



---

# CAR ALLOWANCE SCHEME

## Policy

---

### 1 Policy

Employees required to use their car on Council business shall, after authorisation, be paid allowances in accordance with the arrangements set out below. Statements of Main Terms and Conditions of Employment will specify whether or not a post attracts a casual or essential user allowance.

Nationally recommended rates will be adopted automatically upon notification of changed rates being received.

This policy applies to all employees of South Tyneside Council, including school-based employees where the governing bodies of individual schools have adopted the policy.

### 2 Procedure

- **Essential User**

An essential user is a post for whom it is deemed essential that the postholder has a car at their disposal whenever required. The current allowances for essential users are shown on the HR Services intranet pages and will be paid automatically, monthly, one month in arrears.

Where a car is not in use as a result of a mechanical defect the employee or manager will need to inform payroll immediately. Payroll should then be informed once the car is back in use or the employee has returned to work. Payroll should also be notified of the use of a courtesy car. When an employee is absent through illness the following adjustments are automatically picked up by Payroll.

- The lump sum payments should be paid for the remainder of the month in which the car first went out of use, and for a further three months thereafter. For the following three months, payment should be made at the rate of 50% of the lump sum payment.
- During the period when a car is off the road for repairs, reimbursement in respect of travel by other forms of transport should be made.

The Council has the discretion as to which posts, if any, attract Essential Car User Allowance. Advice should be sought from your HR Advisor.

- **Casual User**

A casual user is a post for which it is desirable that a car should be available when required. The current mileage rates paid for casual users are shown on the HR Services intranet page. Payment arrangements are shown below in section 5.

### **3 Engine Size**

The allowance for both essential and casual users will be paid in accordance with the engine size of the driver's car, as specified on the intranet. The Council pays two rates depending upon the size of the engine:

- 451 – 999 cc
- 1000 cc plus

### **4 Passengers**

Employees may be required to carry official passengers for which no extra allowance is payable.

### **5 Payment Arrangements**

The employee is reimbursed following a claim by the employee through the Employee Self Service section of the Oracle payroll system.

Claims must be authorised by a manager with appropriate delegated authority via Oracle. Claims need to be authorised by the 8th working day of the month (unless otherwise advised by Payroll) to be included in the employees' pay for that month.

### **6 Recording of Mileage for Claims**

Mileage must be recorded on the Car Mileage Claim Form and journeys must be detailed as and when they occur, not retrospectively from diaries or other records. Entries must be legible with destinations clearly identified and submitted on a monthly basis and not accumulated. Multiple claims for more than one month should only be made in exceptional circumstances. Mileage is reimbursed on the basis of whole miles only. VAT receipts are no longer required.

### **7 Insurance**

All employees who use their own vehicles to carry out Council business must provide a copy of their motor insurance showing that their vehicle is insured for business use. They must also provide a valid driving licence and MOT Certificate (where the car is greater than 3 years old). Managers must check the validity of their employees' documentation annually.

## 8 Equality and Diversity Statement

South Tyneside is committed to promoting equality and valuing diversity. An equality check for this policy was carried out in 2021. No equality implications were identified in this policy.

|                        |                     |
|------------------------|---------------------|
| Policy approved by:    | Policy Review Group |
| Last updated/reviewed: | September 2021      |
| Date Issued:           | October 2021        |
| Date of next review:   | October 2024        |