

COUNCIL CAR ALLOWANCE SCHEME

EXECUTIVE MEMBER: Councillor John W Bowman
LEAD OFFICER: Darienne Law, Head of Corporate Resources
REPORT AUTHOR: Len Gleed, Human Resources Manager

Summary and Recommendation: This report reports to members the successful outcome of negotiations on a revised version of the Council's Car Allowance Scheme, following the report to Panel on this subject in November 2011

1. INTRODUCTION

- 1.1 At a meeting on 8 November 2011, the Panel considered a report updating Members on the position at that time in relation to negotiations with the Trades Unions on a local agreement intended to introduce a revised version of the Council's Car Allowances Scheme with a view to finding budget savings. The preferred model was shown as Option 4 in Appendix 3 to the report.
- 1.2 The Panel received an update to the effect that one of the Trade Unions had indicated that it was not prepared to accept a departure from existing arrangements. In view of this it was resolved that a further report be submitted to a future meeting on a local agreement as a result of further negotiations, or alternatively proposals for dismissal and re-engagement of the relevant employees.

2. FURTHER NEGOTIATIONS

- 2.1 At a meeting of the Single Table Trades Union Group on 6 December 2011, following a review of Essential Car Users by Heads of Service, management made a final proposal to reduce the number of designated Essential User post-holders to 25. 14 post-holders would be removed and re-designated as Casual Users. The proposal retained the use of the middle banding of the NJC Scheme (£963 lump sum and 40.9p per mile for the first 8,500 miles). Casual users were to receive 45p per mile (the HMRC approved rate). This would generate a saving of £20k per annum, based on 2010/11 data. The proposed implementation date was 1/4/12. It was agreed that Union representatives would respond to the proposed local agreement at the next meeting on 14th December 2011.
- 2.2 On 14 December, the feedback from consultation on the management's final proposal was positive and the Trades Unions indicated their willingness to sign a new Local Agreement. Management thanked the Unions for their collaborative working on the review, which had avoided the need for management to resort to dismissal and re-engagement to achieve the desired change and the required savings.

3. LOCAL AGREEMENT

3.1 The Local Agreement is attached as Appendix 1

4. REVISED POLICY

4.2 The revised guidelines for the Council's Car Allowance Scheme, in line with the Agreement, are attached as Appendix 2

5. CONCLUSION

5.1 Members are asked to note the successful outcome of the negotiations resulting in a new local agreement on car allowances which will save the Council at least £20,000 per annum as well as reducing the administrative costs of the Scheme.

6. STATUTORY OFFICER COMMENTS

6.1 **The Monitoring Officers comments are:**

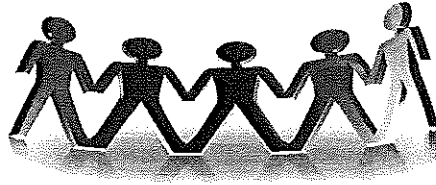
No further comment.

6.2 **The Section 151 Officers Comments are:**

This contributes towards the Corporate Resource Savings as approved in the Budget by Council on 23 February 2012.

6.3 **EIA Comments:** This report deals with allowance related to the duties of particular jobs, which will not impact on any group with protected characteristics either positively or negatively.

List of Appendices: Appendix 1 – Local Agreement
Appendix 2 – Revised Car Allowances Policy



Proud of our past. Energised for our future.



Copeland Borough Council
working with the GMB, UNISON AND UNITE

LOCAL AGREEMENT

Car Allowance Scheme for
Employees of

COPELAND BOROUGH COUNCIL

employed under the National Agreement on Pay and Conditions of Service
of the
National Joint Council for Local Government Services

This agreement represents the outcome of collective negotiations between the GMB, UNISON, UNITE and Copeland Borough Council and sets out proposals for allowances to be paid to employees using their private cars for official business purposes, following a joint review of previous arrangements.

December 2011

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1. Scope

This agreement applies to all Copeland Borough Council employees who are employed under the National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) for Local Government Services.

The Car Allowance Scheme set out in this document will supersede the current car allowance arrangements for all Council employees employed under the NJC for Local Government Services.

Arrangements for allowances to be paid to employees who use their private cars on official business are included in Parts 2 and 3 of the National Agreement, which allows national provisions to be modified by local negotiation.

As the Council enjoys collective bargaining arrangements any agreed changes will apply to all employees.

2. Background

The primary objective of the Pay and Grading Review implemented in December 2009 in was to ensure the Authority offered its employees common terms and conditions and offered a fair and equality-proofed pay and grading structure to meet the commitments of the Single Status Agreement, introduced in 1997.

In addition to a revised Pay and Grading Structure, it was known that a number of inconsistencies existed in the application of a range of terms and conditions.

