While we are still working through expense forecasts for the current financial year, given election contingency levels, this should be affordable within current budgets.

## **Publication Scheme**

14. This paper can be published in line with the SPCB's publication policy.

## **Next steps**

15. If agreed, we will advise Members by way of an updated notice and process all current claims on hold as well as paying additional monies to the 6 claims which would need further reimbursement if approved.

## **Decision**

16. The SPCB is invited to:

- Agree to the application of the new HMRC approved mileage rate from 6 April 2026;
- Agree to keep the new additional mileage payment for those Members who travel more than 11,000 miles; and
- Agree to meet the additional costs to backdate the few claims that would be entitled to more monies if the rate was backdated in line with HMRC practice.

**Travel and Expenses Office  
June 2026**