

10 December 2007

Guidance on mileage allowances

Section 17 and Annex L of the NHS Terms and Conditions of Service Handbook and relevant provisions in medical terms and conditions of service

A joint sub-group of the NHS Staff Council is reviewing NHS mileage allowances. Nationally agreed mileage rates in Section 17 and Annex L of the Handbook and paragraphs 277 to 304 of the Hospital Medical and Dental Staff and Doctors in Public Health Medicine and the Community Health Service Terms and Conditions of Service and Section 21 of the Terms and Conditions of Service (Consultants 2003) have not been uplifted since 2000 and have fallen some way behind traditional comparators. The sub-group will report to the Council's next meeting on 11 March 2008.

Pending the outcome of the joint review, NHS Employers is providing interim guidance on mileage allowances to all NHS organisations in England.

Since November 2000, the price of an unleaded litre of petrol has increased from an average of around 80.6 pence per litre to around 101.5 per litre in November 2007 – an increase, on average, of around 20 pence per litre. Since October 2006 petrol prices have risen by around 14 pence per litre (source *AA fuel price reports*). Though mileage allowances alone are not meant to compensate staff for the full range of their motoring costs while on official business, it is clear that increases like these in the costs of all types of fuel have been significant.

Therefore, it is recommended that the allowances in Annex L and the relevant provisions in medical terms and conditions of service as set out above, should be adjusted with effect from 1 January 2008, as set out below:

- the “regular user” mileage rate for staff travelling up to 9,000 miles per year on official business, in cars up to 1,000cc should be increased from 27 pence per mile to **29.7 pence per mile** and after 9,000 miles per year from 16.2 pence per mile to **17.8 pence per mile**;
- the “regular user” mileage rate for staff travelling up to 9,000 miles per year on official business, in cars between 1,001cc and 1,500cc should be increased from 33.5 pence per mile to **36.9 pence per mile** and after 9,000 miles per year from 18.3 pence per mile to **20.1 pence per mile**.

These increases should apply to all staff in England receiving the allowances set out in Section 17 and Annex L of the NHS Terms and Conditions of Service Handbook and the relevant provisions in medical terms and conditions of service, as set out above. Payroll facilities will be provided to

assist employers to implement this guidance which has been agreed with those trades unions who sit on the NHS Staff Council.

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