Whilst the Car Allowance Scheme was identified as one of those requiring review members of the Single Table Negotiating Group (STNG) agreed that it should be subject to a separate management review and not an integral part of the main pay and grading review.

This agreement reflects the changed circumstances since the completion of the pay and grading review – the continuing need to resolve the inequalities of the scheme's application and the need to identify cost savings in order to work within the Council's available financial resources while making every effort to avoid job losses.

3. Joint working

This agreement has been reached through partnership working with the Trade Unions and an extensive period of consultation and negotiation.

4. Status of Car Users

- 4.1 Employees who use their private cars on official Council business will be categorised as either "Essential Users" or "Casual Users".
- 4.2 In order for a job holder to be categorised as an "Essential User", the relevant job must have been assessed by the relevant line manager, supported by the relevant Head of Service, and authorised by the appropriate Corporate Director, using the criteria set out in Appendix 1 of this agreement.

4.3 Employees who use their private cars on official Council business but do not meet the criteria referred to in 4.2 above, will be categorised as "Casual Users".

5. Allowances

5.1 Allowances for business use of private cars will be paid according the following table:

	Essential Users	Casual Users
Lump Sum (paid in monthly instalments)	NJC National rate for 1000cc to 1199cc vehicles - £963 at December 2011	Nil
Mileage Rate first 8500 miles	NJC National rate for 1000cc to 1199cc vehicles (40.9p at December 2011)	HMRC business user rate (45p at December 2011)
After 8500 miles	NJC National rate for 1000cc to 1199cc vehicles (14.4p at December 2011)	Not applicable

5.2 If either the NJC or the HMRC rates are revised in future, the Council will adopt the relevant new rate.

6. Date of Implementation

The provisions of this agreement will be implemented with effect from 1 April 2012.

7. Transitional Arrangements

The list of jobs whose job holders will be categorised as Essential Users with effect from 1 April 2012 is attached as Appendix 2 to this agreement. Those jobs/employees no longer qualifying for Essential User status (listed at Appendix 3 to this agreement) will receive 3 months notice of the change. Casual Users will receive 3 months notice of the change in mileage rate.

8. Right of Appeal

Employees aggrieved by decisions about the categorisation of their post as either an Essential or Casual User will have a right of appeal through the Council's normal Grievance Procedure.

9. Equality statement

This agreement conforms to the Council's Corporate Equality Scheme.

Application for Designation of Essential Car User Allowance

APPENDIX 1

Job title	Job Profile Number
Department	Directorate

I outline below the justification for the above named post to be recognised as meeting the criteria for essential car user allowance.

Rating Scale ✓✓✓ Strong match ✓✓ Good match ✓ Weak match

	Criteria	Match?	Manager Comments	HOS comments
1	The duties of the role are of such that it is essential for the postholder to have a car at their disposal on a daily basis			
2	The time and/or destination of journeys is such that that alternative means of transport are frequently not available			
3	There is a recurring need to undertake journeys at short notice where forward planning is not possible			
4	Journeys frequently involve travelling to more than one location			
5	There is an inherent need within the job to transport equipment or materials			
6	Other methods of transport are impractical for delivery of the service or the rescheduling of work			
7	There is a requirement for travel on a regular basis, i.e. majority of the post			

	holder's working days (on average) and for a majority of their working time (on average)		
8	The nature of the duties undertaken expects the postholder to respond urgently to emergency situations		
9	There is a need to make business journeys during irregular hours such as early morning starts and late evening finishes in order to meet job requirements		
10	There is a need to make regular unplanned journeys where a speedy response is necessary and public transport is not available		

Justification completed by: Manager Date:

I support the above application Head of Service Date:

Decision by Corporate Director

I have considered the above information.

My decision is that the post should/should not * be designated as an essential user for the following reasons;

Signed: Date

APPENDIX 2

COPELAND BOROUGH COUNCIL
JOBS DESIGNATED AS ESSENTIAL USERS with effect from 1 APRIL 2012

Job Profile Number	Job Title	Number of postholders @ December 2011
DEVOP038	Building Control Surveyor	4
DEVOP039	Principal Building Control Surveyor	1
DEVOP012	Development Control Officer	2
DEVOP005	Senior Development Control Officer	2
DEVOP013	Development Control Technical Officer	1
LE102	Env Protection Team Leader	1
LE036	Env Protection Officer	1
LE013	Env Health Manager	1
LE033	Env Health Officer	1
LE038	Health & Safety Team Leader	1
LE034	Scientific Officer	1
LE016	Flood & Coastal Defence Engineer	1
LE031	Health & Safety Inspector	2
LE030	Food Safety Officer	1
LE032	Health & Safety Technical Officer	1
LE037	Env Health Officer	1
DEVSTR019	Housing Technical Officer	2
LE047	Service Technician Millom	1

