Appendix 1

Medway Council

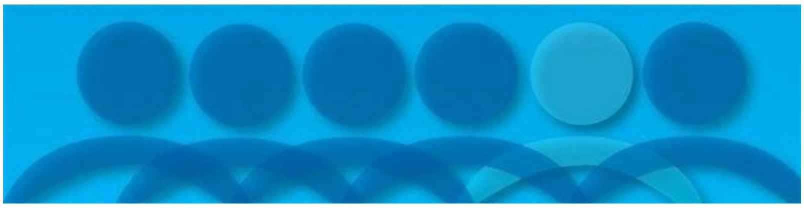
Car and Travel Allowance Policy

Issued: November 2020

Reviewed: July 2026

Further Reviewed: September 2026

Lead Officer: Nicola Smith, HR Business Partner



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1.0 - Introduction

1.1 - Car mileage is re-imbursed via Payroll and should be claimed via MyView or in exceptional circumstances by completing pay form PMC013 - Travel & Subsistence Claim along with the appropriate log sheet. Claims should be submitted on a monthly basis accompanied by VAT fuel receipts. Unless there are exceptional circumstances Payroll reserves the right to withhold payment on claims that are more than three months old. A charge will be levied for these to be paid.

1.2 – **Medway Council Rates and allowances**

Essential Car User	**451 - 999cc & Electric**	**1000 - 1199cc**	**1200cc & above**
Lump sum (paid over 12 months)	£846	£963	£1239
Per mile (first ~~8500~~10000)	36.9p	40.9p	50.5p
Per mile (over ~~8500~~10000*)	13.7p	14.4p	16.4p

Casual Car User

Per mile (first ~~8500~~10000)	46.9p	52.2p	65.0p
Per mile (over ~~8500~~10000*)	13.7p	14.4p	16.4p

Lease and Special Allowance	9.406p	10.366p	11.288p

Motorcycle (all engine sizes) Per mile: 21.3p

Bicycle Per mile: 20p

HM Revenue & Customs (HMRC) equivalent rates**

Per mile first 10000 miles: 55p

over ~~After~~ 10000 miles: 25p

Passenger Rates at HMRC current rate

5p per passenger per business mile for carrying fellow employees in a car or van on journeys which are also work journeys for them.

*in exceptional circumstances the 10000 mile threshold may be lifted by the agreement of senior management and will be paid at the employee's normal rate based on car engine – these payments remain taxable

** HMRC equivalent rates apply to councillors, employees with salary sacrifice cars and employees who TUPE'd into the council who had been paid these rates by their previous employer

2.0 - What is AMAP? (Approved Mileage Allowance Payment)

2.1 - When using your own vehicle to conduct business mileage, HM Revenue & Customs ~~the Inland Revenue~~ permits an allowable sum to be paid before a liability for tax and national insurance becomes due. If this sum is exceeded, tax and national insurance are deducted on the excess which is referred to as the 'profit element' For current AMAP rates please see HM Revenues & Customs website at www.hmrc.gov.uk/manuals/eimanual/EIM31240.htm

2.2 - The lump sum payment for Essential Car Users is also taken into account when the profit element is calculated for the purpose of taxation. Examples of AMAP calculations for all car user types

3.0 ~~-~~ How to claim your mileage and ~~What is~~ the difference between Non-Taxable / Taxable / Recordable Mileage~~?~~

3.1 - If you use your own vehicle and the business journey starts and finishes at your normal place of work (your work base), the entire mileage incurred can be claimed as non-taxable but where the mileage allowance rate is above the HMRC rates that apply under ~~. (Please note:~~ AMAP rules, taxation will automatically be applied. ~~still apply).~~

3.2 - The Council does not reimburse for normal commuting mileage (home to work base / work base to home). If however you start or finish your business journey at home, then you should deduct from the total miles travelled, the distance from home to work / work to home. The sum deducted should be entered on the claim form as Recordable Mileage. Although recordable miles are not paid, by entering them correctly on the claim will reduce the taxable profit element under AMAP rules.

3.3 - **Examples:** You travel from home to meeting/s, then return to your normal work base. The total journey is 12 miles. Your normal home to work base journey is 5 miles. 7 miles should be entered as Claimable (Non-Taxable) and 5 miles as Recordable.

3.4 - You travel from home to meeting/s then return home. The total journey is 56 miles. Your normal home to work base journey is 5 miles. 46 miles should be entered as Claimable (Non-Taxable) and 10 miles as Recordable.

3.5 - If you are required to work / called out to work outside normal working hours to a location other than your normal work base, and travel from home, the total journey is claimable as non-taxable mileage

3.6 – In the examples above, although travel is claimed as Claimable (Non-Taxable), where the mileage allowance rate is above the HMRC rates that apply under AMAP rules, taxation will automatically be applied.

3.7~~6~~ - If you are required to work / called out to work outside normal working hours at your normal work base and travel from home, the total journey is claimable as taxable mileage. In this instance, the AMAP rule is ignored and the whole sum paid is liable to tax.

3.8 – To claim allowance and/or mileage for journeys conducted on behalf Medway Council, it is your responsibility to ensure you are appropriately covered for Business Use with your motor policy insurer, including cover for passengers should you transport others for business purposes.

4.0 – Documents

- **Car User Status policy**