



Saxilby with Ingleby Parish Council

Non-confidential

HMRC Mileage Rates 2026/27

Report to: Full Council 26-06

Report by: Administration Officer

Power/duty which decision falls under:

Local Government Act 1972 – General power to incur expenditure for staff administration and operational purposes

Which council objective(s) it falls under:

- Maintain and improve community facilities and amenities
- Improve the well-being of residents
- To foster public participation and engagement
- To recognise the climate and biodiversity emergency and it should be considered as the basis of all decision and policy making

SUMMARY:

HMRC has increased the Approved Mileage Allowance Payments (AMAP) rate for cars and goods vehicles from 45p to 55p per mile for the first 10,000 miles at the start of the 2026/27 tax year.

The council currently reimburses authorised staff and councillor business mileage at 45p per mile. Council is therefore asked to consider adopting the revised HMRC rate from 6 April 2026.

Adopting the revised rate would align the council with HMRC guidance and ensure authorised business travel is reimbursed at the approved tax-free rate.

Milage claimed is a small amount and the change is expected to have a minimal impact on budgets.

RECOMMENDATION(S):

1. To approve an increase in the council's authorised mileage reimbursement rate from 45p to 55p per mile for cars and goods vehicles for the first 10,000 business miles per tax year, in line with HMRC guidance
2. To apply the revised mileage reimbursement rate retrospectively from 1 April 2026, which any eligible mileage claims already submitted since that date to be recalculated and the difference reimbursed at the higher rate
3. To note that the mileage reimbursement rate after 10,000 business miles remains unchanged at 25p per mile in accordance with HMRC guidance

Public Sector Equality Duty

Consider how policies/decisions affect those protected under the Equality Act)

The proposal supports employees and councillors who are required to travel as part of their duties and helps ensure individuals are not financially disadvantaged when undertaking authorised council business.

Duty to conserve and enhance biodiversity

No direct implications.

Consideration on carbon reduction:

No direct impact. The council may continue to encourage efficient journey planning, shared transport where appropriate, and use of virtual meetings where practical.

Impact on staff

The proposal ensures staff mileage remains aligned with the current HMRC approved allowance rates and reduces the need for staff to make separate tax relief claims to HMRC.

There will be a minor increase in travel expenditure where business mileage is claimed.

Does the report consider any new activity? If 'Yes', has a risk assessment, including risk management proposals, been included for consideration and adoption by the council?

(Financial Regulation 17b)

No.

REPORT

HMRC has confirmed that the Approved Mileage Allowance Payment (AMAP) rate for cars and goods vehicles will increase from 45p to 55p per business mile for the first 10,000 miles from the 2026/27 tax year.

The AMAP rate is the level at which employers can reimburse authorised business mileage without the payment being treated as taxable income. The rate is intended to contribute towards fuel, maintenance, insurance, and general vehicle running costs associated with business travel.

The council currently reimburses authorised mileage at 45p per mile. While there is no legal requirement to adopt the HMRC rate, it is widely used as the standard reimbursement level. If the council does not increase the rate, employees could claim tax relief from HMRC on the unpaid difference of 10p per mile. This would place responsibility on staff to recover part of their business travel costs through personal tax claims.

Adopting the revised 55p rate would align the council with HMRC guidance, ensure staff are reimbursed at the approved tax-free rate, and reduce unnecessary administration for employees, as well as being a responsible employer. It would also support the council's commitment to being a fair and responsible employer.