

Business Mileage

Report of the Chief Executive

Recommended:

1. That the procedure for calculating Officers' business mileage, as set out at paragraphs 5.2-5.4 of this report, be adopted from 1st April 2022.
2. That the Human Resources Manager be authorised to update all relevant policies accordingly.

SUMMARY:

- To review the methodology of claiming of business mileage as per sections 5.2 – 5.4 of this report from 1 April 2022. This amendment would enable those officers who are going out to do site visits when working from home to be able to claim the full cost of their business mileage undertaken within the Borough, providing this is in accordance with HMRC guidance.

1 Introduction

- 1.1 This report considers an amendment to the Council's current policy on the payment of mileage for essential business journeys in light of changing ways of working post the Covid-19 pandemic.

2 Background

- 2.1 Under the current Employment Benefits Policy, Council officers are required to deduct their normal daily commute, home to Council workplace, from all business mileage claimed. This is the case regardless of whether they attend the Council workplace on the day they claim business mileage.
- 2.2 During the pandemic many officers, in office based roles, have been working from home either on a full-time basis or for the majority of the time. During this time, where they have been required to go out on site visits from home, they have been deducting their normal home to workplace commute for each day they have been claiming business mileage. This has led to some feedback of unfairness by some officers who are required to go out regularly to undertake site visits when they compare themselves with other officers who have been working from home but do not need to undertake such site visits and a request to the Council to review its policy.

- 2.3 The nature and way in which officers who work in office based roles will work going forwards, post the Covid-19 pandemic, is likely to combine the best of working in the office for part of the time and working from home for part of the time. In light of this new way of working, the Council has trialled and is implementing new arrangements for agile working. This includes the ability for officers, where their role allows, to work part of their time from home or another agreed location and part of their time in the office. This is providing the needs of customers and the services comes first and are met and there is no detrimental impact on the quality or continuity of service provision.

3 Corporate Objectives and Priorities

- 3.1 The implementation of agile working has many benefits including supporting people to work in a flexible way enabling them to optimise their time and productivity and to do their best work. There are many benefits for both the employer, such as in terms of recruitment and retention, improved service and productivity and for officers from better work/life balance and a reduction in time and cost of commuting.
- 3.2 With the changes to new ways of working the Council needs to keep its remuneration package and policies under review to ensure they remain fit for purpose. We strive to be a good employer and an employer of choice in the local area. In order to be able to recruit and retain good people the Council needs to offer a competitive total remuneration package, this includes recompensing people in a fair way for any business mileage undertaken in the course of their duties.

4 Consultations/Communications

- 4.1 This proposal has been shared with the Unions and they support this change in policy.

5 Options

- 5.1 The report proposes updating the Council's Employment Benefit's Policy with regards to Business mileage as follows:
- 5.2 Business Mileage "We will reimburse you at the relevant lease car or business user mileage rate for business mileage undertaken. You will normally be required to deduct your total home to permanent or principal workplace commute mileage from any daily claim made. This is the same for those who work at a Council workplace and those who work in an agile way. When working in an agile way you will normally be required to deduct your home to principal workplace commute from any business mileage claimed when working from your principal workplace, home or an alternative Council premises or other location.

- 5.3 The exception to this is when you undertake site visits on days you do not also attend a Council premises. Where you live in the Borough you may claim the full cost of your business mileage. If you live outside of the Borough you may claim from within the Borough boundary. All claims need to be in accordance with HMRC guidance. HMRC will consider your journey to be commuting where it is broadly similar to your normal commute or if you travel in close proximity of your principal workplace. Any time spent commuting, including to/from the Borough boundary is in your own time.
- 5.4 You are expected to undertake all business mileage in an efficient and economical way being mindful of keeping the cost to the council to a minimum and utilising and planning your time in the most efficient way.”

6 Risk Management

- 6.1 Many of the officers who undertake regular site visits are in harder to recruit to professional roles, where recruitment and retention of good officers is very competitive. Where the market is tight and there is limited differential in overall remuneration packages between different local government employers we may find both current and potential officers taking this matter into consideration in employment decisions.
- 6.2 All claims for business mileage need to be in accordance with HMRC guidance with regards to tax and NI. Any journey which is considered by HMRC to be commuting cannot be claimed as tax-free business mileage. Any changes to the policy need to be fully communicated to ensure ongoing compliance with HMRC guidance.

7 Resource Implications

- 7.1 An estimate of the budget implications of this change is hard to quantify as total Council wide business mileage has changed considerably during the pandemic with the introduction of Microsoft Teams and video calls. As we move to new ways of working post pandemic business mileage costs will find a new normal. There is an expectation that full-time officers who work in an agile way will come into their principal workplace normally a minimum of twice each week. It will be for managers to work with officers to ensure they are planning and grouping their site visits in the most economic and efficient way for the Council. This includes with regards to business mileage costs.
- 7.2 There will be some increase in business mileage costs from those officers undertaking site visits on days they are working from home, however this increase is likely to be balanced by those officers who no longer travel to meetings as these are now undertaken by video call. The net total business mileage costs is unlikely to be more than it was before the Covid-19 pandemic.
- 7.3 It is therefore anticipated that any changes to the overall cost of business mileage will be accommodated within Service budgets.

8 Legal implications

8.1 There are no legal implications of the recommendation proposed.

9 Equality Issues

9.1 No equality issues have been identified in the preparation of this report.

10 Conclusion and reasons for recommendation

10.1 This report recommends consideration is given in light of new ways of working post the Covid-19 pandemic to updating the Employment Benefits Policy in relation to Business Mileage as per sections 5.2 to 5.4 of this report. This will enable those officers who undertake site visits when working from home to be able to claim the full cost of their business mileage undertaken within the Borough, providing any claim is in accordance with HMRC guidance.

Background Papers (Local Government Act 1972 Section 100D)

None

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	0	File Ref:	n/a
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Report to:	General Purposes Committee	Date:	29 March 2022