



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Maris Stratulis & Alison Bavidge
British Association of Social Workers
Wellesley House
37 Waterloo Street
Birmingham
B2 5PP

19 September 2023

Dear Maris Stratulis and Alison Bavidge,

Thank you for your correspondence dated 19 July to the Chancellor of the Exchequer about mileage allowances. I am replying as the Minister responsible for this policy area. I am sorry for the delay in replying.

Let me firstly assure you that the Government greatly values the role social workers play in caring for and protecting some of the most vulnerable members of our society.

You write on behalf of social workers across the UK to advocate for an increase in the Approved Mileage Allowance Payments (AMAPs) rate. I was grateful for the opportunity to discuss this during the Westminster Hall Debate on Monday 3 July. As I set out in that debate, the AMAP rates are not mandatory, and employers can choose to pay more or less than the AMAP rate. It is therefore ultimately up to employers to determine the rate at which they reimburse their employees.

As with all taxes and allowances, the Government will continue to keep the AMAP rate under review. In estimating typical motoring costs per business mile HMRC use a variety of information, including information from the AA, the National Travel Survey, the Association of British Insurers and the Department for Energy Security and Net Zero (fuel prices). The AMAP rate is intended to reflect both running costs (such as fuel) and a proportion of standing costs (such as insurance, MOT and depreciation). Therefore, in estimating typical motoring costs per business mile the Government must consider the weighting given to each component and how to proportion certain costs.

You note recent fluctuations in fuel prices in your letter, a point that was also raised in the debate. In considering changes to the AMAP rate and the equivalent rate for self-employed drivers, the Government has to balance the responsible management of public finances with support for individuals. However, the Government recognises that transport is a major cost for individuals and families. In order to continue to support all motorists, at Spring Budget 2023 the Government announced that it would extend the 5p fuel duty cut and cancel the planned uprating of fuel duty, which is worth £100 to the average driver over the next year.

More broadly, the Government is committed to ensuring social workers and social care staff are properly supported. The 2023-24 Local Government Finance Settlement provides councils with a 9 per cent increase in Core Spending Power in total, making available almost £5 billion in additional resources and demonstrating how the Government stands behind councils up and down the country.

The Government recognises all councils are facing pressures. That is why we have created a new one-off Funding Guarantee which will ensure all councils see at least a 3 per cent increase in their Core Spending Power in 2023-24 before any local choices to increase council tax rates.

Local government pay is negotiated between the National Joint Councils employer and union representatives, and is ultimately a decision for local councils. However, the Government would expect councils to take into account wider public sector pay awards and overall affordability when negotiating the pay settlement.

Thank you for taking the time to make us aware of your concerns. I hope this information is helpful.

Yours sincerely,

A handwritten signature in black ink, reading "Gareth Davies". The signature is written in a cursive style with a large initial 'G' and a long, sweeping tail.

Gareth Davies MP
EXCHEQUER SECRETARY TO THE TREASURY