



Draft Service Instruction xxx
Car Mileage Allowances

“An Excellent Authority”

Document Control

Description and Purpose

This document is intended to give guidance on the procedure for claiming expenses.

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Amendment History

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Related Documents

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Target audience

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Relevant legislation (if any)

CAR MILEAGE ALLOWANCES

DRAFT

1. Introduction

This Service Instruction provides staff with detailed guidance on the Authority's procedures for the reimbursement of Car Mileage Allowances incurred in the performance of duties and is designed to assist staff in the claims process.

2. Who Does this Procedure Apply To

The Service Instruction applies to all employees who have been designated an Essential, Casual or Leased Car User under their contract of employment; **or** any employee who may have cause to use their own vehicle on an infrequent basis for Authority business.

Detached Duty Travel payments are dealt with under separate instruction, see SI 0109 Expenses.

3. General Guidance

- The Authority will reimburse staff for any additional mileage, in excess of normal commuting mileage, which is actually and necessarily incurred in carrying out their official duties. Commuting mileage is deemed to be the journey from home to normal place of work and return, referred to hereafter as 'Home to Office' mileage.
- Payment will be made in accordance with nationally agreed rates for Essential and Casual Users as published by Local Government Employers or HMRC approved rates for the appropriate category of user, as applicable. These rates are updated periodically and circulars can be found on the portal at: [Portal>Finance >Payroll>Shared Documents>](#).
- All mileage claims must be made on a monthly basis on approved mileage expenses claim forms only. These are available from the [Portal>Finance >Payroll>Shared Documents>](#). Sample claim forms are included in the attached appendices to this Service Instruction for information.
- All journeys taken should be the most economical route which means you may use the quickest rather than the shortest route if this is beneficial to the business.
- Staff are expected to adopt a responsible attitude toward their mileage claims. When more than one person is travelling to the same event, sharing of transport should be encouraged. Car users are permitted to use their own vehicle for journeys within Merseyside and the neighbouring counties of Cheshire, Greater Manchester and Lancashire. However, where the journey there and back exceeds 100 miles in total, other arrangements should be made. The preferred option is to utilise a pooled vehicle.
- Line Managers will be responsible for monitoring the mileage of their staff and have a duty to ensure the most efficient use is made of the Authority's travelling resources.
- Employees who use their own car on Authority business must ensure that their insurance cover extends to business use. Before an employee can claim car mileage a copy of the employees car insurance policy should be provided to ...(*responsibility for this function yet to be assigned*)

4. Car User Categories

Category	Definition	Employee Group	Allowance
Lease*	Employees who enter into a leasing agreement and are provided an Authority leased vehicle.	Principal Officers. Flexi Duty Officers. Employees whose role attracts this status under contract.	HMRC Company Car pence per mile fuel rate
Essential	Employees designated an Essential Car User are required to have a car available at all times	Flexi Duty Officer who has opted out of the lease car scheme. Temporary Flexi Duty Officer. Employees whose role attracts this status under contract.	Lump sum, plus pence per mile fuel rate as per LGE National Rates
Casual	Employees designated a Casual Car User should have access to their own transport for the efficient undertaking of duties but they do not meet the criteria for essential user status and are not required to have a vehicle available at all times.	Employees whose role attracts this status under contract.	Pence per mile fuel rate as per LGE National Rates

* Where a lease car is provided, employees and the Authority will be bound by additional conditions contained within the lease car agreement.

5. HMRC General Principles Taxable Mileage

Journeys between your home and your normal workplace are commuting journeys which are deemed private travel and are taxable. For most employees, ordinary commuting is the journey they make most days between their home and their permanent workplace.

Most employees have one permanent workplace but for some employees the situation may be more complicated. Factors that point to a workplace being a second permanent workplace include:

- the employee regularly performs a significant part of his or her duties there
- people would expect to be able to contact the employee at the second workplace
- the employee has an office, or desk, and support services at the second workplace that he or she regularly uses.

No single factor is decisive in establishing whether a second workplace is a permanent workplace. But if, for example, an employee regularly spends 40% of the time there the presumption would be that the second workplace is a permanent workplace. **Commuting travel in these cases would mean home to either workplace.**

An employee cannot turn what is really an ordinary commuting journey into a business journey simply by arranging a business appointment along the way to avoid taxation. The employee must be able to show that the attendance at the particular location on that occasion was necessary, *in a real sense*, for the performance of the duties of that employment.

A journey to the normal workplace but outside normal hours is also taxable, eg a Monday to Friday worker is required to work a week-end. Although additional mileage is incurred HMRC still deem the journey to be a taxable commuting journey.

Mileage incurred as a result of a 'call-out' from home to a normal place of work for staff on 'stand-by' is also taxable.

Only call out from home to *an emergency fire incident for flexi duty officers* can be considered business mileage in tax terms.

6. Allowable mileage for all car users.

The principle for reimbursement of all business mileage allowance is as follows:

Staff may claim any **additional** mileage incurred for any journey undertaken on official business. i.e. If your business journey began or ended at home, you can claim the mileage of the journey **less** your normal home to work mileage.

- Employee lives in West Derby and works at SHQ. Home to office mileage and return = 24 miles.
- Goes from Home to Southport and return on business = 45 miles.
- Claimable business mileage = 21

Commuting mileage from home to normal workplace and return is not allowable and should not be claimed.

7. P11D Reportable Expenses to HMRC

HMRC has allowable business mileage rates, payment above which is deemed a benefit in kind and must be reported annually on form P11D Expenses & Benefits. Employees who incur a benefit charge will receive a copy P11D from Payroll. HMRC will calculate the income tax due on the benefit and amend the employee's tax code accordingly ensuring recovery from the employee's salary in the following financial year.

Current essential and casual car user rates are above HMRC limits and therefore excess mileage payments will be reported.

Those employees provided with a leased vehicle will incur a benefit charge in respect of that vehicle. This will be on the basis of 'Company Car' legislation or in the cases of Flexi Duty Officers who are provided with specially adapted vehicles, taxation will be based on asset legislation as an 'Emergency Service Vehicle' (ESV). If an employee is provided with an ESV a mileage declaration will be requested annually to determine the taxable benefit charge. ESV users are required therefore to keep independent detailed records of all mileage incurred. General guidance on how this benefit figure is calculated can be obtained from the Payroll Manager.

Leased Car users will not incur a charge on business mileage as fuel rates reimbursed mirror HMRC approved rates.