APPENDIX 3

COPELAND BOROUGH COUNCIL JOBS REDESIGNATED FROM ESSENTIAL TO CASUAL USERS with effect from 1 APRIL 2012

Job Profile Number	Job Title	Number of postholders @ December 2011
DEVOP075	Development Control Manager	1
DEVOP071	Building Control Manager	1
DEVST077	Strategic Planning Manager	1
DEVST018	Senior Planning Technical Officer	1
DEVST035	Community Renewal Officer	1
DEVST080	Senior Planning Policy Officer	3
DEVST070	Housing Renewal Manager	1
DEVST062	Planning Policy Officer	1
LDS003	Legal Services Manager	1
LE012	Waste Services Manager	1
LE042	Bereavement Services Superintendent	1
PP004	Human Resources Manager	1

Signed Paul Walker Paul Walker, Chief Executive

For Copeland Borough Council

Date 14/12/2011

Signed [Signature] Kevin Young, Regional Officer

For the GMB

Date 19/12/11

Signed [Signature] David Armstrong, Regional Officer

For UNISON

David Atkinson, AREA ORGANISER

Date 14.12.2011

Signed [Signature] ^{JOHN KENNESY, REPRESENTATIVE} Alan McGuckin, Regional Officer

For UNITE the UNION

Date 20-12-2011



CAR ALLOWANCE SCHEME GUIDELINES AND PROCEDURES

February 2012

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1. INTRODUCTION

Copeland Borough Council is committed to the pursuit of sustainability objectives and seeking to maximise efficiency in the use of resources allocated to the provision of transport for official duties. It wishes to encourage its employees to only own and use vehicles that run on “green” fuels, maximise the efficient use of such fuels, and minimise the effect on the environment. Unnecessary or non-essential use of cars by employees in the conduct of their work will be discouraged.

Car allowances may be paid to employees where there is a genuine operational need for them to use their own motor vehicle on official Council business.

Where employees are required to use their cars on official Council business, they will be reimbursed, after authorisation, in accordance with the arrangements set out in this document.

2. SCOPE

The guidelines and procedures referred to in this document apply to all Copeland Borough Council employees covered by the terms of the National Joint Council for Local Government Services and the Joint Negotiating Committee for Chief Officers of Local Authorities. This includes full-time, part-time and temporary employees.

3. CRITERIA FOR DESIGNATION OF CAR ALLOWANCE STATUS

In general, employees using their cars on official Council business will be reimbursed the costs with the casual user mileage rate allowance. For those roles where the duties are such that is essential for the postholder to have a car at their disposal on a daily basis the relevant manager must complete the form 'Application for Designation as an Essential Car User' (see **Appendix 2**) which requires Head of Service approval prior to submission to the Corporate Director for the final decision.

4. GENERAL ISSUES

- a. "Business travel" is defined as any journey made as a requirement of a job holder's duties of employment. The costs can include parking costs but not parking, speeding or other fines which remain the responsibility of the driver. Anyone using a hire car, where the car is hired by the Council for that person's use, and the vehicle is recorded speeding, must accept responsibility for any fine which is notified to the Council as the hirer.
- b. Car allowances will be attached to the post an employee occupies and will not be a personal entitlement. Allowances may therefore be reduced or withdrawn should the needs of the service or duties of the post change.
- c. It is the responsibility of managers to ensure that all travel on official business is undertaken in the most effective/efficient way including co-ordination of travel, the use of public transport or hire car, particularly for journeys outside the Borough.
- d. Employees known to be invited to the same meeting are expected to pool travelling arrangements where practicable.
- e. Any employee who uses their vehicle on official business will be required to demonstrate that:
 - they hold suitable insurance cover indemnifying the Council against all claims arising out of the use of the vehicle for business purposes.
 - their vehicle is in a roadworthy condition
 - they hold a current driving licence
- f. The Council may, at any stage of employment, request that an employee who is in receipt of any car allowance provides evidence of any of the above requirements. Allowances may be withheld if they are unable to do so.
- g. Where it is cost effective to do so, it is expected that hire cars will be used for all journeys out of County which start and finish on the same day.
- h. When mileage out of County is involved and for personal preference a hire car is not used and it would have been more cost effective to do so, the lower mileage rate of 13.7p per mile will continue to be used. This rate is based on the NJC rate for 451-999cc after 8,500 miles and will be reviewed as and when any changes to the NJC rates occur..
- i. Any travel between an employee's home and normal place of work is **ordinary commuting** and **not** a business journey. The Council therefore requires the claimant to deduct from their ordinary commuting mileage from any business mileage claim made unless 3j. (below) applies.

- j. Claims in respect of journeys which start/finish at home, but which are shorter than if the journey had commenced from work can be claimed.
- k. Essential car user allowances for employees who apply and are subsequently appointed to a role that does not attract an essential car user allowance will cease on the date of appointment to the new post.

