

EMPLOYMENT COMMITTEE	AGENDA ITEM No. 4
26 April 2022	PUBLIC REPORT

Report of:	Mandy Pullen, Assistant Director HR & Development	
Cabinet Member(s) responsible:	Councillor Cereste - Cabinet Member for Digital Services and Transformation	
Contact Officer(s):	Mandy Pullen, Assistant Director HR & Development	Tel. 863628

REVISED EMPLOYMENT POLICIES

R E C O M M E N D A T I O N S	
FROM: Assistant Director of HR and Development	Deadline date:
It is recommended that Employment Committee approve the proposed approach to increasing the mileage payments as detailed in the following report.	

1. PURPOSE AND REASON FOR REPORT

1.1 The purpose of the report is to obtain approval from Employment Committee to the proposed changes made to the mileage rates payable to staff on NJC terms and conditions.

2. BACKGROUND AND KEY ISSUES

2.1 In 2016, where we worked with the trade unions to significantly change pay and terms and conditions, where the main objective was to reduce salary costs whilst modernising our working practices, the mileage rate was reduced from 45p per mile to 25p per mile. In 2017, after a further review of pay and terms and conditions, this rate was increased to 30p per mile and it has not been reviewed since.

2.2 Between Feb - March 2022, the cost of petrol has increased by 18p per litre and other fuels increased accordingly. However, the increase has been reduced slightly by the spring budget reduction in fuel duty of 5p a litre. With this and the general cost of living increase seen as a result of many external influencing factors, the cost of travelling for work purposes has become a concern for our staff, particularly so for those who must use their car as part of their role. A survey was undertaken amongst other surrounding councils and of 20 that responded, all councils pay (*and track*) the rate allowed by HMRC before tax is charged (*45p per mile*) whereas Peterborough City Council has been paying 30p per mile. Staff have been able to claim tax relief on the 15p difference which will stop if the new rate is approved.

- 2.3 Currently HMRC are stating that there will be no change to the business mileage rates despite the increase in fuel costs. For information, the actual HMRC rates for business mileage are as follows: -

Type of vehicle	Rate per business mile 2022 to 2023
Car	For tax purposes: 45 pence for the first 10,000 business miles in a tax year, then 25 pence for each subsequent mile For National Insurance purposes: 45 pence for all business miles
Motorcycle	24 pence for both tax and National Insurance purposes and for all business miles
Cycle	20 pence for both tax and National Insurance purposes and for all business miles

- 2.4 The current Agenda for Change rates (*Adults Social Care*) vary according to mileage, car user status and car engine size and therefore the proposal is that this change will apply to staff outside of these Terms and Conditions.

3. PROPOSAL

- 3.1 To increase the mileage rate to 45p per mile, and track this to the rate allowed by HMRC before tax is paid.

4. IMPLICATIONS

Financial Implications

- 4.1 The Corporate Director of Resources has reviewed the proposal and it has been agreed that any cost increase as a result, will be factored into and absorbed within each Director's base budget. This proposal has been shared and approved by Corporate Leadership Team for further consideration at Employment Committee.

The estimated additional cost based on 2020/21 mileage would be £59,363. However, whilst there is more availability around travel, it is noted that with the hybrid way of working travel has significantly reduced and is anticipated to remain low.

Legal Implications

- 4.2 There are no legal implications to increasing the mileage rate.

Equalities Implications

- 4.3 The change in mileage rates submitted for approval reflect the Council's ongoing commitment to ensure equality in the workplace.

5. BACKGROUND DOCUMENTS

There are no background documents

6. APPENDICES

There are none.