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Advice notes 08 Jun 2026

TRAVEL – MILEAGE AND FUEL RATES AND ALLOWANCES

This advice note was last updated on 8 June 2026.

HM Revenue & Customs (HMRC) has changed the approved mileage rates for the tax year 2026/27. It is the first change since 2011.

APPROVED MILEAGE RATES FROM TAX YEAR 2026 TO 2027

- Cars and vans — 55p per mile for the first 10,000 business miles in the tax year, then 25p per mile thereafter.
- Motorcycles — 24p per business mile.
- Bicycles — 20p per business mile.

HOW THIS AFFECTS PARISH AND TOWN COUNCILS

This will depend on a few factors:

- If mileage rates are included in the council's policy or someone's contract or terms as "in line with HMRC mileage rates" or words to that effect, then they should automatically be paid the new HMRC rates.
- If it instead specifies the figures, for example, 45 pence per mile, then they will need to be amended through the usual process for amending council policy or an employee's contract.
- NALC's **template contract of employment for parish and town councils** and **model contract of employment** created by WorkNest and endorsed by One Voice Wales and the Society of Local Council Clerks refer to the "National Joint Council for Local Government Services (NJC) rate in force". So anyone whose contract uses that wording is not affected by the change in the HMRC rates. The NJC is not planning to change the rates from those agreed in 2010, as they now recommend using HMRC rates instead.

USEFUL LINKS

- **[GOV.UK - Travel: Mileage and fuel rates and allowances](#)**