

INTERIM REPORT OF THE INDEPENDENT REMUNERATION PANEL: REVIEW OF MEMBERS' MILEAGE RATES

INTRODUCTION

- 1 Under the Local Authorities (Members' Allowances)(England) Regulations 2003, the County Council is required to establish and maintain an Independent Remuneration Panel (Panel) to make recommendations to the Council about the allowances to be paid to Members.
- 2 Surrey County Council's Panel consists of three members: Kathy Atkinson, Janet Housden and Cathy Rollinson (Chair). They are all independent of the County Council and of any political party.
- 3 The Regulations state that a council may not amend its Scheme of Allowances without reference to the recommendations of an independent remuneration panel. The Panel is currently undertaking a review of the existing Scheme, and is planning to report to the Council in May 2012 on any proposed changes for 2012/2013. The mileage allowances paid to Members undertaking Council business form part of the Scheme, and the Panel felt that it was appropriate to review this element in light of the recent increase from 40p to 45p in the maximum rate paid to staff for use of their own vehicles.

MILEAGE ALLOWANCES

- 4 Under the existing Scheme, which was agreed by the Council in July 2010, Members can claim the following mileage rates for car journeys undertaken in relation to their approved duties, based on the CO₂ emissions of their vehicle:

Car CO₂ Emissions	Mileage Rate (pence per mile)
Less than 150 grammes per kilometre	40p for the first 10,000 miles 25p for miles over 10,000
More than 150 grammes per kilometre	39p for the first 10,000 miles 24p for miles over 10,000

- 5 In the light of increasing fuel and insurance costs, the HM Revenue & Customs limit at which expenses can be reclaimed tax-free was increased from 40p to 45p per mile for the first 10,000 miles of business use. The maximum for mileage over 10,000 remained at 25p. Following

an announcement by the Leader of the Council, the maximum rate for staff (both contractual and non-contractual users) claiming business mileage for use of their cars was increased from 40p to 45p with effect from 1 October 2011.

- 6 As a result of this increase and similar changes to mileage rates introduced in other local authorities, the Panel recommends that the Members' mileage rates for car use should be brought in line with those paid to staff: 45p per mile for the first 10,000 miles and 25p for mileage over 10,000, irrespective of the engine size of the vehicle. The existing rates for motorcycles and cycles, 24p and 20p per mile respectively, should remain unchanged.
- 7 Currently Members can claim an additional payment of 3p per mile for each passenger (not exceeding four) for whom travel expenses would otherwise be payable. The equivalent rate for staff is 5p per passenger, and the Panel recommends that the Members' rate be increased in line with this.

FINANCIAL IMPLICATIONS:

- 8 Based on the level of mileage claims by Members in 2010/2011, the recommended increase to 45p per mile would result in an additional annual cost to the Council of approximately £8,500.

RECOMMENDATIONS:

The Panel recommends

- (a) That the mileage rates paid to Members for use of their own vehicles on Council business be increased to 45p per mile for the first 10,000 miles and 25p for mileage over 10,000 miles, with effect from 1 October 2011.
- (b) That the additional payment for each passenger (not exceeding four) for whom travel expenses would otherwise be payable be increased from 3p to 5p per mile.

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Sources/background papers: The Local Authorities (Members' Allowances) (England) Regulations 2003.