

Amended mileage rates from 1 July 2014

Pay and Conditions Circular (AforC) 3/2014

Summary

This Pay and Conditions Circular informs employers of changes to the mileage rates published on 4, June 2014, in Pay and Conditions Circular (AforC) 2/2014. This follows the AA's publication of a correction to one of the figures in its general guide to car running costs 2014/15.

The amendments to the NHS terms and conditions of service handbook, detailed in this circular, will be published in amendment number 32.

Action

1. In line with provisions in the national collective agreement Pay Circular (AforC) 2/2014 announced that the standard rate of reimbursement for annual business mileage up to 3,500 miles, the standard rate for annual business mileage over 3,500 miles and the motorcycle and reserve rates, were reduced. The new, lower rates of reimbursement applied to journeys made by employees on NHS business on, and after, 1 July 2014.
2. On 8 July 2014 the AA published a correction to figures its general guide to car running costs 2014/15. The effect of this is to change the previously published standard rate in the Handbook, for annual business mileage, up to 3,500 miles per year. Consequently, the rate for motorcycle users and the reserve rate also change. Copies of the new Table 7, "Amended rates of reimbursement from 1 July 2014," in Section 17, and the new Table 17, "Amended motoring costs as at 1 April 2014," in Annex L are attached to this Circular.
3. Employers will need to ensure that eligible business mileage is reimbursed at the rates in the amended Table 7, in this Pay and Conditions Circular, from 1 July 2014.

Review

4. These updated rates of reimbursement are produced by the NHS Staff Council's latest review of motoring costs. The Staff Council has referred to the information in the latest AA general guide to car running costs 2014/15. Rates of reimbursement are changing because, in line with the national collective agreement, the change from the rates of reimbursement produced by the last review, in November 2013, is bigger than five per cent (paragraph 17.13, and Table 17 and paragraphs 12 to 15 in Annex L).
5. The next review, of fuel costs only, will take place in November 2014. Any changes to rates of reimbursement resulting from it will apply to all miles travelled from the following 1 January (Section 17, paragraph 14 and Annex L).

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Effect of this amendment

6. Details of the changes made effective by this circular are in the Annex, attached. Copies of the updated Section 17, reimbursement of travel costs and Annex L, motoring costs, are also attached.

Enquiries

7. Employees must direct personal enquiries to their employer.
8. Employers should direct enquiries to: AgendaForChange@nhsemployers.org
9. Copies of this circular can be downloaded from: www.nhsemployers.org
10. A copy of the NHS terms and conditions of service handbook can be downloaded from the NHS Employers website at the following web address:

www.nhsemployers.org/your-workforce/pay-and-reward/nhs-terms-and-conditions/nhs-terms-and-conditions-of-service-handbook
11. Prior to the establishment of the NHS Employers organisation in November 2004, responsibility to inform the NHS of changes to pay and allowances for staff on Agenda for Change contracts rested with the Department of Health. Changes were published in Advance Letters. Copies of Advance Letters going back to 1995 may be obtained from the Department of Health website.

Issued by:



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Annex

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NHS Terms and Conditions of Service Handbook, amendment number 32

The changes made effective by this circular are listed below.

Title Page:

“Amendment number 31” is deleted and replaced by “**Amendment number 32**”

“Pay Circular (AforC) 2/2014 is changed to “**Pay and Conditions Circular (AforC) 3/2014**”.

Section 17: Reimbursement of travel costs

Table 7

The title “Rates of reimbursement from 1 July 2014” is changed to “**Amended rates of reimbursement from 1 July 2014**”

In Table 7 the following changes are made:

in column 2, line 3, “car (all types of fuel), Annual mileage up to 3,500 miles (standard rate)” is changed from “54 pence per mile” to “**56 pence per mile**”.

in column 4, line 4 “Motorcycle” 27 pence per mile” is changed to “**28 pence per mile**”:

in column 4, line 7, “Reserve rate” 27 pence per mile is changed to “**28 pence per mile**”.

Annex L: Motoring costs

Table 17

The title “Motoring costs as at 1 April 2014” is changed to “**Amended motoring costs as at 1 April 2014**”

In Table 17 the following changes are made:

in “Row 4, Depreciation (based on 10,000 miles per year), 2,397” is changed to “**2,615**”:

in “Row 6, Total annual cost of standing charges, annual cost (£) 3,319” is changed to “**3,537**”:

in “Row 6, Total annual cost of standing charges, cost per mile (pence) 33.19” is changed to “**35.37**”:

in “Row 12, Total of standing charges and running costs up to 3,500 miles per year, cost per mile (pence) 53.64 (54 pence rounded)” is changed to “**55.81 (56 pence rounded)**”

Table 7

Amended rates of reimbursement from 1 July 2014

Column 1	Column 2	Column 3	Column 4
Type of vehicle/allowance	Annual mileage up to 3,500 miles (standard rate)	Annual mileage over 3,500 miles (standard rate)	All eligible miles travelled (see paragraph 17.15 and Table 8)
Car (all types of fuel)	56 pence per mile	20 pence per mile	
Motorcycle			28 pence per mile
Pedal cycle			20 pence per mile
Passenger allowance			5 pence per mile
Reserve rate			28 pence per mile
Carrying heavy or bulky equipment			3 pence per mile

Table 17
Amended motoring costs as at 1 April 2014

Rows	Items of cost	Annual cost (£)	Cost per mile (pence)
	Standing charges		
Row 1	Road tax	180	
Row 2	Insurance	496	
Row 3	Cost of capital at 50%	196	
Row 4	Depreciation (based on 10,000 miles per year)	2,615	
Row 5	Breakdown cover	50	
Row 6	Total annual cost of standing charges	3,537	35.37
	Running costs		
Row 7	Fuel		13.87
Row 8	Tyres		2.00
Row 9	Service labour costs		2.19
Row 10	Replacement parts		2.39
Row 11	Total of running costs		20.45
Row 12	Total of standing charges and running costs up to 3,500 miles per year		55.81 (56 pence rounded; i.e. to obtain the whole pence values in Table 8 in Section 17, 0.5 pence and above is rounded up. Lower figures are rounded down).
Row 13	After 3,500 miles per year		20.45 (20 pence rounded; see note above).