

# Information from NHS trade unions

## Joint NHS Trade Union guidance on NHS mileage and travel reimbursement

### Joint TU statement for NHS members

May 2022

Following the publication of the recent jointly agreed “[NHS Staff Council statement on reimbursement of travel costs in England](#)” the NHS Trade Unions are disappointed and frustrated to have been unable to reach a national collective agreement to increase mileage reimbursement rates. As set out in the statement, this is due to “*no prospect of central funding or a mandate to support a nationally negotiated solution in England*”.

As trade unions we represent the whole NHS workforce. We know that due to increases in fuel prices and the effect of inflation the cost of motoring has increased for those who are required to use their own car (or a lease car) to deliver care to patients – particularly those in community roles.

These economic pressures mean that the cost of delivering this care has gone up and these rising costs are impacting heavily on the NHS workforce. This is not fair, especially given the delay in the 2022/23 NHS pay rise.

The NHS in Scotland and Wales have reached an agreement to increase their reimbursement rates by 5p. So, we are continuing to call for the NHS in England and Northern Ireland to raise their reimbursement rates too. We will be working together to raise this issue with politicians and policy makers to ensure your views are being heard. In addition, we will continue to work through our national NHS Staff Council to find a collective solution.

In the meantime, NHS staff need urgent action and an interim boost to reimbursement rates. We have produced the following guidance for local trade union representatives who will now be working with your employer to make the case and encourage them to increase the reimbursement rates for travel during these exceptional times of economic difficulty.

### ***The NHS Trade Unions***

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**Joint TU guidance for NHS trade union representatives**

**May 2022**

## **Background**

Following the publication of the recent jointly agreed “[NHS Staff Council statement on reimbursement of travel costs in England](#)” the NHS Trade Unions have developed some guidance to help local trade union representatives to negotiate a local temporary increase to the travel reimbursement rate(s) through local staff side forums.

Travel for work is organised and paid for differently across the NHS. People travel in a variety of ways and are reimbursed either through the NHS Terms and Conditions [Section 17: Reimbursement of travel costs](#), the HMRC advisory rates (AMAP) or other local agreements.

Due to the AA not publishing cost of motoring data, the rates in the NHS scheme have not been updated since 2014. NHS trade unions have formally requested that the NHS Staff Council undertake a review of the current travel and motoring cost reimbursement mechanism, as set out in the NHS TCS handbook (Section 17 and Annex 12).

In the meantime, NHS staff need urgent action and an interim boost to reimbursement rates while we seek to resolve the national scheme. Local trade union representatives should approach their employers and ask for a local temporary increase to the travel reimbursement rate(s).

These local agreements should have a review date (e.g., 3 – 6 months) and cover any back pay period covering a retrospective implementation, as staff have already been impacted by the recent, sudden increases to fuel prices.

## **Building the argument**

It has become more expensive to provide care in peoples' homes. NHS staff providing care and support to patients are doing this on behalf of their employer. This additional cost is currently being borne by NHS staff and should be funded at local, system or national level by the government. Some employers have already increased their rates to support their staff. Now others should do the same.

In fact, employers share our concerns about mileage reimbursement rates as they are responsible for the overall delivery of care to patients in the community. Patient care will be impacted if staff are unable to carry out necessary home visits or other travel to deliver care – chronic conditions may worsen, putting additional pressures on already overstretched hospitals, inpatient and ambulance services.

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## Headlines

- The spiralling costs of motoring are not just about the price of petrol or diesel, but the current spike is.
- Between January and April 2022 fuel prices have skyrocketed, putting even more pressure on NHS staff. Petrol is up 20p per litre, and diesel is up by 30p – all in 3 months. This is a 20% rise in fuel costs since January alone.
- The rise in fuel costs since January 2022 has added around 3p per mile to the cost of motoring – the NHS needs to take urgent action.
- Between July 2014 and January 2022, inflation has eroded the value of the NHS mileage rates by around 20% (27% when measured by RPI).
- The mileage reimbursement rates are meant to reflect the cost of motoring. With costs going up, and reimbursement rates frozen, NHS staff are losing hundreds to thousands of pounds a year, effectively contributing this to the cost of patient care.
- For example, a member of staff driving 3,500 miles for work every year is paying £400 to the cost of home visits in the form of fuel costs they won't get back. A community nurse travelling 15,000 miles to provide care will have to pay more than £1,000 a year towards the cost of getting to appointments.
- In April 2022, none of the top 10 most popular UK cars cost less than 15p per mile in fuel alone to drive.
- The cost of fuel alone is now likely to be above the lease car rate and possibly the reserve rate for some cars. Mileage isn't even covering fuel, let alone maintenance, depreciation, and tax.

## Local options

There are five ways in which local NHS Trusts can support staff who drive as part of their role. These are to:

1. Increase mileage reimbursement rates
2. Increase the mileage threshold
3. Reinstate national NHS mileage terms (section 17) if local terms have varied reimbursement rates below the national rates
4. Change from NHS rates to HMRC AMAP rates

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## 5. Implement practical measures to either reduce miles travelled or target support to low paid workers

Each option comes with considerations and our advice is that local partnerships should target solutions to support those staff at greatest need. Some options, such as raising the threshold, can make a bigger or smaller difference depending on how far staff drive. This information can be obtained through staff surveys or directly from claim mileage data.

