

Brighton & Hove City Council

Policy & Resources Committee

Agenda Item 51

Subject: Review of Staff Mileage Rates

Date of meeting: 29th July 2022

Report of: Executive Director - Governance, People & Resources

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Ward(s) affected: All

For general release

Note: Urgency

By reason of the special circumstances below, and in accordance with section 100B(4)(b) of the 1972 Act, the Chair of the meeting has been consulted and is of the opinion that this item should be considered at the meeting as a matter of urgency.

Note: Reasons for urgency

The special circumstances for non-compliance with Council Procedure Rule 3, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that the Trade Unions negotiations with regard to the recommendations in this report did not conclude until 27th July 2022.

1. Purpose of the report and policy context

1.1 The purpose of this report is to seek Committee approval to implement a proposal to temporarily increase the rate paid for mileage claimed by staff undertaking business journeys in their private vehicles. This is in response to the substantial increases in fuel costs that staff are incurring.

2. Recommendations

2.1 That Committee agrees the proposal set out in paragraphs 3.14 and 3.15.

2.2 That Committee delegates authority to the Director of Human Resources & Organisational Development to take all necessary steps to implement the proposals.

2.3 That Committee delegates authority to the Director of Human Resources & Organisational Development, following consultation with the Chief Finance Officer and Chief Executive, to extend the temporary change proposed

beyond the initial period agreed subject to a review before the end of the temporary period.

3. Context and background information

Rising Fuel Costs

3.1 Fuel costs have risen substantially for many months with the highest prices ever recorded in June 2022 according to Government records of weekly road fuel prices which can be found here [Weekly road fuel prices \(CSV\) - GOV.UK \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/111111/Weekly-road-fuel-prices-CSV-2022-06-22.csv).

3.2 According to this data the price of petrol was 188.92p per litre. This is an increase of 38.8% since the beginning of October 2021 when the price was recorded as 136.1p per litre.

Trade Union Feedback

3.3 Trade Unions have been raising concerns for some months about increasing costs of mileage for staff who use their cars for work for some months in the context of a wider cost of living crisis with inflation high and continuing to increase. Trade Unions report that they have members who are struggling to afford to fuel their cars and making decisions about whether they can carry on doing so because of the significant increases in costs staff are now facing. Trade Unions indicate that staff will stop using their vehicles for work purposes if they do not see an increase in the level of mileage rate paid.

Staff Usage of Private Vehicles for Work Purposes

3.4 Staff are generally not contractually required to use their vehicles for work purposes and do so voluntarily. However, a significant majority of mileage paid for staff undertaking work journeys in their own cars is concentrated in front line areas like care and social work as well as transport teams and housing. It would undoubtedly have a serious impact on front line service delivery if staff withdrew the voluntary use of their own vehicles for work purposes.

Current Mileage Rates

3.5 The current Council mileage rates were confirmed as part of the new allowance package implemented in 2013. They are based on the mileage rates in the NJC Terms & Conditions for Local Government Services as follows:

Mileage per year	Band 1 Engine size 451 – 999cc	Band 2 Engine size 1000cc and over
Per mile first 8,500 miles	46.9p	52.2p
Per mile over 8, 500 miles	13.7p	14.4p

3.6 Note that in the previous financial year no member of staff claimed more than 8,500 miles.

- 3.7 The NJC mileage rates above have not increased since 2010 and the national employers have declined requests from Trade Unions to review the national provisions.
- 3.8 The mileage rate is intended to cover the costs of both fuel used on business travel and the general running/maintenance costs of a vehicle so does not relate directly to fuel costs.

Mileage Rates in other Organisations

- 3.9 Online research has suggested that Councils are starting to increase mileage rates in response to the difficulties staff are now facing. West Sussex County Council have recently implemented a temporary increase in their mileage rates to 58.7p per mile for 3 months and subject to a review.
- 3.10 In addition Unison has reported that Gateshead and Wakefield Councils are increasing their mileage rates temporarily to 52.2p per mile and 65p per mile respectively and that North Norfolk Council is increasing to 60p per mile.
- 3.11 The NHS mileage rates have not increased since 2014 and is 56p per mile.
- 3.12 Many organisations use the HMRC approved mileage rates which for cars and vans is 45p per mile for the first 10,000 miles and has not increased since 2011. HMRC requires that for any mileage rates that are set above the HMRC approved mileage rate, the excess is treated as earnings and therefore staff must pay income tax and National Insurance Contributions on that excess amount.

Proposal

- 3.13 It is proposed to temporarily increase the mileage rate for Council staff to 65p per mile regardless of engine size. This is an Increase of 38.6% and 25% respectively based on current the current two rates of mileage used by the council. 65p is the highest rate of mileage proposed in national terms and conditions but is not currently used by this Council.
- 3.14 The temporary increase will be for mileage incurred during the period 1st August 2022 to 30th October 2022 after which it will return to the current levels unless an extension is agreed. The Council will review the situation with Unions prior to the end of October.

4. Analysis and consideration of alternative options

- 4.1 The Council could choose to do nothing however there is the risk of escalation of the issue from an industrial relations perspective and it is likely that Trade Unions would advise their members to no longer voluntarily use their private vehicles for work use. This would mean staff having to use public transport instead to get around the city to get to appointments and meetings which is likely to disrupt service delivery, particularly in frontline services with vulnerable service users such as care and social work.
- 4.2 The Council could increase the mileage rate but to a different figure to that proposed. One Trade Union stated they were seeking 79p per mile so a

lower rate would very likely be rejected by Trade Unions and potentially result in same issues as outlined in paragraph 4.1. Regarding a higher rate, this would increase costs and in the context of examples of other organisations in this report we believe this is a fair and reasonable offer to support staff.

5. Community engagement and consultation

5.1 The Council has engaged with the Trade Unions on this matter.

6. Conclusion

6.1 There is clear pressure on staff as a result of the increased cost of fuel and the wider difficulties with rising cost of living and inflation. Staff do not have to use their cars for work use and do so voluntarily. In areas where there is substantial private vehicle usage, this is generally in frontline critical services which would be disrupted if staff did not choose to use their own vehicles.

6.2 The Committee is therefore recommended to agree these proposals.

7. Financial implications

7.1 The proposed increase in mileage rate is estimated to result in increased costs of approximately £25,000 for 3 months. This is based on mileage claims paid in the 2021/2022 financial year. Additional costs will be borne by individual service budgets.

Name of finance officer consulted: James Hengeveld Date consulted:
(27/07/22)

8. Legal implications

8.1 Policy & Resources Committee is empowered under the Council's Scheme of Delegations to Committees and Sub-Committees to make decisions in relation to the allocation of financial resources and to grant expenditure.

Name of lawyer consulted: Elizabeth Culbert Date consulted 28/07/22

9. Equalities implications

9.1 The areas such as care and social work, where the majority of mileage claims occur, are majority female and with substantial numbers of part time staff and these staff will benefit from the proposal.

10. Sustainability implications

10.1 The proposals in this report are a short term measure designed to respond to the immediate high cost of fuel impacting staff who use their own vehicles for work, in the context of the cost of living crisis. In the coming months the Council is reviewing its Staff Travel Plan, the purpose of which is to

encourage and promote travel initiatives and policies that help staff increase active travel and reduce carbon footprint related to travel.

