

Report to: Appointments and Conditions of Service Committee

Subject: Mileage rates- consultation closure

Date: 2 October 2024

Author: Director of Transformation (Acting Assistant Director Workforce)

1. PURPOSE OF REPORT

Firstly, to report to committee the consultation response received from trade unions and from the Joint Consultative and Safety Committee (27 August 2024) and secondly to ask the committee to approve the recommendation to implement the proposal for an electric vehicle car allowance rate that will supplement the other existing rates for travel already adopted by the Council together with the formalisation of the currently used cycle mileage rate.

2. RECOMMENDATIONS

The Appointments and Conditions of Service Committee is recommended to:

- 2.1 Receive the consultation comments from trade unions, and comments and recommendations from the Joint Consultative and Safety Committee (JCSC).
- 2.2 Having considered consultation feedback from trade unions and the JCSC, to authorise implementation the proposals set out in Section 4 of the report.

3. BACKGROUND

3.1 The current mileage rates used within the Council to reimburse business travel are shown in the table below:

Car user mileage allowance:	52.2p pr mile
Motorcycle allowance:	24p per mile
Cycle allowance:	20p per mile

These rates are those set by the Local Government Association (LGA) and have not been altered since 2010 although they remain higher for car mileage than the rates set by HMRC for which tax is not deducted.

HMRC rates, which also have remained static since 2010 are:

Car user mileage allowance: 45p per mile (25p after 10,000 business miles)
Motorcycle allowance: 24p per mile
Cycle allowance: 20p per mile
Carrying fellow employees on a business journey can also be claimed at an extra 5p per mile.

HMRC also recognises a mileage rate of 45p per mile (25p after 10,000 miles) for business use of a personal electric car.

- 3.2 Locally, the Council does not have a recognised mileage rate for electric vehicles of any type. This position does not support the Council's aspiration to be carbon neutral by 2030.
- 3.3 Consultation with trade unions (UNISON and GMB) commenced 21 March 2024. The comments made by UNISON are shown at Appendix 1. There is no formal management response as the comments are supportive in nature and don't suggest any amendment to the proposal. No comments have been received from GMB in respect to the proposed rates.
- 3.4 The JCSC of 27 August was supportive of the proposals and welcomed the recognition of expenses for electric vehicles as this is a clear message of support for the Council's ambition for carbon neutrality. There was a suggestion that the rate of 5p per mile for the carrying of additional passengers for a car journey could be increased, perhaps by one or two pence, if the Appointments and Conditions of Service Committee were so minded.

4. PROPOSAL

- 4.1 It is proposed that the Council adopts a rate of mileage payments for electric vehicles based on the local rates already used and also as informed by the HMRC where local rates do not currently exist as follows:

Car user mileage allowance (all fuel types including electric): 52.2p per mile
Motorcycle allowance (all fuel types including electric): 24p per mile
Cycle allowance (including electric bikes and scooters): 20p per mile
Carrying fellow employees on a business journey can also be claimed at an extra 5p per mile.

- 4.2 The suggestion of paying a slightly higher rate to drivers that car share is acknowledged although, from a management perspective, the proposal would be to adopt the HMRC rate as stated in 4.1. To pay a higher rate than the HMRC rates for this additional element of the allowances would attract taxation and would diminish the value of what would already be a relatively small payment- there would be almost no value in the additional payment if it was to be taxed.
- 4.3 It is also proposed that where they exist, the LGA rates should continue to be used by the Council until they are exceeded by the HMRC rate for untaxed payment at which time the HMRC rate should apply.
- 4.4 The introduction of an electric bike allowance is designed offer incentive to those people who might make short business trips within the borough and who might otherwise use a car for the journey. Due to the geography of the borough it is

unlikely to be the case that people would currently be using a pedal cycle for those journeys.

4.5 The proposals, if supported for implementation will be applied with immediate effect.

5. ALTERNATIVE OPTIONS

Alternatives are:

5.1 To not recognise a mileage rate for use of electric vehicles although to do this would discourage the use of this type of transport for business use and so would almost certainly have a negative environmental impact.

5.2 To apply a different rate of mileage allowance, including an enhanced rate beyond the 5p per mile for the carrying of additional passengers. Although this would be possible, if rates were increased substantially then it is likely to be seen as divisive within the organisation. Any mileage payments made above HMRC payments are taxable.

6. LEGAL IMPLICATIONS

6.1 The level at which mileage rates are set are not bound by legislation other than tax law that requires the payment of tax above thresholds set by HMRC.

7. FINANCIAL IMPLICATIONS

7.1 Working on the assumption that most business mileage, if not undertaken in an electric vehicle, would be undertaken in a petrol or diesel vehicle then the adoption of an electric car user allowance will be cost neutral.

7.2 Mileage costs are already included in existing staffing budgets and reflect the expected amount of travel in any service area based on job types.

8. EQUALITIES IMPLICATIONS

8.1 No equality implications are identified.

9. CARBON REDUCTION/ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

9.1 The proposal and recommendations clearly have a positive impact and support the Council's carbon reduction plan through the encouragement to move to electric vehicles with no financial impact in terms of business mileage claims.

10. APPENDICES

10.1 Appendix 1: Trade union feedback.

11. BACKGROUND PAPERS

11.1 There are no additional background papers.

Statutory Officer approval

Approved by:

Chief Financial Officer

Date:

6 March 2024

Approved by:

Monitoring Officer

Date:

6 March 2024

Union feedback

From: Susan Buchanan <Susan.Buchanan@gedling.gov.uk>
Sent: Wednesday, April 24, 2024 3:33 PM
To: David Archer <David.Archer@gedling.gov.uk>
Subject: RE: Introduction of mileage rates for electric vehicles

Hi David,

Just to confirm Unison has no issues with the proposed rates for electric vehicles

Kind Regards

Susan Buchanan
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