

The latest news and announcements from Derbyshire UNISON

High Peak Borough Council

The proposal will see the mileage allowance for essential car users raised to 45p per mile.



Proposed increase in mileage allowances

The council are proposing an increase in essential car user rates with immediate effect. UNISON is recommending members agree to the changes in a consultation exercise.

Part of the NJC's local government pay claim this year was an urgent review of mileage allowances as they have become radically less beneficial during the current cost-of-living crisis.

The employers refused to raise the rates but agreed to lobby the HMRC for them to do so. Obviously this didn't materially help members.

Therefore, UNISON is seeking separate agreement with local authorities individually.

The Alliance have listened to staff voices and last week proposed a

new deal which would see the rate for essential car users rise to 45p per mile and new rates of 24 ppm and 20ppm introduced for motorbikes and bicycles respectively.

According to the Alliance, casual care user claims have numbered only 52 in the year between June 2021 and July 2022. Mileage rates above 45ppm are taxable; this would apply to all casual claims. Area organiser Dave Gorton said: We are very pleased the Alliance has listened to its staff and is proposing a change locally. As

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they state, they are joining many other councils around the UK who have already done this, including within Derbyshire. Any help during the current crisis is welcomed. We recommend members accept the proposal”.

Derbyshire UNISON is not running a formal ballot on the proposal as we believe the vast majority will gladly accept it. However, if you do have an objection please email [Dave](#) before 5pm on Monday 14 November with your reasons.

The proposal is attached at the end of this update.

27th October 2022 - Mileage Allowances

1. Background

A number of enquires have been received from staff to ask if there will be a review of mileage allowances in light of cost of living increases. It has been established from the National Employers Organisations that there is no national appetite to increase mileage allowances and it is therefore up to each Locally Authority to determine whether they want to review based on either a locally agreed rate or adopt the (HMRC) mileage allowances. To note when the unions lodged their pay claim for the 2022 one of the elements of their claim was an an urgent review of all mileage allowances that are currently paid.

Mileage allowances within the Alliance were last reviewed in 2010 and were implemented as part of the joint local agreement with effect from 1st April 2010. These allowances are in accordance with Band 1 and Band 2 of the National Conditions of Service (NJC) Green Book mileage allowances for essential and casual car users.

It has been agreed the review of mileage allowances would be considered by ALT.

Workforce Data / Mileage Claims

There are **128** job roles designated as an essential car user. The remainder of the workforce (**138**) claim business mileage on an ad-hoc basis in accordance with the casual user rate. Workforce total 266.

For the period June 2021 to July 2022 there were 668 mileage claims submitted. 616 claims were from essential users and 52 claims from casual users.

2. Current Mileage Allowances

Current mileage allowances are paid as follows:-

| Essential User Payment | 451-999cc range | 1000 – 1199cc range |
|--|------------------------|----------------------------|
| Lump Sum | £846 | £963 |
| Per mile (1 st 8,500 miles) | 36.9 p | 40.9 p |
| Per mile (after 8,500 miles) | 13.7p | 14.4p |

| Casual User Payment | 451-999cc range | 1000 – 1199cc range |
|--|------------------------|----------------------------|
| Lump sum | £0 | £0 |
| Per mile (1 st 8,500 miles) | 46.9 p | 52.2p |

There are no current allowances paid for motorbikes, bicycles or electric vehicles.

The (HMRC) sets a standard mileage allowance (45 pence per mile) and any reimbursement for mileage above this rate is taxable. This is applicable to casual users and mileage claimed between 45 pence per mile and 52.2 pence per mile is taxable.

Essential users are below the (HMRC) set mileage allowance and the employee can claim mileage allowance relief from the (HMRC) at the end of the tax year to cover the difference between 40.9 pence per mile and 45 pence per mile.

3. (HMRC) Mileages Allowances

The (HMRC) sets statutory mileage allowances are:-

| Cars and Vans | |
|---|------|
| Per mile (1 st 10,000 miles) | 45 p |
| Per mile (after 10,000 miles) | 25 p |

(HMRC) allowance of 45 pence per mile is inclusive of the wear and tear of the vehicle.

| Motorbikes | |
|-------------------|------|
| Per mile | 24 p |

| Bicycles | |
|-----------------|------|
| Per mile | 20 p |

Employers can choose to adopt the (HMRC) mileage allowance or adopt a mileage allowance of their choose (NJC or locally agreed allowance). A large number of Local Authorities have moved away from (NJC) mileage allowance and have adopted (HMRC) rates.

There are tax implications if the mileage allowance is set above the (HMRC) rate of 45 pence per mile. This is seen as a taxable perk and employees would be taxed for mileage incurred above this rate.

4. Proposed Mileage Allowances

Essential Car Users

It is proposed to adopt (HMRC) mileage rates for essential car users:-

| Cars (Petrol, Diesel, Electric and Hybrid) | |
|---|------|
| Per mile (1 st 10,000 miles) | 45 p |
| Per mile (after 10,000 miles) | 25 p |

By adopting the (HMRC) rate employees will see an increased mileage rate. There will be no tax implications for essential car users as this is set at the (HMRC) threshold for tax purposes.

In addition to the above, it is proposed essential car users will still continue to receive the essential car user lump sum of £963 per annum which is set nationally. This will continue to be taxed at base rate.

Casual Users

| Cars (Petrol, Diesel, Electric and Hy- | 451-999cc range | 1000 – 1199cc range |
|---|------------------------|----------------------------|
| Per mile (1 st 8,500 miles) | 46.9 p | 52.2p |
| Lump Sum | £0 | £0 |

There is no proposed change to the casual car user allowance. Mileage for casual workers is on ad-hoc basis and with the introduction of agile working this has reduced. When mileage is claimed this will continue to be taxed at base rate. For the period June 2021 and July 2022 there were 52 mileage claims submitted by casual users.

New Allowances

It is proposed to introduce the following new allowances in accordance with (HMRC) mileage allowances:-

| Motorbikes | |
|-------------------|------|
| Per mile | 24 p |

| Bicycles | |
|-----------------|------|
| Per mile | 20 p |

Note: Mileage rates will be kept in line with HMRC rates.

Lease Car

No change HMRC rates already applicable.