

Mileage Allowance Brief

Staff Side NHS Executive

May 12 2008

A summary of our discussions to date will be presented at the Executive.

We have had no response from Employers to our request at the March Staff Council that the 10% interim increase is extended to all rates in Annex L.

At the mileage meeting on May 6th there was no further response to this claim and the staff side asked that the employers' representative relay the following claim to NHS Employers that ;

'All Mileage Allowances in AFC Section 17 and Annex L be increased by 10% for the period May 12 2008 to November 31st 2008'

This would be an increase in the Annex L rates and not a further 10% increase on the 'interim rates'

The paper is enclosed at appendix A

The employers' representative was asked to let employers know that we would be discussing this at the Executive and for UK Employers to make a response to this claim and, of course, our claim at the March Council meeting.

The new claim was submitted to recognise a number of issues;

1. That fuel prices continue to rise and have risen 4p a litre since January
2. That 'agreement' on this increase would be better than 'guidance'. RCM colleagues have heard that the NW SHA are refusing to pay because it is 'guidance' and not agreement
3. That the 6 month period would cover the future negotiations
4. That this 'increase' would be superseded by any negotiated outcome before November 31 2008.
5. That this increase would show that Employers etc were taking the matter seriously and acting on the concerns of our members.
6. That the Mileage Allowance discussions - although progressing - are not likely to conclude in the short term.

Fuel Prices:

Mileage Allowances were last changed in June 2000 when fuel (unleaded) was at 86.2p litre (£3.86).

The AA figure for April 2008 is 108.1 (491.4). An overall increase over the period of nearly 30p a litre or £105 a gallon – approx 35%.

The new interim guidance became effective from January 1 2008 and only applies to regular users up to 1500cc. The AA Fuel price in January 2008 was 104.3 ltr / 474.2 gal. In the period January to April the increase has been 4p a litre / 17p gal.

There is no evidence that fuel prices will drop in the near future.

Whilst the whole issue of mileage allowances is complicated by members personal positions (car, family circumstances, fuel efficiency, business miles, AMAP etc) the overall impression is that members see these fuel rises as leaving them out of pocket when doing NHS work. There is increasing pressure on the staff unions to react to these fuel increases.

It is also difficult to compare guidance on rates; The AA bases theirs on the cost of a new vehicle

The recent welcome interim increase in some rates has only had the effect of highlighting the rates that were not raised – Standard user etc - with questions being raised as to the inequity in this.

Whilst an agreed increase – even in the short term – would be welcomed it should not indicate that these higher rates will stay if there is a new agreement. Currently NHS rates vary from 27p (with a lump sum) to 53p a mile (no lump sum). Sums over 40p are subject to tax (AMAP) whilst sums below 40p are subject to tax relief. The Chancellor did not raise or reduce AMAP in the Budget.

An increase in rates in the short term would be seen as a key achievement and can be argued that the NHS has been listening to its staff.

Appendix A

NHS AFC Section 17 Mileage Allowance Meeting

May 6 2008

Staff Side Claim

At the NHS Staff Council meeting on March 11th NHS Staff Side unions asked that the present interim guidance (January 2008) recommending a 10% increase in Regular User rates up to 1500cc be extended to all Mileage allowances in Section 17 Annex L of AFC.

Since March 11th the price of fuel (an element in the Mileage Allowance) has continued to rise. NHS Mileage Allowances were last agreed nationally in 2000 when fuel was 88.9p/litre. AA figures for April give unleaded fuel at 109.2p a litre a rise from 106.8 in March and 104.3 in January.

Whilst work is underway on looking at the whole of Section 17 and Annex L it is clear that the membership in all unions is increasingly concerned that the continual increase in fuel prices is resulting in them being out of pocket when undertaking NHS work. The welcome interim increase in January only highlights those rates that were not increased (Regular over 1500 and all Standard Users etc).

Given that the uplifts in rates from January 2008 are 'guidance' only, that some employers are refusing to pay and that fuel prices continue to rise, NHS unions ask NHS Employers to agree that;

'All Mileage Allowances in AFC Section 17 and Annex L be increased by 10% for the period May 12 2008 to November 31st 2008'

Such an increase would be both 'agreed' and 'temporary' in that it would have a finite period to run but would be superseded if agreement was reached between the parties as to new arrangements for Section 17 and Annex L before November 31st.

NHS Employers are asked to respond to this claim at the NHS Executive meeting on May 12th 2008.

G. O'Dwyer

May 6 2008