

## **1.0 Policy Statement**

- 1.1 This policy has been written to complement the National Joint Council for Local Government Services, which provides for an allowance to be paid to any employee who is required and authorised to use their car for the efficient performance of their duties. The annual car allowance lump sum is currently up to £1,239 for vehicles 1200cc and above and a mileage rate is payable in addition, as per HMRC guidance.
- 1.2 This policy details the categories of car user allowances payable, the criteria for each category and the conditions that must be met to receive the allowances.
- 1.3 This policy aims to reduce the number of business miles by encouraging staff to use more sustainable modes of transport. Mid Sussex District Council is committed to reducing its environmental impacts and maintaining the highest standards of health and safety. For these reasons the use of privately owned cars for Council business should be kept to a minimum and the use of any car should be considered the final option.

## **2.0 Introduction**

- 2.1 It is important to note that car allowances are allocated to a particular post, not to the postholder and applies to permanent, temporary, part time and job share employees. They are paid at three rates based on the engine cubic capacity of the car used by the postholder as follows:
- a) 451cc to 999cc - £846
  - b) 1000cc to 1199cc - £963
  - c) 1200cc and over - £1239

## **3.0 Roles and Responsibilities**

### **3.1 Assistant Directors are responsible for:**

Establishing whether a post is designated as requiring Essential Car User status, as per the agreed criteria contained within this policy (see Section 5).

### **3.2 Heads of Service, Managers and Employees are jointly responsible for:**

- a) Ensuring employees have a valid licence to drive in the UK;
- b) Ensuring employees using their own car for Council business have appropriate insurance cover in place;
- c) Processing, checking and authorising business mileage travel claims through the HR & Payroll system;
- d) Awareness of the Council's commitment to reducing its environmental impacts and use of the *Travel Hierarchy* as detailed in Appendix A to select the most appropriate means of conducting Council business so that the use of a private vehicle is always the last resort.

#### **4.0 Casual Car User Status**

- 4.1 It is acknowledged that for some employees there is the occasional need to have access to a vehicle to carry out their duties, with there not being the requirement for immediacy of access to a vehicle as in the case of an essential user. The requirement is more likely to be on a time-to-time and/or planned basis. Unless the pattern of use meets the essential user category, the employee will be classified as a casual car user.
- 4.2 Casual users will be entitled to claim mileage applicable, as per HMRC guidance
- 4.3 Casual users are required to consider alternative options to the use of a private vehicle and to have regard for the *Travel Hierarchy*.

#### **5.0 Essential Car User Status**

- 5.1 The decision to designate a post as requiring Essential Car User status rests with the Assistant Director, in conjunction with HR.
- 5.2 The post should be demonstrated to be one where the duties are of such a nature that it is essential for the postholder to have a motor vehicle available whenever required. In other words, there must be a fundamental requirement for the postholder to have regular and immediate access to a vehicle to carry out the responsibilities of the post. This requirement is often likely to be on an unplanned basis.
- 5.3 The criteria for allocation of an Essential Car User Allowance are:
- a) Annual business mileage at least 250 miles per annum and
  - b) Regular (weekly) use at short notice or
  - c) Regular (weekly) transport of passengers or bulky materials/equipment or
  - d) Regular (weekly) significant journeys for which public transport would be impractical or
  - e) Regular visits to many sites where the use of a vehicle is essential to carrying out the duties in the job description.

Please note that the qualifying minimum mileage of 250 miles to obtain an essential user lump sum payment is a locally agreed threshold, and therefore subject to review on an annual basis by the Director, Resources & Organisational Development in conjunction with Management Team. Given the Council's commitment to reducing CO2 emissions this threshold will be considered carefully in future years.

- 5.4 However, due to the diverse nature of the services provided by the Council, it is recognised that the above criteria may not be the only factors to be considered. For example, posts that provide emergency cover requiring transport to be immediately available, or posts that provide services out of hours when public transport may not be an option.
- 5.5 When taking a decision to designate a post as requiring essential car user status, Assistant Directors must take account of the Council's commitment to reducing its environmental impacts and ensure that the classification of the post as requiring essential user status is appropriate and that the *Travel Hierarchy* (Appendix A refers) is used to establish the most suitable means of undertaking Council business.

