

Getting it right?

Are you being treated properly at work?



NHS Mileage advice for UNISON branches

December 2021

Introduction

This guide has been pulled together in response to concerns about the increased cost of motoring being experienced by UNISON members working across the NHS in all four UK countries.

Cost of motoring and the current economic climate

COVID along with economic and global factors have created a near perfect storm for motorists. Fuel prices have been driven up by a combination of issues such as record global oil prices, driver shortages and recent fluctuations in supply to forecourts. Whilst the supply issues seem to have been resolved, fuel prices remain high. In addition, the cost of fuel is only one part of the cost of motoring. Car parts, servicing and maintenance as well as insurance costs are all increasing. As reported by the RAC, data from the Office of National Statistics shows that over the last 10 years petrol and oil costs have increased by 2.06%, whereas overall motoring costs have increased by 22.59%¹.

NHS Terms and Conditions

The current NHS mileage scheme is contained in section 17 of the the NHS Terms and Conditions handbook (Reimbursement of travel costs) and Annex 12 (Motoring costs). The scheme is designed to reimburse occasional use of personal vehicles for work use. While there is some flexibility for local partnerships to negotiate local terms for travel costs, the most frequent change is to put in place the Approved Mileage Allowance Payment (AMAP) set by HMRC. You can find out more about mileage schemes though the UNISON Bargaining on Vehicle Allowances guidance².

¹ <https://www.racfoundation.org/data/cost-of-motoring-index>

² <https://www.unison.org.uk/content/uploads/2021/06/Vehicle-allowances-250621.pdf>

**If not, talk to UNISON.
Let's put it right together.**



Tick box



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The NHS mileage scheme reimburses at a higher rate than AMAP for the first 3500 miles, it then decreases. The NHS scheme is not designed to reimburse regular and sustained use of personal vehicles for work – although we know that a lot of community NHS staff do use their own cars. The impact of this is that our members are often out of pocket, especially those in lower banded support roles or with already challenged financial circumstances.

The NHS mileage scheme is designed to respond to the annual AA Cost of Motoring report. Unfortunately, this has not been published since 2014 so the reimbursement rate has remained the same. This has protected NHS staff from drops in fuel prices but at the same time exposes staff to fluctuations in fuel prices and the increases in the broader costs of motoring.

Through the NHS Staff Council, in response to current high fuel costs and in light of green transport initiatives, UNISON is requesting support for an urgent review to mileage rates.

Options for NHS workers

The best way for members to reduce their costs of motoring is to push the cost back to the employer. Some staff may be contractually obliged to use their car for work so this should be checked first. However, while staff are often willing to help their employer deliver services, the employer is responsible for ensuring they are funded correctly, which includes the costs of getting staff patients and providing the care. There are a number of options that can be considered by individuals, teams and employers, which are set out below.

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1. Pool cars

A pool car is one that is available to use by anyone within an agreed team/organisation. The car is held and maintained by the employer, ensuring it is road worthy and available when needed. Fuel is either supplied by the employer on-site, available to purchase through a fuel card, or reclaimable via expenses (i.e., a petrol receipt from a garage).

Advantages	Disadvantages	Green impact
The advantage of a pool car is that all costs of motoring are held by the employer. The user may need to buy fuel but this will be reimbursed at cost, rather than by mile.	The disadvantages are that the pool car is not allowed for personal use and must be returned to a workplace, not a home address, at the end of a shift.	<p>Ideally pool cars will be electric, zero or low emission vehicles, meaning a low environment impact than personal, hire, lease or salary sacrifice cars.</p> <p>Pool cars do not stop members of staff from using their own vehicles to drive to and from work, although alternative transport should be considered. For example, public transport or car sharing.</p>

2. Hire cars

Hire cars can be arranged by the employer on an irregular or semi-permanent basis. More regular use makes pool cars more affordable.

Advantages	Disadvantages	Green impact
The main advantage is that the total the cost of motoring sits with the employer or hire company.	The same restrictions to personal use apply.	The environmental impact of hire cars will depend on make and model, but likely to be similar to that of pool cars, although more difficult to go electric.

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3. Lease cars

Lease car policies are set locally based on NHS Terms and Conditions Annex 13: Lease vehicle policies. Lease cars may be suitable for people who are expected to drive more than the 3500 mileage threshold. They are voluntary schemes which can be either provided on the basis of business use only, or a combination of business and private use. Lease cars which are for business use only are effectively pool cars (see above).

Advantages	Disadvantages	Green impact
The advantages of lease car schemes is that the employer or lease company cover the cost of maintaining the vehicle (insurance, MOT, servicing and road tax) whilst the employee covers mileage which is reimbursed at an agreed rate set locally in line with HMRC advice.	The disadvantages of lease cars is that they can have tax and earnings implications which need to be understood by the leaseholder.	The environmental impact of lease cars will be greater than that of pool cars given that they are used by staff who cover greater distances. This is also likely to be the case given that they can also be used for personal use.

4. Salary sacrifice cars

Some employers offer staff salary sacrifice car schemes which allow the employee to have a maintained vehicle under a reduced cost hire/purchase arrangement.

Advantages	Disadvantages	Green impact
The advantages of these schemes is that the car is normally provided with a maintenance plan. and is available to use for personal use.	The disadvantages are that the salary sacrifice comes from gross salary and has earnings, pension contributions and tax allowances implications.	The environmental impact of a salary sacrifice car is likely to be greater than that of hire, lease and pool cars. Salary sacrifice cars are used on an individual basis and may encourage the member of staff to make greater use of their vehicles both personally and professionally.

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5. Public transport and the green agenda

NHS organisations should be reducing their carbon footprint, and staff mileage should be part of any organisation-wide green plan as part of the NHS commitment to get to net zero emissions by 2040. For example, vehicles necessarily purchased or leased should be ultra-low emission models. The introduction of car sharing and priority parking schemes for those using pool cars should also be considered as well as discounts for staff using public transport or less carbon intensive means for work related travel.

The pandemic has demonstrated that NHS staff are adaptable and flexible when it comes to how and where they work. For example, using video or telephone consultations as alternatives to visiting patients in their own homes. Some travel for care purposes, particularly for those working in community roles is unavoidable but staff could be encouraged to use the public transport, car sharing, even walking or cycling as modes of transport wherever possible and safe to do so.

Summary

The cost of motoring is set to remain high. UNISON, as well as other NHS Trade Unions, are raising the impact this is having on NHS staff through the Staff Council as a matter of urgency. However, to renegotiate the national terms and conditions could take months or years to complete and implement (the current scheme was negotiated in 2010 and implemented in 2013).

Therefore, the biggest action to reduce the cost of motoring our members can take is to reduce the miles they travel for work. Reducing miles travelled in a personal vehicle is good for our members, good for the environment and better for safety. For more information about the real costs of motoring, visit the AA³.

Tackling the cost of motoring requires people to think collectively and get employers to change behaviour. UNISON branches can help members develop Earnings Max campaigns to reduce the cost of motoring and encourage employers to put in place greener pool car schemes. The best approach is for teams to work with their managers and union representatives to make the case in partnership to employers.

³ <https://www.theaa.com/driving-advice/driving-costs>