5. ESSENTIAL CAR USER ALLOWANCE

What is an essential car user allowance?

- a. An essential user allowance is paid to those employees whose duties are of such a nature that it is essential for them to have a car at their disposal on a daily basis and the procedures for essential user classification have been completed and approved. An annual lump sum is payable on a monthly basis plus a mileage rate for all business mileage undertaken.
- b. Essential car users who join or leave the Council's service part way through a year will receive the allowance on a pro-rata basis. Where a car is not in use as a result of either a mechanical defect or the absence of the employee through illness the employee is required to inform the Payroll Officer immediately. Where the employee's car is out of use due to mechanical fault, or the employee is absent from work then the lump sum will be paid for the remainder of the month the car first became unavailable, and for a further 3 months thereafter. If the car is still out of use after this 3-month period, the allowance will then be withdrawn.
- c. Under no circumstances will an essential user allowance continue to be paid if the employee has been banned from driving, or if the employee ceases to have access to a vehicle for business use.
- d. It should be noted that the annual allowance is not taxed at source, but reported by the Council to the Inland Revenue at year-end. Essential users are responsible for declaring their allowance to HMRC for income tax purposes.
- e. Current essential user allowance and mileage rates are at **Appendix 1***. The **lump sum** allowance will be based on the NJC lump sum for 1000-1199cc cars and will be reviewed as and when any changes to these rates occur.

6. CASUAL USER ALLOWANCE

What is a casual user allowance?

- a. A casual user allowance will be paid to those employees for whom it is desirable that a car should be available when required to carry out official duties and who do not qualify for essential user allowance.
- b. The current casual user mileage rates are at **Appendix 1***. These are in accordance with HMRC rates and will be reviewed as and when any changes to these rates occur.

7. TRAINING MILEAGE ALLOWANCE

What is a training mileage allowance?

- a. A training mileage allowance will be paid to those employees who use their own transport to attend training courses.

- b. The current training mileage rate is listed on **Appendix 1***. The rate will continue to be based on the NJC rate for 1000-1199cc after 8500 miles. This rate will be reviewed as and when any changes to the NJC rates occur.

8. REVIEW PROCESS

- a. A formal review of jobs designated as car users will be held on a bi-annual basis based on records of mileage and car usage from the previous two financial years.
- b. Where the review results in a change from Essential to Casual user, the employee will be given at least three months notice of the change. This will apply from the date of official notification of the result of the review.

Appeals

An employee who is not satisfied with the loss of essential user designation may lodge an appeal in writing to the Human Resources Manager within 10 working days of receipt of the written notification outlining the reasons for the appeal. An appeal hearing will be held with the appellant, an appropriate Head of Service, a Human Resources representative and a Trade Union representative. The appellant will be given the opportunity to be accompanied at this meeting by a work colleague or trade union representative.

9. AVAILABILITY OF CAR LOANS

A car user may apply to the Authority for financial assistance to purchase a car.

10. FALSIFIED CLAIMS

Falsified claims, including deliberate claims for mileage not taken or excessive journey mileage, shall be deemed to be fraudulent. If substantiated, such actions may constitute gross misconduct and could lead to dismissal.

*** Current rates are published on the Intranet or are available from HR**

Local Agreement 20 December 2011 applies.

Rates wef 1 April 2012

Essential Users

Lump Sum per annum	£963
Per mile first 8,500	40.9p
Per mile after 8,500	14.4p

Casual Users

Per mile	45 p
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Training Mileage Rate	14.4p
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Out of County Mileage Rate	13.7p
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Application for Designation as an Essential Car User

Job title		Job Profile Number	
Department		Directorate	

I outline below the justification for the above named post to be recognised as meeting the criteria for essential car user allowance.

Rating Scale √√√ Strong match √√ Good match √ Weak match

	Criteria	Rating	Manager Comments	HOS comments
1	The duties of the role are of such that it is essential for the postholder to have a car at their disposal on a daily basis			
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4	Journeys frequently involve travelling to more than one location			
5	There is an inherent need within the job to transport equipment or materials			
6	Other methods of transport are impractical for delivery of the service or the rescheduling of work			

7	There is a requirement for travel on a regular basis, i.e. majority of the post holder's working days (on average) and for a majority of their working time (on average)			
8	The nature of the duties undertaken expects the postholder to respond urgently to emergency situations			
9	There is a need to make business journeys during irregular hours such as early morning starts and late evening finishes in order to meet job requirements			
10	There is a need to make regular unplanned journeys where a speedy response is necessary and public transport is not available			

Justification completed by: Manager Date:

I support the above application Head of Service Date:

Decision by Corporate Director

I have considered the above information.
My decision is that the post should/should not * be designated as an essential car user for the following reasons;

Signed: Date