

HMRC mileage rates

Non-Confidential

Report by: Elaine Atkin

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HMRC have announced new mileage rates effective from 6 April 2026 (see Appendix A).

The basic rate (for the first 10,000 miles per annum) has increased from 45p to 55p per mile. HMRC also advise that this uplift should be back paid to 6 April.

As advised by LALC, this would need to be agreed by formal resolution and does depends on what staff contracts say.

Our Caretaker/Handyperson is the main recipient of mileage each month. Their contract states *“Mileage payments at the current HMRC rate in force (currently 45p per mile) will be paid as long as they are approved by the Council.”*

Other staff have old contracts that state *“Where applicable, the Council shall also pay travel or mileage expenses, provided such expenses have been approved by [the Chair – for the Clerk/the Clerk – for other staff].”*

Recommendation

- Council confirms whether the new rate is just applicable to the Caretaker/Handyperson or whether it should be applied to all staff.
- Council confirms that the new rate should be retrospectively applied from 6 April 2026, and any back pay is paid.

Appendix A – HMRC mileage rates

Approved mileage rates from tax year 2026 to 2027

Vehicle type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	55p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Approved mileage rates from tax year 2011 to 2026

Vehicle type	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Passenger payments — cars and vans

5p per passenger per business mile for carrying fellow employees in a car or van on journeys which are also work journeys for them. Only payments specifically for carrying passengers count and there is no relief if you receive less than 5p or nothing at all.