The cost to staff from frozen mileage rates and spiralling inflation depends directly on how far they are asked to drive for work. Each mile travelled imposes further private costs. The cost to low mileage claimants is not high but adds up quickly, especially after the 3,500 mile threshold is reached.

This may require analysis of miles travelled by pay grade and job role. This is because, regardless of someone's pay banding, the additional costs of motoring are the same per mile (NB may vary slightly by car efficiency). However, the proportion of someone's salary that is taken up by motoring costs will be higher for the lower paid. Lower paid staff with very high mileage currently lose the most.

The options also need to consider the miles travelled and how they are travelled. If most staff use their own car to travel more than around 4,000 – 5,000 miles, they may be better off on the HMRC AMAP rates for the whole of their mileage. The analysis should include the tax implications of going above the HMRC AMAP rates. For example, higher-rate taxpayers will have 40% of any increase on the NHS Standard rate reclaimed as tax.

In addition to financial reimbursement rates, employers should also consider options to plan work differently to reduce non-essential travel by staff and seek greener alternatives where possible, practical, and safe for staff.

Local options should also consider whether any local agreement can be retrospectively implemented, in which case a back pay period should be agreed. The options are set out and analysed below.

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## Options analysis

Quick reference table to help assess the main three options against local mileage data

Local options	Impact if a member of staff drives...		
	Less than 3,500 miles	3,500 miles to new threshold	Above new threshold
<b>Raising the rate</b>	Small to medium benefit	-	Medium to very large benefit
<b>Raising the threshold</b>	No change	Medium to large benefit	Medium to large benefit
<b>Raising the rate and threshold</b>	Small to medium benefit	Medium to large benefit	Large to very large benefit

Moving to AMAP is a cost to staff who drive below 4000-5000 miles per year. For staff who drive above 5000 miles per year it quickly becomes a large to very large benefit.

Mileage option	Description	Considerations
<b>1. Increase mileage reimbursement rates</b>	<p>This could involve increasing the standard and reserve rates (or AMAP rates) by a set amount.</p> <p>For example, 5p as in Scotland and Wales.</p> <p>Lease car reimbursement rates are set locally and should be uplifted along with standard and reserve rates</p>	<p>Simple and easy to administer. Clear to staff.</p> <p>Can be targeted to the those most in need.</p> <p>For example, a 5p increase to all rates would be in line with Scotland and Wales agreement.</p> <p>This approach can help lease car drivers if that rate is increased as well.</p> <p>This approach will have tax implications as any reimbursement above AMAP rates is counted as "income" and therefore taxed at the individual rate.</p>

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<p><b>2. Increase the mileage threshold</b></p>	<p>Both the NHS and AMAP schemes have threshold points.</p> <p>For the NHS scheme, this is 3500 miles at 56p before the rate drops to 20p.</p> <p>The AMAP rate is 10,000 miles.</p>	<p>Increasing the threshold rate will enable higher mileage users to claim the standard rate.</p> <p>This won't help those who travel fewer than 3500 miles on the standard rate</p> <p>Increasing the threshold will have tax implications (see above)</p>
<p><b>3. Reinstate national mileage terms</b></p>	<p>Some employers have moved away from Section 17 NHS Terms and Conditions. This option involves returning to the core NHS T&amp;Cs.</p>	<p>Locally varied terms should improve the national rates, not undercut them. A reinstatement of national terms should also include a consideration of the temporary increase as outlined in other options.</p> <p>National terms and conditions should be part of provider funding for delivery of care – it's what they are commissioned for.</p> <p>Local employers will benefit from a review of section 17 terms if agreed by the DHSC.</p>
<p><b>4. Change from NHS rates to HMRC AMAP rates</b></p>	<p>The HMRC are responsible for the AMAP rates which are the rates up to which employers can reimburse travel and staff pay tax. Currently this is 45p per mile.</p>	<p>Moving to the AMAP rate will help those who travel more than around 5000 miles per year in their own cars.</p> <p>The NHS trade unions do not negotiate the HMRC rates so any future changes to the NHS scheme would not apply unless the move was conditional on being able to switch back. This could be inserted as a local review clause.</p>

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Mileage option	Description	Considerations
<p><b>5. Employers to implement practical measures to either reduce miles travelled or support low paid workers</b></p>	<ul style="list-style-type: none"> <li>• receipting fuel</li> <li>• providing fuel cards for low paid staff</li> <li>• providing hire cars for low paid staff</li> <li>• providing public transport travel passes or taxis</li> <li>• investing in pool cars for teams</li> <li>• paying travel expenses weekly rather than monthly</li> <li>• advancing mileage expenses rather than paying in arrears</li> </ul>	<p>Can be targeted for those in greatest need.</p> <p>Can provide a way to remove the need to use a private car for work mileage.</p> <p>May not be feasible for employer payrolls to implement consistently.</p> <p>May have tax/benefit implications.</p>