

PERTH AND KINROSS COUNCIL

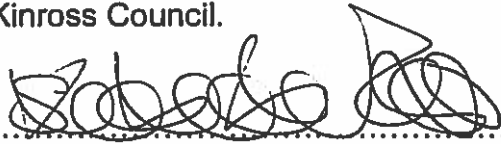
JOINT NEGOTIATING COMMITTEE FOR TEACHING STAFF

LOCAL AGREEMENT

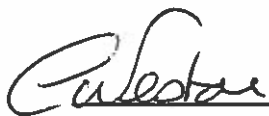
“Teachers Mileage Rates”

In terms of the Local Recognition and Procedure Agreement, it is accepted by all signatories acting on behalf of the Council and the recognised unions that this agreement is a binding local agreement effective from 1 April 2017. This supersedes relevant provisions within the National Agreement and constitutes a formal amendment to the terms and conditions of employment for teaching employees within Perth & Kinross Council.

Sheena Devlin (Director of Education & Children's Services), on behalf of Perth & Kinross Council.



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PERTH AND KINROSS COUNCIL

JOINT NEGOTIATING COMMITTEE FOR TEACHING STAFF

10 January 2017

TEACHER'S MILEAGE RATES

Report by Corporate Human Resources Manager

PURPOSE OF REPORT

This report presents a Local Agreement to harmonise the current teacher's mileage rates in line with approved HM Revenue & Customs (HMRC). The HMRC rates would be effective from 1 April 2017.

1 BACKGROUND

1.1 Teaching employees have two classifications for car allowances, as outlined in section 4.5 of the Scottish Negotiating Committee for Teachers (SNCT) Handbook:

- *Essential Users- "i.e. teachers whose duties are of such a nature that it is essential for them to have a car at their disposal whenever required. Teachers whose authority so resolves by reason of the fact that it is considered to be essential in the interests of the efficient conduct of the business of the authority that they shall be permitted to use their private car in carrying out their official duties, shall be entitled to receive the lump sum allowance..."*
- *Casual Users –"i.e. teachers for whom it is merely desirable that a car should be available when required. The rates to be paid to authorised casual users of private cars whilst engaged on official duties (...) with the proviso that any casual user shall not at any mileage figure receive more than they would have done had they been receiving the essential user's allowance."*

1.2 These existing conditions remain in force unless they are varied by local agreement.

1.3 The Council introduced HMRC approved rates for Single Status employees on 1 August 2007. Chief Officers travel rates were brought in line with Single Status employees in 2014. As part of a review of travel and subsistence arrangements across the Council in April 2011, it was recommended that the Council seek to harmonise teachers' business mileage rates to the HMRC approved mileage allowance payments.

- 1.4 A benchmarking exercise was carried out with other local authorities and confirmed that Angus and Dundee City Councils have both harmonised Teacher's mileage rates to the HMRC rates, along with ten other Local Authorities who responded.

2 ANALYSIS OF RATES

- 2.1 The following table outlines the current teacher's mileage rates for all types of travel, the HMRC approved mileage rates and the difference:

Type of Travel	Teachers Mileage Rates per mile		HMRC Approved Mileage Rates per mile		Difference
Essential Car User	Lump sum of £822 per annum, plus 35.1p per mile for the first 8500 miles. 12.6p thereafter		All Single Status employees received a buyout in 2007		-£822
Casual Business Travel	Up to 1000	53.65p	Up to 10,000	45p	-8.65p
	1001 – 8500	43.65p	Over 10,001	25p	+1.35p
	Over 8501	12.6p			+32.4p
Training mileage (approved and voluntary)	All mileage	12.6p	Up to 10,000	45p	+32.4p
			Over 10,001	25p	+1.35p
Extra-Curricular Travel	Up to 1000	29p	Up to 10,000	45p	+16p
	1001 – 3000	27p	Over 10,001	25p	-12p
	Over 3001	25p			
Parent Evening	All mileage	43.65p	-	-	+1.35p

Essential Car User

- 2.2 Historically, one employee remains as an essential car user and is in receipt of the annual £822 lump sum. In addition, 35.1p per mile is payable for the first 8500 miles.

Casual Business Travel

- 2.3 For the first 1000 business miles, the difference between the current teachers' business mileage rate and the HMRC approved mileage rate is 8.65p per mile. This is defined by HMRC as a profit element. This profit must be reported to the HMRC each year and is used to adjust each employee's tax code. This means that although the employee does not pay tax on the mileage allowance when it is paid by the Council, they will pay more tax based on their tax code. The profit element is also liable for employee and employer National Insurance Contributions. 271 employees claimed casual mileage for the financial year 2015/16.

Training/Extra Curricular Travel and Parents Evening

- 2.4 Teachers would gain financially for Training, Extra-Curricular Travel and Parents Evenings.

3 PROPOSALS

- 3.1 It is **proposed** that the Council implements a local agreement to pay HMRC approved rates to teachers from 1 April 2017.
- 3.2 Analysis has been undertaken on all teachers' casual mileage rates for the financial year 15/16, which reviewed 271 employees. This is based on a snapshot in time and many employees have since left.

Casual Business Travel

- 3.3 The cost of business mileage for teachers was £173,807. If the Council were to implement the HMRC approved rates for Teachers based on 2015/16 figures it would cost £167,940, generating an annual saving of £5,886 per annum.
- 3.4 The main benefit of the move to HMRC approved rates is the savings generated in terms of efficiencies within the Employment Services Team. The proposed change would also allow claims to be processed by managers quicker through the self-service functionality on MyView. Teachers would from 1 April 2017 access and manually input their own mileage claims. Currently these claims are required to be inputted and processed by Employment Services. P11d's will no longer be required to be issued by the Payroll Team for this purpose. This would also make any queries on travel and subsistence simplified, as the same rates would apply.
- 3.5 The Teaching Trade Unions have been provided with a profile of employees for in 2015/16 that would have an annual loss if the proposed change is implemented. In summary:
- 98 employees will have an annual loss of less than £20
 - 80 employees will have an annual loss of between £20 and £50
 - 31 employees will have an annual loss of between £50 to £100

Training/Extra Curricular and Parents Evening

- 3.6 Employees will gain financially from 1 April 2017, on training, extra-curricular and parents evening claims. The difference between the teachers training rate and the lower HMRC rate is +£32.4p. For the financial year 2015/16, 76 employees claimed training mileage. This difference has been incorporated into the casual rate analysis. As so few employees claim extra – curricular and parents evenings rates these have not been included.

Essential Users

- 3.7 The total value of the claim for the one employee in receipt of the essential user allowance for the financial year 2015/16 was 731 miles, amounting to £256.57 which is in addition to the lump sum. The employee is a member of Visiting Specialist Service, who is covered by the review of delivery of class contact time, scheduled for implementation in August 2017.

4 CONSULTATION AND IMPLEMENTATION

- 4.1 Consultation with the Teaching Trade Unions has taken place.
- 4.2 The Teachers Working Group, Head of Legal and Finance have all been consulted in preparation of this report.
- 4.3 Communications will be drafted and cascaded to all teachers to inform them of the changes and explain how to apply for any future mileage claims.

5 CONCLUSION AND RECOMMENDATION

- 5.1 This report presents a Local Agreement to harmonise the current teacher's mileage rates in line with approved HM Revenue & Customs (HMRC). The rates would be effective from 1 April 2017.

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Approved

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