



Report to:

Northwards Housing Board
22nd May 2008

Item No:

7g

Title:	Mileage Rates		
Date:	9 th May 2008		
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Confidential:	No		

For: (Please tick action required)	NOTING	DISCUSSION	APPROVAL ✓
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PURPOSE OF REPORT

To suggest to the Board a change in the way that mileage expenses are paid to Board Members.

RECOMMENDATION

The proposal is that a change is made to Board expenses to pay mileage in accordance with HM Revenue & Customs rates.

IMPLICATIONS

Equality & Diversity:	None directly
Financial:	Mileage expenses are paid for reasonably and properly incurred business journeys
Staffing:	None directly at present
Decency Target:	None directly
Governance:	None directly
Risk Assessment:	Not considered a primary or secondary risk

Equality & Diversity Implications (Please tick where relevant):

- | | |
|-------------------------------------|---|
| BME <input type="checkbox"/> | Lesbian/Gay/Bisexual/Transgender <input type="checkbox"/> |
| Gender <input type="checkbox"/> | Single Parents <input type="checkbox"/> |
| Age <input type="checkbox"/> | Domestic Violence <input type="checkbox"/> |
| Disability <input type="checkbox"/> | Alcohol / Drug Mis-users <input type="checkbox"/> |

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	No		
Area Panel:	No		
Task Groups	No		
Ward Councillors:	N/A		

1. Over the last year, consideration has been given to a complete review of all Northwards' expenses, which would apply to Staff, Board Members and other volunteers.
2. It is clear that this is a major piece of work which, in particular, will involve extensive consultation and discussion with staff and the Unions.
3. However, in order to assist Board Members who are currently having to deal with various enquiries from HM Revenue and Customs, a very simple change is possible which might well help the situation.
4. Board Members are currently paid the same mileage rates as staff members as set by the NJC but as these rates are in excess of the approved HMRC mileage rates, tax is payable on the excess payment.
5. It is therefore proposed, that Northwards pay it's Board Members in accordance with the HMRC rates as set out in the attached table which should in time, get rid of the tax issues.
6. This is obviously a proposal that will have a financial impact on some Board members, although not materially so, but which should also alleviate quite a lot of paperwork.
7. The Board are obviously welcome to decide whether they wish to stick with the existing arrangement or change the basis of these payments.

HM Revenue & Customs

Mileage payments

The following rates are used to calculate the maximum amount that can be exempted from tax and NICs for business miles travelled in the employee's own vehicle.

Motor cars and vans

First 10,000 business miles*	40p per mile
Over 10,000 business miles	25p per mile
Motorcycles	24p per mile
Cycles	20p per mile

** For NIC purposes, the higher rate applies to all miles, not only the first 10,000.*

National Joint Council for Local Government Services

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**To: Chief Executives in England, Wales & N Ireland
(with copies for Personnel Director & Finance Director)
Members of the National Joint Council
Provincial/Associated Joint Secretaries
Local Authority Associations' Secretaries**

14 April 2008

Dear Chief Executive

NJC CIRCULAR 1/08 NJC CAR ALLOWANCES 2008/09

1. CAR ALLOWANCES - PART 3 PARAGRAPH 6

It has been agreed that the rates of Car Allowances be revised with effect from **1 April 2008**. The new rates are set out below:

	<u>451 - 999cc</u>	<u>1000 - 1199cc</u>	<u>1200 - 1450cc</u>
<u>Essential Users</u>			
Lump sum per annum	£753	£849	£1,095
per mile first 8,500	34.0p	36.9p	45.8p
per mile after 8,500	13.3p	13.6p	15.8p
<u>Casual Users</u>			
per mile first 8,500	42.9p	46.9p	58.7p
per mile after 8,500	13.3p	13.6p	15.8p

2. These allowances are based on a price of **103.52p per litre (470.6p per gallon)** for unleaded petrol (based on actual pump prices in the first two weeks of January [as surveyed by the Automobile Association on behalf of the Society of Motor Manufacturers and Traders] in accordance with the jointly agreed formula for calculating the allowances each year).

Yours sincerely,

Sarah Messenger *P. A.* Brian Strutton Heather Wakefield