

Statement from the joint chairs of the NHS Staff Council:

NHS Staff Council confirms outcome of AfC mileage mechanism negotiations

As co –chairs of the Staff Council, we are pleased to announce the introduction of a new mechanism for calculating mileage reimbursement for eligible NHS staff who use their own cars for work. The agreement follows more than a year of detailed negotiations and extensive consultation by employers and trade unions.

The new mechanism represents a significant update to the existing system and uses a measure of inflation from the Office for National Statistics (ONS) to review changes in the costs of using a personal car for work. The new mechanism will replace the existing mechanism and will adjust with the fluctuations in the costs of motoring, not just fuel prices alone. This is a significant change to the old mechanism which only delivers a change in reimbursement rates following sustained changes in fuel prices. This is particularly important given global events and pressures faced by motorists at the pumps.

Minister of State for Secondary Health Karin Smyth said:

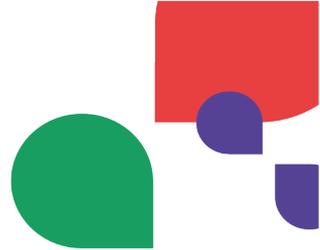
"It's only right that staff are fairly reimbursed for travel they undertake as part of their duties. This important step to make that a reality is an example of what a constructive partnership can achieve for hardworking NHS staff.

"I want to put on record my thanks to all those who were involved in this, particularly members of the NHS Staff Council.

"I am looking forward to continuing in this positive spirit as we work with the NHS Staff Council to reform the Agenda for Change pay structure and to prioritise increasing pay for graduates and the lowest paid members of staff."

The new mechanism

The new mileage reimbursement mechanism will review rates twice a year. Rate changes will be implemented where there is a change of more than a whole penny. The new agreement also includes an increase in the mileage threshold drop down from 3,500 miles to 4,500 miles to support those staff who undertake the most mileage, particularly those who look after patients in the community and often travel the furthest for work. The date when the mileage threshold counter resets will also change to the 1 April following implementation.



The new mechanism will be implemented in a phased approach and will trigger a change in reimbursement rates:

- From 1 June 2026, the standard rate will increase to 0.59p (<3,500), and the drop-down rate will increase to 0.36p (>3500 miles).
- From 1 July 2026, the dropdown rate will increase from 3,500 miles to 4,500 miles per annum.
- From 1 April 2027, the mileage counter reset will change from 1 July to 1 April

These changes will apply to staff employed on the NHS Terms and Conditions of Service as well as those employed on the Terms and Conditions of Service for NHS Doctors and Dentists in Training (England) 2016. The Electronic Staff Record (ESR) system will be updated to reflect these changes, and the NHS TCS Handbook will be updated from 1 June 2026 to reflect the new mechanism.

Existing local arrangements

Where local partnerships of employers and trade unions have agreed alternative arrangements to the provisions in Section 17 of the NHS TCS Handbook, it is not the intention that these new arrangements replace any local agreement. However, local partnerships are encouraged to review their existing local agreements in light of these changes.

Further guidance and FAQs will be issued in the coming weeks to support the implementation of the new mechanism.

Finally, we extend our collective appreciation to the co-chairs of the mileage negotiations group- Alan Lofthouse, Deputy Head of Health for UNISON and Caroline Julien, Chief People Officer for Sussex Community NHS Foundation Trust, alongside the members of the mileage negotiations group, for their time, expertise and commitment, demonstrating the strength and importance of partnership working.



Steven Ned
Employer Side Chair
NHS Staff Council



Helga Pile
Staff Side Chair
NHS Staff Council

March 2026