

5th February 2026

Mileage Reimbursement - Frequently Asked Questions

Who is eligible for mileage rate reimbursement?

If you use your car for work, then you should be reimbursed for the miles you travel in the course of your duties. The fleet of personal cars in use in the NHS is called the Grey Fleet.

Is commuting and parking covered under the new scheme?

Unless your home is your work base, you would not be able to claim costs like daily commuting to a place of work or normal car parking for work.

What is the NHS mileage reimbursement scheme?

This is contained in Section 17 of the NHS Terms and Conditions Handbook – commonly referred to as Agenda for Change. This mechanism has been broken since 2014 and GMB has campaigned to get it updated so that it more accurately takes into account the costs of motoring.

Will this new agreement apply across the whole UK?

Section 17 is a national term in the NHS Handbook; however, local agreements can be negotiated in partnership to improve it. Cymru/Wales, Scotland and Northern Ireland all have local agreements in place that will remain in place until discussions have taken place at devolved administrations level.

We use a local agreement, what can we do?

Most miles are reimbursed under Section 17. However, whilst the broken mechanism was in place, some trusts may have agreed local variations or put in place HMRC'S Approved Mileage Allowance Payment (AMAP) Rates.

Where local agreements or variations are in place, employers and trade unions will need to discuss implementation of the updated section 17. More materials to support these discussions will be developed once the new mechanism has been agreed.

How will the new mechanism ensure rates keep up with the real cost of using my car?

We have negotiated a new mechanism that will calculate rates and will adjust with changes to inflation linked to motoring costs, published by the Office for National Statistics. This is the most appropriate measure of motoring costs that exists. More information can be found [here](#).

Will this completely cover my motoring costs?

No mileage reimbursement scheme is perfect, and this is dependent on factors like how many miles you travel, the type of car you use, your individual costs, and even your style of driving. For example, if you are a high mileage driver or drive an older, less economical car, it may be that the new proposals do not fully cover your costs. However, unions believe the new mechanism will more fairly recompense you for using your own car for work in comparison to the old national scheme.

Can rates go up as well as down?

Yes. As the mechanism is uses a measure of inflation that is linked to motoring costs, if these go down then the rates could also go down. However, if this happens it would be in response to falling costs to the motorist and therefore is still fair.

I drive a lot of miles for work; how will the new mechanism help?

If agreed and implemented, the new baseline rates will be higher than they currently are, and the drop down rate, where a lower rate applies, is increasing from 3500 miles to 4500 miles. These

two changes should help drivers, particularly community staff who drive more miles than most NHS Staff.

What is the alternative to using my own car?

Using your own car for work and driving lots of miles leaves you, the driver, with costs and risks. This is why we're also working on ways to reduce the NHS reliance on the Grey Fleet and we're encouraging employers to think about alternatives such as pool cars that staff and teams can use. Under Net Zero initiatives, employers should be looking at reducing the impact of the Grey Fleet and finding greener ways to travel.

What if I use an electric or hybrid/electric car?

The new baseline rates will apply to all car types. The next stage of the negotiations will be to review the role of electric and hybrid cars and how to encourage greener alternatives to travel, in line with net zero strategies. The Department of Health and Social care have indicated that they want to discuss a separate rate for electric or hybrid/electric cars.

Does car ownership matter?

Some people own their car outright and some have a car through a salary sacrifice scheme. Others have a lease car provided by their work for their job. The new rates won't apply to lease cars where these are "company cars" provided by the employer.

Where staff have purchased a car, or have a hire purchase agreement, through a salary sacrifice scheme we understand reimbursement rates vary depending on local policy and terms of those agreements. Answering this question and providing guidance to employers and drivers is still part of our national discussions.

Won't making the rate higher encourage driving?

The new mileage reimbursement scheme aims to fairly reimburse staff for the extra costs they bear because they use their own car to carry out the tasks and duties of their job. It does not incentivise driving and unions are working to reduce the reliance on staff using their own car.

What is the alternative to this recommendation?

Unions believe that the new mechanism is the best that can be achieved through negotiations. The alternative to the new mechanism is to stick with the current mechanism, which relies on fuel costs only, not the wider costs of motoring.

What about car parking fees?

Daily commuting to a place of work or normal car parking for work are outside of the scope of these talks. However, GMB believes that hospital parking should be free for NHS staff across the UK and we've been campaigning for many years for car parking fees to be abolished for staff.

Do I pay tax on mileage reimbursement?

Yes, you pay tax on any reimbursement above the HMRC Approved Mileage Allowance Payments. The amount of tax you pay will depend on your earnings. More information can be found here. [Travel — mileage and fuel rates and allowances - GOV.UK](https://www.gov.uk/mileage-and-fuel-rates-and-allowances)