

Employment Matters Committee

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Car and Travel Allowance Policy: Further Updates

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Summary

Further to Employment Matters Committee on 2 July 2026, further amendments are recommended to the Car and Travel Allowance Policy.

1. Recommendations

- 1.1 The Committee is asked to agree revisions to the Car and Travel Allowances Policy as highlighted in Appendix 1 to the report.

2. Budget and policy framework

- 2.1 In line with the constitution, Employment Matters Committee may agree amendments to HR policies.

3. Background

- 3.1 The revised council's car and travel allowances policy is at Appendix 1. Changes are highlighted for ease of reference.
- 3.2 The main changes include:
 - 3.2.1 improvements to the wording so that it is easier to understand and aligns with administrative processes such as onboarding;
 - 3.2.2 increase of the mileage threshold from 8500 to 10000 before the allowance rates drop;
 - 3.2.3 addition of passenger rates to encourage car sharing for business purposes and to align with some neighbouring councils.
- 4. Advice and analysis
 - 4.1 The change from the 8500 threshold to 10000 mileage threshold will bring the council in line with HMRC limits and align with neighbouring councils, specifically Dartford and Gravesham.

- 4.2 The increase to 10000 also recognises that there are a small number of roles where the 8500 mile threshold is exceeded each year. With retention, a key factor in these professional areas of operations, management have previously made exceptions to this rule under officer delegations but as this has now been the case for 3 consecutive years it is considered prudent to amend the policy.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Individuals may exceed 10000 miles	Tax liabilities increase and	Management consideration to pay at higher rate would not mitigate need to pay tax, systems are in place to ensure appropriate tax is paid	C4
Employee car insurance may not cover additional passengers	Car users are required to have car insurance with business use cover and would need to ensure that this covers additional passengers	Primary responsibility remains with the employee to maintain appropriate business-use motor insurance when using their own vehicle for council business, when employees claim travel expenses they are required to confirm that they have the appropriate insurance	C3

For risk rating, please refer to the following table:

Likelihood	Impact:
A Very likely B Likely C Unlikely D Rare	1 Critical 2 Major 3 Moderate 4 Minor

6. Consultation

- 6.1 Trade Unions were consulted with on the principles of changing HR practices and policy in relation to improving current terms and have been advised of the draft changes.

7. Climate change implications

- 7.1 The addition of passenger rates is aligned with the council's policy in relation to climate change and endeavours to help reduce the carbon footprint in relation to business travel.

8. Local Government Reorganisation (LGR) implications

- 8.1 Whilst there are some amends to the Medway council policy that align with neighbouring councils, there are many aspects of the council's various travel

policies that still do not align. For example, there are differences in the application of essential car user allowance whereby only Gravesham Council currently offers essential car user allowance and only Medway council offers lease cars or dedicated car user status.

- 8.2 A new employee travel policy will be required if a new local authority goes ahead in light of the recent announcement of the pausing of LGR for this area, which would require Shadow Council approval.

9. Financial implications

- 9.1 There may be some savings made if employees actively utilise the passenger allowance.

10. Legal implications

- 10.1 None directly arising from this report.

Lead officer contact

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Appendices

Appendix 1 - Medway Council Draft Car and Travel Allowances Policy.

Background papers

[Employment Matters Committee 2 July 2026, Agenda Item 7](#)