- 5.6 Where a post carrying essential user status becomes vacant, the Assistant Director must review the requirement. For posts where the annual business mileage has been below 250 miles per annum, the assumption will be that the essential user status will be removed unless the Assistant Director can specify why the requirement remains and obtain approval from the Director.
- 5.7 Where the post is new, the manager must obtain the appropriate authorisation from the Assistant Director, in conjunction with HR, for designating the post as requiring an essential user allowance, before the recruitment process is undertaken.
- 5.8 Where a post attracts essential user status, the postholder will receive a lump sum allowance per annum and mileage rate in accordance with HMRC guidance.
- 5.9 Those authorised as essential users will be advised that the award is for a period not to exceed one year at which point it will be reviewed by the Assistant Director in conjunction with HR. Annual reviews applying the criteria as stated in para 5.3 will ensure that the number of essential users are kept to a minimum of named drivers.
- 5.10 A period of three months' notice to terminate the status and associated allowance will be given to any employee who no longer meets the required criteria, as detailed in para 5.3.

## **6.0 Payment Procedure**

- 6.1 Payment of the lump sum and allowance for official mileage will be included within the employee's monthly salary. Claims must be submitted and authorised via the HR & Payroll system by the first working day of the month and must include the preceding month's official mileage undertaken between the set dates determined. Claims must not be submitted more than 2 months in arrears.
- 6.2 The lump sum part of the allowance will be liable for Income Tax and National Insurance. Income Tax and National Insurance will be deducted at source.
- 6.3 All officers undertaking journeys on Council business are required to use the shortest practicable route, to avoid multiple journeys and to submit their claims on this basis.
- 6.4 The lump sum car allowance is non-pensionable. Both full and part-time staff receive the full NJC car allowance – it is not pro-rata'd for part time staff.

## **7.0 HM Revenue & Customs (HMRC) implications**

- 7.1 By staff submitting a claim form MSDC has written evidence and an audit trail of all journeys made by staff receiving a car allowance and monies paid out for business mileage.
- 7.2 The HMRC approved amount for mileage allowance payments are as follows:

<b>Mode of transport</b>	<b>Business miles covered</b>	<b>Rate per mile</b>
Car or van	First 10,000 miles; thereafter	45p 20p
Motorbike	All	24p
Bicycle	All	20p

- 7.3 Whilst staff may decide not to make a claim for mileage expenses, it is a requirement of the scheme that a monthly record of miles undertaken to carry out work responsibilities, for MSDC monitoring and HMRC audit purposes, is submitted via the HR & Payroll system for recording. The recording of mileage information will be reviewed by HR and any non-compliance by staff in receipt of a car allowance will be reported to Assistant Directors for appropriate action to be taken.
- 7.4 It is a requirement that all essential car users receiving a lump sum payment submit up to date mileage information, on a monthly basis, so that HR are able to process correct information to the HMRC at year end.
- 7.5 Failure by eligible officers to comply with the requirement to regularly submit up to date mileage information may forfeit the employee's continued eligibility to receive the lump sum car allowance.

## **8.0 Car Sharing – 'passenger supplement'**

- 8.1 Staff are encouraged to car share when undertaking Council business and in particular when attending the same meetings. To encourage this element of the policy, staff who share their vehicle with MSDC colleagues to undertake Council duties will be eligible to claim a 'passenger supplement'. An additional 5p per mile can be claimed for passengers, whatever the number. The HMRC allow a passenger supplement of up to 5p per mile as tax and NI exempt in addition to the usual 45p approved limit for cars.
- 8.2 Staff claiming the 'passenger supplement' will be required to detail passenger numbers and names and record this information when submitting claims.
- 8.3 Staff would need to demonstrate that their insurance policy covers them to transport colleagues for work purposes and that on an annual basis; they provide evidence of a valid driving licence and certificate of motor insurance. This evidence should be presented to HR for recording purposes.

## **9.0 Travel Direct between Home and Alternative Workplace, First or Last Visit**

- 9.1 Employees who submit claims, and who are making their first call of the day (outside their normal workplace) direct from home or returning direct to home from their last call of the day, are entitled to claim any excess mileage above their usual home to workplace to workplace to home journey. Employees must never claim anything for their normal home to office journey.

## **10.0 Travel to Training Courses**

- 10.1 Car mileage undertaken in connection with travel to approved training events will be paid at 22p per mile plus 1p extra for every additional passenger.

## **11.0 Road Traffic Fines**

- 11.1 Any road traffic and parking fines incurred by a Council employee while engaged on official and authorised Council business will need to be paid by the employee. If the employee believes there are exceptional circumstances surrounding their particular case, they need to speak to their line manager in the first instance, who should seek advice from HR.

**Appendix A**

