



NFYFC Council Members Fares Pool – Mileage Rates

How to establish a 'fair' mileage rate for Council Members (January 2016)

The NFYFC's Board of Management annually reviews the mileage rate payable from the Council Members Fares pool to ensure that the rates paid meet the running costs of a vehicle. This in turn will shape the Council Members Fares Pool.

The AA annually publishes information concerning motoring costs (various components) and these are the figures used in the calculations.

In the case of YFC, and the spirit in which members participate and represent the County Federations, it has been agreed by the NFYFC Council that the AA's published figure for **running costs per mile** be used. The AA publishes figures for both petrol and diesel engine cars. For ease of operation it has also been agreed by the NFYFC Council that the NFYFC have just one figure based on an **average** for petrol and diesel cars.

How should the NFYFC determine which figures to use mindful that Council members will drive a wide variety of vehicles? The NFYFC Council has agreed that for the purposes of these calculations the list prices for two modest cars (petrol and diesel fuel) are used. The cars selected are a Ford Focus and a Peugeot 308 (or current equivalents) – 1.6 petrol and 1.8-2.0 diesel variants are used.

As of 22/01/2016 the list prices of a new Ford Focus and Peugeot 308 are:-

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|---|---|
| Ford Focus Zetec 5 door (www.carpages.co.uk) Petrol (1.6 Zetec) £17,400 Diesel (S 2.0 TDCi Zetec) £21,745 | Peugeot 308 5 door (www.carpages.co.uk) Petrol (1.6 Active THP) £17,545 Diesel (2.0 Active BlueHDi) £20,395 |
|---|---|

Running costs – excluding the standing charges (that must be paid whether the vehicle is used or not) - taken from the AA website on 22/01/2016 for a vehicle with a list price of £13,000 - £18,000 Petrol & £16,000 - £22,000 Diesel. (NB the AA website is still showing figures from July 2014 as the most recent available. Fuel prices are from December 2015.)

| | Petrol – pence per mile (Cars at £13,000 - £18,000) | Diesel – pence per mile (Cars at £16,000 - £22,000) | Average Petrol/Diesel – pence per mile |
|-----------------------|--|--|---|
| | 21.14 | 18.25 | |
| Fuel Price adjustment | -2.46 (Ave petrol 104.4) | -2.05 (Ave diesel 107.7) | |
| | 18.68 | 16.20 | 17.44 |

PROPOSAL

The above figures indicate that the current mileage rate of 24 pence per mile is exceeding the running costs of a vehicle including fuel. It is therefore recommended that the Council members' mileage rate is decreased to **18 pence per mile** for the period 1st January to 31st December 2016.

The NFYFC Board of Management on behalf of Council annually reviews the mileage rate applicable to Council Members Fares Pool. The basic process is:-

1. To determine the price banding to be used – establish list price of a Ford Focus 5 door and similar spec Peugeot 308 both petrol and diesel variants.
2. Read from the data published by the AA (as on the AA website in October each year) to independently establish the running costs of both a petrol and diesel car in the price banding that is relevant for prices established in 1 above.
3. Average the running costs for petrol and diesel to give one figure.
4. BoM makes a recommendation to the NFYFC Council.

22/01/2016